



Takara Leben Real Estate
Investment Corporation



Takara Leben Real Estate Investment Corporation

13th Fiscal Period Semi-Annual Report

From: March 1, 2024 To: August 31, 2024

Securities code: 3492

2-7-17 Hamamatsucho, Minato-ku, Tokyo

<https://takara-reit.co.jp/en/index.html>

To Our Unitholders



MIRARTH Real Estate Advisory Inc.
President
Takara Leben Real Estate Investment Corporation
Executive Director

Tetsuo Saida

We would like to express our sincere appreciation for your unwavering support of Takara Leben Real Estate Investment Corporation (the “Investment Corporation”) and its asset management company MIRARTH Real Estate Advisory Inc. (the “Asset Management Company”).

The Investment Corporation is pleased to announce the closing of its 13th fiscal period ended in August 2024. We would like to express our sincere appreciation to our unitholders for their support.

For the 13th fiscal period, operating revenue was 4,400 million yen, ordinary income was 2,143 million yen, and net income was 2,117 million yen. As a result, distributions per unit were 2,700 yen.

We will continue to aim to realize the “maximization of unitholder value,” “creation of a sustainable environment,” and “contribution to local communities and society” while securing stable earnings over the medium to long term pursuant to the investment policy of the Investment Corporation.

We would like to ask our unitholders for their continued support and encouragement.

Financial Highlights of the **13th** Fiscal Period

Distribution of the 13th fiscal period (per unit)

2,700 yen

Operating revenues

4,400 million yen

Operating income

2,584 million yen

Ordinary income

2,143 million yen

Net income

2,117 million yen

Total acquisition price

149,449 million yen
70 properties

End-of-period occupancy rate

98.6 %

Appraisal NOI yield

4.7 %

LTV ^(Note 1)

47.8 %

NAV per unit ^(Note 2)

108,325 yen

(Note 1) LTV = Total interest-bearing debt at end of period/Total assets at end of period

(Note 2) NAV=Total net assets at end of period - Total distributions + (Appraisal value of real estate properties owned - Book value of real estate properties owned at the end of period)

Distribution forecast for the 14th fiscal period (per unit)

2,700 yen

Distribution forecast for the 15th fiscal period (per unit)

2,700 yen

Overview of the Portfolio (As of August 31, 2024)

Category	Property number	Property name	Location	Acquisition price (million yen)	Appraisal NOI yield (%)	End-of-period occupancy rate (%)
Residence	R-01	Amare Tokaidori	Nagoya, Aichi	1,100	5.2	93.4
	R-02	Dormy Ukimafunado	Itabashi-ku, Tokyo	1,080	5.2	100.0
	R-03	Benefis Hakata-Minami Grand Sweet	Fukuoka, Fukuoka	1,032	5.3	97.5
	R-04	LUXENA HIGASHI-KOENJI	Suginami-ku, Tokyo	1,060	4.3	93.8
	R-06	J City Hatchobori	Hiroshima, Hiroshima	1,200	5.4	91.4
	R-07	LUXENA HEIWADAI	Nerima-ku, Tokyo	3,910	4.5	100.0
	R-08	LUXENA KACHIDOKI	Chuo-ku, Tokyo	1,120	4.3	96.1
	R-09	LUXENA HON-ATSUGI	Atsugi, Kanagawa	705	5.7	98.7
	R-10	LUXENA KADOMA	Kadoma, Osaka	2,000	4.9	99.4
	R-11	LUXENA TODAKOEN	Toda, Saitama	910	4.4	97.9
	R-12	LUXENA TODAKOEN II	Toda, Saitama	1,200	4.4	96.9
	R-13	LUXENA AKIHABARA	Taitou-ku, Tokyo	2,300	3.5	87.6
	R-14	Fiore Residence Dejima Kaigan Dori	Sakai, Osaka	560	5.3	89.3
	R-15	LUXENA MUSASHI-SHINJO	Kawasaki, Kanagawa	1,900	4.4	100.0
	R-16	LUXENA NAGAREYAMA OOTAKANOMORI	Nagareyama, Chiba	2,840	4.8	100.0
	R-17	PRIME SQUARE	Funabashi, Chiba	620	5.2	100.0
	R-18	Winbell Chorus SeisekiSakuragaoka	Tama, Tokyo	730	5.6	96.3
	R-19	Mare Isogo Building	Yokohama, Kanagawa	1,900	5.5	100.0
	R-20	TLR Residence Kawasaki Daishi	Kawasaki, Kanagawa	1,346	4.1	95.8
	R-21	TLR Residence Honmachi WEST	Osaka, Osaka	3,479	3.6	95.1
	R-22	TLR Residence Takaida	Higashiosaka, Osaka	942	4.7	94.6
	R-23	LUXENA KITASENJU	Adachi-ku, Tokyo	1,540	3.8	98.5
	R-24	La Vita Higashi Ueno	Taitou-ku, Tokyo	1,280	3.5	95.6
	R-25	LUXENA JOSHIN	Nagoya, Aichi	620	4.5	100.0
	R-26	LUXENA UMEKOJI-KYOTONISHI	Kyoto, Kyoto	725	4.4	96.2
	R-27	LUXENA KIYOMIZU-GOJO	Kyoto, Kyoto	515	4.5	92.2
	R-28	La Vita Nijo Gekko	Kyoto, Kyoto	515	4.2	100.0
	R-29	La Vita Toji	Kyoto, Kyoto	465	4.2	100.0
	R-30	TLR Residence Namba east	Osaka, Osaka	675	4.4	100.0
	R-31	TLR Residence Ryogoku	Sumida-ku, Tokyo	2,000	3.6	98.4
	R-32	TLR Residence Otorii	Ota-ku, Tokyo	1,470	3.5	94.7
	R-33	TLR Residence Kameari	Katsushika-ku, Tokyo	1,900	3.4	95.2
	R-34	Fiel Kiyofune	Nagoya, Aichi	1,500	4.7	100.0
	R-35	SERENITE Namba west	Osaka, Osaka	1,300	4.4	90.0
	R-36	Colline Ensoleille	Wako-shi, Saitama	970	5.1	100.0
	R-37	Rock Field Nishi-Oi	Shinagawa-ku, Tokyo	535	3.6	100.0
	R-38	La Vita YATSUKA-EKIMAE I・II	Soka, Saitama	970	5.2	96.1
	R-39	La Vita Shin-Okachimachi	Taitou-ku, Tokyo	500	3.5	100.0
	R-40	LUXENA TOYOCHO	Koto-ku, Tokyo	4,143	3.9	88.3
	R-41	La Vita Namba-Motomachi	Osaka, Osaka	1,130	4.3	95.4
	R-42	TLR Residence Machida	Machida, Tokyo	2,199	3.8	94.2
	R-43	Ark Stage I・II	Nagoya, Aichi	1,064	4.9	98.7
	Residence total/average			57,950	4.4	96.7
Offices	O-01	NT Building	Shinagawa-ku, Tokyo	12,350	4.0	100.0
	O-02	Higashi-Ikebukuro Central Place	Toshima-ku, Tokyo	9,780	4.4	92.3
	O-03	Nagoya Center Plaza Building	Nagoya, Aichi	4,870	5.4	100.0
	O-05	Omiya NSD Building	Saitama, Saitama	3,493	5.2	85.0
	O-07	Hakata Gion Building	Fukuoka, Fukuoka	2,500	5.2	100.0
	O-09	L.Biz Jimbocho	Chiyoda-ku, Tokyo	1,006	4.5	100.0
	O-11	L.Biz Sendai	Sendai-shi, Miyagi	1,680	5.3	100.0
	O-12	Sendai Nikko Building	Sendai-shi, Miyagi	1,740	4.8	100.0

Category	Property number	Property name	Location	Acquisition price (million yen)	Appraisal NOI yield (%)	End-of-period occupancy rate (%)
Offices	O-19	Yoyogi 1-chome Building	Shibuya-ku, Tokyo	1,850	4.0	100.0
	O-20	Kawagoe West Building	Kawagoe, Saitama	2,600	5.0	100.0
	O-21	HAKATA REISENMACHI Building	Fukuoka, Fukuoka	2,700	3.6	100.0
	O-22	TLR Kashiwa Building	Kashiwa, Chiba	2,905	4.6	95.2
	O-23	Solala garden OFFICE (2nd to 4th floors, unit ownership)	Sendai-shi, Miyagi	1,130	4.9	100.0
	Office total/average			48,604	4.5	97.4
Commercial facilities	C-01	Prio Daimyo II	Fukuoka, Fukuoka	980	4.9	100.0
	C-03	TA Shonan Kugenmakaigan	Fujisawa, Kanagawa	500	5.5	100.0
	C-05	YAMADA web.com Matsuyama Toiyacho	Matsuyama, Ehime	4,030	7.5	100.0
	C-06	Tecc LIFE SELECT Kobe Tarumi (Land)	Kobe, Hyogo	4,227	4.9	100.0
	C-07	AEON STYLE Onomichi (Land)	Onomichi, Hiroshima	900	5.4	100.0
	C-08	WECARS Sapporo Kiyota (Land)	Sapporo-shi, Hokkaido	1,610	4.5	100.0
	C-09	DCM Daiki Onomichi (Land)	Onomichi, Hiroshima	1,170	5.6	100.0
	C-10	Cainz Omiya	Saitama, Saitama	2,520	5.0	100.0
	C-11	APITA NAGOYA-MINAMI	Nagoya, Aichi	7,800	5.2	100.0
	C-12	WECARS Konosu (Land)	Konosu, Saitama	2,150	4.5	100.0
	C-13	YAMADA web.com Nara	Nara, Nara	4,850	5.7	100.0
	C-14	Tecc Land Hachioji Takao	Hachioji-shi, Tokyo	4,710	4.5	100.0
	Retail and other total/average			35,447	5.3	100.0
	Hotel	H-01	Dormy Inn Matsuyama	Matsuyama, Ehime	2,427	5.5
H-03		Dormy Inn Morioka	Morioka, Iwate	2,520	5.2	100.0
H-04		ACCESS by LOISIR HOTEL Nagoya	Nagoya, Aichi	2,500	4.9	100.0
Hotel total/average			7,447	5.2	100.0	
Portfolio total/average				149,449	4.7	98.6

(Note) "Appraisal value" is the appraisal value as stated in real estate appraisal report with August 31, 2024 as the valuation date.

