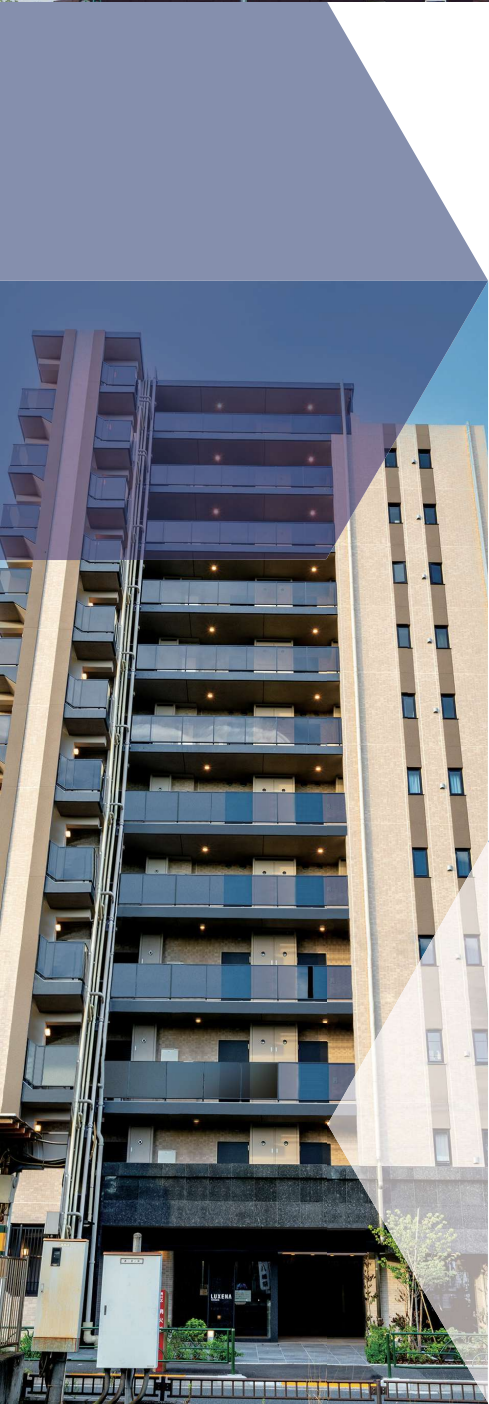
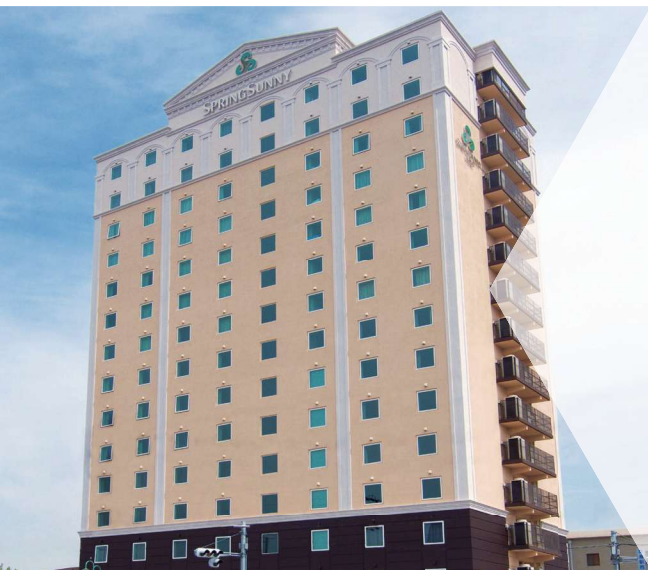




Takara Leben Real Estate
Investment Corporation



Takara Leben Real Estate Investment Corporation

15th Fiscal Period Semi-Annual Report

From: March 1, 2025 To: August 31, 2025

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 Saïda

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 15th fiscal period ended in August 2025. We would like to express our sincere appreciation to our unitholders for their support.

For the 15th fiscal period, operating revenue was 5,595 million yen, ordinary income was 2,779 million yen, and net income was 2,695 million yen. As a result, distributions per unit were 2,780 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 15th Fiscal Period

Distribution of the 15th fiscal period (per unit)

2,780 yen

Operating revenues

5,595 million yen

Operating income

3,437 million yen

Ordinary income

2,779 million yen

Net income

2,695 million yen

Total acquisition price

173,216 million yen
79 properties

End-of-period occupancy rate

99.3 %

Appraisal NOI yield

4.7 %

LTV (Note 1)

48.7 %

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

NAV per unit (Note 2)

106,897 yen

(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 16th fiscal period (per unit)

2,700 yen

Distribution forecast for the 17th fiscal period (per unit)

2,700 yen

Overview of the Portfolio (As of August 31, 2025)

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	5.1	97.0
	R-02	Dormy Ukimafunado	Itabashi-ku, Tokyo	1,080	5.2	100.0
	R-03	Benefis Hakata-Minami Grand Sweet	Fukuoka, Fukuoka	1,032	5.5	98.5
	R-04	LUXENA HIGASHI-KOENJI	Suginami-ku, Tokyo	1,060	4.3	97.3
	R-06	J City Hatchobori	Hiroshima, Hiroshima	1,200	5.4	88.9
	R-07	LUXENA HEIWADAI	Nerima-ku, Tokyo	3,910	4.5	98.2
	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	5.0	91.7
	R-11	LUXENA TODAKOEN	Toda, Saitama	910	4.4	100.0
	R-12	LUXENA TODAKOEN II	Toda, Saitama	1,200	4.4	95.6
	R-13	LUXENA AKIHABARA	Taitou-ku, Tokyo	2,300	3.6	100.0
	R-14	Fiore Residence Dejima Kaigan Dori	Sakai, Osaka	560	5.3	90.9
	R-15	LUXENA MUSASHI-SHINJO	Kawasaki, Kanagawa	1,900	4.4	100.0
	R-16	LUXENA NAGAREYAMA OOTAKANOMORI	Nagareyama, Chiba	2,840	4.9	95.3
	R-17	PRIME SQUARE	Funabashi, Chiba	620	5.3	100.0
	R-19	TLR Residence Isogo Station ^(Note)	Yokohama, Kanagawa	1,900	4.6	100.0
	R-20	TLR Residence Kawasaki Daishi	Kawasaki, Kanagawa	1,346	4.2	98.6
	R-21	TLR Residence Honmachi WEST	Osaka, Osaka	3,479	3.6	98.1
	R-22	TLR Residence Takaida	Higashiosaka, Osaka	942	4.6	100.0
	R-23	LUXENA KITASENJU	Adachi-ku, Tokyo	1,540	3.9	98.5
	R-24	La Vita Higashi Ueno	Taitou-ku, Tokyo	1,280	3.4	100.0
	R-25	LUXENA JOSHIN	Nagoya, Aichi	620	4.6	96.5
	R-26	LUXENA UMEKOJI-KYOTONISHI	Kyoto, Kyoto	725	4.4	96.2
	R-27	LUXENA KIYOMIZU-GOJO	Kyoto, Kyoto	515	4.5	97.5
	R-28	La Vita Nijo Gekko	Kyoto, Kyoto	515	4.2	100.0
	R-29	La Vita Toji	Kyoto, Kyoto	465	4.2	96.7
	R-30	TLR Residence Namba east	Osaka, Osaka	675	4.5	100.0
	R-31	TLR Residence Ryogoku	Sumida-ku, Tokyo	2,000	3.6	96.6
	R-32	TLR Residence Otorii	Ota-ku, Tokyo	1,470	3.5	100.0
	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	4.3	98.9
	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	98.0
	R-39	La Vita Shin-Okachimachi	Taitou-ku, Tokyo	500	3.5	87.5
	R-40	LUXENA TOYOCHO	Koto-ku, Tokyo	4,143	4.0	99.1
	R-41	La Vita Namba-Motomachi	Osaka, Osaka	1,130	4.3	100.0
	R-42	TLR Residence Machida	Machida, Tokyo	2,199	4.0	98.9
	R-43	Ark Stage I・II	Nagoya, Aichi	1,064	4.8	95.1
	R-44	LUXENA HACHIOJI MINAMICHO	Hachioji-shi, Tokyo	1,520	4.2	100.0
	R-45	LUXENA KINCHICHO	Koto-ku, Tokyo	987	3.6	93.3
	R-46	LUXENA HEIJAJIMA	Ota-ku, Tokyo	1,190	3.7	97.6
	R-47	LUXENA HACHIOJI-SHINMACHI	Hachioji-shi, Tokyo	1,280	3.9	100.0
	R-48	LUXENA TABATA-KITA	Arakawa Ward, Tokyo	1,390	3.6	96.9
	R-49	LUXENA WAKO	Wako-shi, Saitama	1,070	4.1	96.3
	R-50	TLR Residence Sendai east	Sendai-shi, Miyagi	1,350	4.6	100.0
	Residence total/average			66,007	4.3	97.7

