

August 2021 Fiscal Period (7th Period) Presentation Material

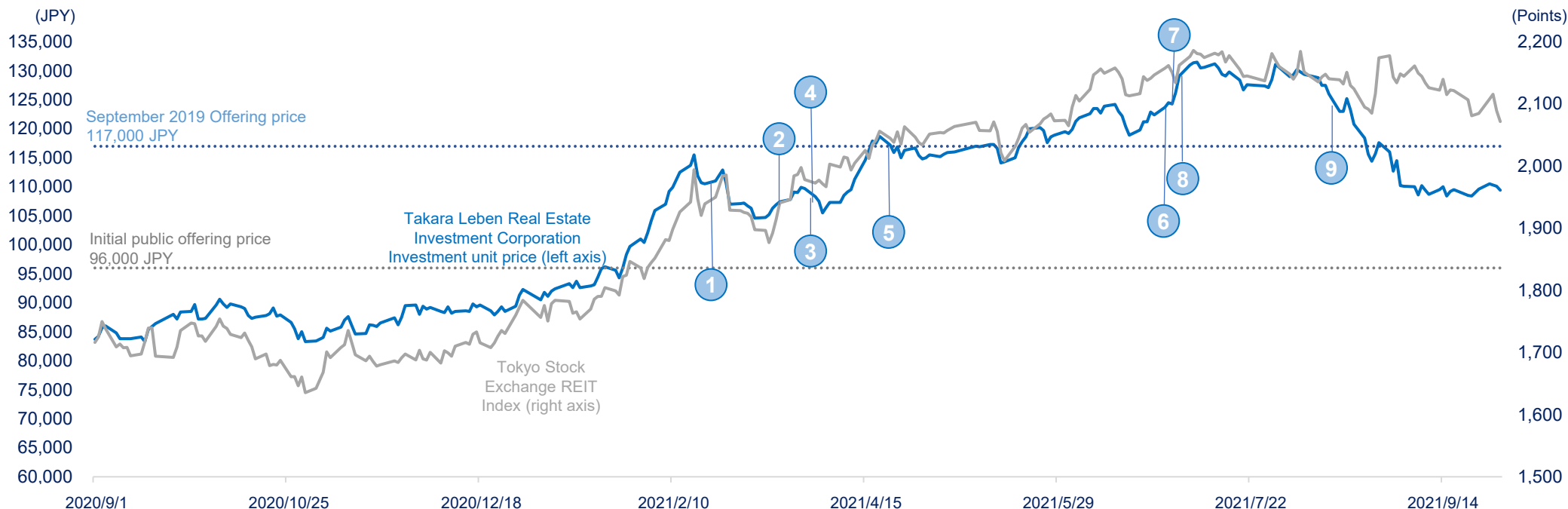







**Takara Leben Real Estate
Investment Corporation**

Securities Code: 3492

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Trend of Investment Unit Price, Major Events in the 7th Fiscal Period



<p>1 February 22, 2021 Disclosure on the disposition of 1 property and the acquisition of 2 properties</p>	<p>2 March 12, 2021 Acquisition of DBJ Green Building certification</p>	<p>3 4 March 22, 2021 Disclosure on the acquisition of 2 properties Acquired R&I issuer credit rating</p>	<p>5 April 13, 2021 Disclosure on the acquisition of 1 property</p>	<p>7 June 29, 2021 JCR credit outlook changed</p>	<p>9 August 13, 2021 Announcement of public offering and disclosure on the acquisition of 12 properties with procured funds and borrowings</p>
<ul style="list-style-type: none"> • Disclosure on acquisition of the Yoyogi 1-chome Building (completed acquisition on 2021/4/30) • Disclosure on acquisition of AEON STYLE Onomichi (Land) (completed acquisition on 2021/3/1) • Disclosure on transfer of Almost Blue (completed transfer of 30% quasi-co-ownership interest on 2021/2/26, completed transfer of 70% quasi-co-ownership interest on 2021/3/19/) 	<ul style="list-style-type: none"> • Acquired DBJ Green Building certification for Higashi-Ikebukuro Central Place  <p>Property with satisfactory environmental & social awareness</p>	<ul style="list-style-type: none"> • Disclosure on acquisition of BIGMOTOR Sapporo Kiyota (Land) (completed acquisition on 2021/5/19) • Disclosure on acquisition of DCM Daiki Onomichi (Land) (completed acquisition on 2021/4/1)   <p>BIGMOTOR Sapporo Kiyota (Land) DCM Daiki Onomichi (Land)</p> <ul style="list-style-type: none"> • Acquired R&I issuer credit rating of A - (Stable) 	<ul style="list-style-type: none"> • Disclosure on acquisition of LUXENA KADOMA  <p>LUXENA KADOMA</p> <p>6 June 25, 2021 Disposition of 1 property</p> <ul style="list-style-type: none"> • Disclosure on transfer of Alpha Space Toritsudai (completed transfer on 2021/7/15) 	<ul style="list-style-type: none"> • JCR long-term issuer credit rating outlook changed from A- (Stable) to A- (Positive) <p>8 July 1, 2021 Disclosure on the acquisition of property</p> <ul style="list-style-type: none"> • Disclosure on acquisition of Cainz Omiya  <p>Cainz Omiya</p>	<ul style="list-style-type: none"> • Kawagoe West Building • HAKATA REISENMACHI Building • LUXENA TODAKOEN • LUXENA TODAKOEN II • LUXENA AKIHABARA • Fiore Residence Dejima Kaigan Dori • LUXENA MUSASHI-SHINJO • LUXENA NAGAREYAMA OOTAKANOMORI • PRIME SQUARE • Winbell Chorus Seiseki Sakuragaoka • APiTA NAGOYA-MINAMI • (Tentative name) BIGMOTOR Konosu (Land) (Completed above acquisitions on 2021/9/2)

■ Initial Targets for the 7th Period

1. Distributions

3,100 JPY per unit

2. External Growth

- Improvement of portfolio quality and stability
- Acquisition of properties through effective use of cash on hand
- Securing acquisition opportunities by obtaining preferential negotiation rights from bridge funds
- Securing growth opportunities through sponsor pipeline from Takara Leben

3. Internal Growth

- Reduction of fixed costs by reviewing property management specifications and switching power suppliers, etc.
- Implementation of capital expenditures to improve property competitiveness

4. Financial Strategy

- Reduction of refinancing risk by lengthening and diversifying maturity ladder
- Responding to interest rate fluctuation risk by fixing interest rates
- Diversifying sources of funding



■ Results of 7th Period

1. Distribution

3,156 JPY per unit (+56 JPY vs. initial forecast)
Gain on disposal property recorded (partially retained internally)

2. External Growth

- Decided to dispose two properties in central Tokyo while acquiring six properties expected to generate stable earnings over the medium to long term based on the judgement that they would contribute to maximizing unitholder value and after carrying out comparative exploration of future internal growth potential and realizing gain on transfer
- Of the 18 properties acquired during the 7th period (6 properties acquired during the 7th period and 12 properties acquired through public offering in the 8th period), 11 were acquired from Takara Leben, the sponsor, utilizing the sponsor pipeline

3. Internal Growth

- Launched operations at ACCESS by LOISIR HOTEL Nagoya on May 10
Monthly occupancy rate recovers to above 50% by August
- Changed the property management company (Sendai Nikko Building) in order to reduce costs (635 thousand JPY per year) and improve management level

4. Financial Strategy

- Refinancing 10 billion JPY in total: Avoiding interest rate fluctuation risk by partially lengthening and diversifying the maturity ladder and fixing interest rates (July 30, 2021)
- Credit ratings acquired and improved:
Acquired R&I A- (Stable) rating (March 22, 2021)
JCR rating changed from A- (Stable) =>A- (Positive) (June 29, 2021)

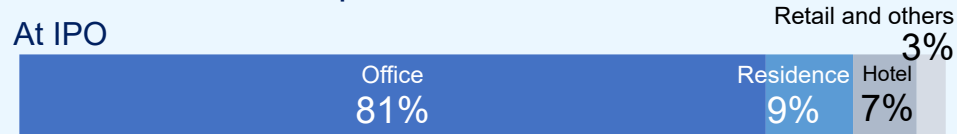
I. Overview and Impact of Public Offering

Number of Investment Units by Type of Unitholder

Offering type	Domestic offering
Number of units issued	112,500 units
Payment date	September 1, 2021
Issue price	112,417 JPY per unit
Issue amount	108,381 JPY per unit
Total issue amount	12,192 million JPY
Use of funds	Allocated to funds for property acquisition

Impact of Property Acquisition through Offering

➤ Diversification of portfolio



After New PO

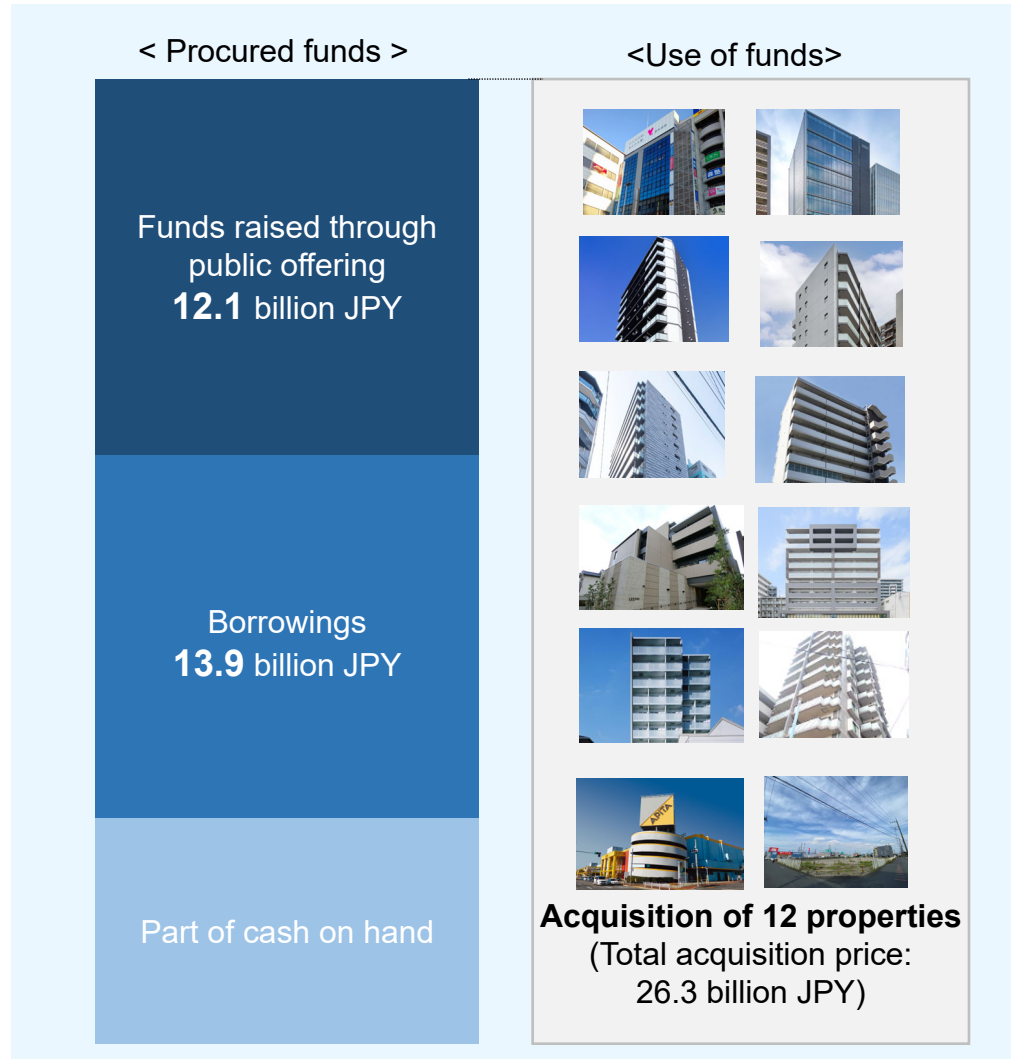


➤ Younger average portfolio building age



■ Use of Procured Funds

- Allocation to funds for property acquisitions from a combination of funds procured through public offering, borrowings, and cash on hand from proceeds of property sales, etc.



Summary of Acquired Properties (Acquired in 7th Period and Acquired through Public Offering)

- Acquired properties enhancing unitholder value, centering on newly built properties developed by main sponsor Takara Leben

List of Newly Acquired Assets

Assets acquired through public offering



Office
Kawagoe West Building



Office
HAKATA REISENMACHI Building



Residence
LUXENA TODAKOEN



Residence
LUXENA TODAKOEN II



Residence
LUXENA AKIHABARA



Residence
Fiore Residence Dejima Kaigan Dori



Residence
LUXENA MUSASHI-SHINJO



Residence
LUXENA NAGAREYAMA OOTAKANOMORI



Residence
PRIME SQUARE



Residence
Winbell Chorus SeisekiSakuragaoka



Retail
APITA NAGOYA-MINAMI



Retail
(Tentative name) BIGMOTOR Konosu (Land)

Acquired Assets in 7th FP



Office
Yoyogi 1-chome Building



Residence
LUXENA KADOMA



Retail
AEON STYLE Onomichi (Land)



Retail
BIGMOTOR Sapporo Kiyota (Land)



Retail
DCM Daiki Onomichi (Land)



Retail
Cainz Omiya

Total Acquisition Price

36.4 billion JPY

Total Appraisal Value

38.6 billion JPY

Properties Acquired from Takara Leben (Incl. from IS No. 3 (Note 1))

11 properties
(out of 18 properties)

Average Appraisal NOI Yield After Depreciation

4.1%

Average Building Age

12.4 years

Average Lease Term

14.5 years

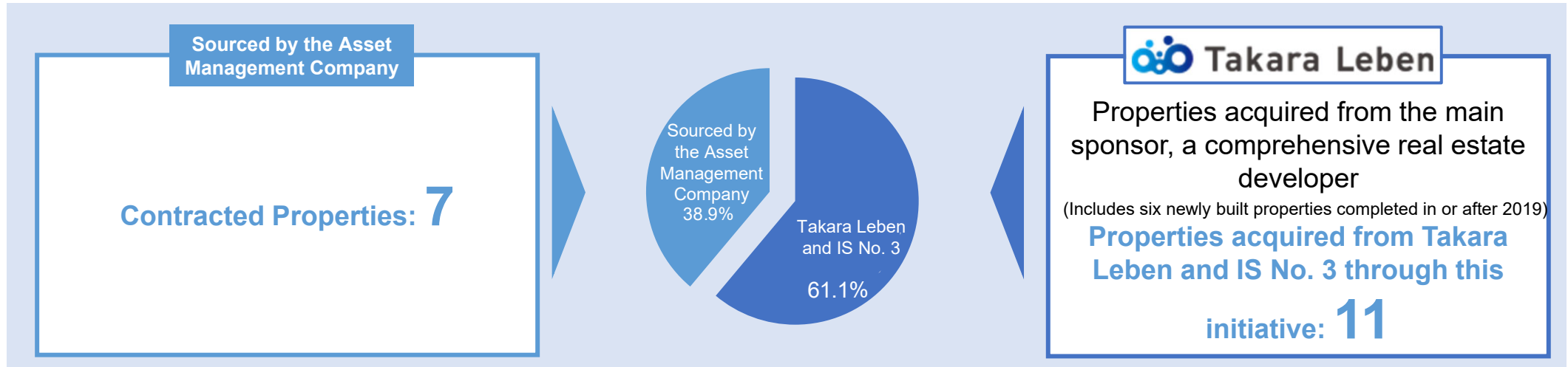
	Property No.	Property Name	Acquisition Price	Asset Type	Appraisal NOI Yield / Appraisal NOI Yield After Depreciation
Acquired Assets 8 th FP	O-20	Kawagoe West Building	2,600 million JPY	Office	5.0% / 4.4%
	O-21	HAKATA REISENMACHI Building	2,700 million JPY	Office	4.2% / 3.4%
	R-11	LUXENA TODAKOEN	910 million JPY	Residence	4.6% / 3.4%
	R-12	LUXENA TODAKOEN II	1,200 million JPY	Residence	4.5% / 3.4%
	R-13	LUXENA AKIHABARA	2,300 million JPY	Residence	3.8% / 3.2%
	R-14	Fiore Residence Dejima Kaigan Dori	560 million JPY	Residence	5.4% / 4.2%
	R-15	LUXENA MUSASHI-SHINJO	1,900 million JPY	Residence	4.5% / 3.6%
	R-16	LUXENA NAGAREYAMA OOTAKANOMORI	2,840 million JPY	Residence	4.8% / 3.7%
	R-17	PRIME SQUARE	620 million JPY	Residence	5.3% / 4.3%
	R-18	Winbell Chorus SeisekiSakuragaoka	730 million JPY	Residence	5.7% / 4.8%
Acquired Assets 7 th FP	C-11	APITA NAGOYA-MINAMI	7,800 million JPY	Retail	5.2% / 4.6%
	C-12	(Tentative name) BIGMOTOR Konosu (Land)	2,150 million JPY	Retail	4.5% / 4.5%
	O-19	Yoyogi 1-chome Building	1,850 million JPY	Office	4.0% / 3.7%
	R-10	LUXENA KADOMA	2,000 million JPY	Residence	4.8% / 3.4%
	C-07	AEON STYLE Onomichi (Land)	900 million JPY	Retail	5.3% / 5.3%
	C-08	BIGMOTOR Sapporo Kiyota (Land)	1,610 million JPY	Retail	4.6% / 4.6%
	C-09	DCM Daiki Onomichi (Land)	1,170 million JPY	Retail	5.5% / 5.5%
	C-10	Cainz Omiya	2,520 million JPY	Retail	5.0% / 4.2%

(Note 1) "IS No. 3" refers to Island Ship No. 3. Properties acquired from IS No. 3 are included in properties acquired from Takara Leben because IS No. 3 is a bridge fund (a private fund that holds real estate, etc. on the premise that the Investment Corporation will acquire them in the future) formed by Takara Leben. In this document, properties acquired through similar schemes are similarly included in properties acquired from Takara Leben.

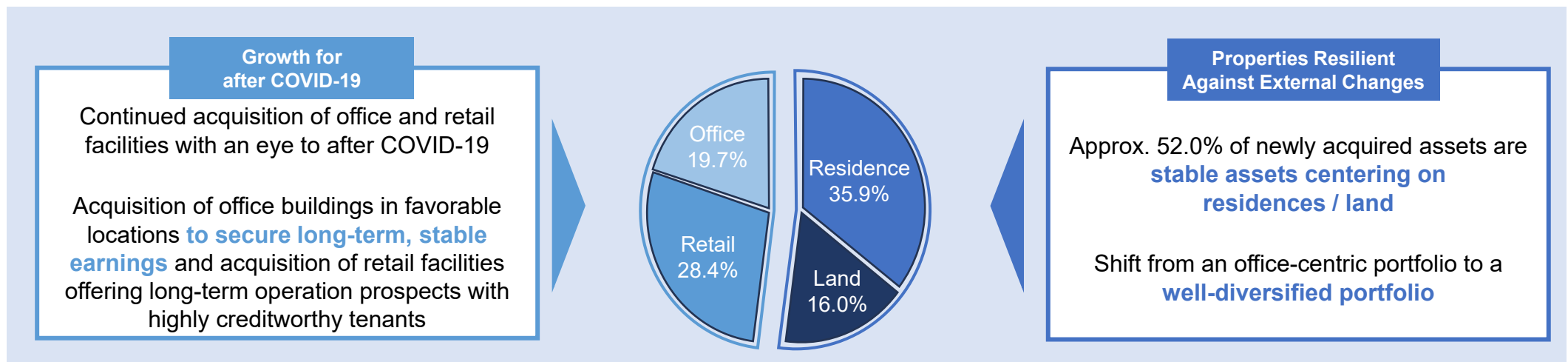
(Note) Figures presented are based on estimates announced at the time of resolution made to issue new investment units on August 13, 2021.