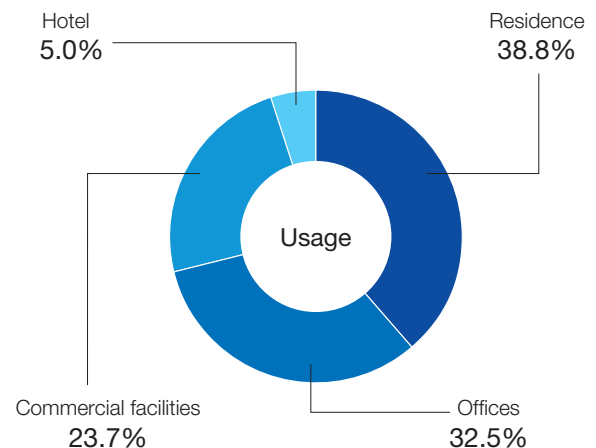
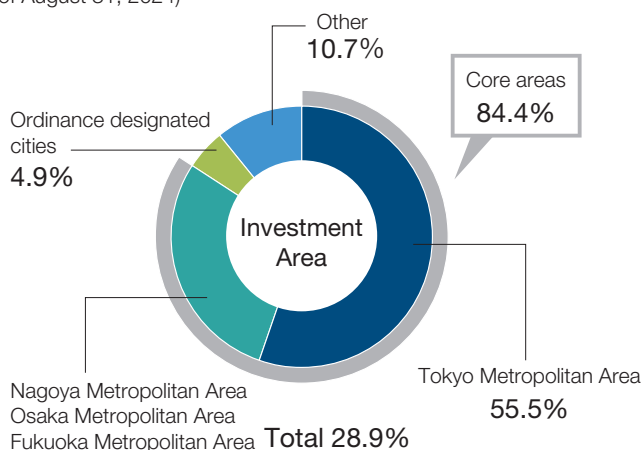
Portfolio Summary

	Number of properties	Acquisition price	Appraisal value	Average appraisal NOI yield
Total	70	149,449 million yen	160,632 million yen	4.7%

Status of Portfolio Diversification

Breakdown of the portfolio

(As of August 31, 2024)



* The percentages are rounded to the first decimal place.











ESG Initiatives

The Investment Corporation's Initiatives

We aim to maximize unitholder value, create a sustainable environment, and contribute to local communities and society through ESG (Environment, Social, and Governance) practices in asset management, in collaboration with the MIRARTH HOLDINGS Group.

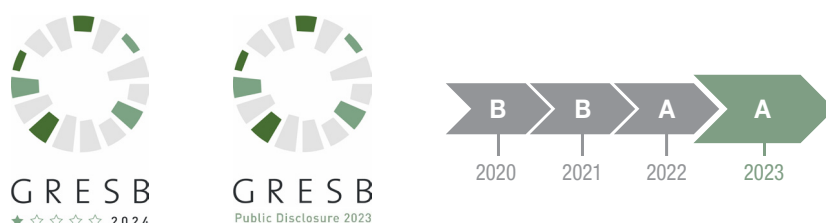
Basic Policy for Sustainability

- 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
1. Promoting initiatives for climate change (E)	<ol style="list-style-type: none"> 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 (E)	<ol style="list-style-type: none"> 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 (E)	<ol style="list-style-type: none"> 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 (S)	<ol style="list-style-type: none"> 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 (S)	<ol style="list-style-type: none"> 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 (G)	<ol style="list-style-type: none"> ① Ban political donations and prevent corruption ② Build an effective internal control system ③ Promote disclosure 	 

GRESB Assessment

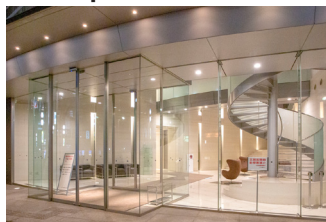
- Our score in the 2024 GRESB Real Estate Assessment score declined compared to previous years due to a change in the scoring method, **but we achieved a Green Star for the sixth consecutive year.**
- Achieved Level A, the highest rating,** in the GRESB Public Disclosure 2023, aimed at improving ESG information disclosure.



Environmental Initiatives

LED Conversion for Energy Saving

Example



NT Building
(entrance)



Yoyogi 1-chome Building
(leased room)



Higashi-Ikebukuro Central Place
(elevator lobby)

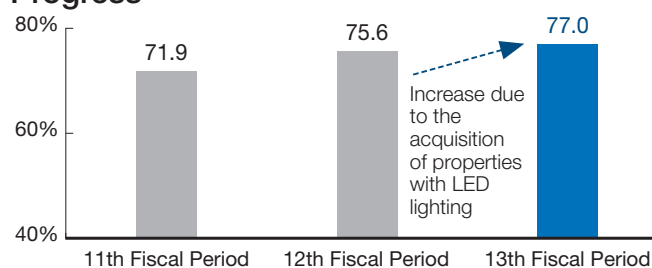


J City Hatchobori
(common areas)

LED conversion rate

Number of properties	Portfolio LED Conversion Rate	
51 properties	Total 77.0%	Of which, 91.4% in common areas
		Of which, 67.9% in exclusive areas

Progress



* Ratios are calculated based on area

Social Initiatives

Promoting communication with tenants

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

Completed installation of Terra Charge EV vehicle charging outlets at 11 residential and 2 office properties (Total: 60 units)

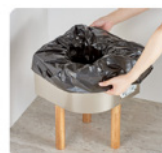
Services available via smartphone apps to enhance convenience for residents and EV users
Installation and application in progress at other properties



Enhancing resilience (adaptability to disasters, etc.)

Disaster prevention chairs installed in elevators of Nagoya Center Plaza Building for use in event of emergency elevator shutdown due to disasters, power outages, or breakdowns

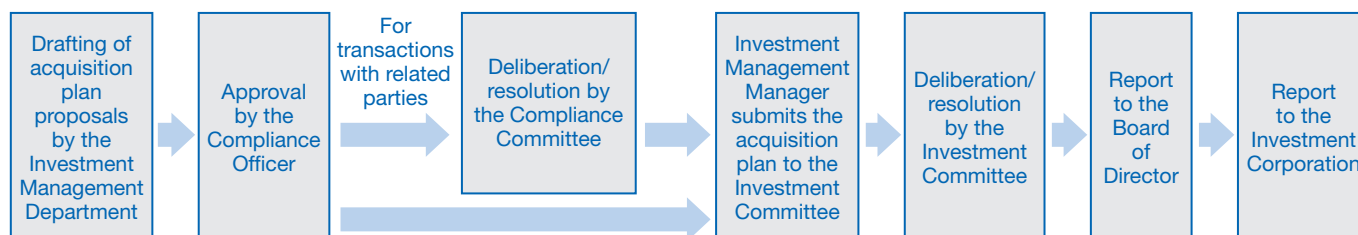
Adopted elevator disaster prevention chair equipped with various functions including emergency storage, emergency toilet, stool, and luggage storage; useful in both emergency situations and everyday life



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

Outline of Asset Management



Summary of Operating Results, Etc. of the Investment Corporation

Fiscal Period	9th Fiscal Period From: March 1, 2022 To: August 31, 2022	10th Fiscal Period From: September 1, 2022 To: February 28, 2023	11th Fiscal Period From: March 1, 2023 To: August 31, 2023	12th Fiscal Period From: September 1, 2023 To: February 29, 2024	13th Fiscal Period From: March 1, 2024 To: August 31, 2024
Operating revenues (million yen)	3,545	3,612	3,886	3,891	4,400
[Operating revenue from real estate leasing business] (million yen)	3,297	3,475	3,886	3,891	4,400
Operating expenses (million yen)	1,525	1,520	1,627	1,627	1,815
[Operating expenses from real estate leasing business] (million yen)	1,122	1,227	1,309	1,305	1,476
Operating income (million yen)	2,020	2,092	2,258	2,263	2,584
Ordinary income (million yen)	1,727	1,743	1,886	1,886	2,143
Net income (million yen)	1,726	1,717	1,860	1,861	2,117
Unitholders' capital (Note 2) (million yen)	57,382	63,801	68,299	68,299	76,326
Total number of investment units issued and outstanding (units)	575,000	638,600	691,335	691,335	780,820
Total assets (million yen)	122,302	133,774	142,604	142,693	161,256
[Rate of period-on-period increase (decrease)] (%)	0.8	9.4	6.6	0.1	13.0
Total net assets (million yen)	59,255	65,769	70,397	70,449	78,746
[Rate of period-on-period increase (decrease)] (%)	(0.1)	11.0	7.0	0.1	11.8
Net assets per unit (yen)	103,052	102,989	101,828	101,903	100,850
Total distributions (million yen)	1,729	1,730	1,809	1,847	2,108
Distributions per unit (yen)	3,008	2,710	2,617	2,672	2,700
[Distributions of earnings per unit] (yen)	3,008	2,710	2,617	2,672	2,700
Ordinary income to total assets (Note 3) (%)	1.4	1.4	1.4	1.3	1.4
(Annualized) (%)	2.8	2.7	2.7	2.7	2.8
Return on unitholders' equity (Note 3) (%)	2.9	2.7	2.7	2.6	2.8
(Annualized) (%)	5.8	5.5	5.4	5.3	5.6
Unitholders' equity to total assets (Note 3) (%)	48.4	49.2	49.4	49.4	48.8
[Period-on-period increase (decrease)]	(0.4)	0.7	0.2	0.0	(0.5)
Distribution payout ratio (Note 3) (%)	100.2	100.7	97.2	99.3	99.6
Other reference information					
Number of days during period (days)	184	181	184	182	184
Number of investment properties at end of period (properties)	48	54	63	63	70
Depreciation (million yen)	437	487	529	544	616
Capital expenditures (million yen)	261	473	398	527	599
NOI (Net Operating Income) from leasing (Note 3) (million yen)	2,611	2,734	3,105	3,130	3,539
FFO (Funds from Operation) (Note 3) (million yen)	1,915	2,067	2,390	2,405	2,733
FFO per unit (Note 3) (yen)	3,332	3,237	3,457	3,479	3,500
Interest-bearing debt (million yen)	58,275	63,080	67,150	67,150	77,020
LTV (Loan to Value) (Note 3) (%)	47.6	47.2	47.1	47.1	47.8

(Note 1) Amounts such as operating revenues do not include consumption taxes.

(Note 2) Changes in unitholders' capital due to distributing in excess of earnings from allowance for temporary difference adjustments have not been taken into account.

(Note 3) Calculations are based on the following formulas.