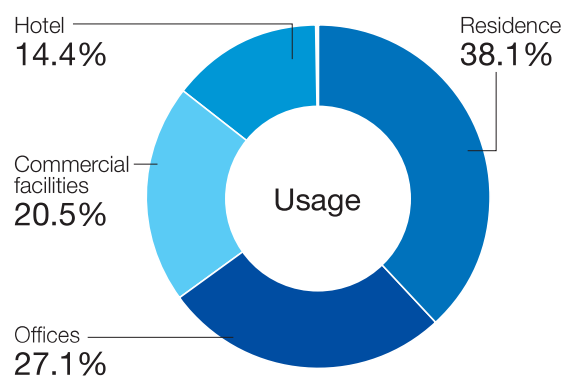
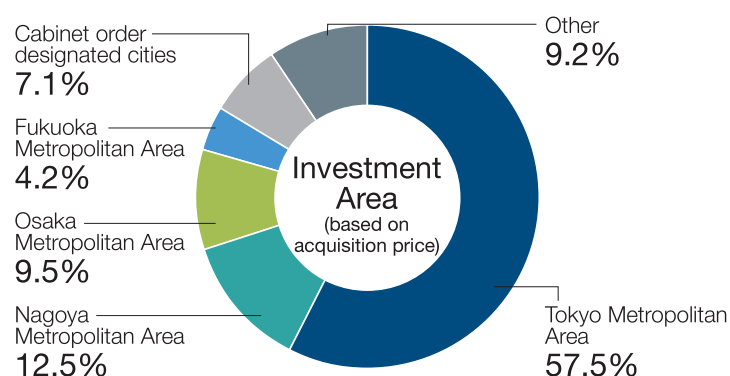
Category	Property number	Property name	Location	Acquisition price (million yen)	Appraisal NOI yield (%)	End-of-period occupancy rate (%)
Offices	O-01	NT Building	Shinagawa-ku, Tokyo	12,350	4.0	100.0
	O-02	Higashi-Ikebukuro Central Place	Toshima-ku, Tokyo	9,780	4.3	100.0
	O-03	Nagoya Center Plaza Building	Nagoya, Aichi	4,870	5.4	100.0
	O-05	Omiya NSD Building	Saitama, Saitama	3,493	5.3	100.0
	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	5.2	100.0
	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	4.5	100.0
	O-23	Solala garden OFFICE	Sendai-shi, Miyagi	1,130	4.9	88.3
	Office total/average			46,864	4.5	99.7
Commercial facilities	C-01	Prio Daimyo II	Fukuoka, Fukuoka	980	4.9	100.0
	C-03	TA Shonan Kugenumakaigan	Fujisawa, Kanagawa	500	5.4	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	5.1	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	6.2	100.0
H-05		QUINTESSA HOTEL SAPPORO	Sapporo-shi, Hokkaido	5,350	5.7	100.0
H-06		APA HOTEL KAMATAEKI-HIGASHI	Ota-ku, Tokyo	6,500	4.2	100.0
H-07		HOTEL LIVEMAX SHINJUKUKABUKICHOMEIJIDORI	Shinjuku Ward, Tokyo	3,400	4.4	100.0
H-08		Spring Sunny Hotel Nagoya Tokoname Station	Tokoname, Aichi	2,200	6.0	100.0
Hotel total/average			24,897	5.1	100.0	
Portfolio total/average			173,216	4.7	99.3	

(Note) The property name has been changed from Mare Isogo Building.

■ Status of Portfolio Diversification

Breakdown of the portfolio

(As of August 31, 2025)



* The percentages are rounded to the first decimal place.

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	4 Communication with stakeholders
	2 Reductions in environmental loads	5 Proactive information disclosure
	3 Compliance and improvement of the internal structure	

Materiality	Specific Initiatives	Related SDGs
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 (E)	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)	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)	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)	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)	① Ban political donations and prevent corruption	 
	② Build an effective internal control system	
	③ Promote disclosure	

GRESB Assessment

- Our score in the 2025 GRESB Real Estate Assessment was a 1 Star rating, the same as last year. [We received a Green Star for the seventh consecutive year.](#)
- [Achieved Level A, the highest rating](#), in the GRESB Public Disclosure 2025, which assesses the levels of ESG information disclosure.



Environmental Initiatives

LED Conversion for Energy Saving

Example



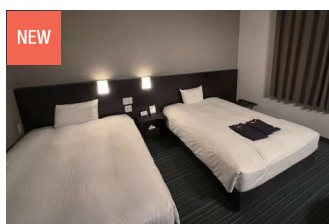
NT Building (entrance)



HOTEL LIVEMAX SHINJUKUKABU-KICHOMEIJIDORI (exclusive areas)



LUXENA WAKO
(common areas, exclusive areas)

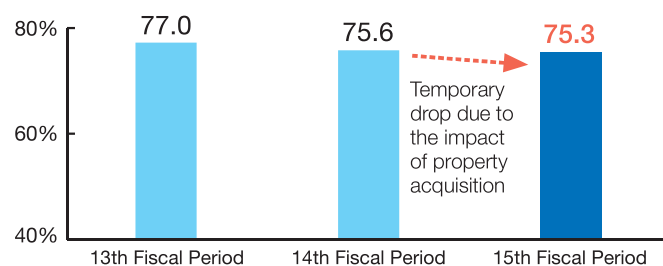


Spring Sunny Hotel Nagoya
Tokoname Station (exclusive areas)

LED conversion rate

Number of properties	Portfolio LED Conversion Rate	
60 properties	Total	Of which, 90.1% in common areas
	75.3%	Of which, 67.0% 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 18 residential properties, 2 office properties, and 1 hotel property (Total: 90 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