- Acquired 18 new properties (total acquisition price: 36.4 billion JPY) in the 7th and 8th fiscal periods, mainly properties developed by Takara Leben
- In addition to residential and lifestyle-oriented retail facilities, which enjoy solid demand even during the COVID-19 pandemic, acquired land of retail facilities with highly creditworthy tenants

Ratio of Newly Acquired Assets (by Number of Properties)



Ratio of Asset Types for Newly Acquired Assets (by (Planned) Acquisition Price)



- Asset size exceeds 100 billion JPY, growing to 113.1 billion JPY
- Improved portfolio quality and unitholder value by reducing average building age through public offering initiative

	End of 6 th Period (February 28, 2021)	Results at End of 7 th Period and Public Offering Initiatives		After Public Offering (September 2, 2021)
		End of 7 th Period (August 31, 2021)	Assets Acquired Through Public Offering	
No. of Properties	33	37	12	49
Total Acquisition Price (billion JPY)	81.8	86.7	26.3	113.1
Total Appraisal Value (billion JPY)	87.7	92.8	27.8	120.6
Unrealized Gains (billion JPY) (Note 1)	5.2	5.4	0.5	6.9
Average NOI Yield After Depreciation (%) (Note 2)	4.2	4.0	4.1	4.0
Average Occupancy Rate (%) (Note 3)	96.6	98.0	97.3	98.1
Average Building Age (years)	22.2	22.1	12.4	19.8
Appraisal LTV (LTV) (%)	49.5	46.7		47.5
Net Asset Value per Unit (Note 1)	109,202	109,764		111,832
Net Assets per Unit (JPY)	100,853	101,156		102,570

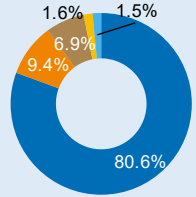
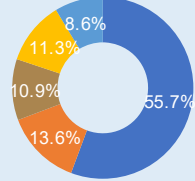
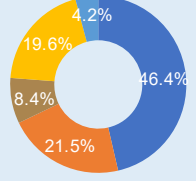
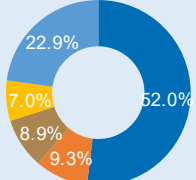
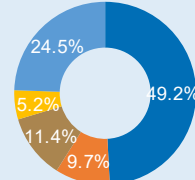
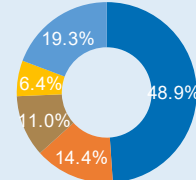
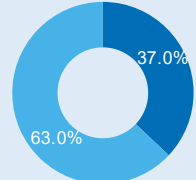
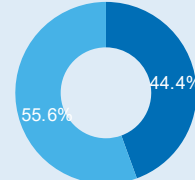
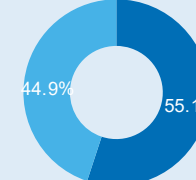
(Note 1) Unrealized gains in the 6th and 7th fiscal periods are calculated by subtracting the period-end book value from the appraisal value, and unrealized gains on properties acquired through public offerings are calculated by subtracting the acquisition price from the appraisal value.

(Note 2) Figures from the end of the 6th and 7th fiscal periods are yields after depreciation for the properties owned as of the end of each period. For properties acquired through public offering, figures are calculated based on the appraisal report.

(Note 3) Average occupancy rates after public offering are as of September 30 after acquisition of the properties through the public offering.

Improvement of Portfolio Quality (1)

- Consistently improving portfolio stability through a strategy of asset replacement
- Steadily expanding asset size by focusing on building a portfolio that emphasizes stability, aiming for total asset value of 150 billion JPY

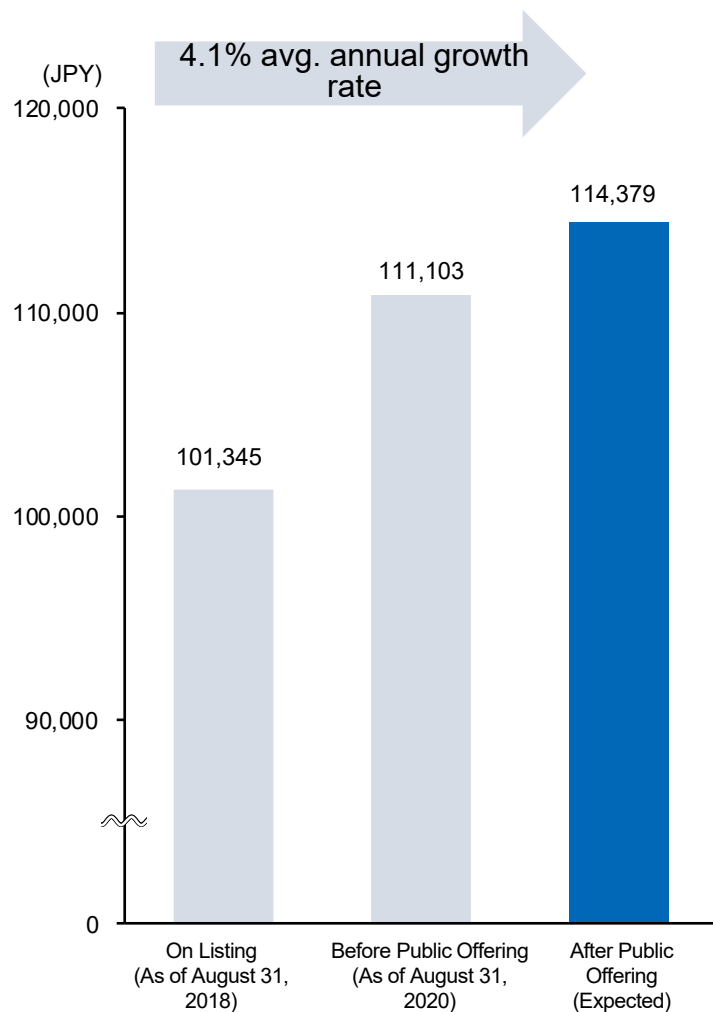
	On Listing (August 31, 2018)	Before Public Offering (August 31, 2020)	After Public Offering	Comments
Distribution by Asset Type (Acquisition Price Basis)				<ul style="list-style-type: none"> ■ Targeting generation of stable cash flows by increasing the ratio of residential and lifestyle-related retail facilities
Diversification by Geographic Area (Acquisition Price Basis)				<ul style="list-style-type: none"> ■ The four major metropolitan areas (core areas as defined by the Investment Corporation) account for approximately 61% of Japan's GDP ■ Diversifying by geographic area, focusing on the four major metropolitan areas where stable economic conditions are expected to continue
No. of Properties Acquired from Takara Leben (Number of Properties Basis)				<ul style="list-style-type: none"> ■ Strengthening acquisitions from Takara Leben (incl. IS No. 3) ■ Properties acquired from Takara Leben after this initiative account for the majority of the portfolio, at 55.1%
Number of Tenants (Tenants)	497	697	967	<ul style="list-style-type: none"> ■ Limited impact from COVID-19 on average occupancy rates due to the Investment Corporation's stable portfolio ■ Aiming to improve stability by continuously increasing the number of tenants and through younger average building age
Average Occupancy Rate (%)	96.3	98.1	97.7	
Average Building Age (years)	25.3	21.9	19.7	

(Note) Figures presented are based on estimates announced at the time of resolution made to issue new investment units on August 13, 2021.

➤ Achieved portfolio quality improvements across each indicator

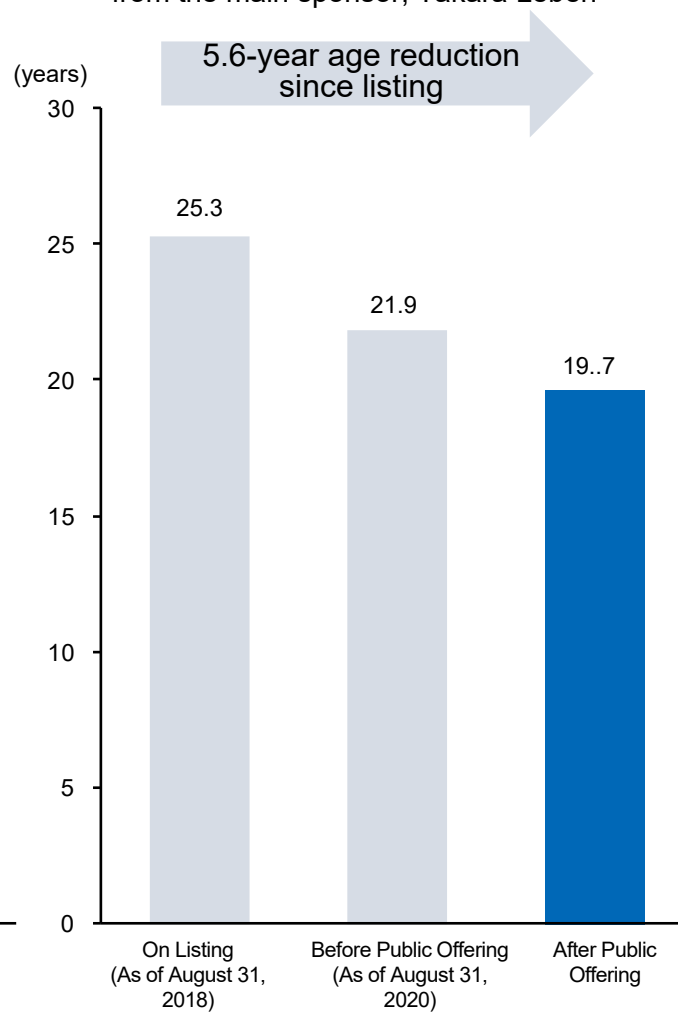
Net Asset Value per Unit

- Steady improvement in NAV per unit through flexible asset replacement



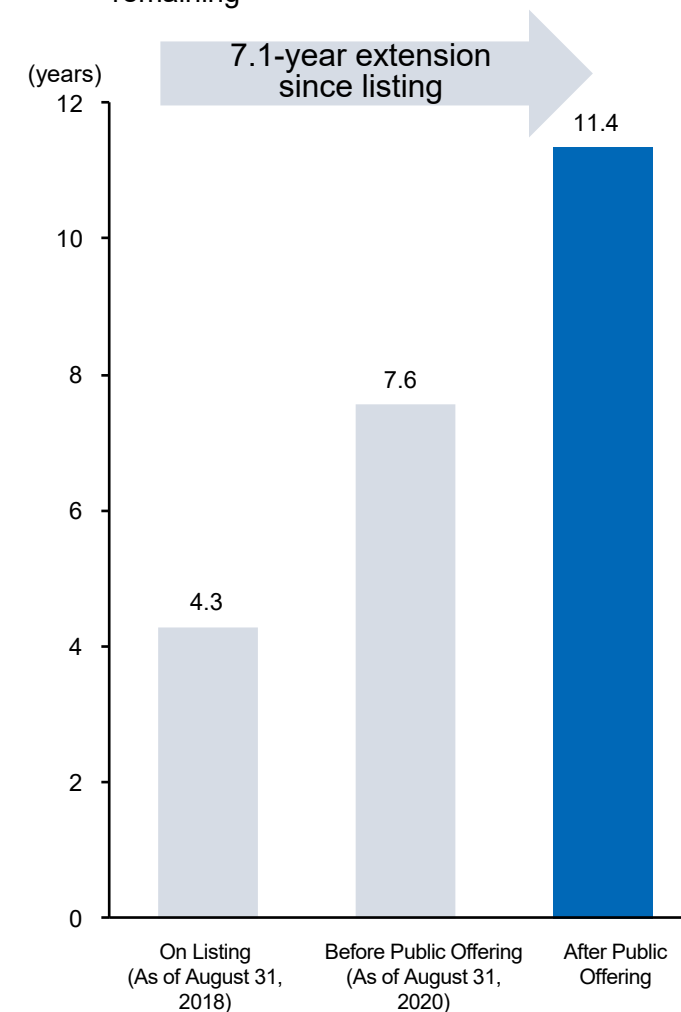
Average Building Age

- Building age was reduced through the disposition of old offices in Morioka, Koriyama, and Utsunomiya and the acquisition of newly developed property from the main sponsor, Takara Leben



Average Lease Term

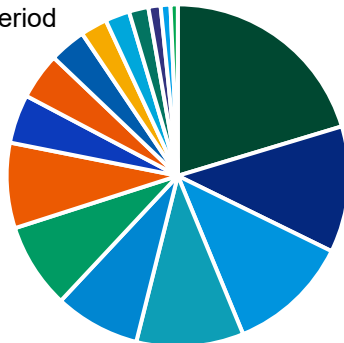
- Improved revenue stability even amid the harsh COVID-19 pandemic by lengthening lease contracts, including the incorporation of land with tenants who have long-term lease terms remaining



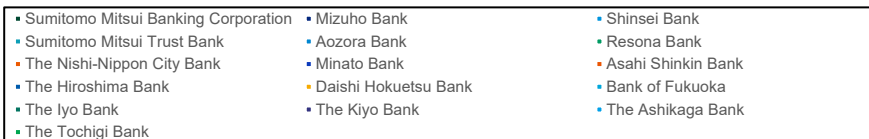
Expanding Pool of Lender Financial Institutions

➤ Expanded funding base by increasing the number of lender financial institutions by 5, to a total of 21

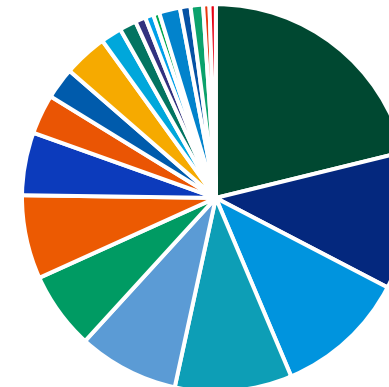
Lenders as of End of 7th Period



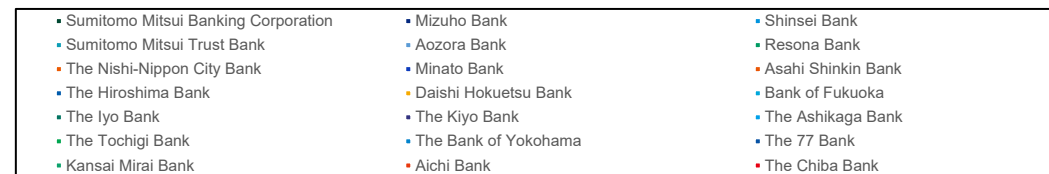
Total borrowings: 43,400 million JPY



Lenders After Capital Increase



Total borrowings: 57,300 million JPY

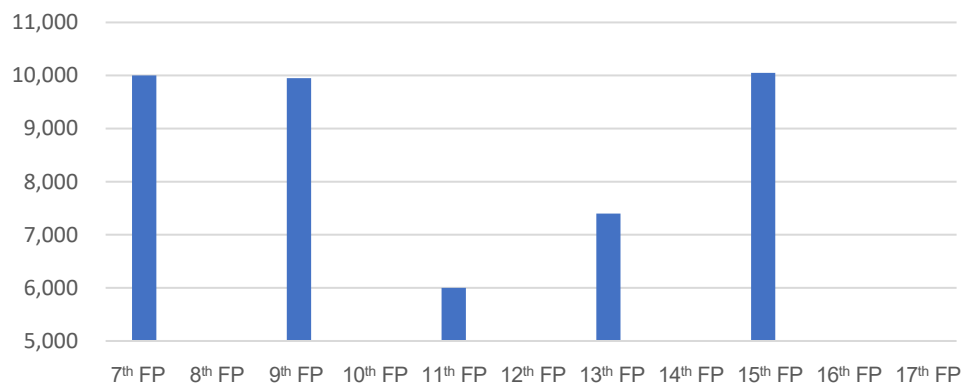


Lengthening and Diversifying Maturity Ladder

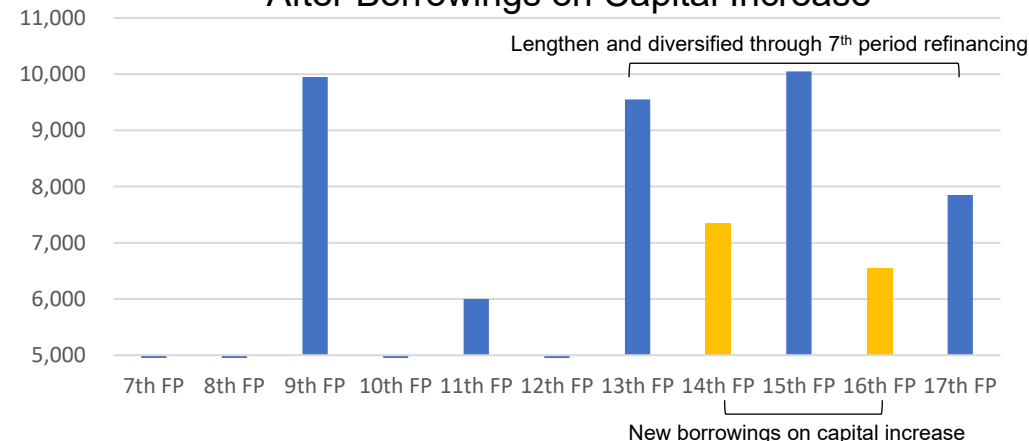
➤ Refinancing in the 7th fiscal period diversified the maturity ladder into the 13th and 17th fiscal periods with new borrowings at time of capital increase further the diversifying maturity ladder

(Unit: million JPY)

Before (End of 6th Period)



After Borrowings on Capital Increase



II. Overview of the 7th Fiscal Period Ended August 31, 2021

7th Fiscal Period Financial Highlights

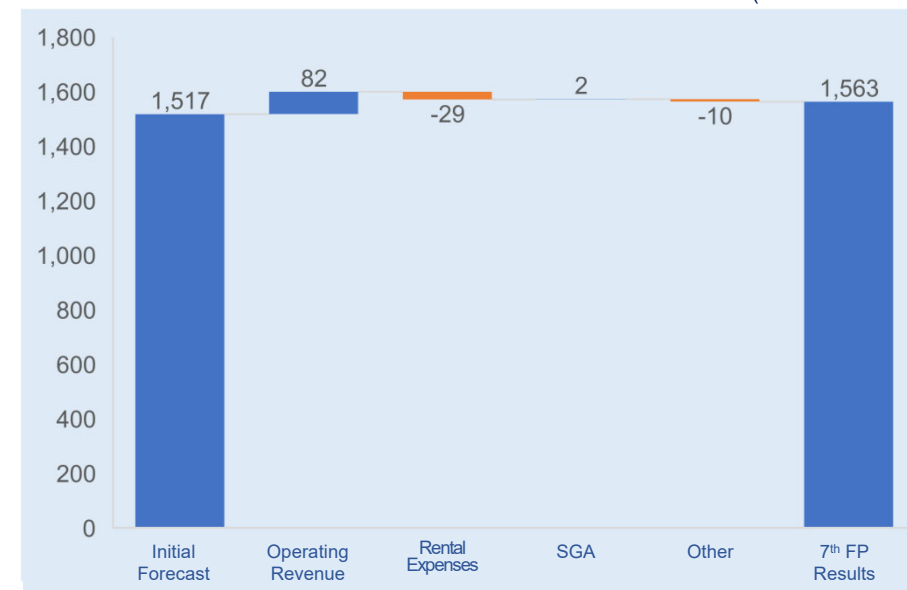
(Unit: million JPY)

7 th Period Results vs. Forecast	Initial Forecast	Actual	Difference	Major Factors
Number of Days in Operation	184 days	184 days	-	-
Operating Revenue (million JPY)	2,979	3,061	+82	+40 Increase in gain on disposal properties (forecast: 416; actual: 457) +23 Operating revenue from newly acquired properties +19 Other
Operating Income (million JPY)	1,787	1,843	+56	+82 Increase in operating revenue -29 Increase in rental expenses (leasing expenses, etc.) +2 Other
Ordinary Income (million JPY)	1,562	1,621	+58	+56 Increase in operating income +1 Insurance claim income
Net Income (million JPY)	1,517	1,563	+46	+58 Increase in ordinary income -11 Increase in income taxes
Total Amount of Distributions (million JPY)	1,433	1,459	+25	+46 Increase in net income -21 Increase in retained earnings
Distributions per Unit (including distributions in excess of earnings) (JPY)	3,100	3,156	-	Total number of investment units issued and outstanding: 462,500 units

6 th Period vs 7 th Period	6 th FP	7 th FP	Difference	Major Factors
Number of Days in Operation	181 days	184 days	+3 days	-
Operating Revenue (million JPY)	2,874	3,061	+187	+271 Increase in gains on disposal properties (6 th FP: 186, 7 th FP: 457) -208 Decrease in revenue from disposal properties +182 Revenue from acquisition of properties -55 Decrease in revenue from existing properties (ACCESS, Shinsaibashi, Chuo Bakuromachi, etc.) -2 Other
Operating Income (million JPY)	1,702	1,843	+141	+187 Increase in operating revenue +69 Decrease in expenses from disposal properties -19 Increase in expenses from acquisition of properties -34 Incurring hotel rebranding costs -40 Increase in repair and leasing expenses -18 Increase in non-deductible consumption tax due to decrease in taxable sales ratio
Ordinary Income (million JPY)	1,500	1,621	+120	+141 Increase in operating income -19 Loss on property tax refund in the previous period
Net Income (million JPY)	1,476	1,563	+87	+120 Increase in ordinary income -33 Increase in income taxes
Total Amount of Distributions (million JPY)	1,433	1,459	+25	+46 Increase in net income -21 Increase in retained earnings
Distributions per Unit (including distributions in excess of earnings) (JPY)	3,100	3,156	+56	Total number of investment units issued and outstanding: 462,500 units