Ordinary income to total assets	$\text{Ordinary income} / [(\text{Total assets at beginning of period} + \text{Total assets at end of period}) / 2] \times 100$
Return on unitholders' equity	$\text{Net income} / [(\text{Net assets at beginning of period} + \text{Net assets at end of period}) / 2] \times 100$
Unitholders' equity to total assets	$\text{Net assets at end of period} / \text{Total assets at end of period} \times 100$
Distribution payout ratio	Distributions per unit (not including distributions in excess of earnings) / Net income per unit $\times 100$ If there is any capital increase through a public offering during a fiscal period, the distribution payout ratio is calculated by the following formula due to changes in the number of investment units. $\text{Total distributions (not including distributions in excess of earnings)} / \text{Net income} \times 100$
NOI (Net Operating Income) from leasing	$\text{Operating revenue from real estate leasing} - \text{Operating expenses from real estate leasing} + \text{Depreciation}$
FFO	$\text{Net income} + \text{Depreciation} - \text{Gain on sales of real estate properties} + \text{Loss on sales of real estate properties}$
FFO per unit	$\text{FFO} / \text{Total number of investment units issued and outstanding}$
LTV (Loan to Value)	$\text{Interest-bearing debt at end of period} / \text{Total assets at end of period} \times 100$

Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	12th Fiscal Period (As of February 29, 2024)	13th Fiscal Period (As of August 31, 2024)
Assets		
Current assets		
Cash and deposits	4,991,178	4,723,201
Cash and deposits in trust	2,163,461	2,776,415
Operating accounts receivable	121,926	146,383
Prepaid expenses	217,646	264,854
Consumption taxes refund receivable	-	171,411
Other	1,100	737
Total current assets	7,495,312	8,083,003
Non-current assets		
Property, plant and equipment		
Buildings	4,136,596	4,137,003
Accumulated depreciation	(396,728)	(445,672)
Buildings, net	3,739,867	3,691,330
Structures	28,587	28,587
Accumulated depreciation	(1,742)	(1,982)
Structures, net	26,845	26,605
Machinery and equipment	47,540	47,540
Accumulated depreciation	(10,696)	(11,885)
Machinery and equipment, net	36,844	35,655
Tools, furniture and fixtures	31,929	32,423
Accumulated depreciation	(14,551)	(17,071)
Tools, furniture and fixtures, net	17,377	15,351
Land	5,617,204	5,617,204
Buildings in trust	35,962,365	40,850,385
Accumulated depreciation	(3,252,866)	(3,799,604)
Buildings in trust, net	32,709,499	37,050,780
Structures in trust	202,677	264,922
Accumulated depreciation	(12,959)	(15,695)
Structures in trust, net	189,718	249,226
Machinery and equipment in trust	68,611	113,156
Accumulated depreciation	(5,882)	(9,910)
Machinery and equipment in trust, net	62,728	103,246
Tools, furniture and fixtures in trust	144,177	165,060
Accumulated depreciation	(34,303)	(43,976)
Tools, furniture and fixtures in trust, net	109,874	121,083
Land in trust	92,353,406	105,765,410
Construction in progress in trust	20,147	11,136
Total property, plant and equipment	134,883,512	152,687,030
Intangible assets		
Software	658	1,280
Total intangible assets	658	1,280
Investments and other assets		
Long-term prepaid expenses	268,678	384,132
Leasehold and security deposits	11,000	11,000
Other	10	45,372
Total investments and other assets	279,688	440,504
Total non-current assets	135,163,858	153,128,815
Deferred assets		
Investment unit issuance costs	34,199	44,941
Total deferred assets	34,199	44,941
Total assets	142,693,370	161,256,760

The accompanying notes are an integral part of these financial statements.

(Unit: thousand yen)

	12th Fiscal Period (As of February 29, 2024)	13th Fiscal Period (As of August 31, 2024)
Liabilities		
Current liabilities		
Operating accounts payable	509,275	475,940
Current portion of long-term loans payable	16,900,000	17,400,000
Current portion of tenant leasehold and security deposits in trust	62,103	62,103
Accounts payable – other	236,578	257,263
Accrued expenses	19,058	21,041
Income taxes payable	599	485
Accrued consumption taxes	64,343	-
Advances received	16,673	18,820
Other	9,050	6,143
Total current liabilities	17,817,683	18,241,797
Non-current liabilities		
Long-term loans payable	50,250,000	59,620,000
Tenant leasehold and security deposits	188,968	188,379
Tenant leasehold and security deposits in trust	3,771,799	4,226,563
Deferred tax liabilities	124,705	150,003
Asset retirement obligations	83,467	83,786
Other	7,620	111
Total non-current liabilities	54,426,562	64,268,845
Total liabilities	72,244,245	82,510,643
Net assets		
Unitholders' equity		
Unitholders' capital	68,299,018	76,326,001
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*1 (7,888)	*1 (7,888)
Total deduction from unitholders' capital	(7,888)	(7,888)
Unitholders' capital, net	68,291,129	76,318,113
Surplus		
Unappropriated retained earnings (undisposed loss)	2,157,995	2,428,003
Total surplus	2,157,995	2,428,003
Total unitholders' equity	70,449,125	78,746,116
Total net assets	*2 70,449,125	*2 78,746,116
Total liabilities and net assets	142,693,370	161,256,760

The accompanying notes are an integral part of these financial statements.

(2) Statement of Income

(Unit: thousand yen)

	12th Fiscal Period (from September 1, 2023 to February 29, 2024)	13th Fiscal Period (from March 1, 2024 to August 31, 2024)
Operating revenues		
Leasing business revenue	*1 3,704,943	*1 4,194,071
Other leasing business revenue	*1 186,608	*1 205,953
Total operating revenue	3,891,551	4,400,024
Operating expenses		
Expenses related to leasing business	*1 1,305,895	*1 1,476,152
Asset management fee	192,347	210,385
Asset custody and administrative service fees	32,619	30,028
Directors' compensations	2,400	2,400
Taxes and dues	27,107	31,246
Other operating expenses	67,556	65,246
Total operating expenses	1,627,926	1,815,459
Operating income	2,263,624	2,584,565
Non-operating income		
Interest income	33	777
Reversal of distributions payable	485	388
Refund of property taxes	260	986
Interest on tax refund	6	2
Income from insurance claims	302	72
Other	-	0
Total non-operating income	1,088	2,227
Non-operating expenses		
Interest expenses	246,063	286,094
Borrowing related expenses	118,112	139,055
Amortization of investment unit issuance costs	13,613	18,484
Total non-operating expenses	377,788	443,635
Ordinary income	1,886,924	2,143,157
Income before income taxes	1,886,924	2,143,157
Income taxes - current	605	605
Income taxes-deferred	25,285	25,297
Total income taxes	25,890	25,902
Net income	1,861,033	2,117,255
Retained earnings brought forward	296,961	310,748
Unappropriated retained earnings (undisposed loss)	2,157,995	2,428,003

The accompanying notes are an integral part of these financial statements.

(3) Statement of Changes in Net Assets

12th Fiscal Period (from September 1, 2023 to February 29, 2024)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus	
		Allowance for temporary difference adjustments	Total deduction from unitholders' capital				
Balance at beginning of period	68,299,018	(7,888)	(7,888)	68,291,129	2,106,185	2,106,185	70,397,315
Changes during the period							
Dividends of surplus					(1,809,223)	(1,809,223)	(1,809,223)
Net income					1,861,033	1,861,033	1,861,033
Total changes during the period	-	-	-	-	51,810	51,810	51,810
Balance at end of period	*1 68,299,018	(7,888)	(7,888)	68,291,129	2,157,995	2,157,995	70,449,125

(Unit: thousand yen)

	Total net assets
Balance at beginning of period	70,397,315
Changes during the period	
Dividends of surplus	(1,809,223)
Net income	1,861,033
Total changes during the period	51,810
Balance at end of period	70,449,125

The accompanying notes are an integral part of these financial statements.

13th Fiscal Period (from March 1, 2024 to August 31, 2024)

(Unit: thousand yen)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus	
		Allowance for temporary difference adjustments	Total deduction from unitholders' capital				
Balance at beginning of period	68,299,018	(7,888)	(7,888)	68,291,129	2,157,995	2,157,995	70,449,125
Changes during the period							
Issuance of new investment units	8,026,983			8,026,983			8,026,983
Dividends of surplus					(1,847,247)	(1,847,247)	(1,847,247)
Net income					2,117,255	2,117,255	2,117,255
Total changes during the period	8,026,983	-	-	8,026,983	270,007	270,007	8,296,991
Balance at end of period	*1 76,326,001	(7,888)	(7,888)	76,318,113	2,428,003	2,428,003	78,746,116

(Unit: thousand yen)

	Total net assets
Balance at beginning of period	70,449,125
Changes during the period	
Issuance of new investment units	8,026,983
Dividends of surplus	(1,847,247)
Net income	2,117,255
Total changes during the period	8,296,991
Balance at end of period	78,746,116

The accompanying notes are an integral part of these financial statements.

(4) Statement of Cash Distributions

(Unit: yen)

Category	12th Fiscal Period (from September 1, 2023 to February 29, 2024)	13th Fiscal Period (from March 1, 2024 to August 31, 2024)
I. Unappropriated retained earnings	2,157,995,798	2,428,003,702
II. Distributions in excess of earnings	-	-
Distributions in excess of earnings from allowance for temporary difference adjustments	-	-
III. Reversal of distributions in excess of earnings in previous periods	-	-
Reversal of allowance for temporary difference adjustments	-	-
IV. Distributions	1,847,247,120	2,108,214,000
[Distributions per unit]	[2,672]	[2,700]
Distributions of earnings	1,847,247,120	2,108,214,000
[Distributions of earnings per unit]	[2,672]	[2,700]
Distributions in excess of earnings from allowance for temporary difference adjustments	-	-
[Distributions in excess of earnings from allowance for temporary difference adjustments per unit]	[-]	[-]
V. Retained earnings carried forward	310,748,678	319,789,702
Method of calculation of amount of cash distributions	<p>Pursuant to the cash distribution policy defined in Article 36, Paragraph 1, Item 1 of the Articles of Incorporation of the Investment Corporation, the Investment Corporation shall distribute in excess of the amount equivalent to 90% of the distributable profit as defined in Article 67-15, Item 1 of the Act on Special Measures Concerning Taxation. In accordance with this policy, the Investment Corporation decided profit distribution (excluding the amount in excess of earnings) as 1,847,247,120 yen for the period. The amount of this profit distribution is the entire amount after deducting 310,748,678 yen as internal reserve for the purpose of stabilizing future distributions from unappropriated retained earnings. In addition, in consideration of the impact of the temporary difference between accounting and income tax (as defined in Article 2, Paragraph 2, Item 30 (a) of the Ordinance on Accountings of Investment Corporations) on dividends, the Investment Corporation will distribute the amount in excess of earnings which is equivalent to such a temporary difference in accordance with Article 36, Paragraph 1, Item 2 of the Articles of Incorporation. However, no such distribution was made due to internal reserve.</p>	<p>Pursuant to the cash distribution policy defined in Article 36, Paragraph 1, Item 1 of the Articles of Incorporation of the Investment Corporation, the Investment Corporation shall distribute in excess of the amount equivalent to 90% of the distributable profit as defined in Article 67-15, Item 1 of the Act on Special Measures Concerning Taxation. In accordance with this policy, the Investment Corporation decided profit distribution (excluding the amount in excess of earnings) as 2,108,214,000 yen for the period. The amount of this profit distribution is the entire amount after deducting 319,789,702 yen as internal reserve for the purpose of stabilizing future distributions from unappropriated retained earnings. In addition, in consideration of the impact of the temporary difference between accounting and income tax (as defined in Article 2, Paragraph 2, Item 30 (a) of the Ordinance on Accountings of Investment Corporations) on dividends, the Investment Corporation will distribute the amount in excess of earnings which is equivalent to such a temporary difference in accordance with Article 36, Paragraph 1, Item 2 of the Articles of Incorporation. However, no such distribution was made due to internal reserve.</p>

(5) Statement of Cash Flows

(Unit: thousand yen)