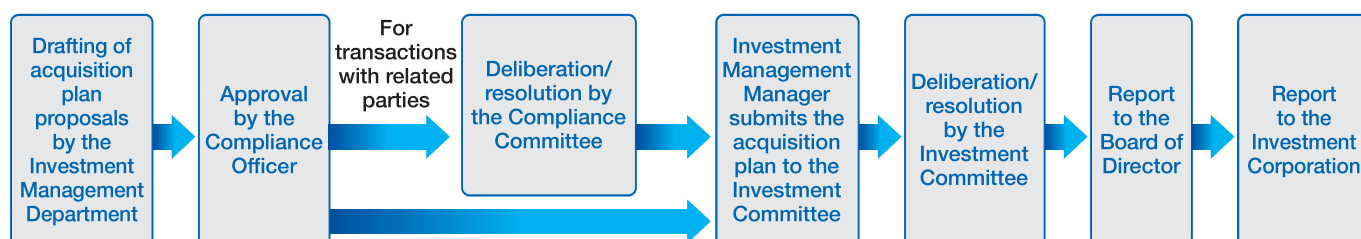
Adopted elevator disaster prevention chair equipped with various functions including emergency storage, emergency toilet, stool, and luggage storage; useful in both emergency situations and everyday life



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	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	14th Fiscal Period From: September 1, 2024 To: February 28, 2025	15th Fiscal Period From: March 1, 2025 To: August 31, 2025
Operating revenues (million yen)	3,886	3,891	4,400	5,334	5,595
[Operating revenue from real estate leasing business] (million yen)	3,886	3,891	4,400	5,035	5,170
Operating expenses (million yen)	1,627	1,627	1,815	2,043	2,158
[Operating expenses from real estate leasing business] (million yen)	1,309	1,305	1,476	1,607	1,682
Operating income (million yen)	2,258	2,263	2,584	3,291	3,437
Ordinary income (million yen)	1,886	1,886	2,143	2,723	2,779
Net income (million yen)	1,860	1,861	2,117	2,664	2,695
Unitholders' capital (Note 2) (million yen)	68,299	68,299	76,326	87,255	87,255
Total number of investment units issued and outstanding (units)	691,335	691,335	780,820	910,820	910,820
Total assets (million yen)	142,604	142,693	161,256	187,329	187,435
[Rate of period-on-period increase (decrease)] (%)	6.6	0.1	13.0	16.2	0.1
Total net assets (million yen)	70,397	70,449	78,746	90,232	90,377
[Rate of period-on-period increase (decrease)] (%)	7.0	0.1	11.8	14.6	0.2
Net assets per unit (yen)	101,828	101,903	100,850	99,067	99,226
Total distributions (million yen)	1,809	1,847	2,108	2,550	2,532
Distributions per unit (yen)	2,617	2,672	2,700	2,800	2,780
[Distributions of earnings per unit] (yen)	2,617	2,672	2,700	2,800	2,780
Ordinary income to total assets (Note 4) (%)	1.4	1.3	1.4	1.6	1.5
(Annualized) (%)	2.7	2.7	2.8	3.2	2.9
Return on unitholders' equity (Note 4) (%)	2.7	2.6	2.8	3.2	3.0
(Annualized) (%)	5.4	5.3	5.6	6.4	5.9
Unitholders' equity to total assets (Note 4) (%)	49.4	49.4	48.8	48.2	48.2
[Period-on-period increase (decrease)]	0.2	0.0	(0.5)	(0.6)	0.0
Distribution payout ratio (Note 4) (%)	97.2	99.3	99.6	95.7	94.0
Other reference information					
Number of days during period (days)	184	182	184	181	184
Number of investment properties at end of period (Note 3) (properties)	63	63	70	80	79
Depreciation (million yen)	529	544	616	710	728
Capital expenditures (million yen)	398	527	599	672	338
NOI (Net Operating Income) from leasing (Note 4) (million yen)	3,105	3,130	3,539	4,138	4,216
FFO (Funds from Operation) (Note 4) (million yen)	2,390	2,405	2,733	3,076	2,997
FFO per unit (Note 4) (yen)	3,457	3,479	3,500	3,377	3,291
Interest-bearing debt (million yen)	67,150	67,150	77,020	91,220	91,220
LTV (Loan to Value) (Note 4) (%)	47.1	47.1	47.8	48.7	48.7

(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) With respect to Sendai Nikko Building, which is included in the number of investment properties at the end of the 14th fiscal period, a 50% quasi co-ownership interest is indicated as a single holding.

(Note 4) Calculations are based on the following formulas.

Ordinary income to total assets	Ordinary income / [(Total assets at beginning of period + Total assets at end of period) / 2] × 100
Return on unitholders' equity	Net income / [(Net assets at beginning of period + Net assets at end of period) / 2] × 100
Unitholders' equity to total assets	Net assets at end of period / Total assets at end of period × 100
Distribution payout ratio	Distributions per unit (not including distributions in excess of earnings) / Net income per unit × 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. Total distributions (not including distributions in excess of earnings) / Net income × 100
NOI (Net Operating Income) from leasing	Operating revenue from real estate leasing - Operating expenses from real estate leasing + Depreciation
FFO	Net income + Depreciation - Gain on sales of real estate properties + Loss on sales of real estate properties
FFO per unit	FFO / Total number of investment units issued and outstanding
LTV (Loan to Value)	Interest-bearing debt at end of period / Total assets at end of period × 100

Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	14th Fiscal Period (As of February 28, 2025)	15th Fiscal Period (As of August 31, 2025)
Assets		
Current assets		
Cash and deposits	6,261,791	6,114,157
Cash and deposits in trust	3,095,377	3,218,896
Operating accounts receivable	198,725	244,101
Prepaid expenses	300,003	309,638
Consumption taxes refund receivable	119,815	-
Other	-	33
Total current assets	9,975,711	9,886,827
Non-current assets		
Property, plant and equipment		
Buildings	4,137,003	4,137,229
Accumulated depreciation	(494,622)	(543,574)
Buildings, net	3,642,381	3,593,655
Structures	28,587	28,587
Accumulated depreciation	(2,222)	(2,462)
Structures, net	26,364	26,124
Machinery and equipment	47,540	47,540
Accumulated depreciation	(13,073)	(14,262)
Machinery and equipment, net	34,466	33,278
Tools, furniture and fixtures	33,027	33,947
Accumulated depreciation	(19,612)	(22,105)
Tools, furniture and fixtures, net	13,414	11,841
Land	5,617,204	5,617,204
Buildings in trust	47,310,370	48,486,847
Accumulated depreciation	(4,395,555)	(4,983,063)
Buildings in trust, net	42,914,815	43,503,783
Structures in trust	330,264	343,660
Accumulated depreciation	(18,977)	(22,389)
Structures in trust, net	311,287	321,271
Machinery and equipment in trust	101,058	103,704
Accumulated depreciation	(12,879)	(14,283)
Machinery and equipment in trust, net	88,178	89,420
Tools, furniture and fixtures in trust	202,347	220,784
Accumulated depreciation	(55,473)	(67,588)
Tools, furniture and fixtures in trust, net	146,873	153,196
Land in trust	123,956,045	123,648,173
Construction in progress in trust	264	264
Total property, plant and equipment	176,751,295	176,998,213
Intangible assets		
Software	1,090	901
Total intangible assets	1,090	901
Investments and other assets		
Long-term prepaid expenses	485,780	450,572
Leasehold and security deposits	11,000	11,000
Other	47,065	48,758
Total investments and other assets	543,845	510,330
Total non-current assets	177,296,232	177,509,445
Deferred assets		
Investment unit issuance costs	57,577	39,285
Total deferred assets	57,577	39,285
Total assets	187,329,522	187,435,558