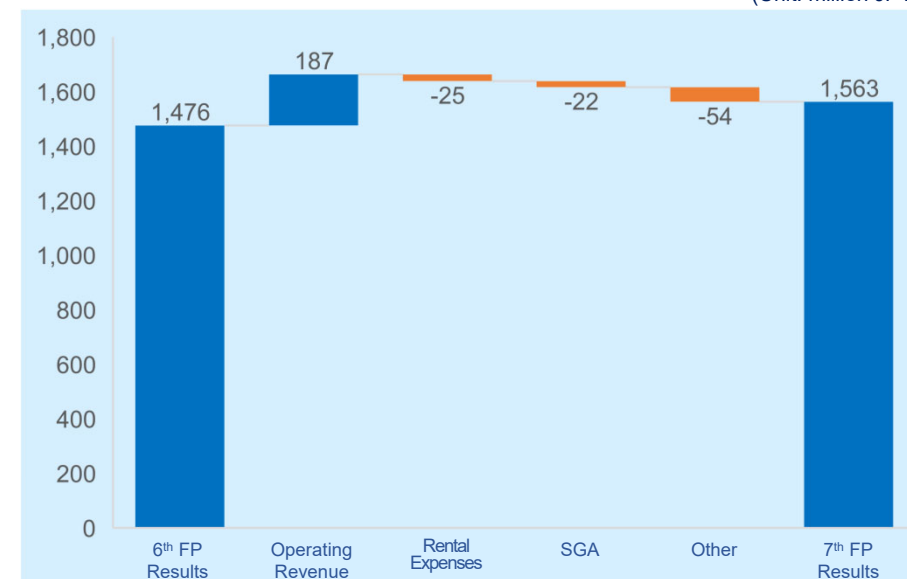
Net Income Change (Initial Forecast vs. Result for the 7th Period)

(Unit: million JPY)



Net Income Change (6th Period Result vs. 7th Period Result)

(Unit: million JPY)



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

Balance Sheet Comparison

(Unit: million JPY)

(Unit: million JPY)

	6 th Period vs 7 th Period			
	6 th FP	7 th FP	Difference	Major Factors
Current Assets	11,665	6,367	-5,297	
Cash and Deposits (including in trust)	11,449	5,833	-5,616	+5,412 Proceeds from disposition (Almost Blue / Toritsudai) -10,250 Acquisition of properties (6) -952 Other
Other Current Assets	215	534	+318	+229 Consumption tax receivable +24 Increase in borrowing related expenses +30 Increase in deferred consumption taxes
Fixed Assets	82,686	87,900	+5,214	
Total Tangible Fixed Assets	81,883	87,439	+5,555	-4,712 Disposition of 2 properties +10,317 Acquisition of 6 properties
Total Intangible Assets	533	2	-531	-530 Disposition of Almost Blue (leasehold)
Total Investments and Other Assets	268	458	+190	+105 Increase in deferred consumption taxes +61 Increase in borrowing related expenses
Deferred Assets	28	13	-15	-15 Amortization of investment unit issuance costs
Total Assets	94,380	94,281	-98	

	6 th Period vs 7 th Period			
	6 th FP	7 th FP	Difference	Major Factors
Current Liabilities	10,845	10,616	-229	
Current Portion of Long-Term Loans Payable	10,000	9,950	-50	
Other Current Liabilities	845	666	-179	+95 Increase in accounts payable-other -286 Tax payment
Non-Current Liabilities	36,889	36,880	-9	
Long-Term Loans Payable	33,400	33,450	+50	
Other Non-Current Liabilities	3,489	3,430	-59	244 Increase in deposits from acquisition of properties -171 Decrease in deposits from disposal of properties -98 Decrease from tenant replacement -25 Return of security deposits
Total Liabilities	47,735	47,496	-238	
Net Assets	46,644	46,784	+140	
Total Liabilities and Net Assets	94,380	94,281	-98	

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

Performance of Asset Management: Property Sale to Replacement, Stability in Distributions

- Considering risks on future stable cash flow, realization of internal growth, etc., we disposed 5 properties to allocate funds for new property acquisition and distributions

Properties Disposed in the 6th and 7th Periods

Disposed on November 30, 2020



Morioka Ekimae-dori Building



EME Koriyama Building

Disposed on
December 23, 2020



Utsunomiya Central Building

Entered into sales agreement
on February 26, 2021 (Note 1)



Almost Blue

Disposed on July 15, 2021



Alpha Space Toritsudai

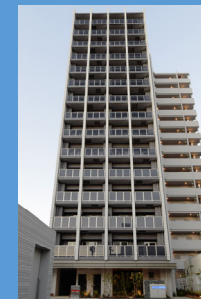
Total Disposition Price 11,059 million JPY

**New acquisitions
in 7th period**



**Realized gains
distributed to unitholders**
Retained a portion of gains on
disposal properties, utilized for
future stable distributions

Properties Acquired in the 7th Period



LUXENA KADOMA
(Acquired on April 13, 2021)



Yoyogi 1-chome Building
(Acquired on April 30, 2021)



AEON STYLE Onomichi (Land)
(Acquired on March 1, 2021)



DCM Daiki Onomichi (Land)
(Acquired on April 1, 2021)



BIGMOTOR Sapporo Kiyota
(Land)
(Acquired on May 19, 2021)



Cainz Omiya
(Acquired on July 1, 2021)

Total Acquisition Price

10,050 million JPY

Office

Residence

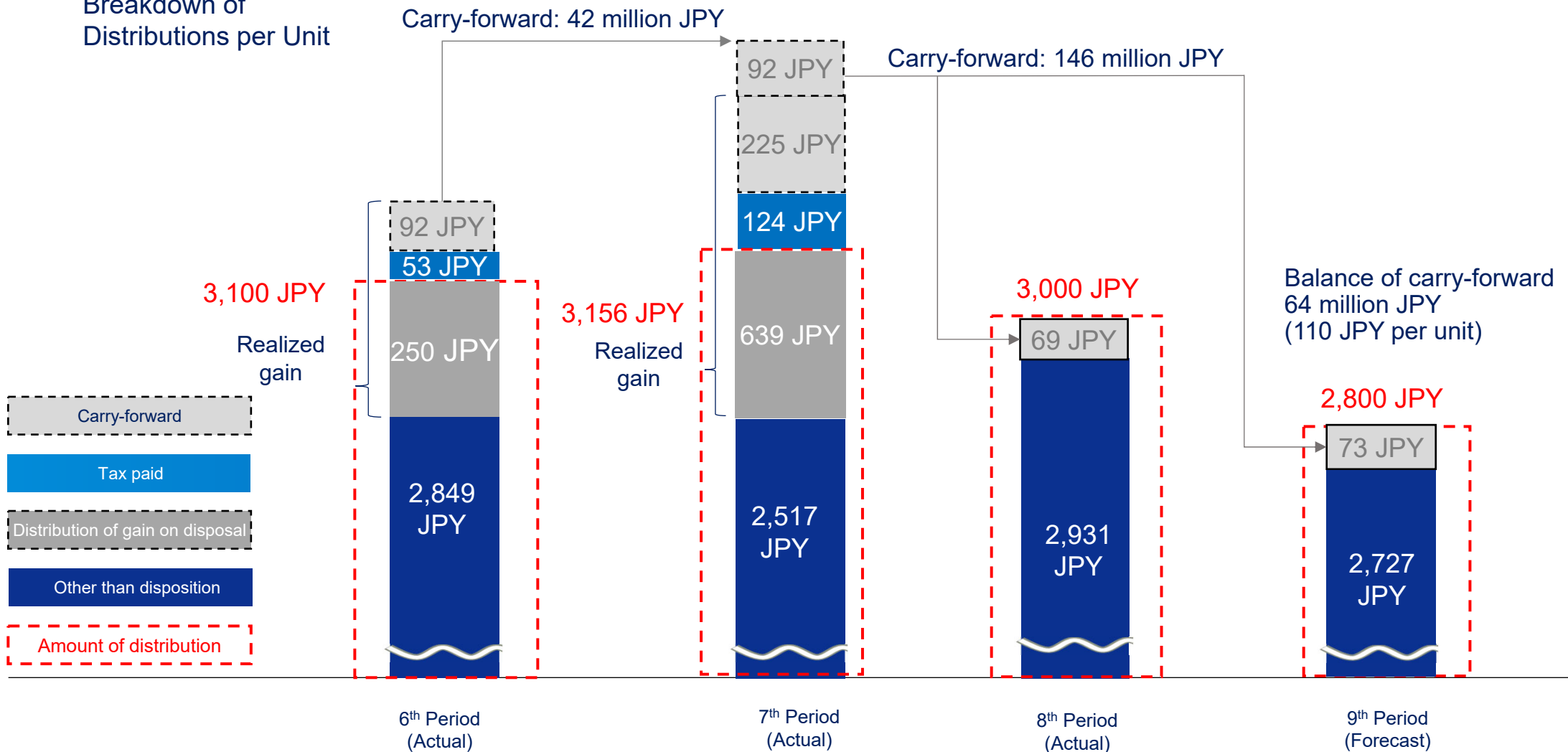
Retail

(Note 1) Disposed of 30% quasi-co-ownership interest in Almost Blue on February 26, 2021, and 70% quasi-co-ownership interest on March 19, 2021.

Retained Earnings for Gains on Disposal of Properties

- In order to make stable distributions, a part of the gain on disposal properties generated in the 6th and 7th periods are retained and carried forward to the 8th period and beyond

Breakdown of Distributions per Unit



(Note 1) The amounts are calculated by dividing the amount of each item by the total number of investment units issued and outstanding has been rounded down to the nearest yen, so some portions do not equal the total amount.

(Note 2) Deferred hedge losses, a deduction of net assets, are assumed not to occur.

(Note 3) Values for the 8th and 9th periods are issued investment units

Overview of Profit and Loss from Leasing Business

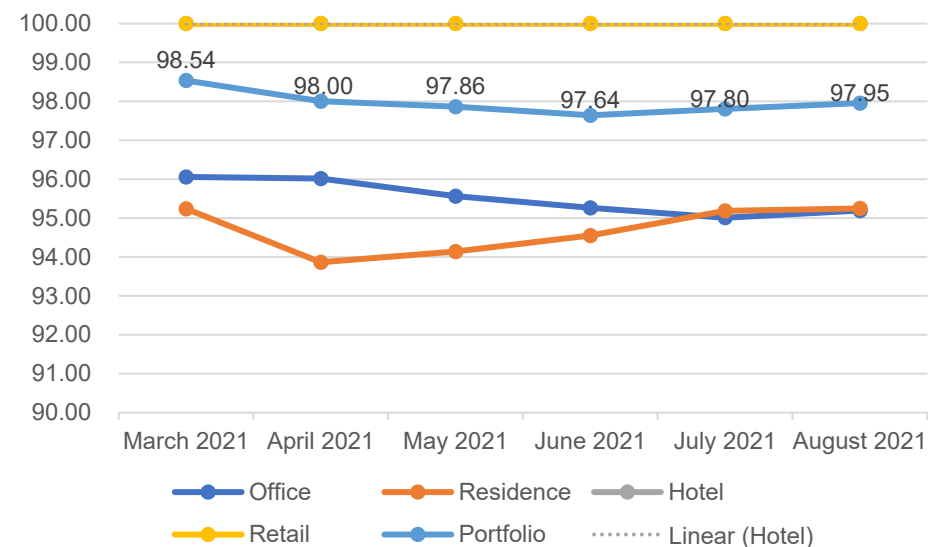
(Unit: million JPY)

	Period Ended August 31, 2021 (7 th Period): Forecast vs. Actual			Major Factors
	Forecast	Actual	Difference	
Operating revenue from real estate leasing	2,562	2,604	42	
Lease business revenue	2,415	2,427	+11	
Rental revenue	2,037	2,149	+112	+23 Increase from acquisition of properties +91 Due to budget for acquisition of properties (land) recorded as other rental income -4 Decrease due to disposition -16 Decrease in rental income from existing properties vs. forecast
Common Area Charges	182	190	+8	
Parking Revenue	67	67	0	
Other Rental Income	128	18	-109	
Other Lease Business Revenue	146	177	+30	
Utilities Reimbursement	114	124	+9	
Other Revenue	32	53	+20	+10 Restoration to original state +11 Renewal fee income from residential properties
Operating Expenses from Real Estate Leasing	914	943	+28	
Management Fees	169	189	+20	+14 Leasing expenses
Utilities Expenses	110	101	-9	-9 Decrease in expenses for office properties
Taxes and Dues	181	179	-1	
Insurance Premiums	4	4	0	
Repair Expenses	105	85	-19	
Trust Fees	9	9	0	
Depreciation	330	334	+3	
Other Expenses	2	38	+35	+34 Initial expenses for hotel rebranding (recorded as repair expenses in budget)
Operating Income from Real Estate Leasing	1,647	1,661	+13	
NOI	1,978	1,995	+17	

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

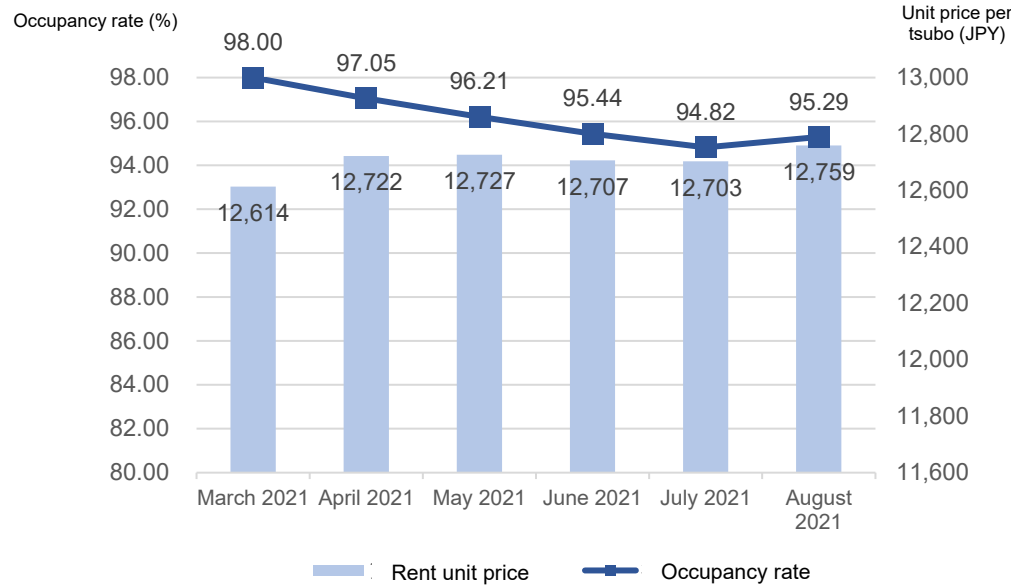
Trends in Occupancy Rates

Occupancy rate (%)



- Total NOI in the portfolio increased from the initial forecast of 1,978 million JPY to 1,995 million JPY (+17 million JPY) due to property replacement
- The occupancy rate for the entire property remained high and stable due to the conclusion of a new lease agreement with a succeeding operator at a hotel in Nagoya

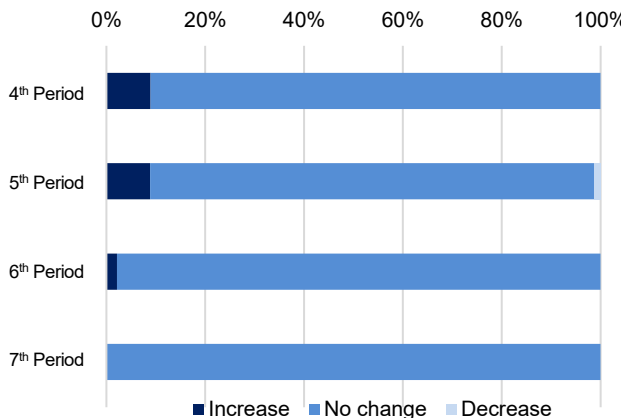
Trend in Occupancy Rate and Rent Unit Price



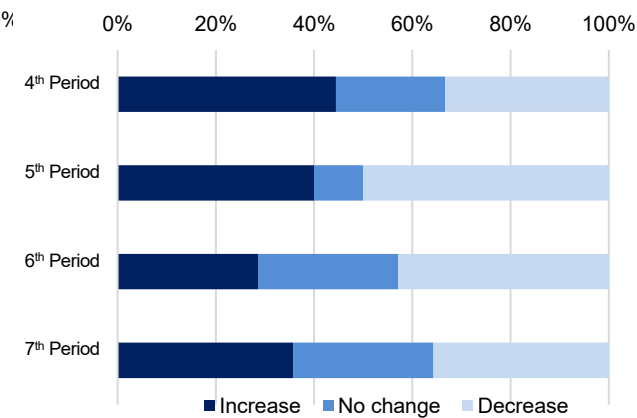
- Decline in occupancy rates of three properties in Nagoya, Nagano and Shin-Osaka
- Average rent per tsubo (area unit) for the portfolio remains stable

Rent Revision Status

At Time of Renewal

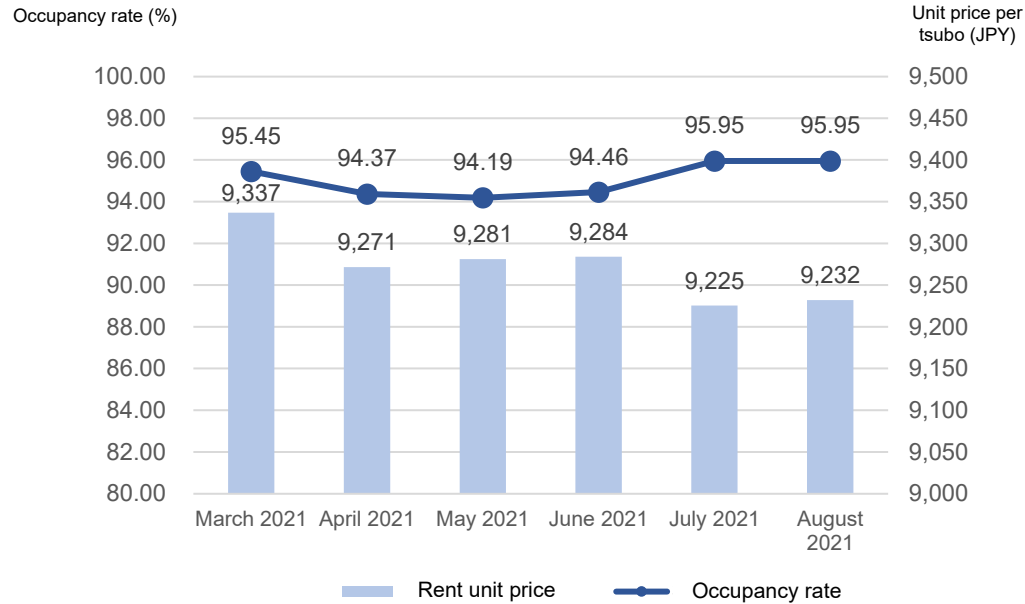


At Time of New Contract



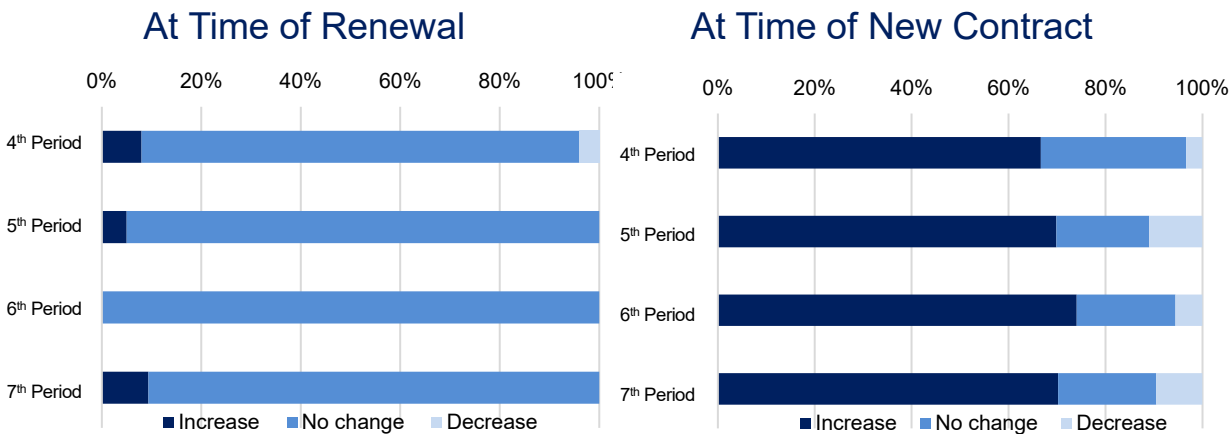
- Rent remains unchanged at the time of contract renewal with tenants due to the impact from the COVID-19 pandemic, etc.