	12th Fiscal Period (from September 1, 2023 to February 29, 2024)	13th Fiscal Period (from March 1, 2024 to August 31, 2024)
Cash flows from operating activities		
Income before income taxes	1,886,924	2,143,157
Depreciation	545,072	616,244
Amortization of investment unit issuance costs	13,613	18,484
Borrowing related expenses	108,545	129,055
Interest income	(33)	(777)
Interest expenses	246,063	286,094
Decrease (increase) in operating accounts receivable	4,864	(24,456)
Decrease (increase) in consumption taxes refund receivable	-	(171,411)
Increase (decrease) in accrued consumption taxes	22,037	(64,343)
Decrease (increase) in prepaid expenses	18,111	(19,599)
Decrease (increase) in long-term prepaid expenses	18	(27,170)
Increase (decrease) in operating accounts payable	(62,702)	55,387
Increase (decrease) in accounts payable – other	3,122	19,684
Increase (decrease) in advances received	(7,575)	2,147
Other	(8,141)	(55,955)
Subtotal	2,769,919	2,906,542
Interest income received	33	777
Interest expenses paid	(247,359)	(284,112)
Income taxes paid	(604)	(718)
Net cash provided by (used in) operating activities	2,521,989	2,622,488
Cash flows from investing activities		
Purchase of property, plant and equipment	(448)	(708)
Purchase of property, plant and equipment in trust	(388,220)	(18,559,376)
Purchase of intangible assets	-	(798)
Proceeds from tenant leasehold and security deposits	109	111
Repayments of tenant leasehold and security deposits	(163)	(288)
Proceeds from tenant leasehold and security deposits in trust	13,667	169,745
Repayments of tenant leasehold and security deposits in trust	(64,145)	18,825
Net cash provided by (used in) investing activities	(439,200)	(18,372,489)
Cash flows from financing activities		
Proceeds from long-term loans payable	-	19,176,051
Repayments of long-term loans payable	-	(9,550,000)
Proceeds from issuance of investment units	-	7,997,757
Distributions paid	(1,808,908)	(1,846,753)
Net cash provided by (used in) financing activities	(1,808,908)	15,777,055
Net increase (decrease) in cash and cash equivalents	273,880	27,054
Cash and cash equivalents at beginning of period	4,064,749	4,338,630
Cash and cash equivalents at end of period	*1 4,338,630	*1 4,365,684

The accompanying notes are an integral part of these financial statements.

(6) Notes to Financial Statements**[Organization]**

Takara Leben Real Estate Investment Corporation (hereinafter, the “Investment Corporation”) was established with MIRARTH Real Estate Advisory Inc. (formerly Takara PAG Real Estate Advisory Ltd.; hereinafter, the “Asset Management Company”) as founding planner and capital of 150 million yen (1,500 units) on September 11, 2017, and completed its registration with the Kanto Local Finance Bureau on October 11, 2017 (Registration No. 129 filed with the Director-General of the Kanto Local Finance Bureau) in accordance with the Act on Investment Trusts and Investment Corporations (Act. No. 198 of 1951, as amended; hereinafter, the “Investment Trusts Act”). Subsequently, on July 27, 2018, the Investment Corporation was listed on the Tokyo Stock Exchange, Inc. (hereinafter, the “Tokyo Stock Exchange”) Real Estate Investment Trust Securities Market (Securities Code: 3492).

As of August 31, 2024, the Investment Corporation had a portfolio of 70 properties with a total acquisition price of 149,449 million yen and an occupancy rate of 98.6%.

[Basis of Presentation]

The accompanying financial statements have been prepared in accordance with the provisions set forth in the Investment Trusts Act, the Financial Instruments and Exchange Act of Japan and other related accounting regulations, and in conformity with accounting principles generally accepted in Japan (“Japanese GAAP”), which are different in certain aspects as to the application and disclosure requirements from International Financial Reporting Standards (“IFRS”) or accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The accompanying financial statements are the translation of the financial statements presented in the securities report of the Investment Corporation submitted to the Kanto Local Finance Bureau, which have been prepared in compliance with Japanese GAAP, translated into English.

In preparing the accompanying financial statements, in order to present the financial statements published in Japan in a more familiar manner to readers overseas, specific reclassification was applied. Amounts less than one thousand yen have been omitted. As a result, the totals presented in the accompanying financial statements and notes in yen do not necessarily agree with the sums of the individual amounts. The Investment Corporation does not have subsidiaries and thus does not prepare consolidated financial statements.

The accounting periods of the Investment Corporation are six-month periods ending at the end of February and the end of August of each year.

[Going Concern Assumption]

Not applicable.

[Summary of Significant Accounting Policies]

1. Method of Depreciation of Non-Current Assets	<p>(1) Property, plant and equipment (including property, plant and equipment in trust) Depreciation of property, plant and equipment is calculated by the straight-line method over the estimated useful lives as follows:</p> <table> <tr> <td>Buildings</td><td>2 to 66 years</td></tr> <tr> <td>Structures</td><td>10 to 65 years</td></tr> <tr> <td>Machinery and equipment</td><td>10 to 20 years</td></tr> <tr> <td>Tools, furniture and fixtures</td><td>2 to 18 years</td></tr> </table> <p>(2) Intangible assets Intangible assets are amortized by the straight-line method over the estimated useful lives as follows:</p> <table> <tr> <td>Software</td><td>5 years</td></tr> </table> <p>(3) Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.</p>	Buildings	2 to 66 years	Structures	10 to 65 years	Machinery and equipment	10 to 20 years	Tools, furniture and fixtures	2 to 18 years	Software	5 years
Buildings	2 to 66 years										
Structures	10 to 65 years										
Machinery and equipment	10 to 20 years										
Tools, furniture and fixtures	2 to 18 years										
Software	5 years										
2. Accounting for Deferred Assets	<p>Amortization of investment unit issuance costs Investment unit issuance costs are amortized by the straight-line method over three years.</p>										
3. Standards for Revenue and Expense Recognition	<p>(1) Standards regarding revenue recognition The details of main performance obligations concerning revenue from contracts with the Investment Corporation's customers and the general timing to satisfy performance obligations (general timing to recognize revenue) are as follows:</p> <p>1) Sales of real estate properties The Investment Corporation recognizes revenue from sales of real estate properties when buyers, as the customers, obtain control of the real estate properties upon fulfilling its delivery obligations specified in the purchase and sales agreements. In the statement of income, an amount after deducting the "cost of sales of real estate properties," which is the book value of the properties, and "other sales expenses," which is expenses directly incurred in selling, from "revenue on sales of real estate properties," which is the sale price of the properties, is presented as "gain on sales of real estate properties" or "loss on sales of real estate properties."</p> <p>2) Utilities reimbursement revenue The Investment Corporation recognizes utilities reimbursement revenue in accordance with the supply of electricity, water, etc. to lessees, as the customers, based on the terms of the lease agreements and the supplementary agreements for the real estate properties.</p> <p>(2) Accounting for property related taxes Of the amount of property taxes, city planning taxes and depreciable asset taxes that was assessed and determined, the amount corresponding to the relevant fiscal period is expensed as expenses related to leasing business. When an Investment Corporation acquires real estate, the amount equivalent to the property-related taxes reimbursed to the seller for the period from the acquisition date to the end of the calendar year of the acquisition is capitalized as acquisition costs of real estate instead of being charged as expenses. The amount of property-related taxes included in the acquisition cost of real estate was 50,057 thousand yen for the fiscal period ended August 31, 2024 (13th Period).</p>										
4. Scope of Cash and Cash Equivalents on the Statement of Cash Flows	<p>Cash and cash equivalents on the statement of cash flows include cash on hand, entrusted cash, demand deposits, entrusted bank deposits, and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to cash which are subject to an insignificant risk of changes in value.</p>										
5. Other Matters Serving as the Basis for Preparation of Financial Statements	<p>(1) Accounting policy for trust beneficiary interests in real estate The Investment Corporation accounts for trust beneficiary interests by recognizing all assets and liabilities with respect to the assets in trust as assets and liabilities on the balance sheet and recognizing all income derived from and expenses related to the assets in trust on the statement of income. The following material items of the trust assets recognized in the relevant account item are separately listed on the balance sheet.</p> <p>1) Cash and deposits in trust</p> <p>2) Buildings in trust; Structures in trust; Machinery and equipment in trust; Tools, furniture and fixtures in trust; Land in trust; Construction in progress in trust</p> <p>3) Current portion of tenant leasehold and security deposits in trust, and tenant leasehold and security deposits in trust</p> <p>(2) Accounting for non-deductible consumption taxes Non-deductible consumption taxes related to the acquisition of assets are included in the acquisition cost of individual assets.</p>										

[Notes to Balance Sheet]

*1 Allowance for temporary difference adjustments

12th Fiscal Period (from September 1, 2023 to February 29, 2024)

1. Details of Allowance for Temporary Difference Adjustments

(Unit: thousand yen)

Item	Reason for provision	Initial amount	Balance at beginning of period	Provision	Reversal	Balance at end of period	Reason for reversal
Buildings in trust	Temporary difference between accounting and taxable income related to asset retirement obligations	97,776 (Note)	7,888	-	-	7,888	-
Total		97,776	7,888	-	-	7,888	-

(Note) The initial amount for buildings in trust is the total amount of temporary differences arising from related assets, which is the basis for provision and reversals.

2. Specific method for reversal

(1) Buildings in trust

The allowance for temporary difference adjustments will be reversed when asset retirement obligations is derecognized through the demolition or sale of buildings.

13th Fiscal Period (from March 1, 2024 to August 31, 2024)

1. Details of Allowance for Temporary Difference Adjustments

(Unit: thousand yen)

Item	Reason for provision	Initial amount	Balance at beginning of period	Provision	Reversal	Balance at end of period	Reason for reversal
Buildings in trust	Temporary difference between accounting and taxable income related to asset retirement obligations	97,776 (Note)	7,888	-	-	7,888	-
Total		97,776	7,888	-	-	7,888	-

(Note) The initial amount for buildings in trust is the total amount of temporary differences arising from related assets, which is the basis for provision and reversals.

2. Specific method for reversal

(1) Buildings in trust

The allowance for temporary difference adjustments will be reversed when asset retirement obligations is derecognized through the demolition or sale of buildings.