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

(Unit: thousand yen)

	14th Fiscal Period (As of February 28, 2025)	15th Fiscal Period (As of August 31, 2025)
Liabilities		
Current liabilities		
Operating accounts payable	598,257	334,282
Current portion of long-term loans payable	16,600,000	14,400,000
Current portion of tenant leasehold and security deposits in trust	62,103	62,103
Accounts payable – other	337,264	376,173
Accrued expenses	18,509	29,414
Income taxes payable	36,539	70,029
Accrued consumption taxes	-	157,238
Advances received	11,678	3,920
Other	5,358	5,408
Total current liabilities	17,669,711	15,438,571
Non-current liabilities		
Long-term loans payable	74,620,000	76,820,000
Tenant leasehold and security deposits	188,206	189,108
Tenant leasehold and security deposits in trust	4,369,585	4,353,078
Deferred tax liabilities	171,206	184,812
Asset retirement obligations	77,813	71,793
Other	423	813
Total non-current liabilities	79,427,234	81,619,607
Total liabilities	97,096,946	97,058,178
Net assets		
Unitholders' equity		
Unitholders' capital	87,255,751	87,255,751
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*1 (7,888)	*1 (7,298)
Total deduction from unitholders' capital	(7,888)	(7,298)
Unitholders' capital, net	87,247,863	87,248,453
Surplus		
Unappropriated retained earnings (undisposed loss)	2,984,712	3,128,926
Total surplus	2,984,712	3,128,926
Total unitholders' equity	90,232,575	90,377,379
Total net assets	*2 90,232,575	*2 90,377,379
Total liabilities and net assets	187,329,522	187,435,558

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

(2) Statement of Income

(Unit: thousand yen)

	14th Fiscal Period (from September 1, 2024 to February 28, 2025)	15th Fiscal Period (from March 1, 2025 to August 31, 2025)
Operating revenues		
Leasing business revenue	*1 4,810,777	*1 4,938,187
Other leasing business revenue	*1 224,358	*1 232,339
Gain on sales of real estate properties	*2 299,819	*2 425,349
Total operating revenue	5,334,955	5,595,876
Operating expenses		
Expenses related to leasing business	*1 1,607,782	*1 1,682,558
Asset management fee	275,178	299,357
Asset custody and administrative service fees	35,556	40,340
Directors' compensations	2,400	2,400
Taxes and dues	43,779	45,355
Other operating expenses	78,978	88,044
Total operating expenses	2,043,675	2,158,056
Operating income	3,291,279	3,437,819
Non-operating income		
Interest income	3,751	8,143
Reversal of distributions payable	274	1,775
Interest on tax refund	470	88
Income from insurance claims	84	-
Other	-	0
Total non-operating income	4,581	10,007
Non-operating expenses		
Interest expenses	395,875	496,302
Borrowing related expenses	158,453	153,249
Amortization of investment unit issuance costs	18,292	18,292
Total non-operating expenses	572,621	667,844
Ordinary income	2,723,239	2,779,982
Income before income taxes	2,723,239	2,779,982
Income taxes - current	37,114	71,276
Income taxes - deferred	21,202	13,606
Total income taxes	58,316	84,882
Net income	2,664,922	2,695,099
Retained earnings brought forward	319,789	433,826
Unappropriated retained earnings (undisposed loss)	2,984,712	3,128,926

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

(3) Statement of Changes in Net Assets

14th Fiscal Period (from September 1, 2024 to February 28, 2025)

(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	76,326,001	(7,888)	(7,888)	76,318,113	2,428,003	2,428,003	78,746,116
Changes during the period							
Issuance of new investment units	10,929,750			10,929,750			10,929,750
Dividends of surplus					(2,108,214)	(2,108,214)	(2,108,214)
Net income					2,664,922	2,664,922	2,664,922
Total changes during the period	10,929,750	-	-	10,929,750	556,708	556,708	11,486,458
Balance at end of period	*1 87,255,751	(7,888)	(7,888)	87,247,863	2,984,712	2,984,712	90,232,575

(Unit: thousand yen)

	Total net assets
Balance at beginning of period	78,746,116
Changes during the period	
Issuance of new investment units	10,929,750
Dividends of surplus	(2,108,214)
Net income	2,664,922
Total changes during the period	11,486,458
Balance at end of period	90,232,575

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

15th Fiscal Period (from March 1, 2025 to August 31, 2025)

(Unit: thousand yen)

(Unit: thousand yen)

	Unitholders' equity						Total unitholders' equity
	Unitholders' capital				Surplus		
	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	87,255,751	(7,888)	(7,888)	87,247,863	2,984,712	2,984,712	90,232,575
Changes during the period							
Dividends of surplus					(2,550,296)	(2,550,296)	(2,550,296)
Reversal of allowance for temporary difference adjustments		589	589	589	(589)	(589)	-
Net income					2,695,099	2,695,099	2,695,099
Total changes during the period	-	589	589	589	144,213	144,213	144,803
Balance at end of period	*1 87,255,751	(7,298)	(7,298)	87,248,453	3,128,926	3,128,926	90,377,379

(Unit: thousand yen)

	Total net assets
Balance at beginning of period	90,232,575
Changes during the period	
Dividends of surplus	(2,550,296)
Reversal of allowance for temporary difference adjustments	-
Net income	2,695,099
Total changes during the period	144,803
Balance at end of period	90,377,379

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

(4) Statement of Cash Distributions

(Unit: yen)

Category	14th Fiscal Period (from September 1, 2024 to February 28, 2025)	15th Fiscal Period (from March 1, 2025 to August 31, 2025)
I. Unappropriated retained earnings	2,984,712,522	3,128,926,082
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	589,901	589,901
Reversal of allowance for temporary difference adjustments	589,901	589,901
IV. Distributions	2,550,296,000	2,532,079,600
[Distributions per unit]	[2,800]	[2,780]
Distributions of earnings	2,550,296,000	2,532,079,600
[Distributions of earnings per unit]	[2,800]	[2,780]
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	433,826,621	596,256,581

Category	14th Fiscal Period (from September 1, 2024 to February 28, 2025)	15th Fiscal Period (from March 1, 2025 to August 31, 2025)
Method of calculation of amount of cash distributions	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 2,550,296,000 yen for the period. The amount of this profit distribution is the entire amount after deducting from unappropriated retained earnings 433,826,621 yen as an internal reserve for the purpose of stabilizing future distributions and a reversal of allowance for temporary difference adjustments (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations). 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.	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 2,532,079,600 yen for the period. The amount of this profit distribution is the entire amount after deducting from unappropriated retained earnings 596,256,581 yen as an internal reserve for the purpose of stabilizing future distributions and a reversal of allowance for temporary difference adjustment (as defined in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations). In addition, 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.