Trend in Occupancy Rate and Rent Unit Price



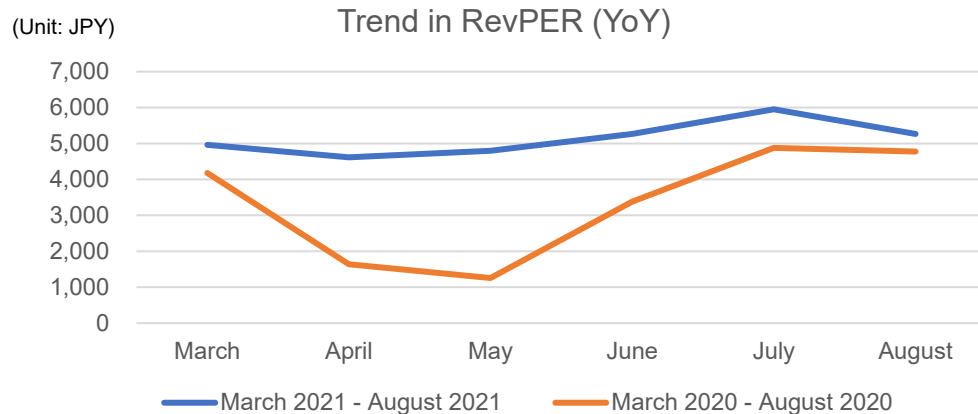
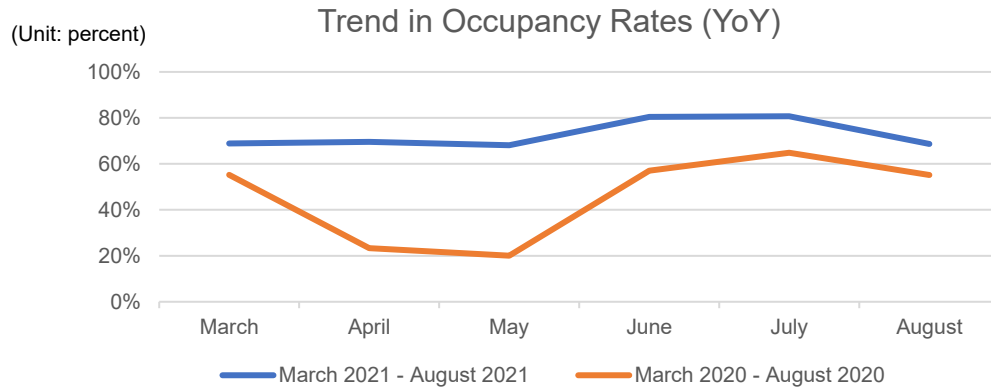
- In the 7th fiscal period ended August 31, 2021, the occupancy rate remained stable at around 95%
- Average rent per tsubo (area unit) for the portfolio during the period remained in the 9,200-yen range

Rent Revision Status



- Recovery trends seen in rent increases on renewal
- Continued trend of increasing rents at time of new contract despite decrease compared with previous period

Occupancy rates and RevPAR of the hotel sector



- Although the hotel sector remains affected by COVID-19, it shows signs of recovery and stability year on year

(Note) Both occupancy rates and RevPAR were been calculated excluding ACCESS by LOISIR HOTEL Nagoya where the operator was changed

ACCESS by LOISIR HOTEL Nagoya

- Launched operations by successor operator on May 10, 2021
- Occupancy rate exceeded 50% in August, and we will work with the operator to generate rent as early as possible

A base to help you get around in an urban voyage.

To enjoy an easily mobile trip without reducing your rising excitement, truly feeling the atmosphere of the town.
For active people to try out a comfortable night that'll put a spring in your step.

ACCESS by LOISIR HOTEL is your base to enjoy the city to the full.



Overview of the lease agreement

Name of operator (tenant)	Solare Hotels and Resorts Co., Ltd.
Contract period	10-year period from March 15, 2021 to March 14, 2031
Monthly rent	Amount equivalent to each month's GOP ^(Note) from the operation of the property. The amount is calculated by multiplying the fixed ratio and adding the amount equivalent to consumption tax and local consumption tax. However, if such amount is less than 0 JPY, it will be 0 JPY.

(Note) "GOP" represents hotel sales (not including consumption tax and local consumption tax) minus operating expenses such as cost of sales and personnel expenses (not including consumption tax and local consumption tax).

- Maintained average occupancy rate of 100% during the period
- Lifestyle-related retail facilities comprise a high share of over 80%
- Secured long-term stability of cash flows by incorporating land of lifestyle-related retail facilities and retail facilities with highly creditworthy tenants

7th FP

Lifestyle-related (85%) (Note)



Kaden Sumairu Kan
YAMADA Matsuyama
Toiyacho



Kaden Sumairu Kan
YAMADA Kobe Tarumi
(Land)



TA Shonan
Kugenumakaigan



Co-op Sapporo Syunko



AEON STYLE Onomichi
(Land)



DCM Daiki Onomichi (Land)



Cainz Omiya

Non-routine, event consumption type (15%) (Note)



Prio Daimyo II



BIGMOTOR Sapporo Kiyota
(Land)

After additional property acquisition (as of September 2, 2021)

Lifestyle-related (82%) (Note)



Kaden Sumairu Kan
YAMADA Matsuyama
Toiyacho



Kaden Sumairu Kan
YAMADA Kobe Tarumi
(Land)



TA Shonan
Kugenumakaigan



Co-op Sapporo Syunko



AEON STYLE Onomichi
(Land)



DCM Daiki Onomichi (Land)



Cainz Omiya



APiTA NAGOYA-MINAMI

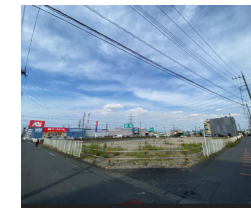
Non-routine, event consumption type (18%) (Note)



Prio Daimyo II



BIGMOTOR Sapporo Kiyota
(Land)



(Tentative name)
BIGMOTOR Konosu (Land)

(Note) Percentage of lifestyle-related and non-routine and event consumption assets are calculated based on acquisition prices.

Performance of Asset Management

-Cost Reduction- / -Responding to COVID-19-

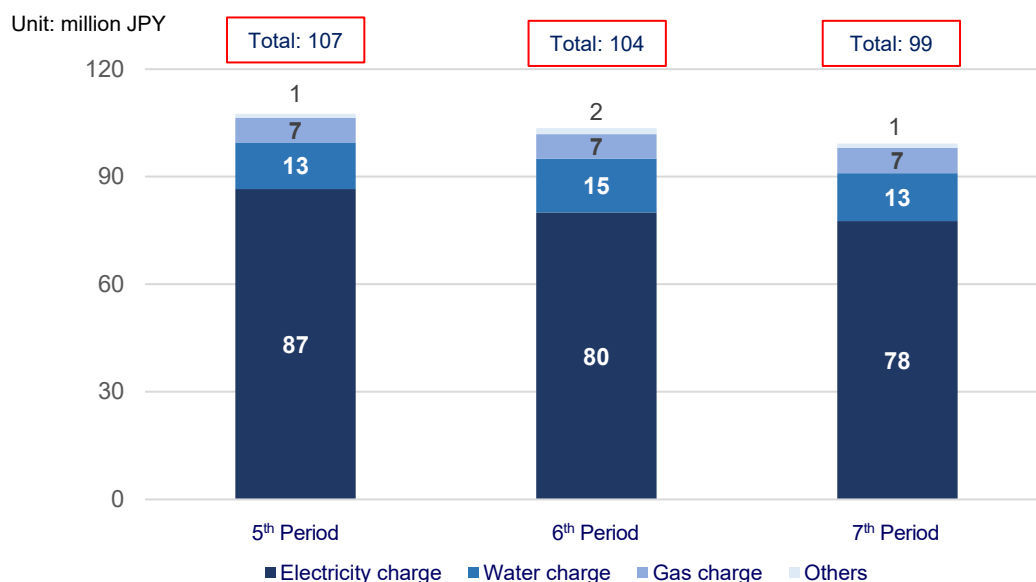
- Cost reduction results of various initiatives implemented have become apparent on an ongoing basis

Utility Cost Reduction Measures

- Continuously converting to LED in common areas
- Switching to new electric power
- Measures to conserve water in common areas

■ Trend in Utility Expenses (5th to 7th Periods)

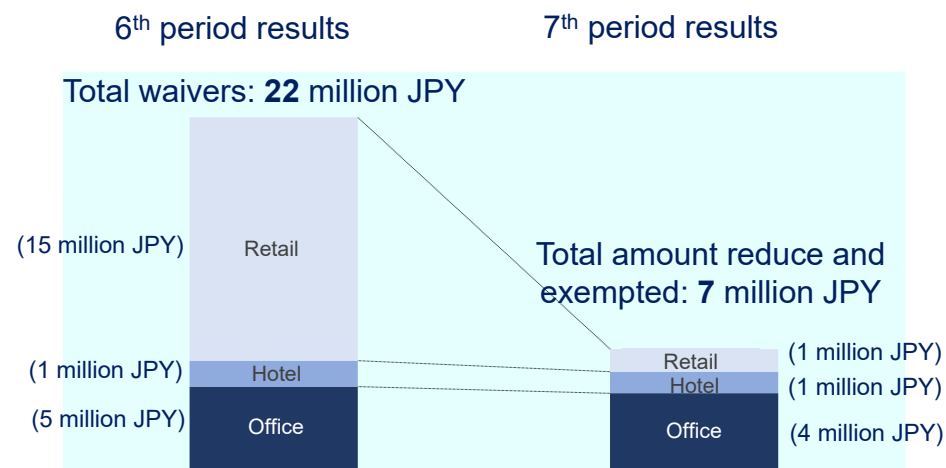
- Decreasing trend in both the 6th and 7th periods, mainly due to a decrease in electricity consumption resulting from a switch to new electric power and investment in LEDs, etc.



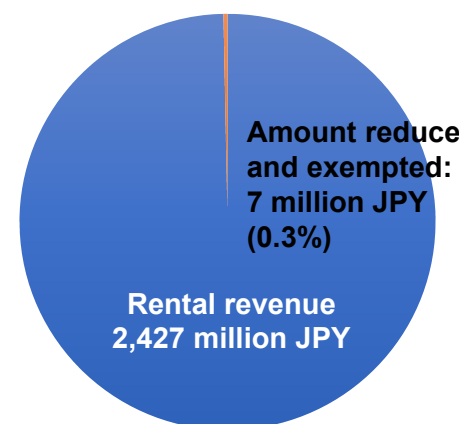
Note 1: Data from 25 properties owned from the 5th to 7th periods that incur utilities expenses
 Note 2: "Others" includes heating oil and hot water supply charges

- Rent reduction and exemption for tenants impacted by COVID-19 were implemented to the extent that they are financially minor
- The total amount reduced and exempted decreased to 7 million JPY in the 7th period from 22 million JPY in the 6th period

Impact of Reductions, Exemptions, and Grace by Tenant Type



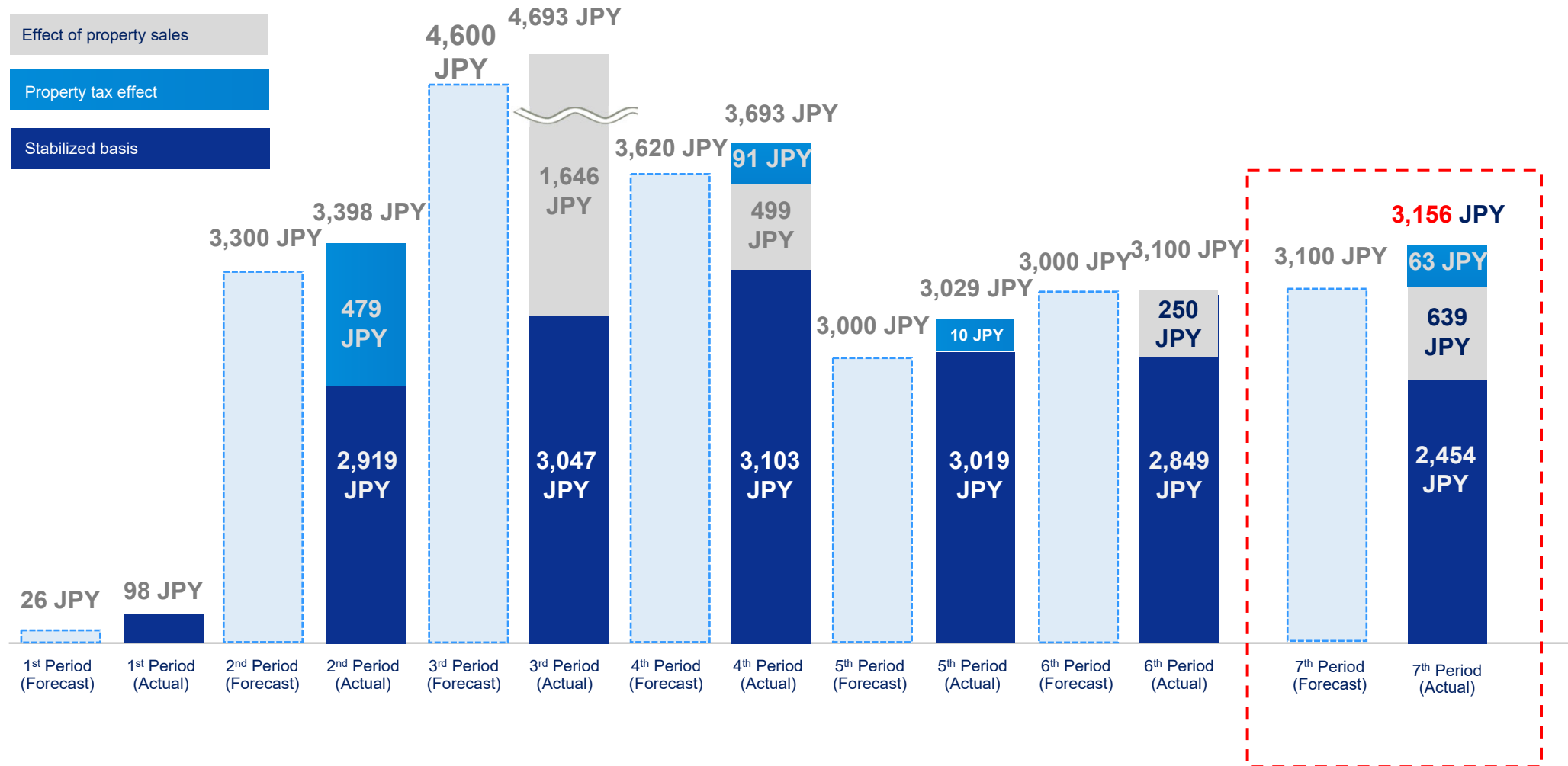
Percentage of Rental Revenue



- Total amount reduced and exempted decreased significantly from 76 million JPY in the 5th period to 22 million JPY in the 6th period and 7 million JPY in the 7th period
- The impact on earnings was minor, limited to 0.3% of the 2,427 million JPY in rental revenue

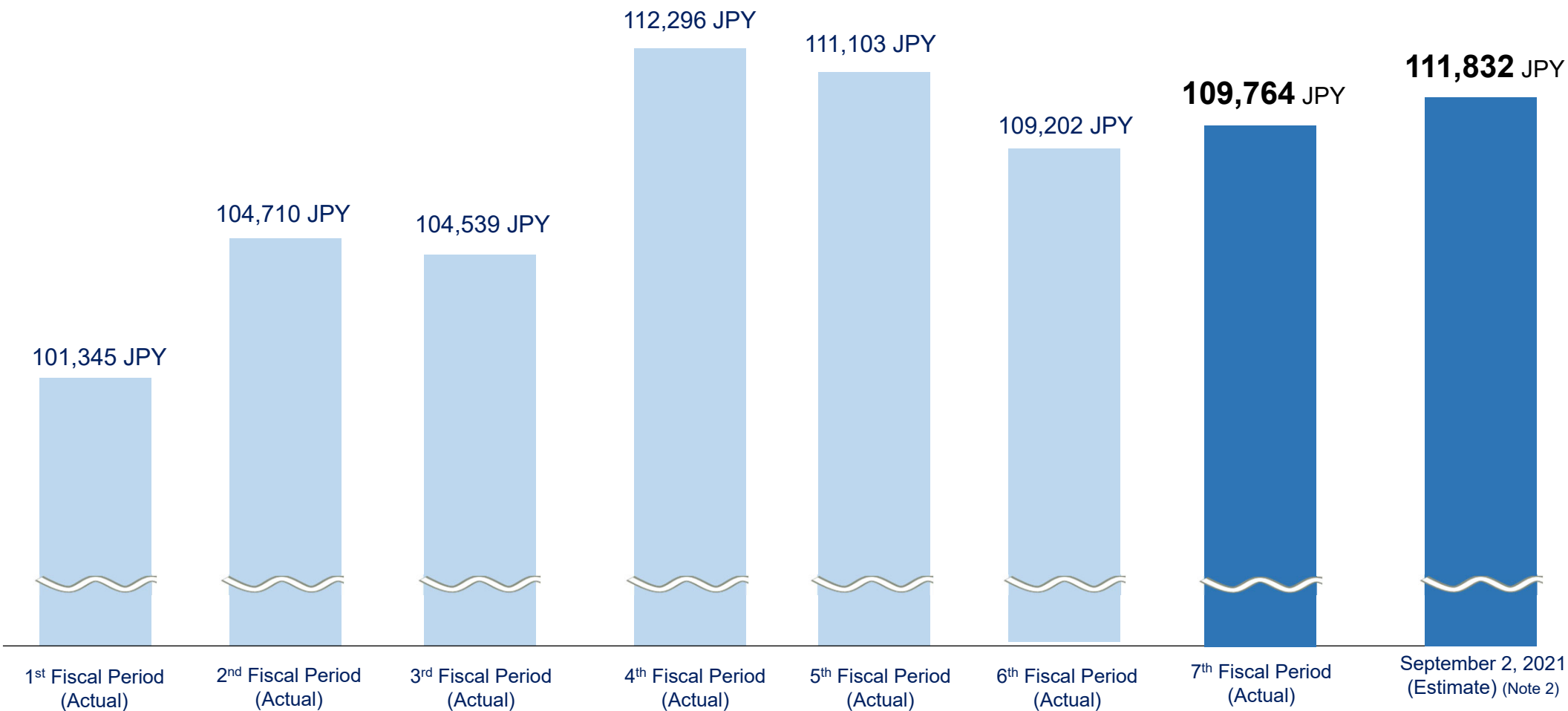
Trend in Distributions per Unit

- In the 7th fiscal period, distributions per unit including gain on disposition of properties was **3,156 JPY**, an increase of **56 JPY (+1.8%)** from the initial forecast of **3,100 JPY**. A portion of this gain was carried over to the next fiscal period and beyond



(NOTE) Amounts are calculated by dividing the amount of each item by the total number of investment units issued and have been rounded down to the nearest yen, so some portions do not equal the total amount.

- NAV per unit increased slightly from 109,202 JPY at the end of the 6th period to 109,764 JPY at the end of the 7th period
- Additionally, unrealized gains from acquisition of 12 properties in the 8th period (Note 1) through public offering increased NAV per unit to 111,832 JPY



(Note 1) The 12 acquired properties are Kawagoe West Building, HAKATA REISENMACHI Building, LUXENA TODAKOEN, LUXENA TODAKOEN II, LUXENA AKIHABARA, Fiore Residence Dejima Kaigan Dori, LUXENA MUSASHI-SHINJO, LUXENA NAGAREYAMA OOTAKANOMORI, PRIME SQUARE, Winbell Chorus Seiseki Sakuragaoka, APiTA NAGOYA-MINAMI, (Tentative name) BIGMOTOR Konosu (Land)

(Note 2) NAV per unit as of September 2, 2021, is calculated as follows: (Net assets as of the end of the 7th fiscal period - Surplus + Unrealized gains as of the end of the 7th fiscal period + Total appraisal value of the 12 newly acquired properties - Total acquisition price + Total issue amount of investment units) ÷ Total number of investment units issued and outstanding as of September 2, 2021 (575,000 units).