*2 Minimum net assets as provided in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Unit: thousand yen)

12th Fiscal Period (As of February 29, 2024)	13th Fiscal Period (As of August 31, 2024)
50,000	50,000

[Notes to Statement of Income]

*1 Breakdown of operating income from real estate leasing business

(Unit: thousand yen)

	12th Fiscal Period (from September 1, 2023 to February 29, 2024)	13th Fiscal Period (from March 1, 2024 to August 31, 2024)
A. Operating revenue from real estate leasing business		
Leasing business revenue		
Rental revenue	3,415,091	3,882,970
Common area charges	180,284	190,158
Parking revenue	87,671	96,254
Other rental revenue	21,895	24,688
	3,704,943	4,194,071
Other leasing business revenue		
Utilities reimbursement revenue	120,434	135,467
Other revenue	66,174	70,485
	186,608	205,953
Total operating revenue from real estate leasing business	3,891,551	4,400,024
B. Operating expenses from real estate leasing business		
Expenses related to leasing business		
Management fees	264,132	328,170
Utilities expenses	122,358	141,748
Taxes and dues	256,573	278,510
Insurance premiums	7,643	8,262
Repair expenses	86,355	76,013
Trust fees	19,325	21,794
Depreciation	544,688	616,068
Other expenses	4,819	5,584
Total operating expenses from real estate leasing business	1,305,895	1,476,152
C. Operating income (loss) from real estate leasing business (A—B)	2,585,656	2,923,872

[Notes to Statement of Changes in Net Assets]

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

	12th Fiscal Period (from September 1, 2023 to February 29, 2024)	13th Fiscal Period (from March 1, 2024 to August 31, 2024)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	691,335 units	780,820 units

[Notes to Statement of Cash Flows]

*1 Reconciliation between cash and cash equivalents at end of period and relevant amount on the balance sheet

(Unit: thousand yen)

	12th Fiscal Period (from September 1, 2023 to February 29, 2024)	13th Fiscal Period (from March 1, 2024 to August 31, 2024)
Cash and deposits	4,991,178	4,723,201
Cash and deposits in trust	2,163,461	2,776,415
Deposits and deposits in trust for limited use (Note)	(2,816,009)	(3,133,932)
Cash and cash equivalents	4,338,630	4,365,684

(Note) Deposits and deposits in trust are reserved for the repayment of security deposits from tenants.

[Lease Transactions]

Operating leases (as lessor)

Future minimum lease payments

(Unit: thousand yen)

	12th Fiscal Period (As of February 29, 2024)	13th Fiscal Period (As of August 31, 2024)
Due within 1 year	1,612,053	1,792,381
Due after 1 year	8,830,058	8,442,697
Total	10,442,111	10,235,078

This information is not disclosed as there is no significant need for it in this Financial Report.

[Financial Instruments]

1. Our Policy on Financial Instruments

(1) Policy for financial instruments

The Investment Corporation's financing policy is to maintain a sound financial foundation by improving balance sheet stability for the purpose of producing stable profits and achieving continued growth of the Investment Corporation's unitholder value through equity and debt financing.

The Investment Corporation effectively controls debt maturities by diversifying the repayment dates and maintains diversified funding sources and multiple financing options as well as an appropriate level of fixed interest rate ratio.

The Investment Corporation conduct equity financing at appropriate timing when the Investment Corporation needs funds to acquire properties, conducts repairs and other work, pay expenses to operate the Investment Corporation and repay the Investment Corporation's obligations upon considering the dilutive effect of equity finance and market conditions.

The Investment Corporation will consider the market risk and liquidity risk when the Investment Corporation invests surplus funds.

The Investment Corporation uses financial derivative transactions only to reduce the Investment Corporation's interest rate fluctuation risk and not for speculative purposes.

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

The Investment Corporation takes out borrowings to acquire the properties and repay the Investment Corporation's indebtedness and is exposed to refinancing and interest rate fluctuation risk. The Investment Corporation minimizes those risks by diversifying funding sources and maintaining an appropriate level of LTV through equity financing and fixed interest rate ratio.

(3) Supplementary information on fair value of financial instruments

Certain assumptions are adopted in the calculation of the fair value of financial instruments, and there can be cases where the value may differ depending on different assumptions.

2. Fair Value of Financial Instruments

The carrying amount, the fair value, and the difference between them as of February 29, 2023, and as of August 31, 2024, are as follows. The notes for "cash and deposits" and "cash and deposits in trust" are omitted as they are cash and short-term settlements, and the fair value approximates the book value.

12th Fiscal Period (As of February 29, 2024)

	Carrying amount (thousand yen)	Fair value (thousand yen)	Difference (thousand yen)
(1) Current portion of long-term loans payable	16,900,000	16,905,503	5,503
(2) Long-term loans payable	50,250,000	50,169,599	(80,400)

13th Fiscal Period (As of August 31, 2024)

	Carrying amount (thousand yen)	Fair value (thousand yen)	Difference (thousand yen)
(1) Current portion of long-term loans payable	17,400,000	17,406,344	6,344
(2) Long-term loans payable	59,620,000	59,517,802	(102,197)

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

(1) Current portion of long-term loans payable; (2) Long-term loans payable

Of long-term loans payable, those with fixed interest rates are calculated by discounting the total amount of principal and interest by the interest rate assumed to be applied if a new similar loan is taken out corresponding to the remaining period. As interest rates of long-term loans payable with floating interest rates are reflected by market interest rates periodically, their fair values are considered to be approximately equal to their book values.

(Note 2) Maturity analysis of long-term loans payable (February 29, 2024)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year and within 2 years	Due after 2 years and within 3 years	Due after 3 years and within 4 years	Due after 4 years and within 5 years	Due after 5 years
Long-term loans payable	16,900,000	16,600,000	13,630,000	15,130,000	4,890,000	-
Total	16,900,000	16,600,000	13,630,000	15,130,000	4,890,000	-

Maturity analysis of long-term loans payable (August 31, 2024)

(Unit: thousand yen)

	Due within 1 year	Due after 1 year and within 2 years	Due after 2 years and within 3 years	Due after 3 years and within 4 years	Due after 4 years and within 5 years	Due after 5 years
Long-term loans payable	17,400,000	14,400,000	20,470,000	17,350,000	7,400,000	-
Total	17,400,000	14,400,000	20,470,000	17,350,000	7,400,000	-

[Securities]

12th Fiscal Period (As of February 29, 2024)

Not applicable.

13th Fiscal Period (As of August 31, 2024)

Not applicable.

[Derivative Transactions]

1. Derivative transactions to which hedge accounting is not applied

12th Fiscal Period (As of February 29, 2024)

Not applicable.

13th Fiscal Period (As of August 31, 2024)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

12th Fiscal Period (As of February 29, 2024)

Not applicable.

13th Fiscal Period (As of August 31, 2024)

Not applicable.

[Retirement Benefits]

12th Fiscal Period (As of February 29, 2024)

Not applicable.

13th Fiscal Period (As of August 31, 2024)

Not applicable.

[Tax-Effect Accounting]

1. Breakdown of Deferred Tax Assets and Deferred Tax Liabilities

	(Unit: thousand yen)	
	12th Fiscal Period (As of February 29, 2024)	13th Fiscal Period (As of August 31, 2024)
Deferred tax assets		
Asset retirement obligations	26,258	26,359
Deferred consumption taxes	148,291	119,264
Subtotal of deferred tax assets	174,550	145,623
Valuation allowance	(6,668)	(7,256)
Total deferred tax assets	167,882	138,367
Deferred tax liabilities		
Property, plant and equipment related to asset retirement obligations	19,594	19,102
Non-deductible consumption taxes related to property, plant and equipment	268,117	265,702
Non-deductible consumption taxes related to deferred assets	4,875	3,565
Total deferred tax liabilities	292,587	288,371
Net deferred tax liabilities	124,705	150,003

2. Reconciliation of Significant Differences Between the Statutory Tax Rate and the Effective Income Tax Rate

	(Unit: %)	
	12th Fiscal Period (As of February 29, 2024)	13th Fiscal Period (As of August 31, 2024)
Statutory tax rate	31.46	31.46
(Adjustments)		
Deductible distributions	(30.15)	(30.31)
Other	0.06	0.06
Effective income tax rate	1.37	1.21

[Related-Party Transactions]

1. Parent company, major corporate unitholders

12th Fiscal Period (from September 1, 2023 to February 29, 2024)

Not applicable.

13th Fiscal Period (from March 1, 2024 to August 31, 2024)

Not applicable.

2. Affiliated companies

12th Fiscal Period (from September 1, 2023 to February 29, 2024)

Not applicable.

13th Fiscal Period (from March 1, 2024 to August 31, 2024)

Not applicable.

3. Fellow subsidiaries

12th Fiscal Period (from September 1, 2023 to February 29, 2024)

Not applicable.

13th Fiscal Period (from March 1, 2024 to August 31, 2024)

Not applicable.

4. Directors, major individual unitholders

12th Fiscal Period (from September 1, 2023 to February 29, 2024)

Type	Name	Location	Stated capital (million yen)	Business or occupation	Percentage of voting rights (owned) (%)	Relationship	Transaction	Transaction amount (thousand yen)	Account item	Balance at end of the period (thousand yen)
Director	Tetsuo Saida	-	-	Executive Director, Takara Leben Real Estate Investment Corporation and Representative Director and President, MIRARTH Real Estate Advisory Inc.	-	Executive Director, Takara Leben Real Estate Investment Corporation and Representative Director, President, MIRARTH Real Estate Advisory Inc.	Payment of asset management fee to the asset manager	192,347	Accounts payable – other	211,581

(Note 1) The transaction amount does not include consumption tax, while the balance at end of the period includes consumption tax.

(Note 2) The transaction amount is based on the terms and conditions provided in the Articles of Incorporation of the Investment Corporation and asset management agreement.

(Note 3) The Company decides on transactions in light of the market situation, the content of services provided, overall operational capacity and other factors.

13th Fiscal Period (from March 1, 2024 to August 31, 2024)

Type	Name	Location	Stated capital (million yen)	Business or occupation	Percentage of voting rights (owned) (%)	Relationship	Transaction	Transaction amount (thousand yen)	Account item	Balance at end of period (thousand yen)
Director	Tetsuo Saida	-	-	Executive Director, Takara Leben Real Estate Investment Corporation and Representative Director and President, MIRARTH Real Estate Advisory Inc.	-	Executive Director, Takara Leben Real Estate Investment Corporation and Representative Director, President, MIRARTH Real Estate Advisory Inc.	Payment of asset management fee to the asset manager	383,195	Accounts payable – other	231,424

(Note 1) The transaction amount does not include consumption tax, while the balance at end of the period includes consumption tax.

(Note 2) The transaction amount is based on the terms and conditions provided in the Articles of Incorporation of the Investment Corporation and asset management agreement.

(Note 3) The Company decides on transactions in light of the market situation, the content of services provided, overall operational capacity and other factors.

(Note 4) Asset management fees include the property acquisition fee of 172,810 thousand yen recorded as the book value of the acquired properties.

[Profit or Loss of Affiliates Accounted for Under the Equity Method]

12th Fiscal Period (from September 1, 2023 to February 29, 2024)

Not applicable.

13th Fiscal Period (from March 1, 2024 to August 31, 2024)

Not applicable.

[Asset Retirement Obligations]

12th Fiscal Period (from September 1, 2023 to February 29, 2024)

1. Asset retirement obligations booked on the balance sheets

(1) Overview of the asset retirement obligations

The Investment Corporation recorded asset retirement obligations to remove asbestos from Nagoya Center Plaza Building and Sendai Nikko Building, which were acquired on July 30, 2018.

(2) Measurement of the asset retirement obligations

Asset retirement obligations are calculated by estimating the expected period of use based on the useful life of the properties and using the discount rates below.