(5) Statement of Cash Flows

(Unit: thousand yen)

	14th Fiscal Period (from September 1, 2024 to February 28, 2025)	15th Fiscal Period (from March 1, 2025 to August 31, 2025)
Cash flows from operating activities		
Income before income taxes	2,723,239	2,779,982
Depreciation	711,154	728,288
Amortization of investment unit issuance costs	18,292	18,292
Borrowing related expenses	147,619	141,583
Interest income	(3,751)	(8,143)
Interest expenses	395,875	496,302
Decrease (increase) in operating accounts receivable	(52,341)	(45,376)
Decrease (increase) in consumption taxes refund receivable	51,596	119,815
Increase (decrease) in accrued consumption taxes	-	157,238
Decrease (increase) in prepaid expenses	3,071	(9,984)
Decrease (increase) in long-term prepaid expenses	3,813	8,174
Increase (decrease) in operating accounts payable	62,559	(25,943)
Increase (decrease) in accounts payable – other	80,069	38,850
Increase (decrease) in advances received	(7,141)	(7,758)
Decrease in property, plant and equipment in trust due to sale	935,894	1,693,937
Other	(8,503)	(8,690)
Subtotal	5,061,448	6,076,568
Interest income received	3,751	8,143
Interest expenses paid	(398,407)	(485,397)
Income taxes paid	(1,060)	(37,786)
Net cash provided by (used in) operating activities	4,665,732	5,561,528
Cash flows from investing activities		
Purchase of property, plant and equipment	(626)	(920)
Purchase of property, plant and equipment in trust	(25,597,862)	(2,906,066)
Proceeds from tenant leasehold and security deposits	52	344
Repayments of tenant leasehold and security deposits	(104)	(73)
Proceeds from tenant leasehold and security deposits in trust	73,781	27,423
Repayments of tenant leasehold and security deposits in trust	(83,015)	(32,375)
Net cash provided by (used in) investing activities	(25,607,775)	(2,911,667)
Cash flows from financing activities		
Proceeds from long-term loans payable	21,258,629	9,935,857
Repayments of long-term loans payable	(7,350,000)	(10,050,000)
Proceeds from issuance of investment units	10,898,820	-
Distributions paid	(2,107,849)	(2,548,910)
Net cash provided by (used in) financing activities	22,699,600	(2,663,052)
Net increase (decrease) in cash and cash equivalents	1,757,557	(13,191)
Cash and cash equivalents at beginning of period	4,365,684	6,123,242
Cash and cash equivalents at end of period	*1 6,123,242	*1 6,110,050

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 February 28, 2025, the Investment Corporation had a portfolio of 80 properties with a total acquisition price of 172,616 million yen and an occupancy rate of 99.1%.

[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	(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: 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 (2) Intangible assets Intangible assets are amortized by the straight-line method over the estimated useful lives as follows: Software 5 years (3) Long-term prepaid expenses Long-term prepaid expenses are amortized by the straight-line method.
2. Accounting for Deferred Assets	Amortization of investment unit issuance costs Investment unit issuance costs are amortized by the straight-line method over three years.
3. Standards for Revenue and Expense Recognition	(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: 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." 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. (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 24,281 thousand yen for the fiscal period ended February 28, 2025 (14th Period) and 10,278 thousand yen for the fiscal period ended August 31, 2025 (15th Period).
4. Scope of Cash and Cash Equivalents on the Statement of Cash Flows	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.
5. Other Matters Serving as the Basis for Preparation of Financial Statements	(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. 1) Cash and deposits in trust 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 3) Current portion of tenant leasehold and security deposits in trust, and tenant leasehold and security deposits in trust (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.

[Accounting standards issued but not yet adopted]

(Accounting Standard for Leases, etc.)

- Accounting Standard for Leases ((Accounting Standards Board of Japan (ASBJ) Statement No. 34 issued on September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, issued on September 13, 2024)

1. Overview

As part of its efforts to ensure the global consistency of Japanese GAAP, the Accounting Standards Board of Japan conducted reviews based on international accounting standards with an eye toward the development of an accounting standard for leases to recognize assets and liabilities regarding all the leases of a lessee and issued accounting standard for leases, etc. Building on the existing single accounting model of IFRS 16, the basis policy aims to be simple and highly convenient standards by adopting only major provisions of IFRS 16, not all the provisions, and by basically requiring no revisions when using IFRS 16 provisions in non-consolidated financial statements. As an accounting treatment for a lessee, a single accounting model for the lease expense allotment method is adopted in the same manner as IFRS 16, under which depreciation regarding right-of-use assets and interest expense on lease liabilities is posted for all leases, regardless of whether a lease is a finance lease or an operating lease.

2. Scheduled date of application

The accounting standard and implementation guidance will be applied from the beginning of the fiscal period ending February 29, 2028.

3. Impact of applying the accounting standards

The Company is currently evaluating the impact of applying the accounting standard and implementation guidance on financial statements.

(Additional information)

[Provision and reversal of allowance for temporary difference adjustments]

14th Fiscal Period (from September 1, 2024 to February 28, 2025)

1. Details of allowance for temporary difference adjustments

(Unit: thousand yen)

Item	Reason for reversal	Changes in allowance for temporary difference adjustments
Buildings in trust	Extinguishment of asset retirement obligations through the sale of properties	(589)
Total		(589)

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.

15th Fiscal Period (from March 1, 2025 to August 31, 2025)

1. Details of allowance for temporary difference adjustments

(Unit: thousand yen)

Item	Reason for reversal	Changes in allowance for temporary difference adjustments
Buildings in trust	Extinguishment of asset retirement obligations through the sale of properties	(589)
Total		(589)

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.

(8) Notes to Financial Statements

[Notes to Balance Sheet]

*1 Allowance for temporary difference adjustments

14th Fiscal Period (from September 1, 2024 to February 28, 2025)

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.

15th Fiscal Period (from March 1, 2025 to August 31, 2025)

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	-	(589)	7,298	Extinguishment of asset retirement obligations through the sale of properties.
Total		97,776	7,888	-	(589)	7,298	-

(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)

14th Fiscal Period (As of February 28, 2025)	15th Fiscal Period (As of August 31, 2025)
50,000	50,000

[Notes to Statement of Income]

*1 Breakdown of operating income from real estate leasing business

	(Unit: thousand yen)			
	14th Fiscal Period (from September 1, 2024 to February 28, 2025)		15th Fiscal Period (from March 1, 2025 to August 31, 2025)	
A. Operating revenue from real estate leasing business				
Leasing business revenue				
Rental revenue	4,480,741		4,620,086	
Common area charges	200,100		194,691	
Parking revenue	107,728		97,531	
Other rental revenue	22,206	4,810,777	25,877	4,938,187
Other leasing business revenue				
Utilities reimbursement revenue	145,898		145,246	
Other revenue	78,459	224,358	87,093	232,339
Total operating revenue from real estate leasing business		5,035,135		5,170,527
B. Operating expenses from real estate leasing business				
Expenses related to leasing business				
Management fees	331,338		329,137	
Utilities expenses	161,335		143,455	
Taxes and dues	278,272		355,729	
Insurance premiums	8,216		8,457	
Repair expenses	86,811		86,665	
Trust fees	26,411		25,201	
Depreciation	710,964		728,099	
Other expenses	4,432		5,812	
Total operating expenses from real estate leasing business		1,607,782		1,682,558
C. Operating income (loss) from real estate leasing business (A—B)		3,427,352		3,487,968