Financial Indicators

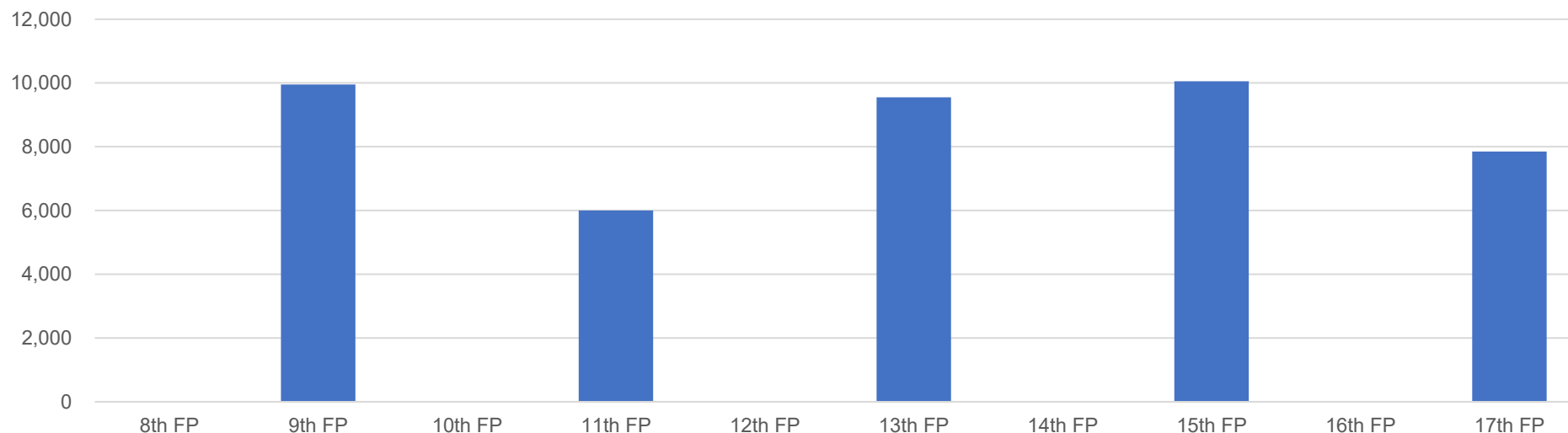
	Period ended August 31, 2019 (3 rd period)	Period ended February 29, 2020 (4 th period)	Period ended August 31, 2020 (5 th period)	Fiscal period ended February 28, 2021 (6 th period)	Fiscal period ended August 31, 2021 (7 th period)
Interest-bearing debt (million JPY)	35,980	43,400	43,400	43,400	43,400
Total asset LTV	49.5%	45.9%	45.9%	46.0%	46.0%
Market value LTV	46.8%	42.8%	43.1%	43.5%	43.5%
Average interest rate	0.47%	0.57%	0.63%	0.63%	0.63%
Average borrowing period	2.2 years	3.2 years	3.9 years	3.9 years	4.3 years

Total assets LTV = Total interest-bearing debt at the end of the period / Total assets at the end of the period
 Market value LTV = Interest-bearing debt at the end of the period / (Total assets at the end of the period + Total real estate appraisal value - Total book value of real estate, etc. at the end of the period)

Maturity Ladder

- Maturity ladder of current borrowings of 43,400 million JPY is diversified from the 8th through the 17th fiscal periods (ending August 31, 2026)

(Unit: million JPY)



Credit Ratings

- Acquired additional ratings (R&I) and improved outlook (JCR)

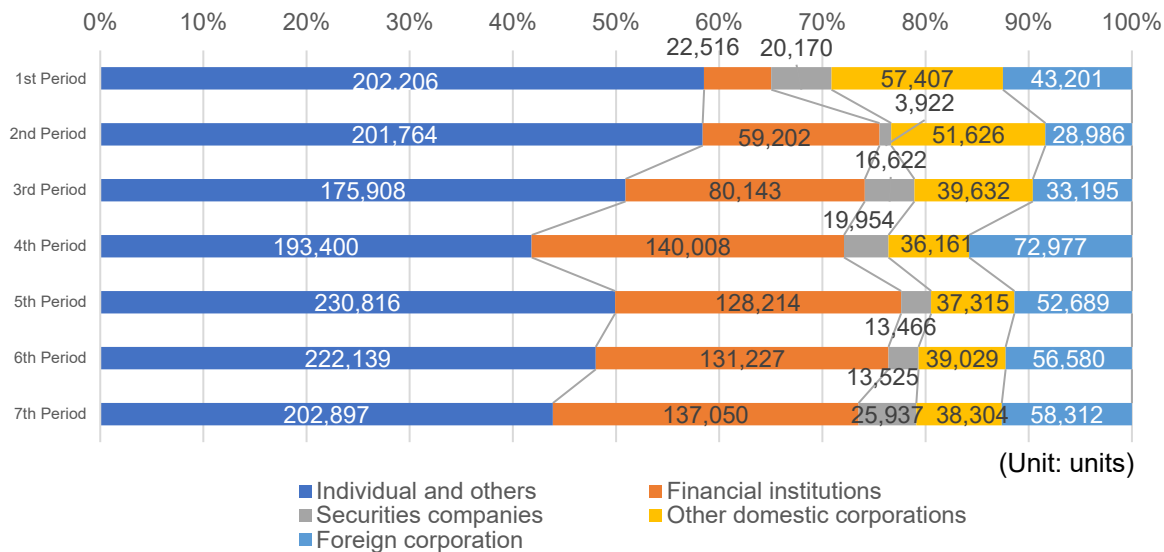
A- (Stable)

Rating and Investment Information, Inc. (R&I)
(Rated on March 22, 2021)

A- (Positive)

Japan Credit Rating Agency, Ltd.
(Rated on June 18, 2020)
(Outlook changed on June 29, 2021)

Number of Investment Units by Type of Unitholder



Major Unitholders (Top 10)

Name	Units Owned	Ownership (%)
1 Custody Bank of Japan, Ltd. (Trust Account)	42,234	9.1
2 The Master Trust Bank of Japan (Trust Account)	40,563	8.8
3 The Nomura Trust and Banking Co., Ltd. (Trust Account)	14,576	3.2
4 Takara Leben Co., Ltd.	14,385	3.1
5 PAG JREIT CO-INVEST LIMITED	10,400	2.2
6 Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	8,882	1.9
7 SMBC Nikko Securities Inc.	6,868	1.5
8 JPMorgan Securities Japan Co., Ltd.	6,235	1.3
9 Kinki Industrial Credit Association	5,590	1.2
10 Leben Community Co., LTD.	5,200	1.1

Number of Unitholders by Unitholder Type

(Unit: People)

	Period ended August 31, 2018 (1 st period)		Period ended February 28, 2019 (2 nd period)		Period ended August 31, 2019 (3 rd period)		Period ended February 29, 2020 (4 th period)		Period ended August 31, 2020 (5 th period)		Period ended February 28, 2021 (6 th period)		Period ended August 31, 2021 (7 th period)	
Individual and others	12,291	96.5%	14,827	97.1%	15,084	97.4%	18,455	97.3%	21,032	97.5%	22,221	97.5%	22,221	97.4%
Financial institutions	33	0.3%	35	0.2%	40	0.3%	43	0.2%	37	0.2%	35	0.2%	39	0.2%
Securities companies	20	0.2%	26	0.2%	25	0.2%	25	0.1%	26	0.1%	24	0.1%	29	0.1%
Other domestic corporations	359	2.8%	335	2.2%	260	1.7%	303	1.6%	324	1.5%	341	1.5%	335	1.5%
Foreign corporation	36	0.3%	50	0.3%	74	0.5%	135	0.7%	150	0.7%	173	0.8%	192	0.8%
Total	12,739	100.0%	15,273	100.0%	15,483	100.0%	18,961	100.0%	21,569	100.0%	22,794	100.0%	22,816	100.0%

- Aiming to maximize unitholder value, create a sustainable environment, and contribute to local communities and society through consideration of ESG - Environment, Society, and Governance - in asset management operations

GRESB Assessment "Green Star"

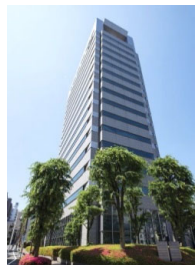


Acquired "2 Star" rating in the 2020 GRESB Real Estate Assessment

Acquired Green Star designation in the 2020 GRESB Real Estate Assessment for the second consecutive year, indicating achieving high performance both in the "Management Component," evaluating policies and organizational systems for promoting ESG, and the "Performance Component," assessing environmental performance at owned properties and initiatives with tenants

Evaluations by External Review Organizations

DBJ Green Building Certification



NT Building



Higashi-Ikebukuro Central Place

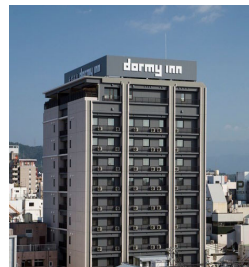
BELS Assessment



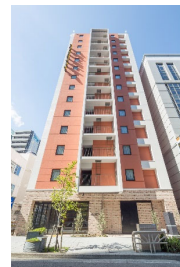
Dormy Inn Morioka



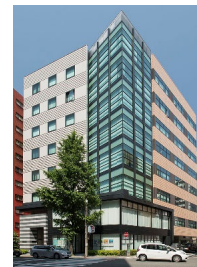
L.Biz Jimbocho Building



Dormy Inn Matsuyama



ACCESS by LOISIR HOTEL Nagoya



Hakata Gion Building

Environmental Initiatives

LED conversion

(Example)

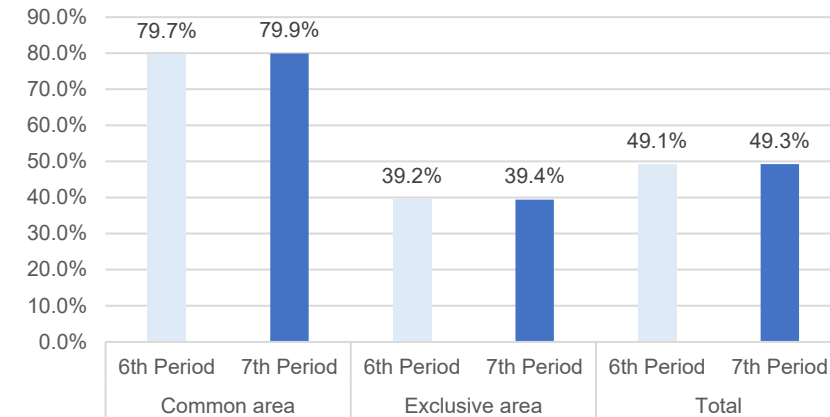


Shinsaibashi Building (Exclusive area)



Omiya NSD Building (Exclusive area)

(Status)



(Note) Ratio is calculated based on area.

Business Continuity Plan

- Even after states of emergency are rescinded, continuing to implement measures to prevent infection resurgence, such as online meetings, telecommuting, and staggered working hours
- Recognizing and consistently addressing cyber security and climate change issues as management issues
- Strengthening business continuity initiatives against emergencies, including disaster stockpiling and disaster drills

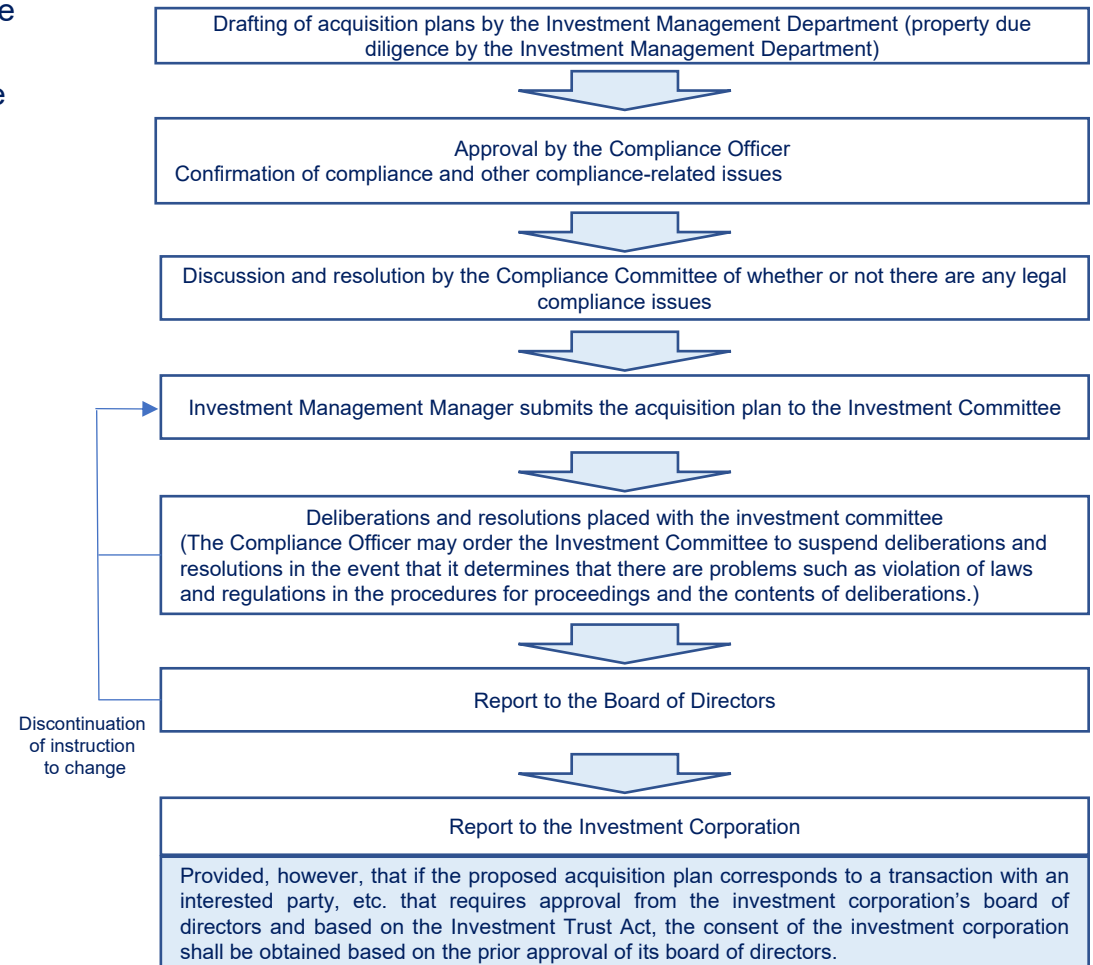
Initiatives for Employees

- Establishing a system to encourage qualification acquisition
- Ongoing improvements based on employee satisfaction surveys and their results
- Strengthening management systems by accepting seconded employees from Takara Leben, the main sponsor

Initiatives to Strengthen Governance

- Increase in the number of in-house training for all officers and employees (compliance and ESG training)
- Holdings of 19,585 investment units (4.2%) (as of the end of the 7th period) by main sponsor Takara Leben and its Group companies as same-boat investment
- Continue compensation system where Asset Management Company does not receive property transfer fees
- Referring to the flow chart on the right for decisions to acquire from related parties

Decision-Making Flow on Acquisition from Related Parties



III. Investment Strategy for the 8th and 9th Fiscal Periods

Financial Forecasts for the 8th and 9th Fiscal Periods

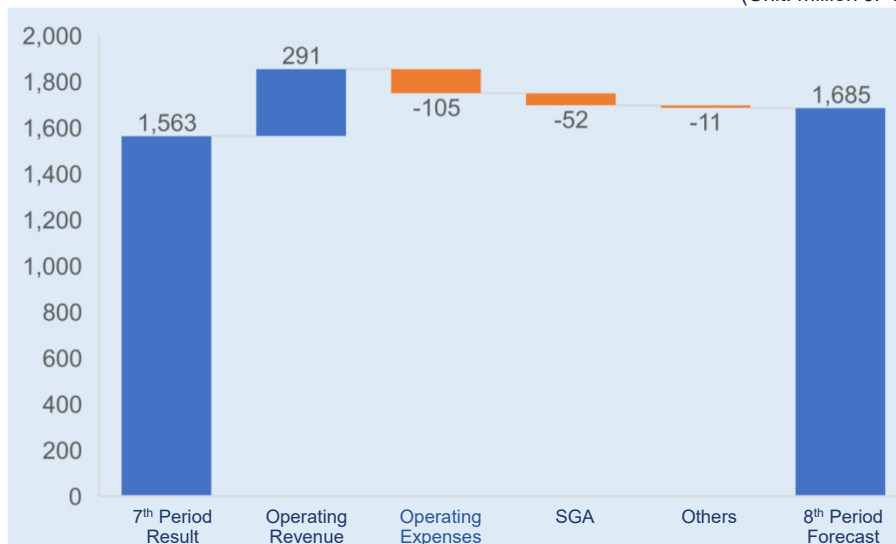
(Unit: million JPY)

	7 th Period Result	8 th Period Forecast	Difference	Major Factors
Number of Days in Operation	184 days	181 days	-3 days	-
Operating Revenue (million JPY)	3,061	3,353	+291	-457 Absence of gain of disposition +792 Revenue during the period from newly acquired properties -21 Absence of revenue during the period from disposal of properties -23 Other
Operating Income (million JPY)	1,843	1,977	+133	+291 Increase in operating revenue -185 Increase in expenses from acquisition of property -32 Increase in non-deductible consumption tax from acquisition of property +48 Others
Ordinary Income (million JPY)	1,621	1,687	+65	+133 Increase in operating income -37 Increase in interest from new borrowings -31 Increase in borrowing related expenses from new borrowings
Net Income (million JPY)	1,563	1,685	+121	+65 Increase in ordinary income +56 Decrease in income taxes
Total Amount of Distributions (million JPY)	1,459	1,725	+265	+121 Increase in net income +144 Retained earnings in 7 th period: -104, appropriation of retained earnings reserves in 8 th period: +40
Distributions per Unit (including distributions in excess of earnings) (JPY)	3,156	3,000	-156	Total number of investment units issued and outstanding at the end of the 7 th period: 462,500 units Total number of investment units issued and outstanding at the end of the 8 th period: 575,000 units

	8 th Period Forecast	9 th Period Forecast	Difference	Major Factors
Number of Days in Operation	181 days	184 days	+3 days	-
Operating Revenue (million JPY)	3,353	3,398	+44	+27 Increase from improved occupancy (NT, Higashi-Ikebukuro, Shinsaibashi, Tokaidori) -31 Absence of cancellation fees (SAMTY Shin-Osaka Center Building) +21 Increase from step rent (BIGMOTOR Konosu) +27 Incurred variable rent (ACCESS by LOISIR HOTEL Nagoya)
Operating Income (million JPY)	1,977	1,865	-111	+44 Increase in operating revenue -36 Decrease in rental expenses (repair expenses, leasing expenses, etc.) -78 Incurred fixed city tax -25 Increase in non-deductible consumption tax
Ordinary Income (million JPY)	1,687	1,569	-117	-111 Decrease in operating income
Net Income (million JPY)	1,685	1,568	-117	-117 Decrease in ordinary income
Total Amount of Distributions (million JPY)	1,725	1,610	-115	-117 Decrease in net income
Distributions per Unit (including distributions in excess of earnings) (JPY)	3,000	2,800	-200	Total number of investment units issued and outstanding at the end of the 5 th period: 575,000 units

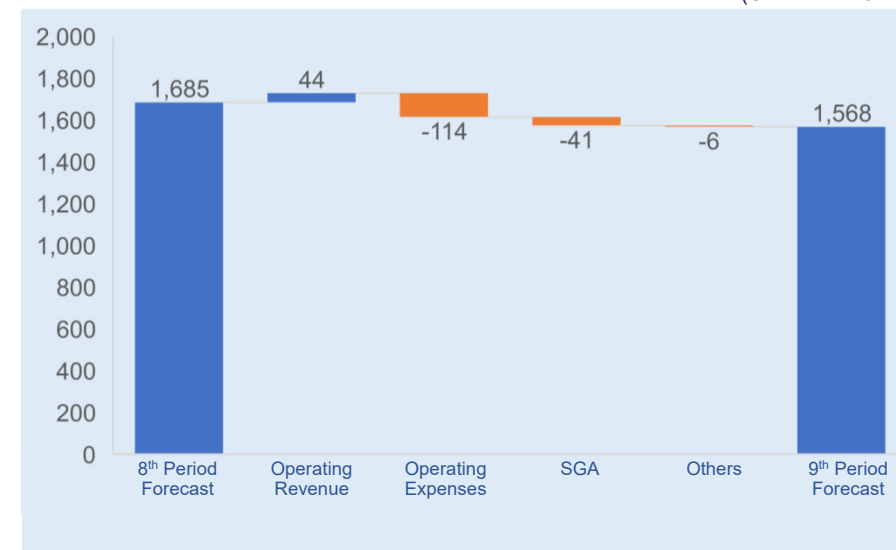
Net Income Change (7th Period Result vs. 8th Period Forecast)

(Unit: million JPY)



Net Income Change (8th Period Forecast vs. 9th Period Forecast)

(Unit: million JPY)



Acquired Properties

- Strengthening stable cash flow through asset replacement and newly acquired properties in the 7th fiscal period
- Acquiring 12 new properties at the beginning of the 8th fiscal period through a public offering, expanding our asset size and earnings scale

Property	O-19	R-10	C-07	C-08	C-09	C-10
	Yoyogi 1-chome Building	LUXENA KADOMA	AEON STYLE Onomichi (Land)	BIGMOTOR Sapporo Kiyota (Land)	DCM Daiki Onomichi (Land)	Cainz Omiya
						
Asset Type	Office	Residence	Retail and others	Retail and others	Retail and others	Retail and others
Acquisition Date	April 30, 2021	April 13, 2021	March 1, 2021	May 19, 2021	April 1, 2021	July 1, 2021
Acquisition Price (million JPY)	1,850	2,000	900	1,610	1,170	2,520
Appraisal Value on Acquisition (million JPY)	2,040	2,110	1,020	1,790	1,220	2,580
Location	Shibuya-ku, Tokyo	Kadoma-shi, Osaka	Onomichi-shi, Hiroshima	Kiyota-ku, Sapporo-shi, Hokkaido	Onomichi-shi, Hiroshima	Nishi-ku, Saitama-shi, Saitama
Floors/Units	5 floors above ground	15 floors above ground/154 units	-	-	-	4 floors above ground
Completed	July 2010	November 2020	-	-	-	December 1998
Access	3-minute walk from Yoyogi Station on the JR Yamanote Line, Chuo Line, Sobu Line, and Toei Oedo Line	3-minute walk from Kadomashi Station on the Keihan Line and Osaka Monorail	7-minute walk from Onomichi Station on the JR San-yo Line	Approx. 11 km southeast of Sapporo Station on the JR Hakodate Main Line, Chitose Line, and Sassho Line	5-minute walk from Onomichi Station on the JR San-yo Line	Approx. 1.9 km from Nishiomiya Station on the JR Kawagoe Line
Major Tenants	Undisclosed	Individuals	AEON Retail Co., Ltd.	BIGMOTOR Co., Ltd.	DCM Co., Ltd.	Cainz Co., Ltd.