Item	Property name	Expected period of use	Discount rate
Asbestos	Nagoya Center Plaza Building	26 years	0.748%
	Sendai Nikko Building	31 years	0.833%

13th Fiscal Period (from March 1, 2024 to August 31, 2024)

1. Asset retirement obligations booked on the balance sheets

(1) Overview of the asset retirement obligations

The Investment Corporation recorded asset retirement obligations to remove asbestos from Nagoya Center Plaza Building and Sendai Nikko Building, which were acquired on July 30, 2018.

(2) Measurement of the asset retirement obligations

Asset retirement obligations are calculated by estimating the expected period of use based on the useful life of the properties and using the discount rates below.

Item	Property name	Expected period of use	Discount rate
Asbestos	Nagoya Center Plaza Building	26 years	0.748%
	Sendai Nikko Building	31 years	0.833%

(3) Movements of the asset retirement obligations

(Unit: thousand yen)

	12th Fiscal Period (from September 1, 2023 to February 29, 2024)	13th Fiscal Period (from March 1, 2024 to August 31, 2024)
Balance at beginning of period	83,152	83,467
Increase due to acquisition of properties	-	-
Decrease due to disposition of properties	-	-
Adjustment for passage of time	314	319
Balance at end of period	83,467	83,786

[Segment Information]

(Segment information)

Disclosure is omitted because the Investment Corporation operates a single segment of the real estate leasing business.

(Related information)

12th Fiscal Period (from September 1, 2023 to February 29, 2024)

(1) Information by product and service

Disclosure is omitted because operating revenues from external customers in a single product and service category exceed 90% of operating revenues on the statement of income.

(2) Information by geographical area

1) Operating revenues

Disclosure is omitted because operating revenues from external customers in Japan exceed 90% of operating revenues on the statement of income.

2) Property, plant and equipment

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

(3) Information by major customers

(Unit: thousand yen)

Name of customer	Operating revenues	Related segment
Yamada Holdings Co., Ltd.	420,520	Real estate leasing business

13th Fiscal Period (from March 1, 2024 to August 31, 2024)

(1) Information by product and service

Disclosure is omitted because operating revenues from external customers in a single product and service category exceed 90% of operating revenues on the statement of income.

(2) Information by geographical area

1) Operating revenues

Disclosure is omitted because operating revenues from external customers in Japan exceed 90% of operating revenues on the statement of income.

2) Property, plant and equipment

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

(3) Information by major customers

(Unit: thousand yen)

Name of customer	Operating revenues	Related segment
Yamada Holdings Co., Ltd.	538,082	Real estate leasing business

[Investments in Rental Properties]

The Investment Corporation owns residence, office, retail, and hotel properties for the purpose of earning rental income mainly in the four major metropolitan areas and the major regional cities. The carrying amount, and fair value of these investments in rental properties are as follows:

(Unit: thousand yen)

	12th Fiscal Period (from September 1, 2023 to February 29, 2024)	13th Fiscal Period (from March 1, 2024 to August 31, 2024)
Carrying amount		
Balance at beginning of period	134,900,581	134,883,512
Increase (decrease) during the period	(17,069)	17,803,517
Balance at end of period	134,883,512	152,687,030
Fair value at end of period	141,272,000	160,632,000

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

(Note 2) In the fiscal period ended February 29, 2024, the main increase is attributable to capital expenditures (527,618 thousand yen), and the main decrease is attributable to depreciation (544,688 thousand yen). In the fiscal year ended August 31, 2024, the main increase is attributable to the acquisition of trust beneficiary interests for seven properties (17,819,622 thousand yen), and the main decrease is attributable to depreciation (616,068 thousand yen).

(Note 3) Fair value at end of period is the disposition price for properties for which a disposition agreement has been executed and the appraisal value by an independent real estate appraiser for other properties.

The income (loss) concerning investment and rental properties for the fiscal period ended February 29, 2024 (12th Fiscal Period) and the fiscal period ended August 31, 2024 (13th Fiscal Period) is as stated in "Notes to Statement of Income."

[Revenue Recognition]

12th Fiscal Period (from September 1, 2023 to February 29, 2024)

Breakdown of Information about revenue from contracts with customers

Major revenues generated from contracts with customers are "utilities reimbursement revenue." As for the amounts, refer to "**1 Breakdown of operating income from real estate leasing business" in the "Notes to Statement of Income" above. As for revenue from the real estate leasing business to which the Accounting Standard for Lease Transactions (ASBJ Statement No. 13) is applied, as the Standard for Revenue Recognition is not applied, they are not included in the revenues generated from contracts with customers.

13th Fiscal Period (from March 1, 2024 to August 31, 2024)

Breakdown of Information about revenue from contracts with customers

Major revenues generated from contracts with customers are "utilities reimbursement revenue." As for the amounts, refer to "**1 Breakdown of operating income from real estate leasing business" in the "Notes to Statement of Income" above. As for revenue from the real estate leasing business to which the Accounting Standard for Lease Transactions (ASBJ Statement No. 13) is applied, as the Standard for Revenue Recognition is not applied, they are not included in the revenues generated from contracts with customers.

[Per Unit Information]

	12th Fiscal Period (from September 1, 2023 to February 29, 2024)	13th Fiscal Period (from March 1, 2024 to August 31, 2024)
Net assets per unit	101,903 yen	100,850 yen
Net income per unit	2,691 yen	2,713 yen

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

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

	12th Fiscal Period (from September 1, 2023 to February 29, 2024)	13th Fiscal Period (from March 1, 2024 to August 31, 2024)
Net income (thousand yen)	1,861,033	2,117,255
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	1,861,033	2,117,255
Average number of investment units during period (units)	691,335	780,256

[Significant Subsequent Events]

a. Issuance of New Investment Units

Pursuant to the resolutions on the issuance of new investment units made at the Board of Directors' meetings held on August 29, 2024, and September 5, 2024, the Investment Corporation issued 123,810 new investment units through public offering and 6,190 new investment units through third-party allotment, for which payment of 10,409,325,750 yen and that of 520,424,250 yen were completed on September 11, 2024, and October 8, 2024, respectively. As a result, unitholders' capital was 87,255,751,525 yen and the total number of investment units issued and outstanding was 910,820 units as of October 8, 2024.

<Issuance of New Investment Units through Public Offering>

- Number of new investment units issued: 123,810 units
- Issue price (offer price): 87,067 yen per unit
- Total issue price (offer price): 10,779,765,270 yen
- Issue price (paid-in amount): 84,075 yen per unit
- Total issue price (paid-in amount): 10,409,325,750 yen
- Payment date: September 11, 2024
- Purpose of funds raised: Allocation to funds for acquisition of domestic real estate trust beneficiary interests per " 3. Acquisition of Assets," below, and allocation to a portion of associated costs

<Issuance of new investment units through third-party allotment>

- Number of new investment units issued: 6,190 units
- Issue price (paid-in amount): 84,075 yen per unit
- Total issue price (paid-in amount): 520,424,250 yen
- Payment date: October 8, 2024
- Purpose of funds raised: The funds will be used for a portion of the repayment of borrowings or for a portion of future acquisition of specified assets.

b. Borrowing of Funds

The Investment Corporation conducted the borrowings below on September 12, 2024, to acquire ten domestic real estate trust beneficiary interests as stated in "c. Acquisition of Assets" and to cover a portion of the associated costs.

Category (Note 1)	Lender	Amount borrowed (million yen)	Interest rate (Note 3)	Drawdown date	Repayment date (Note 4)	Repayment method	Notes
Long-term loans payable	A syndicate of lenders arranged by Sumitomo Mitsui Banking Corporation (Note 2)	3,000	Base interest rate (Note 3) +0.50%	September 12, 2024	August 31, 2028	Lump-sum repayment on maturity	Unguaranteed/ unsecured
		11,200	Base interest rate (Note 3) +0.60%		August 31, 2029		
Total		14,200	-	-	-	-	-

(Note 1) "Long-term loans payable" refers to loans with a maturity of more than one year from the drawdown date to the repayment date.

(Note 2) The "syndicate of lenders" is composed of Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd., SBI Shinsei Bank, Ltd., Sumitomo Mitsui Trust Bank, Ltd., Aozora Bank, Ltd., Resona Bank, Limited., The Bank of Fukuoka, Ltd., Kansai Mirai Bank, Limited, The Iyo Bank, Ltd., The Ashikaga Bank, Ltd., The Yamagata Bank, Ltd., The Tochigi Bank, Ltd., The Bank of Kyoto, Ltd., and The Juhachi-Shinwa Bank, Ltd.

(Note 3) The first interest payment date is September 30, 2024, and subsequent interest payment dates will be the last day of every month and the principal repayment date. If the payment date is not a bank business day, it will be the next business day. If the next business day is in the next month, the payment date will be the previous business day. The base interest rate is the 1-month JBA Japanese Yen TIBOR published by the JBA TIBOR Administration (JBATA). However, if the rate for the interest period is not published, the base interest rate will be determined based on the method stipulated in the contract. The base interest rate corresponding to the calculation period of each interest payment due date will be determined two business days immediately before the borrowing date for the first interest calculation period and two business days before the interest payment due date immediately before the interest calculation period thereafter.

(Note 4) From the date of borrowing to the repayment date, all or part of the borrowings may be repaid in advance upon prior written notice, provided that certain conditions are met. If the repayment date is not a bank business day, it will be the next business day. If the next business day is in the next month, the repayment date will be the previous business day.

c. Acquisition of assets

The Investment Corporation acquired the following domestic real estate trust beneficiary interests on September 12, 2024.

Category	Property number (Note 1)	Property name	Location	Acquisition price (million yen) (Note 2)	Seller
Residence	R-44	LUXENA HACHIOJI MINAMICHO	Hachioji City, Tokyo	1,520	GK Island Ship No. 5
	R-45	LUXENA KINSHICHO	Koto Ward, Tokyo	987	
	R-46	LUXENA HEIWAJIMA	Ota Ward, Tokyo	1,190	
	R-47	LUXENA HACHIOJI-SHINMACHI	Hachioji City, Tokyo	1,280	
	R-48	LUXENA TABATA-KITA	Arakawa Ward, Tokyo	1,390	
	R-49	LUXENA WAKO	Wako City, Saitama	1,070	
	R-50	TLR Residence Sendai east	Sendai City, Miyagi	1,350	Takara Leben CO., LTD.
Hotel	H-05	QUINTESSA HOTEL SAPPORO	Sapporo City, Hokkaido	5,350	Undisclosed (Note 3)
	H-06	APA HOTEL KAMATAEKI-HIGASHI	Ota Ward, Tokyo	6,500	
	H-07	HOTEL LIVEMAX SHINJUKUKABUKICHOMEI JIDORI	Shinjuku Ward, Tokyo	3,400	
Total			-	24,037	

(Note 1) The letter R at the beginning of a property number signifies a residential property. The letter H signifies a hotel.