*2 Breakdown of gain on sales of real estate properties

14th Fiscal Period (from September 1, 2024 to February 28, 2025)

Sendai Nikko Building (50% quasi co-ownership interest)	(Unit: thousand yen)
Revenue on sales of real estate properties	1,270,656
Cost of sales of real estate properties	935,894
Other sales expenses	34,942
Gain on sales of real estate properties	299,819

15th Fiscal Period (from March 1, 2025 to August 31, 2025)

Sendai Nikko Building (50% quasi co-ownership interest)	(Unit: thousand yen)
Revenue on sales of real estate properties	1,270,656
Cost of sales of real estate properties	948,281
Other sales expenses	40,261
Gain on sales of real estate properties	282,113

Winbell Chorus SeisekiSakuragaoka	(Unit: thousand yen)
Revenue on sales of real estate properties	918,000
Cost of sales of real estate properties	745,655
Other sales expenses	29,108
Gain on sales of real estate properties	143,236

[Notes to Statement of Changes in Net Assets]

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

	14th Fiscal Period (from September 1, 2024 to February 28, 2025)	15th Fiscal Period (from March 1, 2025 to August 31, 2025)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	910,820 units	910,820 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)

	14th Fiscal Period (from September 1, 2024 to February 28, 2025)	15th Fiscal Period (from March 1, 2025 to August 31, 2025)
Cash and deposits	6,261,791	6,114,157
Cash and deposits in trust	3,095,377	3,218,896
Deposits and deposits in trust for limited use (Note)	(3,233,926)	(3,223,003)
Cash and cash equivalents	6,123,242	6,110,050

(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)

	14th Fiscal Period (As of February 28, 2025)	15th Fiscal Period (As of August 31, 2025)
Due within 1 year	2,293,004	2,333,681
Due after 1 year	12,781,241	13,591,341
Total	15,074,246	15,925,022

[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 conducts equity financing at appropriate timing when the Investment Corporation needs funds to acquire properties, conduct 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 28, 2025, and as of August 31, 2025, 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.

14th Fiscal Period (As of February 28, 2025)

	Carrying amount (thousand yen)	Fair value (thousand yen)	Difference (thousand yen)
(1) Current portion of long-term loans payable	16,600,000	16,549,424	(50,575)
(2) Long-term loans payable	74,620,000	74,152,882	(467,117)

15th Fiscal Period (As of August 31, 2025)

	Carrying amount (thousand yen)	Fair value (thousand yen)	Difference (thousand yen)
(1) Current portion of long-term loans payable	14,400,000	14,333,129	(66,870)
(2) Long-term loans payable	76,820,000	76,383,326	(436,673)

(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 28, 2025)

(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	16,600,000	17,510,000	22,680,000	23,230,000	11,200,000	-
Total	16,600,000	17,510,000	22,680,000	23,230,000	11,200,000	-

Maturity analysis of long-term loans payable (August 31, 2025)

(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	14,400,000	20,470,000	26,700,000	22,950,000	4,490,000	2,210,000
Total	14,400,000	20,470,000	26,700,000	22,950,000	4,490,000	2,210,000

[Securities]

14th Fiscal Period (As of February 28, 2025)

Not applicable.

15th Fiscal Period (As of August 31, 2025)

Not applicable.

[Derivative Transactions]
1. Derivative transactions to which hedge accounting is not applied

14th Fiscal Period (As of February 28, 2025)

Not applicable.

15th Fiscal Period (As of August 31, 2025)

Not applicable.

2. Derivative transactions to which hedge accounting is applied

14th Fiscal Period (As of February 28, 2025)

Not applicable.

15th Fiscal Period (As of August 31, 2025)

Not applicable.

[Retirement Benefits]

14th Fiscal Period (As of February 28, 2025)

Not applicable.

15th Fiscal Period (As of August 31, 2025)

Not applicable.

[Tax-Effect Accounting]
1. Breakdown of Deferred Tax Assets and Deferred Tax Liabilities

(Unit: thousand yen)

	14th Fiscal Period (As of February 28, 2025)	15th Fiscal Period (As of August 31, 2025)
Deferred tax assets		
Asset retirement obligations	24,480	22,586
Deferred consumption taxes	91,646	65,541
Accrued enterprise taxes	3,003	5,846
Subtotal of deferred tax assets	119,130	93,973
Valuation allowance	(7,318)	(7,301)
Total deferred tax assets	111,811	86,671
Deferred tax liabilities		
Property, plant and equipment related to asset retirement obligations	17,161	15,284
Non-deductible consumption taxes related to property, plant and equipment	263,287	254,501
Non-deductible consumption taxes related to deferred assets	2,568	1,698
Total deferred tax liabilities	283,017	271,484
Net deferred tax liabilities	171,206	184,812

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

(Unit: %)

	14th Fiscal Period (As of February 28, 2025)	15th Fiscal Period (As of August 31, 2025)
Statutory tax rate	34.59	34.59
(Adjustments)		
Deductible distributions	(32.39)	(31.51)
Other	(0.06)	(0.03)
Effective income tax rate	2.14	3.05

[Related-Party Transactions]

1. Parent company, major corporate unitholders

14th Fiscal Period (from September 1, 2024 to February 28, 2025)

Not applicable.

15th Fiscal Period (from March 1, 2025 to August 31, 2025)

Not applicable.

2. Affiliated companies

14th Fiscal Period (from September 1, 2024 to February 28, 2025)

Not applicable.

15th Fiscal Period (from March 1, 2025 to August 31, 2025)

Not applicable.

3. Fellow subsidiaries

14th Fiscal Period (from September 1, 2024 to February 28, 2025)

Not applicable.

15th Fiscal Period (from March 1, 2025 to August 31, 2025)

Not applicable.

4. Directors, major individual unitholders

14th Fiscal Period (from September 1, 2024 to February 28, 2025)

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)
						Officers serving concurrent positions, etc.	Business relationship				
Director	Tetsuo Saida	-	-	Executive Director, Takara Leben Real Estate Investment Corporation and Representative Director, 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	508,802	Accounts payable – other	302,696

(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 233,624 thousand yen recorded as the book value of the acquired properties.

15th Fiscal Period (from March 1, 2025 to August 31, 2025)

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)
						Officers serving concurrent positions, etc.	Business relationship				
Director	Tetsuo Saida	-	-	Executive Director, Takara Leben Real Estate Investment Corporation and Representative Director, 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	321,357	Accounts payable – other	329,293

(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 22,000 thousand yen recorded as the book value of the acquired properties.

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

14th Fiscal Period (from September 1, 2024 to February 28, 2025)

Not applicable.

15th Fiscal Period (from March 1, 2025 to August 31, 2025)

Not applicable.

[Asset Retirement Obligations]

14th Fiscal Period (from September 1, 2024 to February 28, 2025)

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%

15th Fiscal Period (from March 1, 2025 to August 31, 2025)

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, which was 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%

(3) Movements of the asset retirement obligations

(Unit: thousand yen)

	14th Fiscal Period (from September 1, 2024 to February 28, 2025)	15th Fiscal Period (from March 1, 2025 to August 31, 2025)
Balance at beginning of period	83,786	77,813
Increase due to acquisition of properties	-	-
Decrease due to disposition of properties	6,289	6,289
Adjustment for passage of time	316	269
Balance at end of period	77,813	71,793

[Segment Information]

(Segment information)

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

(Related information)

14th Fiscal Period (from September 1, 2024 to February 28, 2025)

(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.	537,205	Real estate leasing business

15th Fiscal Period (from March 1, 2025 to August 31, 2025)

(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 customer

Disclosure is omitted because there are no customers that account for 10% or more of total operating revenues.