Kawagoe West Building

Office



A mid-scale office building with 9 floors above ground

- The property is located within a 1-minute walk of Kawagoe Station on the JR Kawagoe Line and Tobu Tojo Line and has easy access to major terminal stations in Tokyo. Kawagoe Station is one of Saitama Prefecture's major terminal stations and is lined with medium- to high-rise office buildings, retail buildings, apartments, etc. It meets diverse tenant needs for attracting customers, such as branches and sales offices of major enterprises and SMEs, as well as clinics, pharmacies, beauty salons, cram schools, etc. It services a variety of business types thanks to high accessibility and convenience, characteristics of the area.

Outline of the Property

Acquisition Price	2,600 million JPY
Appraisal Value	2,740 million JPY
Total Floor Area	2,898.01 m ²
Appraisal NOI Yield	5.0%
Appraisal NOI Yield After Depreciation	4.4%
Area	1-5 Wakita-Honcho, Kawagoe-shi, Saitama
Access	1-minute walk from Kawagoe Station on the JR Kawagoe Line and Tobu Tojo Line
Usage	Office
Completed	September 1996
Seller	Undisclosed
Acquisition Date	September 2, 2021
Occupancy Rate	100.0%

HAKATA REISENMACHI Building

Office



Office building completed in December 2020 with 10 floors above ground and a standard floor area of approximately 70 tsubo

- The property is located in the Gion/Gofukumachi area, one of the most prominent business areas in Fukuoka Prefecture.
- The property is a 3-minute walk from Gion Station on the Fukuoka Municipal Subway Kuko Line and a 4-minute walk from Gofukumachi Station on the Hakozaki Line, providing easy access to central Fukuoka, including Hakata and Tenjin.
- In addition to its convenient accessibility, the property is equipped with energy-saving performance unique to a new building, as well as a business continuity plan (BCP). Each floor can be divided into three sections of approximately 20 tsubo each. It can meet diverse tenant needs from major enterprises and SMEs.

Outline of the Property

Acquisition Price	2,700 million JPY
Appraisal Value	2,810 million JPY
Total Floor Area	2,838.13 m ²
Appraisal NOI Yield	4.2%
Appraisal NOI Yield After Depreciation	3.4%
Area	10-23 Reisenmachi, Hakata-ku, Fukuoka-shi, Fukuoka
Access	3-minute walk from Gion Station on the Fukuoka City Subway Kuko Line
Usage	Office
Completed	December 2020
Seller	Undisclosed
Acquisition Date	September 2, 2021
Occupancy Rate	100.0%

LUXENA TODAKOEN

Residence



An apartment for single tenants with 50 compact units of 23 m² developed by Takara Leben

- The property is located a 9-minute walk from Toda Koen Station on the JR Saikyo Line. This is a highly convenient area with direct access to Ikebukuro Station, Shinjuku Station and Shibuya Station, major terminal stations in central Tokyo. These stations are easy to access thanks to rapid train service.
- Completed in March 2021, the property meets the needs of single households with its high design quality, comfort and rich amenities as well as good living environment.

Outline of the Property

Acquisition Price	910 million JPY
Appraisal Value	978 million JPY
Total Floor Area	1,276.05 m ²
Appraisal NOI Yield	4.6%
Appraisal NOI Yield After Depreciation	3.4%
Area	2-8-7 Kami-Toda, Toda-shi, Saitama
Access	9-minute walk from Toda Koen Station on the JR Saikyo Line
Usage	Residence
Completed	March 2021
Seller	Takara Leben Co., Ltd.
Acquisition Date	September 2, 2021
Occupancy Rate	100.0%

LUXENA TODAKOEN II

Residence



An apartment with 35 family units of 53 m² to 57 m² developed by Takara Leben

- The property is located a 9-minute walk from Toda Koen Station on the JR Saikyo Line. This is a highly convenient area with direct access to Ikebukuro Station, Shinjuku Station and Shibuya Station, major terminal stations in central Tokyo. These stations are easy to access thanks to rapid train service.
- Completed in March 2021, the property meets various tenant needs with its high design quality, comfort with full-service facilities and a good living environment.

Outline of the Property

Acquisition Price	1,200 million JPY
Appraisal Value	1,240 million JPY
Total Floor Area	2,088.42 m ²
Appraisal NOI Yield	4.5%
Appraisal NOI Yield After Depreciation	3.4%
Area	1-10-14 Honmachi, Toda-shi, Saitama
Access	9-minute walk from Toda Koen Station on the JR Saikyo Line
Usage	Residence
Completed	March 2021
Seller	Takara Leben Co., Ltd.
Acquisition Date	September 2, 2021
Occupancy Rate	100.0%

LUXENA AKIHABARA

Residence



A newly built apartment with 57 units and completed in March 2021 and developed by Takara Leben

- This compact apartment has multiple floor plans ranging from 25.28 m² to 49.21 m², and is a 7-minute walk from Naka-Okachimachi Station on the Tokyo Metro Hibiya Line, a 7-minute walk from Shin-Okachimachi Station on the Toei Subway Oedo Line, and an 11-minute walk from Akihabara Station on the JR Yamanote Line.
- It offers not only excellent access to various parts of Tokyo due to the multiple train lines available but also high living convenience thanks to the excellent surrounding area. In addition, the area around Akihabara Station on the JR Yamanote Line is known as the world's leading electric district and a hub of subcultures. With immense bustle and activity, it is a highly convenient area with office buildings, merchandising stores and apartments.

Outline of the Property

Acquisition Price	2,300 million JPY
Appraisal Value	2,440 million JPY
Total Floor Area	2,118.68 m ²
Appraisal NOI Yield	3.8%
Appraisal NOI Yield After Depreciation	3.2%
Area	2-13-10 Taito-ku, Taito-shi, Tokyo
Access	11-minute walk from Akihabara Station on the JR Yamanote Line
Usage	Residence
Completed	March 2021
Seller	Takara Leben Co., Ltd.
Acquisition Date	September 2, 2021
Occupancy Rate	88.9%

Fiore Residence Dejima Kaigan Dori

Residence



An apartment with 10 stories above ground and 54 residential units consisting of primarily 25 m² units for singles

- The property is a 4-minute walk from Minato Station on the Nankai Main Line and is located in an area with good access to Namba Station, one of Osaka Prefecture's most well-traveled terminal stations.
- The property was completed in October 2007 and is expected to meet the needs of single households, since the west side of the main road bordering the property offers a concentration of factories and logistics facilities of major companies.

Outline of the Property

Acquisition Price	560 million JPY
Appraisal Value	591 million JPY
Total Floor Area	1,686.12 m ²
Appraisal NOI Yield	5.4%
Appraisal NOI Yield After Depreciation	4.2%
Area	1-4-9 Dejima Kaigan-dori, Sakai-shi, Sakai-ku, Osaka
Access	4-minute walk from Minato station on the Nankai Main Line
Usage	Residence
Completed	October 2007
Seller	Takara Leben Co., Ltd.
Acquisition Date	September 2, 2021
Occupancy Rate	83.2%

LUXENA MUSASHI-SHINJO

Residence



A newly built apartment with 88 single units developed by Takara Leben

- The property is a 9-minute walk from Musashi-Shinjo Station on the JR Nambu Line and has excellent access to terminal stations such as Musashi-Kosugi Station and is located in a location that not only offers living convenience but also convenience in commuting to central Tokyo.
- The area around Musashi-Shinjo Station on the JR Nambu Line offers great convenience with a variety of shops and restaurants including Seiyu Musashi-Shinjo and Gyomu Super Musashi-Shinjo. The property contains single apartment units with multiple floor plans ranging from 25.83 m² to 29.91 m², meeting the needs of single households seeking living conveniences with its favorable design and rich amenities.

Outline of the Property

Acquisition Price	1,900 million JPY
Appraisal Value	1,970 million JPY
Total Floor Area	2,509.30 m ²
Appraisal NOI Yield	4.5%
Appraisal NOI Yield After Depreciation	3.6%
Area	4-19-25 Suenaga, Takatsu-ku, Kawasaki-shi, Kanagawa
Access	9-minute walk from Musashi Shinjo Station on the JR Nanbu Line
Usage	Residence
Completed	June 2021
Seller	Takara Leben Co., Ltd.
Acquisition Date	September 2, 2021
Occupancy Rate	100.0%

LUXENA NAGAREYAMA OOTAKANOMORI

Residence



An apartment with 80 residential units and 2 retail spaces developed by Takara Leben

- The property is located within a 3-minute walk of Nagareyama Otakanomori Station on the Tsukuba Express Line, providing not only an excellent living environment but also easy access to Tokyo's major terminal stations.
- The property has multiple residential unit floor plans ranging from 32.34 m² to 67.01 m², and meets the diverse needs of tenants ranging from single households to families through its favorable design and rich amenities.
- The area around Nagareyama Otakanomori Station on the Tsukuba Express is gaining greater attention for its excellent access to major central Tokyo terminal stations such as Akihabara Station on the JR Yamanote Line and is an area where new large-scale commercial facilities and apartments are being actively developed.

Outline of the Property

Acquisition Price	2,840 million JPY
Appraisal Value	3,000 million JPY
Total Floor Area	5,466.29 m ²
Appraisal NOI Yield	4.8%
Appraisal NOI Yield After Depreciation	3.7%
Area	1-3-2 Otakanomori-nishi, Nagareyama-shi, Chiba
Access	3-minute walk from Nagareyama Otakanomori Station on the Tsukuba Express
Usage	Residence
Completed	August 2019
Seller	IS No. 3
Acquisition Date	September 2, 2021
Occupancy Rate	97.2%

PRIME SQUARE

Residence



An apartment with 10 stories above ground and 42 residential units for singles

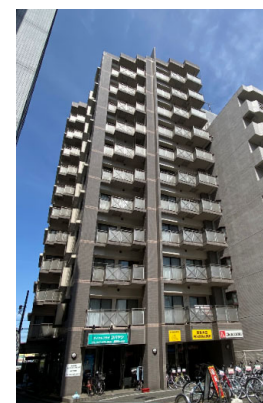
- The property is a 5-minute walk from Funabashi Station on the JR Sobu Line and a 7-minute walk from Funabashi Station on the Keisei Main Line, providing easy access to central Tokyo and other parts of the metropolitan area.
- It offers single units with multiple floor plans ranging from 21.02 m² to 37.72 m² and meets the needs of single households seeking living convenience through its favorable design and comfort with rich amenities.

Outline of the Property

Acquisition Price	620 million JPY
Appraisal Value	718 million JPY
Total Floor Area	1,125.49 m ²
Appraisal NOI Yield	5.3%
Appraisal NOI Yield After Depreciation	4.3%
Area	5-15-23 Honmachi, Funabashi-shi, Chiba
Access	5-minute walk from Funabashi Station on the JR Sobu Line
Usage	Residence
Completed	December 2008
Seller	IS No. 3
Acquisition Date	September 2, 2021
Occupancy Rate	100.0%

Winbell Chorus SeisekiSakuragaoka

Residence



An apartment located in a highly convenient area lined with commercial and residential buildings

- The property is a 10-minute walk from Seiseki-sakuragaoka Station on the Keio Line, which provides excellent access to JR Shinjuku Station, the station with the largest number of passengers in Japan.
- The property is expected to maintain its competitiveness in the future thanks to large-scale repairs and other value-adding work and meets the needs of single households with comfort in the surrounding area.

Outline of the Property

Acquisition Price	730 million JPY
Appraisal Value	828 million JPY
Total Floor Area	2,006.37 m ²
Appraisal NOI Yield	5.7%
Appraisal NOI Yield After Depreciation	4.8%
Area	1-26-8 Ichinomiya, Tama, Tokyo
Access	10-minute walk from Seiseki-sakuragaoka Station on the Keio Line
Usage	Residence
Completed	May 1997
Seller	IS No. 3
Acquisition Date	September 2, 2021
Occupancy Rate	94.3%

APIta NAGOYA-MINAMI

Retail



A retail facility with good access to major roads

- The property is located within 8 km south of Nagoya Station in a residential area in the southern part of Nagoya City and enjoys excellent transportation access thanks to its proximity to major commuter roads including National Route 247 (Chita Kaido), a truck road running north-south.
- The property offers a variety of products and services on three stories, including a food and lifestyle floor that has enjoyed strong local support since its opening, a fashion and relaxation floor, and a home and children's floor. The property is expected to continue stable operations in the future.
- The property is located about a 6-minute walk from Dotoku Station on the Nagoya Railway Tokoname Line and is also close to National Route 247 (Chita Kaido), a truck road that provides excellent access by car.

Outline of the Property

Acquisition Price	7,800 million JPY
Appraisal Value	8,240 million JPY
Total Floor Area	37,651.26 m ²
Appraisal NOI Yield	5.2%
Appraisal NOI Yield After Depreciation	4.6%
Area	4-9-47 Toyoda, Minami-ku, Nagoya-shi, Aichi
Access	6-minute walk from Doku Station on the Nagoya Railway Tokoname Line
Usage	Retail
Completed	July 1996
Seller	Undisclosed
Acquisition Date	September 2, 2021
Occupancy Rate	100.0%

(Tentative name) BIGMOTOR Konosu (Land)



A store site with good transportation access and capability of attracting a wide range of customers

- The property is located in a highly beneficial geographical area, within 50 km of the Tokyo metropolitan area and in an area developed as a bedroom community for Tokyo. It faces National Route 17 and has good traffic access.
- The property is leasehold interest of a community-based retail facility standing 160-meters along National Route 17, one of the main truck roads in Konosu City. The facility offers a variety of services such as vehicle maintenance, in addition to its function for selling new and used cars, taking advantage of its large site size. The property is expected to continue stable operations in the future.

Outline of the Property

Acquisition Price	2,150 million JPY
Appraisal Value	2,260 million JPY
Total Floor Area	-
Appraisal NOI Yield	4.5%
Appraisal NOI Yield After Depreciation	4.5%
Area	3440 Minoda, Konosu-shi, Saitama
Access	Approx. 11 minutes by car from Konosu Station on the JR Takasaki Line
Usage	Retail
Completed	-
Seller	Nippon Commercial Development Co., Ltd.
Acquisition Date	September 2, 2021
Occupancy Rate	100.0%

External Growth Strategy

- Improve portfolio quality and stability
- Secure acquisition opportunities through a sponsor pipeline from Takara Leben
- Increase acquisition opportunities by utilizing the Asset Management Company's proprietary network

Internal Growth Strategy

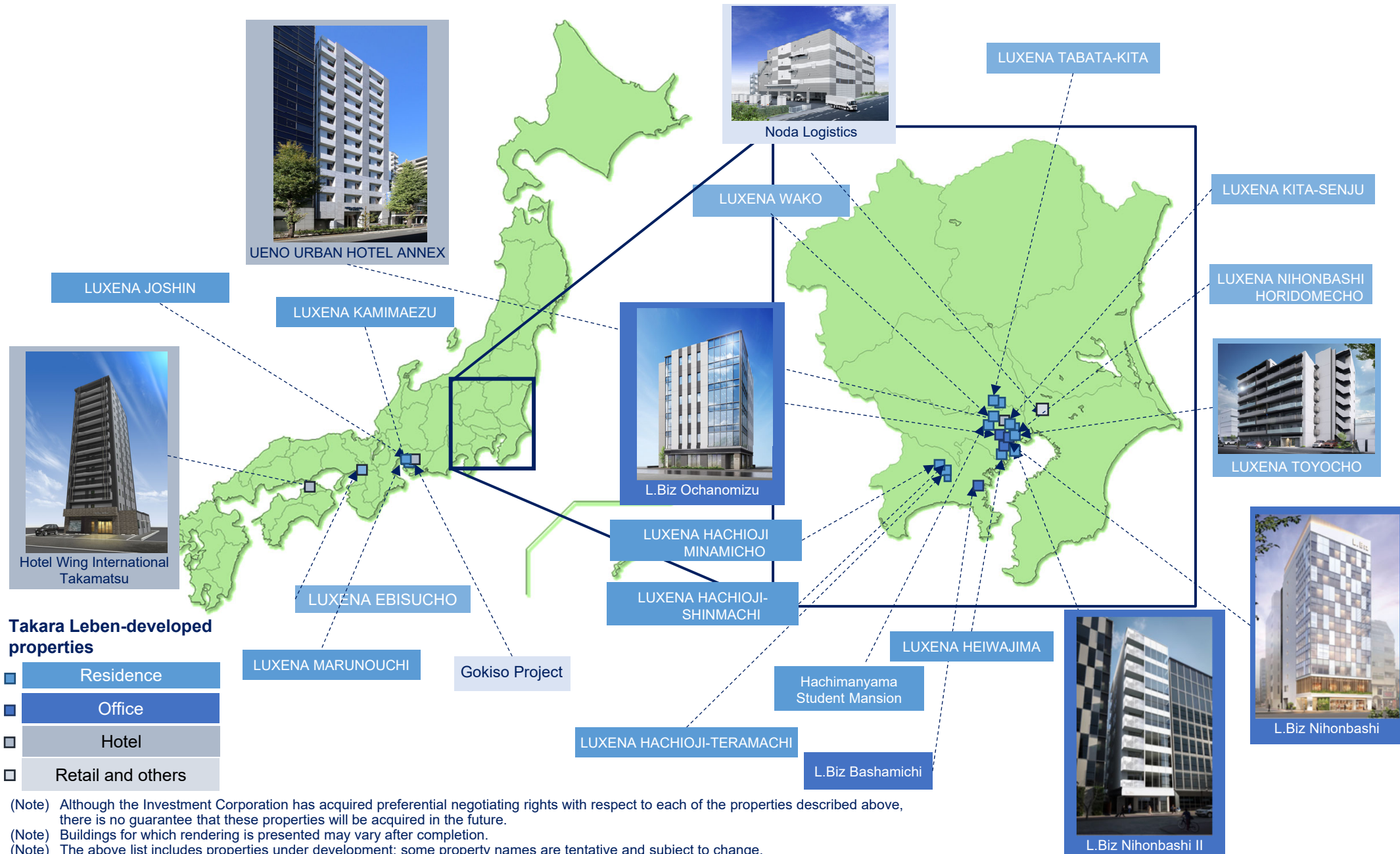
- Explore switching management companies to reduce costs and improve management levels
- Convert to LEDs in newly acquired properties (cost reduction and environmental consideration) and reduce costs by switching electricity contracts
- Implement capital expenditures as appropriate to improve property competitiveness
- Negotiate on contract renewal and at other times to fill rent gaps

Financial Strategy

- Reduction of refinancing risk by lengthening and diversifying maturity ladder
- Responding to interest rate fluctuation risk by fixing interest rates
- Diversifying funding sources