(Note 2) "Acquisition price" is the purchase price (excluding consumption tax, local consumption tax, and miscellaneous expenses required in acquisition) stated in the real estate trust beneficiary interests purchase agreement for each investment asset. The price is rounded down to the nearest million yen.

(Note 3) The sellers of QUINTESSA HOTEL SAPPORO, APA HOTEL KAMATAEKI-HIGASHI, and HOTEL LIVEMAX SHINJUKU KABUKICHOMEIJIDORI are domestic. However, as we have not obtained consent from the sellers to disclose the information, the information are not disclosed. *godo kaisha*

(7) Supplementary Schedules

1. Securities

(1) Stocks

Not applicable.

(2) Securities other than stocks

Not applicable.

2. Contracted Amount, etc. and Fair Value of Derivative Transactions and Forward Exchange Transactions

Not applicable.

3. Schedule of Property, Plant and Equipment and Intangible Assets

(Unit: thousand yen)

Asset type		Balance at beginning of period	Increase during the period	Decrease during the period	Balance at end of period	Accumulated depreciation or accumulated amortization	Depreciation during period	Net balance Balance at end of period	Notes
Property, plant and equipment	Buildings	4,136,596	407	-	4,137,003	445,672	48,944	3,691,330	
	Structures	28,587	-	-	28,587	1,982	240	26,605	
	Machinery and equipment	47,540	-	-	47,540	11,885	1,188	35,655	
	Tools, furniture and fixtures	31,929	493	-	32,423	17,071	2,519	15,351	
	Land	5,617,204	-	-	5,617,204	-	-	5,617,204	
	Buildings in trust	35,962,365	4,888,019	-	40,850,385	3,799,604	546,738	37,050,780	
	Structures in trust	202,677	62,244	-	264,922	15,695	2,736	249,226	
	Machinery and equipment in trust	68,611	44,545	-	113,156	9,910	4,027	103,246	
	Tools, furniture and fixtures in trust	144,177	20,882	-	165,060	43,976	9,673	121,083	
	Land in trust	92,353,406	13,412,004	-	105,765,410	-	-	105,765,410	
	Construction in progress in trust	20,147	-	9,010	11,136	-	-	11,136	
	Total	138,613,243	18,428,596	9,010	157,032,830	4,345,799	616,068	152,687,030	
Intangible assets	Software	6,596	798		7,395	6,114	176	1,280	
	Total	6,596	798		7,395	6,114	176	1,280	
Total		138,619,840	18,429,395	9,010	157,040,225	4,351,914	616,244	152,688,310	

(Note) The increases during the period are primarily due to the acquisition of seven beneficial interests in real estate trust totaling 17,819,622 thousand yen.

4. Other Specified Assets

Real estate trust beneficiary interests are included in "3. Schedule of Property, Plant and Equipment and Intangible Assets."

5. Investment Corporation Bonds

Not applicable.

6. Borrowings

The following is the status of borrowings as of the end of the period.

Category (Note 1)		Balance at beginning of period (thousand yen)	Increase during the period (thousand yen)	Decrease during the period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (%) (Note 2)	Repayment date (Note 3)	Repayment method	Use	Notes
Lender										
Long-term loans payable	Sumitomo Mitsui Banking Corporation	1,365,000	-	1,365,000	-	0.71580 (Note 7)	August 30, 2024	Lump-sum repayment on maturity	(Note 4)	Unsecured Unguaranteed
	SBI Shinsei Bank, Limited	1,000,000	-	1,000,000	-					
	Aozora Bank, Ltd.	1,000,000	-	1,000,000	-					
	The Nishi-Nippon City Bank, Ltd.	1,000,000	-	1,000,000	-					
	The Hiroshima Bank, Ltd.	1,000,000	-	1,000,000	-					
	Sumitomo Mitsui Trust Bank, Limited	600,000	-	600,000	-					
	Mizuho Bank, Ltd.	585,000	-	585,000	-					
	Resona Bank, Limited	500,000	-	500,000	-					
	The Kiyo Bank, Ltd.	250,000	-	250,000	-					
	The Iyo Bank, Ltd.	100,000	-	100,000	-					
	Sumitomo Mitsui Banking Corporation	2,200,000	-	-	2,200,000	0.76226 (Note 7)	July 31, 2025	Lump-sum repayment on maturity	(Note 5)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	1,400,000	-	-	1,400,000					
	The Asahi Shinkin Bank	1,300,000	-	-	1,300,000					
	Sumitomo Mitsui Trust Bank, Limited	1,200,000	-	-	1,200,000					
	SBI Shinsei Bank, Limited	900,000	-	-	900,000					
	Resona Bank, Limited	800,000	-	-	800,000					
	Aozora Bank, Ltd.	800,000	-	-	800,000					
	The Nishi-Nippon City Bank, Ltd.	600,000	-	-	600,000					
	The Minato Bank, Ltd.	600,000	-	-	600,000					
	The Tochigi Bank, Ltd.	150,000	-	-	150,000					
	The Ashikaga Bank, Ltd.	100,000	-	-	100,000					
	Daishi Hokuetsu Bank, Ltd.	700,000	-	700,000	-	0.45176 (Note 7)	July 31, 2024	Lump-sum repayment on maturity	(Note 5)	Unsecured Unguaranteed
	The Nishi-Nippon City Bank, Ltd.	700,000	-	700,000	-					
	The Asahi Shinkin Bank	300,000	-	300,000	-					
	The Bank of Fukuoka, Ltd.	300,000	-	300,000	-					
	The Iyo Bank, Ltd.	150,000	-	150,000	-					
	Sumitomo Mitsui Banking Corporation	2,120,000	-	-	2,120,000	0.66443 (Note 7)	July 31, 2026	Lump-sum repayment on maturity	(Note 5)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	1,300,000	-	-	1,300,000					
	Sumitomo Mitsui Trust Bank, Limited	1,000,000	-	-	1,000,000					
	SBI Shinsei Bank, Limited	1,000,000	-	-	1,000,000					
	Resona Bank, Limited	800,000	-	-	800,000					
	Aozora Bank, Ltd.	700,000	-	-	700,000					
	The Minato Bank, Ltd.	700,000	-	-	700,000					
	The Ashikaga Bank, Ltd.	130,000	-	-	130,000					
	The Tochigi Bank, Ltd.	100,000	-	-	100,000					
	Sumitomo Mitsui Banking Corporation	1,650,000	-	-	1,650,000	0.49915 (Note 7)	February 28, 2025	Lump-sum repayment on maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	700,000	-	-	700,000					
	Aozora Bank, Ltd.	650,000	-	-	650,000					
	SBI Shinsei Bank, Limited	650,000	-	-	650,000					
	Sumitomo Mitsui Trust Bank, Limited	600,000	-	-	600,000					
	Daishi Hokuetsu Bank, Ltd.	500,000	-	-	500,000					
	The Minato Bank, Ltd.	500,000	-	-	500,000					
	The Bank of Yokohama, Ltd.	500,000	-	-	500,000					
	The 77 Bank, Ltd.	500,000	-	-	500,000					
	Kansai Mirai Bank, Limited	300,000	-	-	300,000					
	The Chiba Bank, Ltd.	300,000	-	-	300,000					
	The Nishi-Nippon City Bank, Ltd.	250,000	-	-	250,000					
	The Aichi Bank, Ltd.	150,000	-	-	150,000					
	Resona Bank, Limited	100,000	-	-	100,000					

Category (Note 1)	Balance at beginning of period (thousand yen)	Increase during the period (thousand yen)	Decrease during the period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (%) (Note 2)	Repayment date (Note 3)	Repayment method	Use	Notes	
	Lender									
Long-term loans payable	Sumitomo Mitsui Banking Corporation	1,650,000	-	-	1,650,000	0.60088 (Note 7)	February 27, 2026	Lump-sum repayment on maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	700,000	-	-	700,000					
	Aozora Bank, Ltd.	650,000	-	-	650,000					
	SBI Shinsei Bank, Limited	650,000	-	-	650,000					
	Sumitomo Mitsui Trust Bank, Limited	600,000	-	-	600,000					
	Daishi Hokuetsu Bank, Ltd.	500,000	-	-	500,000					
	The Minato Bank, Ltd.	500,000	-	-	500,000					
	The Bank of Yokohama, Ltd.	500,000	-	-	500,000					
	Kansai Mirai Bank, Limited	300,000	-	-	300,000					
	The Nishi-Nippon City Bank, Ltd.	250,000	-	-	250,000					
	The Aichi Bank, Ltd.	150,000	-	-	150,000					
	Resona Bank, Limited	100,000	-	-	100,000					
	Sumitomo Mitsui Banking Corporation	890,000	-	-	890,000	0.92375 (Note 7)	July 30, 2027	Lump-sum repayment on maturity	(Note 5)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	650,000	-	-	650,000					
	SBI Shinsei Bank, Limited	550,000	-	-	550,000					
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000					
	Resona Bank, Limited	450,000	-	-	450,000					
	Daishi Hokuetsu Bank, Ltd.	400,000	-	-	400,000					
	The Nishi-Nippon City Bank, Ltd.	350,000	-	-	350,000					
	The Minato Bank, Ltd.	350,000	-	-	350,000					
	The Bank of Fukuoka, Ltd.	350,000	-	-	350,000					
	The Iyo Bank, Ltd.	350,000	-	-	350,000					
	The Ashikaga Bank, Ltd.	170,000	-	-	170,000					
	The Tochigi Bank, Ltd.	50,000	-	-	50,000					
	Sumitomo Mitsui Banking Corporation	890,000	-	-	890,000	1.06250 (Note 7)	July 31, 2028	Lump-sum repayment on maturity	(Note 5)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	650,000	-	-	650,000					
	SBI Shinsei Bank, Limited	550,000	-	-	550,000					
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000					
	Aozora Bank, Ltd.	500,000	-	-	500,000					
	Resona Bank, Limited	450,000	-	-	450,000					
	The Nishi-Nippon City Bank, Ltd.	350,000	-	-	350,000					
	The Minato Bank, Ltd.	350,000	-	-	350,000					
The Bank of Fukuoka, Ltd.	350,000	-	-	350,000						
The Asahi Shinkin Bank	300,000	-	-	300,000						
Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.85940 (Note 7)	February 26, 2027	Lump-sum repayment on maturity	(Note 4) (Note 5)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.	1,000,000	-	-	1,000,000						
SBI Shinsei Bank, Limited	500,000	-	-	500,000						
Sumitomo Mitsui Trust Bank, Limited	400,000	-	-	400,000						
Aozora Bank, Ltd.	400,000	-	-	400,000						
Daishi Hokuetsu Bank, Ltd.	400,000	-	-	400,000						
The Asahi Shinkin Bank	400,000	-	-	400,000						
The Aichi Bank, Ltd.	400,000	-	-	400,000						
The Bank of Fukuoka, Ltd.	300,000	-	-	300,000						
The Chiba Bank, Ltd.	300,000	-	-	300,000						
The Yamagata Bank, Ltd.	180,000	-	-	180,000						
Sumitomo Mitsui Banking Corporation	900,000	-	-	900,000	0.78051	February 29, 2028	Lump-sum repayment on maturity	(Note 4)	Unsecured Unguaranteed	
Mizuho Bank, Ltd.	600,000	-	-	600,000						
SBI Shinsei Bank, Limited	400,000	-	-	400,000						
Sumitomo Mitsui Trust Bank, Limited	400,000	-	-	400,000						
Aozora Bank, Ltd.	400,000	-	-	400,000						
Resona Bank, Limited	350,000	-	-	350,000						
Kansai Mirai Bank, Limited	250,000	-	-	250,000						
The Chiba Bank, Ltd.	250,000	-	-	250,000						
The Yamagata Bank, Ltd.	220,000	-	-	220,000						
The Kiyo Bank, Ltd.	150,000	-	-	150,000						
The 77 Bank, Ltd.	150,000	-	-	150,000						