[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)

	14th Fiscal Period (from September 1, 2024 to February 28, 2025)	15th Fiscal Period (from March 1, 2025 to August 31, 2025)
Carrying amount		
Balance at beginning of period	152,687,030	176,751,295
Increase (decrease) during the period	24,064,265	246,917
Balance at end of period	176,751,295	176,998,213
Fair value at end of period	186,908,000	186,517,000

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

(Note 2) In the fiscal period ended February 28, 2025, the main increase is attributable to the acquisition of ten real estate trust beneficiary interests (25,038,347 thousand yen), and the main decrease is attributable to the sale of Sendai Nikko Building (50% quasi co-ownership interest; 935,894 thousand yen) and depreciation (710,964 thousand yen). In the fiscal year ended August 31, 2025, the main increase is attributable to the acquisition of one real estate trust beneficiary interest (2,330,728 thousand yen), and the main decrease is attributable to the sale of two real estate trust beneficiary interests (1,693,937 thousand yen) and depreciation (728,099 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 28, 2025 (14th Fiscal Period) and the fiscal period ended August 31, 2025 (15th Fiscal Period) is as stated in "Notes to Statement of Income."

[Revenue Recognition]

14th Fiscal Period (from September 1, 2024 to February 28, 2025)

Breakdown of Information about revenue from contracts with customers

Major revenues generated from contracts with customers are "revenue on sales of real estate properties" and "utilities reimbursement revenue." As for the amounts, refer to "**1. Breakdown of operating income from real estate leasing business" and "**2. Breakdown of gain on sales of real estate properties" 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. As of February 28, 2025, the total transaction price allocated to the remaining performance obligation regarding the transfer of real estate trust beneficiary interests, for which a sales contract was concluded on January 31, 2025, was 1,290,000 thousand yen. The Investment Corporation recognized revenues regarding the said remaining performance obligation on March 14, 2025 when the real estate trust beneficiary interests were transferred.

15th Fiscal Period (from March 1, 2025 to August 31, 2025)

Breakdown of Information about revenue from contracts with customers

Major revenues generated from contracts with customers are "revenue on sales of real estate properties" and "utilities reimbursement revenue." As for the amounts, refer to "**1. Breakdown of operating income from real estate leasing business" and "**2. Breakdown of gain on sales of real estate properties" 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]

	14th Fiscal Period (from September 1, 2024 to February 28, 2025)	15th Fiscal Period (from March 1, 2025 to August 31, 2025)
Net assets per unit	99,067 yen	99,226 yen
Net income per unit	2,952 yen	2,958 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:

	14th Fiscal Period (from September 1, 2024 to February 28, 2025)	15th Fiscal Period (from March 1, 2025 to August 31, 2025)
Net income (thousand yen)	2,664,922	2,695,099
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common investment units (thousand yen)	2,664,922	2,695,099
Average number of investment units during period (units)	902,714	910,820

[Significant Subsequent Events]

Not applicable.

(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 the period	Net balance at end of the period	Notes
Property, plant and equipment	Buildings	4,137,003	226	-	4,137,229	543,574	48,952	3,593,655	
	Structures	28,587	-	-	28,587	2,462	240	26,124	
	Machinery and equipment	47,540	-	-	47,540	14,262	1,188	33,278	
	Tools, furniture and fixtures	33,027	920	-	33,947	22,105	2,492	11,841	
	Land	5,617,204	-	-	5,617,204	-	-	5,617,204	
	Buildings in trust	47,310,370	1,675,707	499,231	48,486,847	4,983,063	654,009	43,503,783	
	Structures in trust	330,264	13,395	-	343,660	22,389	3,411	321,271	
	Machinery and equipment in trust	101,058	25,768	23,122	103,704	14,283	4,470	89,420	
	Tools, furniture and fixtures in trust	202,347	23,405	4,967	220,784	67,588	13,337	153,196	
	Land in trust	123,956,045	930,032	1,237,903	123,648,173	-	-	123,648,173	
	Construction in progress in trust	264	-	-	264	-	-	264	
	Total	181,763,714	2,669,454	1,765,225	182,667,943	5,669,729	728,102	176,998,213	
Intangible assets	Software	7,395	-	-	7,395	6,493	189	901	
	Total	7,395	-	-	7,395	6,493	189	901	
Total		181,771,109	2,669,454	1,765,225	182,675,338	5,676,223	728,292	176,999,114	

(Note) The main increase is attributable to the acquisition of one real estate trust beneficiary interest (2,330,728 thousand yen), and the main decrease is due to the sale of two real estate trust beneficiary interests (1,765,225 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.

(Unit: thousand yen)

Category (Note 1)		Balance at beginning of period	Increase during the period	Decrease during the period	Balance at end of period	Average interest rate (Note 2)	Repayment date (Note 3)	Repayment method	Use	Notes
Long-term loans payable	Lender									
	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	-					
	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	0.60088% (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					

	Category (Note 1)	Balance at beginning of period	Increase during the period	Decrease during the period	Balance at end of period	Average interest rate (Note 2)	Repayment date (Note 3)	Repayment method	Use	Notes
	Lender									
Long-term loans payable	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	1.38072%	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					
	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	1.31644%	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	1.18072%	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	1.28072%	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	1.33072%	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					