External Growth Strategy -Pipeline-

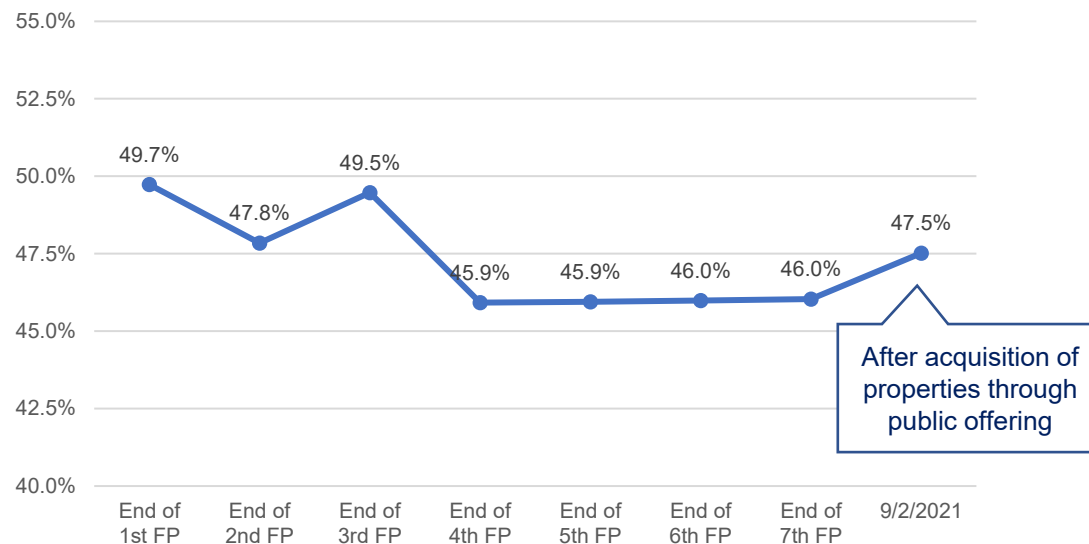
➤ A rich pipeline utilizing the development capabilities of the main sponsor, Takara Leben



Trends in Total Asset LTV

- Flexible fundraising with the goal of mid-40% LTV
- From the 4th fiscal period to the end of the 7th fiscal period, total asset LTV remained stable due to property replacement, etc., and after acquisition of properties through public offering, it slightly increased to 47.5%

Total Asset LTV



Total asset LTV = Interest-bearing debt as of the end of the fiscal period / Total assets

(Note) Total assets LTV as of September 2 is calculated as follows: Total interest-bearing debt / (Total assets as of the end of the 7th fiscal period + Acquisition prices of the 12 acquired properties)

Credit Ratings

- Acquired additional issuer rating of A-(direction: stable) from Rating and Investment Information, Inc. on March 22, 2021
- Japan Credit Rating Agency, Ltd. changed the outlook for long-term issuer credit rating from A- (Stable) to A- (Positive) on June 29, 2021

Rating Agency	(Long-Term) Issuer Rating	Direction
Rating and Investment Information, Inc.	A-	Stable
Japan Credit Rating Agency, Ltd.	A-	Positive

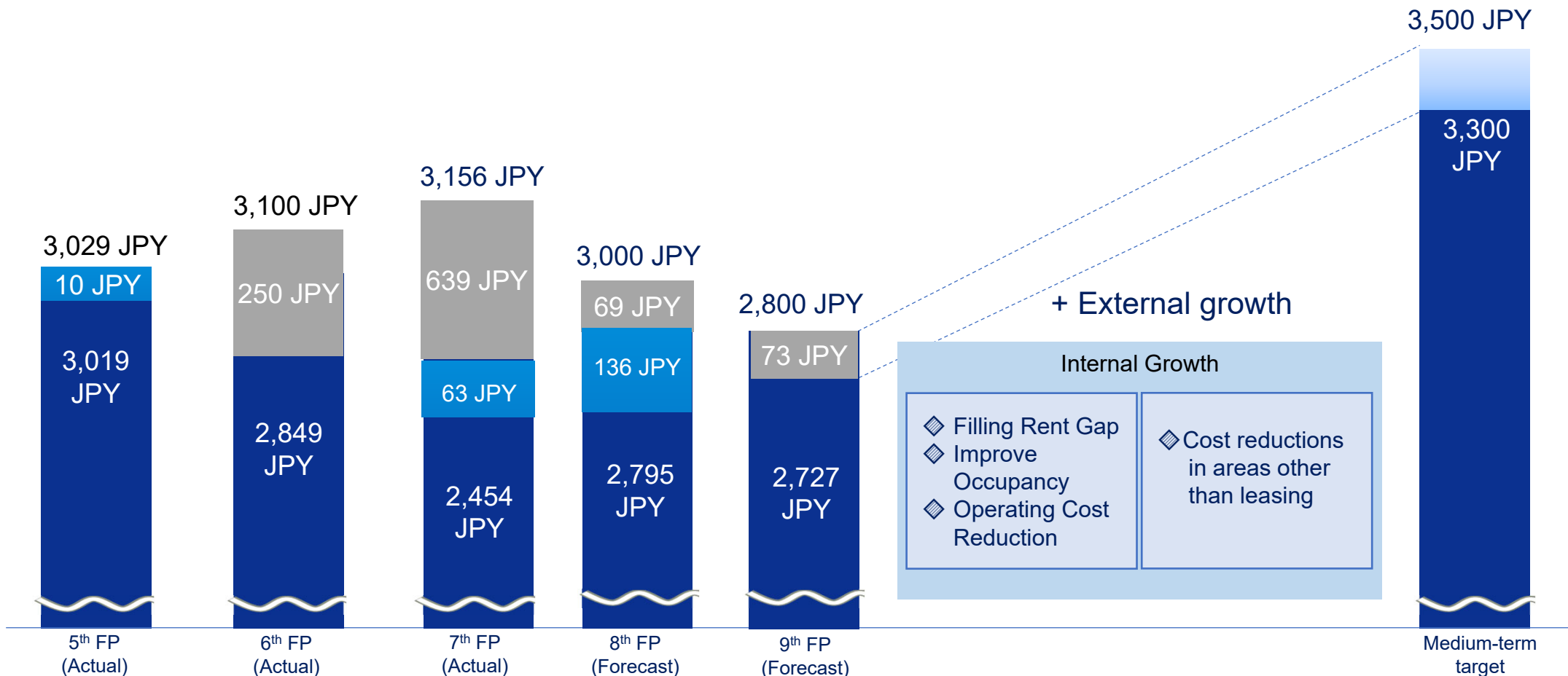
Strive to mitigate risk and stabilize investments over the long term through expansion of asset size and asset replacement, etc.
By doing so, we aim to improve our credit rating, diversify our sources of funding and improve the terms of our loans and borrowings

Current Status on Mid-Term DPU Target

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

- Assuming that the impact of COVID-19 will converge at an early stage, the level of the medium-term target will be maintained.
- 3,300 JPY from internal growth only
- Aiming for distributions of 3,500 JPY in consideration of external growth accompanied by POs, etc.

- Effect of disposition of property
- Reversal of retained earnings
- Property tax effect
- Stabilized basis



(Note 1) The amounts are calculated by dividing the amount of each item by the total number of investment units issued and outstanding has been rounded down to the nearest yen, so some portions do not equal the total amount.

(Note 2) Deferred hedge losses, a deduction of net assets, are assumed not to occur.

IV. Appendix

Occupancy Rate by Property (Office and Residence)

(Unit: %)

Asset type	Premises Number	Property name	End of March 2021	End of April 2021	End of May 2021	End of June 2021	End of July 2021	End of August 2021
Office	O-01	NT Building	100.0	94.0	94.0	89.4	89.4	92.2
	O-02	Higashi-Ikebukuro Central Place	98.3	98.3	98.3	98.3	98.3	98.3
	O-03	Nagoya Center Plaza Building	100.0	100.0	100.0	100.0	96.2	96.2
	O-05	Omiya NSD Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-06	SAMTY Shin-Osaka Center Building	100.0	100.0	94.5	94.5	94.5	94.5
	O-07	Hakata Gion Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-08	Chuo Bakuromachi Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-09	L.Biz Jimbocho	100.0	100.0	100.0	100.0	100.0	100.0
	O-10	Shinsaibashi Building	86.2	86.2	86.2	86.2	86.2	86.2
	O-11	L.Biz Sendai	100.0	100.0	100.0	100.0	100.0	100.0
	O-12	Sendai Nikko Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-14	Nagano Central Building	97.2	98.7	88.6	88.6	88.6	88.6
	O-17	Yamagata Ekimae-dori Building	71.9	71.9	71.9	71.9	71.9	71.9
	O-18	Akasaka Kawase Building	91.2	91.2	100.0	100.0	100.0	100.0
O-19	Yoyogi 1-chome Building	-	100.0	100.0	100.0	100.0	100.0	
Total offices			98.0	97.1	96.2	95.4	94.8	95.3
Residence	R-01	Amare Tokaidori	92.7	87.8	85.8	85.8	86.8	86.8
	R-02	Dormy Ukimafunado	100.0	100.0	100.0	100.0	100.0	100.0
	R-03	Benefis Hakata-Minami Grand Sweet	97.3	92.2	92.2	93.5	98.5	97.2
	R-04	LUXENA HIGASHI-KOENJI	88.1	87.8	90.4	92.2	94.9	89.8
	R-06	J City Hatchobori	97.1	99.0	97.1	95.1	96.1	98.1
	R-07	LUXENA HEIWADAI	94.5	92.7	92.6	93.8	97.4	96.8
	R-08	LUXENA KACHIDOKI	100.0	92.5	85.4	89.3	84.4	89.3
	R-09	LUXENA HON-ATSUGI	97.3	97.3	98.7	97.3	100.0	100.0
	R-10	LUXENA KADOMA	-	99.3	99.3	98.5	98.6	99.3
	Total residence			95.7	94.5	94.0	94.3	96.0

(Note) R-05 Alpha Space Toritsudai is not included in the above table as it was transferred.

Occupancy Rate by Property (Hotel and Retail)

(Unit: %)

Asset type	Premises Number	Property name	End of March 2021	End of April 2021	End of May 2021	End of June 2021	End of July 2021	End of August 2021
Hotel	H-01	Dormy Inn Matsuyama	100.0	100.0	100.0	100.0	100.0	100.0
	H-02	Hotel Sunshine Utsunomiya	100.0	100.0	100.0	100.0	100.0	100.0
	H-03	Dormy Inn Morioka	100.0	100.0	100.0	100.0	100.0	100.0
	H-04	ACCESS by LOISIR HOTEL Nagoya	100.0	100.0	100.0	100.0	100.0	100.0
	Hotel total		100.0	100.0	100.0	100.0	100.0	100.0
Retail And Others	C-01	Prio Daimyo II	100.0	100.0	100.0	100.0	100.0	100.0
	C-02	Co-op Sapporo Shunko	100.0	100.0	100.0	100.0	100.0	100.0
	C-03	TA Shonan Kugenumakaigan	100.0	100.0	100.0	100.0	100.0	100.0
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	100.0	100.0	100.0	100.0	100.0	100.0
	C-06	Kaden Sumairu Kan YAMADA KobeTarumi (Land)	100.0	100.0	100.0	100.0	100.0	100.0
	C-07	AEON STYLE Onomichi (Land)	100.0	100.0	100.0	100.0	100.0	100.0
	C-08	BIGMOTOR Sapporo Kiyota (Land)	-	-	100.0	100.0	100.0	100.0
	C-09	DCM Daiki Onomichi (Land)	-	100.0	100.0	100.0	100.0	100.0
	C-10	Cainz Omiya	-	-	-	-	100.0	100.0
	Total Retail and Others		100.0	100.0	100.0	100.0	100.0	100.0
Total portfolio			98.6	98.0	97.8	97.6	97.8	98.0

(Note) R-05 Alpha Space Toritsudai is not included in the above table as it was transferred.

Asset type	Property number	Property name	Acquisition price (in million)	Period end book value (in million)	6 th Fiscal Period			7 th Fiscal Period			Difference			Appraisal value - book value (in million)
					Appraisal value (in million)	Appraisal NOI (in million)	Cap rate	Appraisal value (in million)	Appraisal NOI (in million)	Cap rate	Appraisal value (in million)	Appraisal NOI (in million)	Cap rate	
Office	O-01	NT Building	12,350	12,427	13,400	555	3.9	13,000	547	3.9	(400)	(8)	-	572
	O-02	Higashi-Ikebukuro Central Place	9,780	9,890	10,600	427	3.9	10,500	426	3.9	(100)	(1)	-	609
	O-03	Nagoya Center Plaza Building	4,870	5,122	4,880	263	4.9	5,020	267	4.9	140	3	-	(102)
	O-05	Omiya NSD Building	3,493	3,522	3,960	192	4.6	3,960	194	4.6	-	1	-	437
	O-06	SAMTY Shin-Osaka Center Building	3,450	3,406	3,600	177	4.4	3,590	174	4.3	(10)	(2)	(0.1)	183
	O-07	Hakata Gion Building	2,500	2,478	2,780	123	4.3	2,850	124	4.2	70	0	(0.1)	371
	O-08	Chuo Bakuromachi Building	1,485	1,481	1,920	90	4.2	1,950	91	4.1	30	1	(0.1)	468
	O-09	L.Biz Jimbocho	1,006	1,014	1,140	45	3.8	1,140	45	3.8	-	(0)	-	125
	O-10	Shinsaibashi Building	772	767	777	39	4.3	777	38	4.2	-	(0)	(0.1)	9
	O-11	L.Biz Sendai	1,680	1,650	1,830	95	4.7	1,840	94	4.7	10	(0)	-	189
	O-12	Sendai Nikko Building	1,740	1,749	1,800	88	4.3	1,800	89	4.3	-	0	-	50
	O-14	Nagano Central Building	898	927	952	62	5.7	927	60	5.7	(25)	(1)	-	(0)
	O-17	Yamagata Ekimae-dori Building	600	613	651	43	5.7	634	42	5.7	(17)	(1)	-	20
	O-18	Akasaka Kawase Building	690	712	734	29	3.6	751	28	3.5	17	(0)	(0.1)	38
O-19	Yoyogi 1-chome Building	1,850	1,932	-	-	-	2,040	74	3.4	-	-	-	107	
Office Total			47,165	47,698	49,024	2,235	-	50,779	2,302	-	(285)	(7)	-	3,080
Residence	R-01	Amare Tokaidori	1,100	1,069	1,230	60	4.6	1,220	59	4.6	(10)	(0)	-	150
	R-02	Dormy Ukimafunado	1,080	1,090	1,140	57	4.5	1,130	57	4.5	(10)	(0)	-	39
	R-03	Benefis Hakata-Minami Grand Sweet	1,032	1,009	1,120	55	4.6	1,140	54	4.5	20	(0)	(0.1)	130
	R-04	LUXENA HIGASHI-KOENJI	1,060	1,071	1,090	44	3.9	1,120	44	3.8	30	(0)	(0.1)	48
	R-06	J City Hatchobori	1,200	1,193	1,280	64	4.8	1,280	64	4.8	-	(0)	-	86
	R-07	LUXENA HEIWADAI	3,910	3,889	4,350	181	4.0	4,410	179	3.9	60	(1)	(0.1)	520
	R-08	LUXENA KACHIDOKI	1,120	1,111	1,280	48	3.7	1,290	47	3.6	10	(0)	(0.1)	178
	R-09	LUXENA HON-ATSUGI	705	720	744	38	4.8	761	38	4.7	17	(0)	(0.1)	40
R-10	LUXENA KADOMA	2,000	2,039	-	-	-	2,140	96	4.4	-	-	-	100	
Total Residence			13,207	13,195	12,234	550	-	14,491	643	-	117	(3)	-	1,295

Asset type	Property number	Property name	Acquisition price (in million)	Period end book value (in million)	6 th Fiscal Period			7 th Fiscal Period			Difference			Appraisal value - book value (in million)
					Appraisal value (in million)	Appraisal NOI (in million)	Cap rate	Appraisal value (in million)	Appraisal NOI (in million)	Cap rate	Appraisal value (in million)	Appraisal NOI (in million)	Cap rate	
Hotel	H-01	Dormy Inn Matsuyama	2,427	2,329	2,550	131	5.0	2,550	131	5.0	-	(0)	-	220
	H-02	Hotel Sunshine Utsunomiya	2,000	2,112	2,070	116	5.1	2,080	117	5.1	10	0	-	(32)
	H-03	Dormy Inn Morioka	2,520	2,441	2,570	130	4.9	2,570	130	4.9	-	(0)	-	128
	H-04	ACCESS by LOISIR HOTEL Nagoya	2,500	2,512	2,180	108	4.2	2,190	109	4.2	10	0	-	(322)
Hotel			9,447	9,395	9,370	487	-	9,390	488	-	20	1	-	(5)
Retail and other assets	C-01	Prio Daimyo II	980	993	1,120	46	4.0	1,120	46	4.0	-	0	-	126
	C-02	Co-op Sapporo Shunko	1,036	1,024	1,100	70	6.2	1,110	70	6.2	10	0	-	85
	C-03	TA Shonan Kugenumakaigan	500	505	570	27	4.7	570	27	4.7	-	0	-	64
	C-05	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	4,030	4,021	4,410	300	6.8	4,410	300	6.8	-	0	-	388
	C-06	Kaden Sumairu Kan YAMADA KobeTarumi (Land)	4,227	4,277	4,370	208	4.8	4,360	208	4.8	(10)	0	-	82
	C-07	AEON STYLE Onomichi (Land)	900	929	-	-	-	1,040	48	4.7	-	-	-	110
	C-08	BIGMOTOR Sapporo Kiyota (Land)	1,610	1,648	-	-	-	1,790	(Note)	(Note)	-	-	-	141
	C-09	DCM Daiki Onomichi (Land)	1,170	1,192	-	-	-	1,240	65	5.3	-	-	-	47
	C-10	Cainz Omiya	2,520	2,556	-	-	-	2,580	125	4.4	-	-	-	23
	Total of Retail and Other assets			16,973	17,149	11,570	652	-	18,220	893	-	0	0	-
Total of the Portfolio			86,792	87,439	82,198	3,926	-	92,880	4,327	-	(148)	(9)	-	5,440

(Note) This information is not presented as the DCF method is the only method applied to BIGMOTOR Sapporo Kiyota (Land).