Category (Note 1)	Balance at beginning of period (thousand yen)	Increase during the period (thousand yen)	Decrease during the period (thousand yen)	Balance at end of period (thousand yen)	Average interest rate (%) (Note 2)	Repayment date (Note 3)	Repayment method	Use	Notes	
	Lender									
Long-term loans payable	Sumitomo Mitsui Banking Corporation	840,000	-	-	840,000	0.98500 (Note 7)	August 31, 2027	Lump-sum repayment on maturity	(Note 6)	Unsecured Unguaranteed (Green loans)
	SBI Shinsei Bank, Limited	600,000	-	-	600,000					
	Sumitomo Mitsui Trust Bank, Limited	360,000	-	-	360,000					
	Mizuho Bank, Ltd.	350,000	-	-	350,000					
	Aozora Bank, Ltd.	300,000	-	-	300,000					
	Resona Bank, Limited	300,000	-	-	300,000					
	The Nishi-Nippon City Bank, Ltd.	300,000	-	-	300,000					
	The Hiroshima Bank, Ltd.	300,000	-	-	300,000					
	The Kiyo Bank, Ltd.	250,000	-	-	250,000					
	Sumitomo Mitsui Banking Corporation	525,000	-	-	525,000	0.73459	February 29, 2028	Lump-sum repayment on maturity	(Note 5)	Unsecured Unguaranteed
	SBI Shinsei Bank, Limited	400,000	-	-	400,000					
	Sumitomo Mitsui Trust Bank, Limited	240,000	-	-	240,000					
	Mizuho Bank, Ltd.	235,000	-	-	235,000					
	Aozora Bank, Ltd.	200,000	-	-	200,000					
	Resona Bank, Limited	200,000	-	-	200,000					
	The Nishi-Nippon City Bank, Ltd.	200,000	-	-	200,000					
	The Hiroshima Bank, Ltd.	200,000	-	-	200,000					
	The Iyo Bank, Ltd.	200,000	-	-	200,000					
	Sumitomo Mitsui Banking Corporation	-	870,000	-	870,000	0.58404	February 26, 2027	Lump-sum repayment on maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	-	630,000	-	630,000					
	SBI Shinsei Bank, Limited	-	590,000	-	590,000					
	Sumitomo Mitsui Trust Bank, Limited	-	500,000	-	500,000					
	The Hiroshima Bank, Ltd.	-	500,000	-	500,000					
	The 77 Bank, Ltd.	-	500,000	-	500,000					
	Resona Bank, Limited	-	290,000	-	290,000					
	Sumitomo Mitsui Banking Corporation	-	550,000	-	550,000	0.68294	February 29, 2028	Lump-sum repayment on maturity	(Note 4)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	-	500,000	-	500,000					
	The Chiba Bank, Ltd.	-	500,000	-	500,000					
	The Kiyo Bank, Ltd.	-	500,000	-	500,000					
	Daishi Hokuetsu Bank, Ltd.	-	350,000	-	350,000					
	Sumitomo Mitsui Banking Corporation	-	850,000	-	850,000	0.73238	August 31, 2028	Lump-sum repayment on maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	-	850,000	-	850,000					
	SBI Shinsei Bank, Limited	-	600,000	-	600,000					
	Aozora Bank, Ltd.	-	500,000	-	500,000					
	Sumitomo Mitsui Trust Bank, Limited	-	490,000	-	490,000					
	Resona Bank, Limited	-	300,000	-	300,000					
	The Nishi-Nippon City Bank, Ltd.	-	700,000	-	700,000					
	Daishi Hokuetsu Bank, Ltd.	-	700,000	-	700,000	0.58296	July 30, 2027	Lump-sum repayment on maturity	(Note 5)	Unsecured Unguaranteed
	The Asahi Shinkin Bank	-	300,000	-	300,000					
	The Bank of Fukuoka, Ltd.	-	300,000	-	300,000					
	The Iyo Bank, Ltd.	-	150,000	-	150,000					
	Sumitomo Mitsui Banking Corporation	-	1,365,000	-	1,365,000					
	SBI Shinsei Bank, Limited	-	1,000,000	-	1,000,000	1.27307 (Note 7)	February 28, 2029	Lump-sum repayment on maturity	(Note 5)	Unsecured Unguaranteed
	Aozora Bank, Ltd.	-	1,000,000	-	1,000,000					
	The Nishi-Nippon City Bank, Ltd.	-	1,000,000	-	1,000,000					
	The Hiroshima Bank, Ltd.	-	1,000,000	-	1,000,000					
	Sumitomo Mitsui Trust Bank, Limited	-	600,000	-	600,000					
	Mizuho Bank, Ltd.	-	585,000	-	585,000					
	Resona Bank, Limited	-	500,000	-	500,000					
	The Kiyo Bank, Ltd.	-	250,000	-	250,000					
	The Iyo Bank, Ltd.	-	100,000	-	100,000					
	Subtotal	67,150,000	19,420,000	9,550,000	77,020,000					
	Total	67,150,000	19,420,000	9,550,000	77,020,000					

(Note 1) “Long-term loans payable” refers to loans with a maturity of more than one year from the drawdown date to the repayment date. Long-term loans payable includes the current portion of long-term loans payable.

(Note 2) “Average interest rate” is the weighted average interest rate during the period for each loan agreement as at the end of the period.

(Note 3) If the repayment date is not a bank business day, the repayment date shall become the business day immediately following the repayment date, and if the following business day is in the next month, this shall become the previous business day.

(Note 4) The funds are used for the acquisition of real estate trust beneficiary interests or real estate and for the payment of a portion of the related expenses.

(Note 5) The funds are used for repayment of existing borrowings.

(Note 6) The funds are used for repayment of borrowings required for the acquisition of eligible green assets.

(Note 7) The borrowing has a fixed interest rate.

(Note 8) The following is the amount of long-term loans payable scheduled to be due for repayment in each year within five years of the balance sheet date.

(Unit: thousand yen)

	Due within 1 year	Due after 1 year and within 2 years	Due after 2 years and within 3 years	Due after 3 years and within 4 years	Due after 4 years and within 5 years
Long-term loans payable	17,400,000	14,400,000	20,470,000	17,350,000	7,400,000

Independent Auditor's Report



Independent Auditor's Report

To the Board of Directors of Takara Leben Real Estate Investment Corporation

THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Takara Leben Real Estate Investment Corporation (the Company), which comprise the balance sheet as at August 31, 2024, and the statement of income, statement of changes in net assets, statement of cash distributions and statement of cash flows for the six months period then ended, and notes to the financial statements and supplementary schedules.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at August 31, 2024, and its financial performance and its cash flows for the six months 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.

Emphasis of Matter

We draw attention to "Significant Subsequent Events" in the financial statements, which states the issuance of new investment units, borrowing of funds and acquisition of assets. Our opinion is not qualified in respect of this matter.

Other Information

The other information comprises the information included in the semi-annual report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information. In addition, those charged with governance are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 applicable, matters related to going concern.

Those charged with governance are 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statement audit is not to express 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 whether the presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, 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.

We communicate with management 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 management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

FEE-RELATED INFORMATION

In connection with our audit of the financial statements for the six months period ended August 31, 2024, the amount of fees for the audit charged to the Company by PricewaterhouseCoopers Japan LLC and other PwC Network firms is ¥12 million and there are no fees for other services.

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.

鶴 田 光 夫

Mitsuo Tsuruta

Designated Engagement Partner
Certified Public Accountant

藪 谷 峰

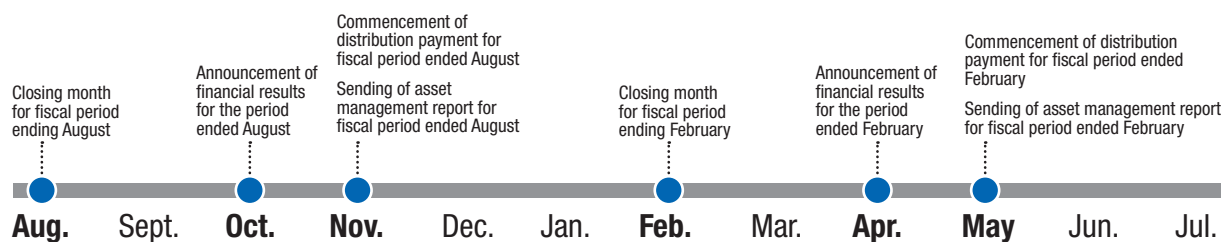
Takashi Yabutani

Designated Engagement Partner
Certified Public Accountant

November 28, 2024

Unitholder Information

IR Schedule



Unitholders' Memo

End of the fiscal period	The end of February and August of each year
General meeting of unitholders	In principle, at least once every 2 years
Date of finalizing unitholders with voting rights	Date stipulated in the Articles of Incorporation of the Investment Corporation
Record date of cash distribution payment	The end of February and August of each year (distributions will be paid within 3 months of the record date of cash distribution payment)
Listed financial instruments exchange	Tokyo Stock Exchange (Securities code: 3492)
Newspaper for public notice	The Nikkei
Unitholder register administrator	4-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited [Mail Address/Phone Contact] 8-4 Izumi 2-chome, Suginami-ku, Tokyo 168-0063 Stock Transfer Agency Dept., Sumitomo Mitsui Trust Bank, Limited 0120-782-031 (toll free in Japan) Open: Weekdays 9:00am-5:00pm (JST)

► Procedures for change of address, etc.

Please contact the securities company where you have an account for any change of address, name, etc.

► Receipt of distributions

You can receive distributions when you bring your "Dividend Receipt" to your nearest local office of Japan Post Bank or a post office. If the receipt period has expired, please specify the method of receipt on the reverse side of the "Dividend Receipt" and mail it to the above Unitholder Register Administrator (Stock Transfer Agency Dept., Sumitomo Mitsui Trust Bank, Limited) or collect it at the head office or branch office of the said bank. Furthermore, please contact your securities firm, etc., if you would like to request procedures for designating bank transfers with respect to future distributions.

Our Website Information

<https://takara-reit.co.jp/en/index.html>



Please visit our website for IR information and other detailed information on the characteristics and current status of the Investment Corporation.