	Category (Note 1)	Balance at beginning of period	Increase during the period	Decrease during the period	Balance at end of period	Average interest rate (Note 2)	Repayment date (Note 3)	Repayment method	Use	Notes
	Lender									
Long-term loans payable	The Nishi-Nippon City Bank, Ltd.	700,000	-	-	700,000	1.01234%	July 30, 2027	Lump-sum repayment on maturity	(Note 5)	Unsecured Unguaranteed
	Daishi Hokuetsu 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	1,365,000	-	-	1,365,000	1.27307% (Note 7)	February 28, 2029	Lump-sum repayment on maturity	(Note 5)	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	1,100,000	-	-	1,100,000	1.11237%	August 31, 2028	Lump-sum repayment on maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	700,000	-	-	700,000					
	SBI Shinsei Bank, Limited	500,000	-	-	500,000					
	Aozora Bank, Ltd.	300,000	-	-	300,000					
	Sumitomo Mitsui Trust Bank, Limited	200,000	-	-	200,000					
	Resona Bank, Limited	200,000	-	-	200,000					
	Sumitomo Mitsui Banking Corporation	2,400,000	-	-	2,400,000	1.21237%	August 31, 2029	Lump-sum repayment on maturity	(Note 4)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	1,450,000	-	-	1,450,000					
	SBI Shinsei Bank, Limited	1,100,000	-	-	1,100,000					
	The Bank of Kyoto, Ltd.	1,000,000	-	-	1,000,000					
	Aozora Bank, Ltd.	800,000	-	-	800,000					
	Kansai Mirai Bank, Limited	700,000	-	-	700,000					
	Resona Bank, Limited	650,000	-	-	650,000					
	The Yamagata Bank, Ltd.	600,000	-	-	600,000					
	Sumitomo Mitsui Trust Bank, Limited	500,000	-	-	500,000					
	The Ashikaga Bank, Ltd.	500,000	-	-	500,000					
	The Tochigi Bank, Ltd.	500,000	-	-	500,000					
	The Juhachi-Shinwa Bank, Ltd.	500,000	-	-	500,000					
	The Iyo Bank, Ltd.	300,000	-	-	300,000					
	The Bank of Fukuoka, Ltd.	200,000	-	-	200,000					
	Sumitomo Mitsui Banking Corporation	550,000	-	-	550,000	1.55000% (Note 7)	February 29, 2028	Lump-sum repayment on maturity	(Note 5) (Note 6)	Unsecured Unguaranteed (Green loans)
	The Chiba Bank, Ltd.	300,000	-	-	300,000					
	SBI Shinsei Bank, Limited	250,000	-	-	250,000					
	Sumitomo Mitsui Trust Bank, Limited	250,000	-	-	250,000					
	Aozora Bank, Ltd.	250,000	-	-	250,000					
	Mizuho Bank, Ltd.	200,000	-	-	200,000					
	The Minato Bank, Ltd.	200,000	-	-	200,000					
	Daishi Hokuetsu Bank, Ltd.	200,000	-	-	200,000					
	The 77 Bank, Ltd.	200,000	-	-	200,000					
	The Bank of Yokohama, Ltd.	200,000	-	-	200,000					
	The Nishi-Nippon City Bank, Ltd.	150,000	-	-	150,000					
	The Aichi Bank, Ltd.	150,000	-	-	150,000					
	Kansai Mirai Bank, Limited	100,000	-	-	100,000					
	Sumitomo Mitsui Banking Corporation	1,100,000	-	-	1,100,000	1.69000% (Note 7)	February 28, 2029	Lump-sum repayment on maturity	(Note 5) (Note 6)	Unsecured Unguaranteed (Green loans)
	Mizuho Bank, Ltd.	500,000	-	-	500,000					
	SBI Shinsei Bank, Limited	400,000	-	-	400,000					
	Aozora Bank, Ltd.	400,000	-	-	400,000					
	Sumitomo Mitsui Trust Bank, Limited	350,000	-	-	350,000					
	The Minato Bank, Ltd.	300,000	-	-	300,000					
	Daishi Hokuetsu Bank, Ltd.	300,000	-	-	300,000					
	The 77 Bank, Ltd.	300,000	-	-	300,000					
	The Bank of Yokohama, Ltd.	300,000	-	-	300,000					
	Kansai Mirai Bank, Limited	200,000	-	-	200,000					
	Resona Bank, Limited	100,000	-	-	100,000					
	The Nishi-Nippon City Bank, Ltd.	100,000	-	-	100,000					

Category (Note 1)		Balance at beginning of period	Increase during the period	Decrease during the period	Balance at end of period	Average interest rate (Note 2)	Repayment date (Note 3)	Repayment method	Use	Notes
Lender										
Long-term loans payable	Sumitomo Mitsui Banking Corporation	-	700,000	-	700,000	0.95253%	January 31, 2028	Lump-sum repayment on maturity	(Note 5)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	-	450,000	-	450,000					
	The Asahi Shinkin Bank	-	450,000	-	450,000					
	Sumitomo Mitsui Trust Bank, Limited	-	400,000	-	400,000					
	SBI Shinsei Bank, Limited	-	300,000	-	300,000					
	Aozora Bank, Ltd.	-	250,000	-	250,000					
	Resona Bank, Limited	-	250,000	-	250,000					
	The Nishi-Nippon City Bank, Ltd.	-	200,000	-	200,000					
	The Minato Bank, Ltd.	-	200,000	-	200,000					
	The Tochigi Bank, Ltd.	-	150,000	-	150,000					
	Sumitomo Mitsui Banking Corporation	-	990,000	-	990,000	1.92399% (Note 7)	January 31, 2030	Lump-sum repayment on maturity	(Note 5) (Note 6)	Unsecured Unguaranteed (Green loans)
	Mizuho Bank, Ltd.	-	600,000	-	600,000					
	The Asahi Shinkin Bank	-	600,000	-	600,000					
	Sumitomo Mitsui Trust Bank, Limited	-	500,000	-	500,000					
	SBI Shinsei Bank, Limited	-	400,000	-	400,000					
	Aozora Bank, Ltd.	-	350,000	-	350,000					
	Resona Bank, Limited	-	350,000	-	350,000					
	The Nishi-Nippon City Bank, Ltd.	-	300,000	-	300,000					
	The Minato Bank, Ltd.	-	300,000	-	300,000					
	The Ashikaga Bank, Ltd.	-	100,000	-	100,000					
	Sumitomo Mitsui Banking Corporation	-	510,000	-	510,000	2.08338% (Note 7)	January 31, 2031	Lump-sum repayment on maturity	(Note 5)	Unsecured Unguaranteed
	Mizuho Bank, Ltd.	-	350,000	-	350,000					
	Sumitomo Mitsui Trust Bank, Limited	-	300,000	-	300,000					
	The Asahi Shinkin Bank	-	250,000	-	250,000					
	SBI Shinsei Bank, Limited	-	200,000	-	200,000					
	Aozora Bank, Ltd.	-	200,000	-	200,000					
	Resona Bank, Limited	-	200,000	-	200,000					
	The Nishi-Nippon City Bank, Ltd.	-	100,000	-	100,000					
	The Minato Bank, Ltd.	-	100,000	-	100,000					
Subtotal		91,220,000	10,050,000	10,050,000	91,220,000	-	-	-	-	-
Total		91,220,000	10,050,000	10,050,000	91,220,000	-	-	-	-	-

(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	14,400,000	20,470,000	26,700,000	22,950,000	4,490,000

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, 2025, 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, 2025, 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 of public interest entities 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.

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, 2025, the amount of fees for the audit charged to the Company by PricewaterhouseCoopers Japan LLC and other PwC Network firms is 13 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.

藪谷 峰

Takashi Yabutani

Designated Engagement Partner
Certified Public Accountant

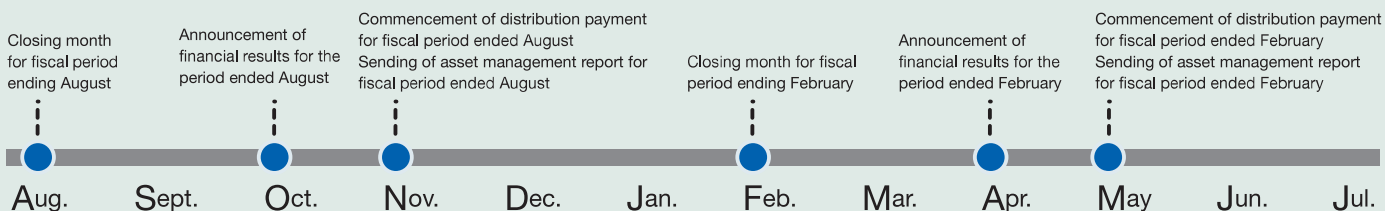
平山 晃一郎

Koichiro Hirayama

Designated Engagement Partner
Certified Public Accountant

November 25, 2025

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 Limited Stock Transfer Agency Department, 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/>

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