7th Fiscal Period Balance Sheets

<Assets> (Unit: thousand JPY)	6 th fiscal period	7 th fiscal period
Current assets		
Cash and deposits	9,815,530	4,208,122
Cash and deposits in trust	1,633,984	1,624,896
Account receivable	68,991	94,259
Prepaid expenses	141,760	204,793
Consumption tax receivable	-	229,172
Other current assets	5,204	6,672
Total current assets	11,665,471	6,367,916
Fixed assets		
Tangible fixed assets		
Buildings, net	2,453,225	3,880,446
Structures, net	9,315	28,046
Machinery and equipment, net	43,975	42,786
Tools, furniture and fixtures, net	5,950	29,909
Land	1,941,786	6,280,425
Buildings in trust, net	18,103,023	18,732,625
Structures in trust, net	66,980	67,280
Tools, furniture and fixtures in trust, net	18,801	34,108
Land in trust	59,240,117	58,343,096
Construction in progress in trust	718	718
Total tangible assets	81,883,896	87,439,443
Intangible assets		
Leasehold in trust	530,595	-
Software	3,025	2,475
Total intangible assets	533,620	2,475
Investments and other assets		
Long-term prepaid expenses	255,546	442,788
Deferred tax assets	2,145	4,924
Security deposits	11,000	11,080
Other assets	10	10
Total investments and other assets	268,701	458,802
Total fixed assets	82,686,217	87,900,721
Deferred assets		
Investment unit issuance costs	28,447	13,268
Total deferred assets	28,447	13,268
Total assets	94,380,136	94,281,906

<Liabilities> (Unit: thousand JPY)	6 th fiscal period	7 th fiscal period
Current liabilities		
Operating Accounts payable	226,592	312,492
Current portion of long-term loans payable	10,000,000	9,950,000
Current portion of tenant leasehold and security deposit in trust	50,973	50,973
Accounts payable	184,653	193,598
Accrued expenses	15,940	16,922
Income taxes payable	26,793	60,189
Consumption tax payable	319,699	-
Advances received	11,196	20,491
Derivative liabilities	3,865	2,909
Other current liabilities	5,970	8,953
Total current liabilities	10,845,683	10,616,530
Non-current liabilities		
Long-term loans payable	33,400,000	33,450,000
Tenant leasehold and security deposits	114,695	205,535
Tenant leasehold and security deposits in trust	3,277,646	3,136,223
Asset retirement obligations	88,298	88,636
Derivative liabilities	9,237	-
Total non-current liabilities	36,889,877	36,880,394
Total liabilities	47,735,560	47,496,925
<Net assets> (Unit: thousand JPY)		
Unitholders' equity		
Unitholders' capital	45,189,272	45,189,272
Deduction from unitholders' capital		
Allowance for temporary difference adjustment	(36,882)	(21,279)
Total deduction from unitholders' capital	(36,882)	(21,279)
Unitholders' capital, net	45,152,389	45,167,992
Surplus		
Retained earnings	1,505,288	1,619,897
Total surplus	1,505,288	1,619,897
Total unitholders' equity	46,657,677	46,787,890
Valuation and translation adjustments		
Deferred gains or losses on hedges	(13,102)	(2,909)
Total valuation and translation adjustments	(13,102)	(2,909)
Total net assets	46,644,575	46,784,980
Total liabilities and net assets	94,380,136	94,281,906

<Income Statement> (Unit: thousand JPY)	6 th fiscal period	7 th fiscal period
Operating revenues		
Rental revenue	2,508,637	2,427,281
Other rental revenue	179,152	177,464
Gain on sales of real estate properties	186,233	457,223
Total operating revenue	2,874,022	3,061,968
Operating expenses		
Expenses related to property rental business	915,785	943,498
Loss on sales of real estate property	3,029	-
Asset management fee	149,329	157,703
Asset custody and administrative service fees	18,432	19,162
Directors' compensation	2,400	2,400
Taxes and dues	24,621	42,830
Other operating expenses	57,669	52,384
Total operating expenses	1,171,268	1,217,979
Operating income	1,702,753	1,843,988
Non-operating income		
Interest income	37	44
Refund of property taxes	19,922	-
Income from insurance claim	817	1,079
Others	-	0
Total non-operating income	20,778	1,124
Non-operating expenses		
Interest expenses	135,940	138,611
Borrowing related expenses	67,143	69,943
Amortization of investment unit issuance costs	19,450	15,178
Total non-operating expenses	222,535	223,733
Ordinary income	1,500,997	1,621,379
Income before income taxes	1,500,997	1,621,379
Income taxes		
Income taxes-current	26,798	60,196
Income taxes-deferred	(2,129)	(2,778)
Total income taxes	24,669	57,417
Net income	1,476,327	1,563,962
Retained earnings brought forward	28,961	55,935
Unappropriated retained earnings	1,505,288	1,619,897

<Statement of Cash Flows> (Unit: thousand JPY)	6 th fiscal period	7 th fiscal period
Cash flows provided by (used in) operating activities		
Income before income taxes	1,500,997	1,621,379
Depreciation	326,007	334,900
Amortization of investment unit issuance costs	19,450	15,178
Borrowing related expenses	61,192	63,803
Interest income	(37)	(44)
Interest expense	135,940	138,611
Decrease (increase) in operating accounts receivable	10,372	(37,593)
Decrease (increase) in consumption tax receivable	-	(229,172)
Increase (decrease) in consumption tax payable	202,519	(319,699)
Decrease (increase) in prepaid expenses	8,524	(43,433)
Decrease (increase) in long-term prepaid expenses	9,232	(126,188)
Increase (decrease) in operating accounts payable	(32,356)	51,357
Increase (decrease) in accounts payable	5,873	7,665
Increase (decrease) in advances received	(3,705)	9,295
Decrease due to disposal of properties	5,116,480	5,211,461
Others	(2,670)	(508)
Sub total	7,357,820	6,697,012
Interest income received	37	44
Interest expenses paid	(136,173)	(137,630)
Income taxes paid	(936)	(26,799)
Net cash provided by operating activities	7,220,748	6,532,626
Cash flows provided by (used in) investing activities		
Purchases of property, plant and equipment	(6,194)	(5,825,212)
Purchase of property, plant and equipment in trust	(322,127)	(4,625,153)
Payments of tenant leasehold and security deposits	-	(80)
Proceeds from tenant leasehold and security deposits received	(79)	27,406
Repayments of tenant leasehold and security deposits	(347)	(268)
Proceeds from tenant leasehold and security deposits in trust	2,484	37,725
Repayments of tenant leasehold and security deposits in trust	(12,743)	(151,929)
Net cash used in investing activities	(339,008)	(10,537,511)
Cash flows provided by (used in) financing activities		
Proceeds from long-term loans	-	9,856,825
Repayments of long-term loans	-	(10,000,000)
Payments for loan-related expenses	(665)	-
Distributions paid	(1,400,012)	(1,433,027)
Net cash used in financing activities	(1,400,678)	(1,576,202)
Net increase (decrease) in cash and cash equivalents	5,481,061	(5,581,087)
Cash and cash equivalents at the beginning of the period	3,558,132	9,039,193
Cash and cash equivalents at the end of the period	9,039,193	3,458,106

Profit and Loss by Property

(Unit: thousand JPY)

Property name	O-01	O-02	O-03	O-05	O-06
	NT Building	Higashi-Ikebukuro Central Place	Nagoya Center Plaza Building	Omiya NSD Building	SAMTY Shin-Osaka Center Building
					
① Lease business revenue	338,922	264,679	187,972	130,949	110,025
Lease business revenue	289,120	240,892	170,526	123,687	100,155
Other lease business revenue	49,802	23,786	17,445	7,262	9,869
② Operating expenses from real estate leasing	85,992	46,625	63,181	30,815	28,219
Management fee	30,967	9,816	23,435	12,057	8,148
Utilities expenses	20,325	13,170	15,360	5,932	6,187
Taxes and dues	24,828	14,512	15,989	7,745	9,306
Insurance premium	551	324	498	172	199
Repair expenses	8,865	8,390	7,246	4,463	3,938
Trust fee	400	375	300	300	400
Other expenses	53	37	350	145	38
③ NOI (①-②)	252,930	218,053	124,791	100,133	81,806
④ Depreciation	38,556	27,975	26,328	7,257	10,988
⑤ Operating income (loss) from real estate leasing (③-④)	214,373	190,077	98,462	92,876	70,817
⑥ Acquisition price	12,350,000	9,780,000	4,870,000	3,493,900	3,450,000
⑦ NOI yield (%・Annualized)	4.06	4.42	5.08	5.69	4.70

Profit and Loss by Property

(Unit: thousand JPY)

Property name	O-07	O-08	O-09	O-10	O-11
	Hakata Gion Building	Chuo Bakuromachi Building	L.Biz Jimbocho	Shinsaibashi Building	L.Biz Sendai
					
① Lease business revenue	93,076	67,208	26,943	27,504	67,515
Lease business revenue	84,944	59,098	26,527	23,083	60,749
Other lease business revenue	8,131	8,110	416	4,420	6,766
② Operating expenses from real estate leasing	23,493	23,449	3,876	13,759	27,023
Management fee	7,078	6,847	1,780	3,630	12,785
Utilities expenses	5,491	5,531	-	2,990	4,582
Taxes and dues	7,393	7,749	1,736	4,466	4,909
Insurance premium	148	156	27	75	155
Repair expenses	2,591	2,723	-	2,156	4,252
Trust fee	400	400	300	400	300
Other expenses	389	41	33	41	38
③ NOI (①-②)	69,583	43,759	23,066	13,744	40,492
④ Depreciation	11,726	4,266	2,789	3,542	8,858
⑤ Operating income (loss) from real estate leasing (③-④)	57,857	39,493	20,277	10,202	31,634
⑥ Acquisition price	2,500,000	1,485,100	1,006,000	772,000	1,680,000
⑦ NOI yield (%・Annualized)	5.52	5.85	4.55	3.53	4.78

Profit and Loss by Property

(Unit: thousand JPY)

Property name	O-12	O-14	O-17	O-18	O-19
	Sendai Nikko Building	Nagano Central Building	Yamagata Ekimae-dori Building	Akasaka Kawase Building	Yoyogi 1-chome Building
					
① Lease business revenue	66,960	45,560	29,133	17,935	28,675
Lease business revenue	61,945	43,084	26,237	17,224	28,675
Other lease business revenue	5,015	2,475	2,895	711	-
② Operating expenses from real estate leasing	22,013	14,916	16,409	5,215	1,034
Management fee	5,775	6,752	6,707	2,712	739
Utilities expenses	4,318	2,829	3,332	696	-
Taxes and dues	7,388	4,551	3,453	1,396	4
Insurance premium	120	150	121	20	29
Repair expenses	3,872	291	2,255	370	-
Trust fee	450	300	300	-	254
Other expenses	87	41	238	19	6
③ NOI (①-②)	44,947	30,643	12,723	12,720	27,641
④ Depreciation	5,585	10,107	6,758	944	3,126
⑤ Operating income (loss) from real estate leasing (③-④)	39,361	20,535	5,964	11,776	24,515
⑥ Acquisition price	1,740,000	898,000	600,000	690,000	1,850,000
⑦ NOI yield (%・Annualized)	5.12	6.77	4.21	3.66	4.40

Profit and Loss by Property

(Unit: thousand JPY)

Property name	R-01	R-02	R-03	R-04	R-06
	Amare Tokaidori	Dormy Ukimafunado	Benefis Hakata-Minami Grand Sweet	LUXENA HIGASHI- KOENJI	J City Hatchobori
					
① Lease business revenue	35,943	31,848	34,970	29,363	41,924
Lease business revenue	34,724	31,836	33,329	28,199	40,925
Other lease business revenue	1,218	11	1,641	1,163	999
② Operating expenses from real estate leasing	8,050	4,209	10,776	9,191	9,349
Management fee	2,800	328	4,280	3,480	3,942
Utilities expenses	314	10	246	206	422
Taxes and dues	2,146	1,661	2,597	1,532	2,883
Insurance premium	80	61	77	40	77
Repair expenses	2,219	1,813	2,941	3,597	1,667
Trust fee	300	300	300	300	300
Other expenses	187	33	332	34	55
③ NOI (①-②)	27,893	27,638	24,194	20,172	32,575
④ Depreciation	8,900	2,975	6,737	3,803	4,974
⑤ Operating income (loss) from real estate leasing (③-④)	18,993	24,662	17,456	16,368	27,600
⑥ Acquisition price	1,100,000	1,080,000	1,032,000	1,060,000	1,200,000
⑦ NOI yield (%・Annualized)	5.03	5.08	4.65	3.78	5.38

Profit and Loss by Property

(Unit: thousand JPY)

Property name	R-07	R-08	R-09	R-10	H-01
	LUXENA HEIWADAI	LUXENA KACHIDOKI	LUXENA HON-ATSUGI	LUXENA KADOMA	Dormy Inn Matsuyama
					
① Lease business revenue	114,448	31,816	26,528	51,712	76,500
Lease business revenue	102,810	27,467	24,197	49,782	76,500
Other lease business revenue	11,637	4,348	2,331	1,929	-
② Operating expenses from real estate leasing	23,664	7,241	9,882	5,018	9,004
Management fee	12,596	4,352	4,972	3,436	765
Utilities expenses	1,539	270	901	1,263	900
Taxes and dues	5,141	1,089	1,040	4	6,849
Insurance premium	174	40	55	125	148
Repair expenses	3,646	1,079	2,892	181	-
Trust fee	375	375	-	-	300
Other expenses	191	33	21	6	41
③ NOI (①-②)	90,784	24,574	16,645	46,694	67,495
④ Depreciation	11,776	4,766	3,314	13,412	19,220
⑤ Operating income (loss) from real estate leasing (③-④)	79,007	19,808	13,331	33,282	48,274
⑥ Acquisition price	3,910,000	1,120,000	705,000	2,000,000	2,427,000
⑦ NOI yield (%・Annualized)	4.61	4.35	4.68	6.04	5.52






Profit and Loss by Property

(Unit: thousand JPY)

Property name	H-02	H-03	H-04	C-01	C-02
	Hotel Sunshine Utsunomiya	Dormy Inn Morioka	ACCESS by LOISIR HOTEL Nagoya	Prio Daimyo II	Co-op Sapporo Shunko
					
① Lease business revenue	62,917	74,958	-	30,433	41,760
Lease business revenue	62,917	74,958	-	27,311	41,760
Other lease business revenue	-	-	-	3,121	-
② Operating expenses from real estate leasing	10,307	8,400	45,141	8,003	4,644
Management fee	367	749	103	2,827	417
Utilities expenses	-	-	78	2,406	-
Taxes and dues	4,729	7,271	5,721	1,776	3,792
Insurance premium	167	177	82	19	99
Repair expenses	4,601	183	3,982	533	-
Trust fee	400	-	375	400	300
Other expenses	41	18	34,797	40	33
③ NOI (①-②)	52,610	66,557	(45,141)	22,429	37,115
④ Depreciation	17,366	27,227	10,546	1,201	7,760
⑤ Operating income (loss) from real estate leasing (③-④)	35,243	39,330	(55,687)	21,228	29,355
⑥ Acquisition price	2,000,000	2,520,000	2,500,000	980,000	1,036,000
⑦ NOI yield (%・Annualized)	5.22	5.24	(3.58)	4.54	7.11

Profit and Loss by Property

(Unit: thousand JPY)

Property name	C-03	C-05	C-06	C-07	C-08
	TA Shonan Kugenumakaigan	Kaden Sumairu Kan YAMADA Matsuyama Toiyacho	Kaden Sumairu Kan YAMADA KobeTarumi (Land)	AEON STYLE Onomichi (Land)	BIGMOTOR Sapporo Kiyota (Land)
					
① Lease business revenue	17,170	(Note 1)	(Note 1)	28,566	(Note 1)
Lease business revenue	15,816	(Note 1)	(Note 1)	28,566	(Note 1)
Other lease business revenue	1,353	(Note 1)	(Note 1)	-	(Note 1)
② Operating expenses from real estate leasing	3,176	(Note 1)	(Note 1)	152	(Note 1)
Management fee	1,058	(Note 1)	(Note 1)	142	(Note 1)
Utilities expenses	1,164	(Note 1)	(Note 1)	-	(Note 1)
Taxes and dues	919	(Note 1)	(Note 1)	4	(Note 1)
Insurance premium	15	(Note 1)	(Note 1)	-	(Note 1)
Repair expenses	-	(Note 1)	(Note 1)	-	(Note 1)
Trust fee	-	(Note 1)	(Note 1)	-	(Note 1)
Other expenses	18	(Note 1)	(Note 1)	5	(Note 1)
③ NOI (①-②)	13,994	153,119	102,721	28,414	22,331
④ Depreciation	1,365	15,654	-	-	-
⑤ Operating income (loss) from real estate leasing (③-④)	12,628	137,464	102,721	28,414	22,331
⑥ Acquisition price	500,000	4,030,000	4,227,000	900,000	1,610,000
⑦ NOI yield (%・Annualized)	5.55	7.54	4.82	6.26	4.82

(Note 1) Due to the approval of the tenant not being obtained, it is not disclosed.

Profit and Loss by Property

(Unit: thousand JPY)

Property name	C-09	C-10
	DCM Daiki Onomichi (Land)	Cainz Omiya
		
① Lease business revenue	(Note 1)	(Note 1)
Lease business revenue	(Note 1)	(Note 1)
Other lease business revenue	(Note 1)	(Note 1)
② Operating expenses from real estate leasing	(Note 1)	(Note 1)
Management fee	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	(Note 1)
Taxes and dues	(Note 1)	(Note 1)
Insurance premium	(Note 1)	(Note 1)
Repair expenses	(Note 1)	(Note 1)
Trust fee	(Note 1)	(Note 1)
Other expenses	(Note 1)	(Note 1)
③ NOI (①-②)	(Note 1)	23,414
④ Depreciation	-	3,069
⑤ Operating income (loss) from real estate leasing (③-④)	(Note 1)	20,344
⑥ Acquisition price	1,170,000	2,520,000
⑦ NOI yield (%・Annualized)	(Note 1)	5.47

(Note 1) Due to the approval of the tenant not being obtained, it is not disclosed.

Indicators	1 st period (August 2018)	2 nd period (February 2019)	3 rd period (August 2019)	4 th period (February 2020)	5 th period (August 2020)	6 th period (February 2021)	7 th period (August 2021)
Days in operation	33	181	184	182	184	181	184
NOI (JPY million)	314	1,717	1,489	2,142	2,140	2,097	1,995
FFO (Funds from Operation/JPY million)	112	1,412	1,139	1,711	1,706	1,618	1,441
FFO per unit (JPY)	324	4,087	3,297	3,699	3,689	3,499	3,115
Interest-bearing debt (JPY million)	34,600	33,260	35,980	43,400	43,400	43,400	43,400
Interest-bearing debt to total asset (%)	49.7	47.8	49.5	45.9	45.9	46.0	46.0
Loan to appraisal value (%)	47.6	45.1	46.8	42.8	43.1	43.5	43.5
Net Asset Value per unit (JPY)	101,345	104,710	104,539	112,296	111,103	109,202	109,764

(Note) Calculation is based on the following formula

NOI = Property related revenues - Property related expenses + Depreciation - Gains on sales of property

FFO = Net income + Depreciation and amortization ± Gains (losses) on sales of property

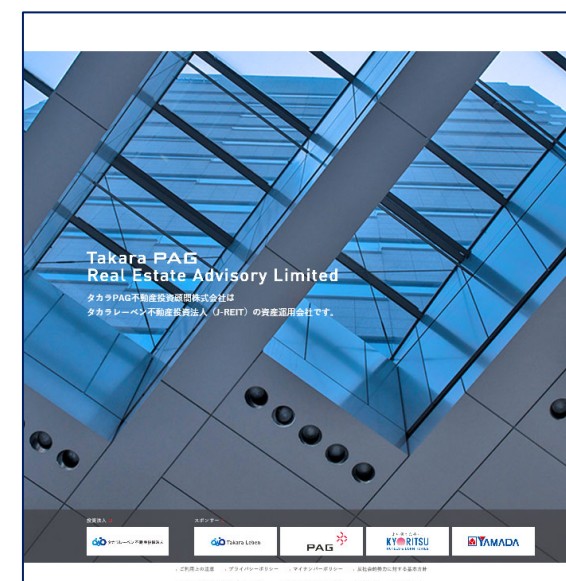
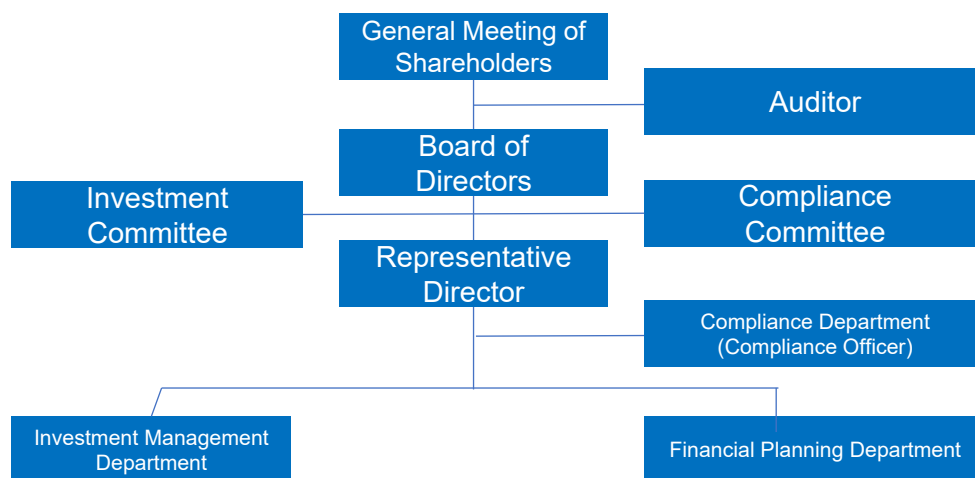
FFO per unit = FFO / Total number of investment units issued and outstanding

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

Appraisal LTV = Interest-bearing debt at the end of the period / (Total assets at the end of the period + Appraisal value of real estate, etc. at the end of the period) X 100

NAV per unit = (Net assets at the end of the period - Total distributions to be paid + Total appraisal value of real estate, etc. - Total book value of real estate, etc. at the end of the period) / Total number of investment units issued and outstanding

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

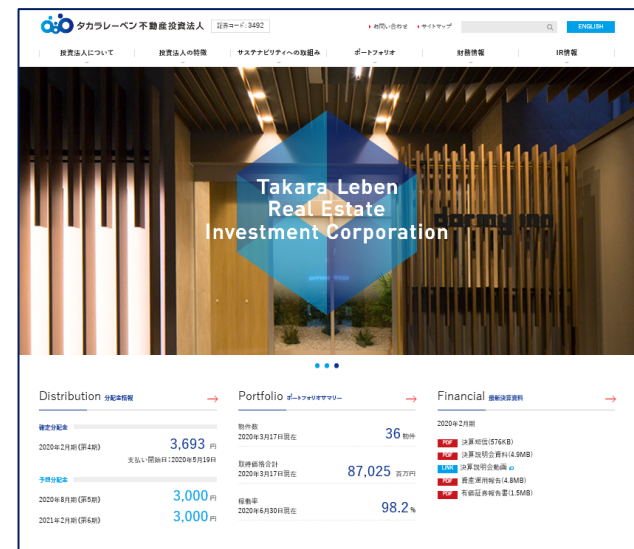


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