



Takara Leben Real Estate  
Investment Corporation

Securities Code: 3492

# August 2022 Fiscal Period (9th Fiscal Period) Presentation Material



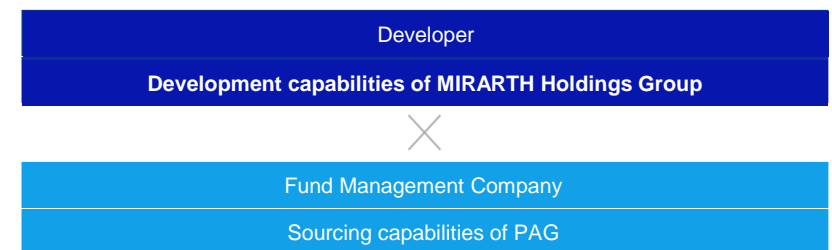
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## ■ Overview

Name	Takara Leben Real Estate Investment Corporation
Securities Code	3492
Listed	July 27, 2018
Fiscal Closing	February, August
Asset Size (As of August 31, 2022)	113,564 million JPY (Acquisition price basis)
Portfolio Management Standards (Target investment ratios)	(By usage) Office/residence: No less than 70% Hotel/retail and other assets: No more than 30% (By area) Core areas: No less than 70% Sub-areas: No more than 30%
Asset Management Company	Takara PAG Real Estate Advisory Ltd.
Asset Management Company Sponsors	MIRARTH Holdings, Inc. (60%)* PAG Real Estate Holding Limited (30%) Kyoritsu Maintenance Co., Ltd. (5%) YAMADA HOLDINGS CO., LTD. (5%)

## ■ Features

- (1) Leveraging the development capabilities of a comprehensive real estate developer and the sourcing capabilities of a fund management company  
⇒ Steady external growth  
⇒ Greater opportunity for property acquisition



- (2) Building a comprehensive portfolio by maximally leveraging the strengths of each sponsor company
- Expertise in each of office, residence, hotel, retail and other properties
  - Diversified investment by geographic area and focused on the four major metropolitan areas
- (3) Management expertise and operational strengths  
⇒ Stable management and internal growth
- Leveraging the operational capabilities of each sponsor company to improve profitability and optimize management costs
  - Achieving greater value by leveraging expertise

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



	Initial Targets/Plan	Results for the Period
Distributions	2,930 JPY per unit	3,008 JPY per unit (vs. forecast: +78 JPY / +2.7%)
External Growth	<ul style="list-style-type: none"> <li>Improve portfolio quality and stability</li> <li>Increase acquisition opportunities by utilizing the Asset Management Company's proprietary network</li> <li>Secure acquisition opportunities through the Takara Leben sponsor pipeline</li> </ul>	<ul style="list-style-type: none"> <li>Continued property replacement for improving portfolio quality</li> <li>Acquired 3 properties for which stable revenue can be expected in the medium to long term (Asset Management Company's proprietary information network)</li> <li>Acquired 9 properties through public offering in the 10th FP (Sponsor: 8; Asset Management Company's proprietary network: 1)</li> </ul>
Internal Growth	<ul style="list-style-type: none"> <li>Promoted flexible leasing activities in response to changes in the market environment or the needs of tenants</li> <li>Enhanced leasing for properties whose occupancy rates were declining</li> <li>Continuing negotiations for elimination of rent gaps</li> </ul>	<ul style="list-style-type: none"> <li>Overall occupancy rate remained at around 99% throughout the period → By working with brokers/PM companies, continued to carry out efforts aggressively Targeting leasing-enforced properties and invited several new tenants</li> <li>Performance-linked rent was continuously incurred at ACCESS by LOISIR HOTEL Nagoya as it recovered from the COVID-19 pandemic</li> </ul>
ESG	<ul style="list-style-type: none"> <li>Advancing further LED conversion in owned properties and proactively exploring new ESG initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Acquired "Green Star" designation in the 2022 GRESB Real Estate Assessment and "A-level" designation in the GRESB Public Disclosure assessment</li> <li>Reacquired DBJ Green Building certification for NT Building</li> <li>Enhanced ESG Information Disclosure</li> </ul>
Finance	<ul style="list-style-type: none"> <li>Extending borrowing periods, leveling off maturity ladder</li> <li>Alongside expanding asset size, using capital increases to improve liquidity in investment units and enhance procurement foundations</li> </ul>	<ul style="list-style-type: none"> <li>With refinancing totaling 9.95 billion JPY, extended and prolonged borrowing periods and adopted fixed interest rates</li> <li>Implemented capital increase through public offering for the second consecutive year</li> <li>JCR long-term issuer rating changed (June 6, 2022) A- (Positive)→ A (Stable)</li> </ul>

# **I. Overview and Impact of Public Offering**

## Number of Investment Units by Type of Unitholder

Offering Type	Domestic offering
Number of Units Issued	63,600 units
Payment Date	September 1, 2022
Issue Price	104,685 JPY per unit
Issue Amount	100,927 JPY per unit
Total Issue Amount	6,418 million JPY
Use of Funds	Allocated to funds for property acquisition

## Impact of Property Acquisition Through Offering

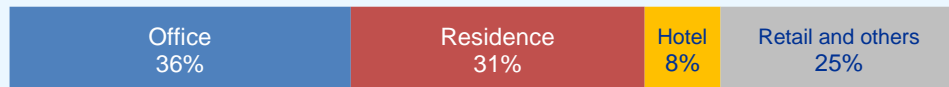
### ➤ Diversification of portfolio

At IPO

Retail and others 3%



After New PO



### ➤ Younger average portfolio building age

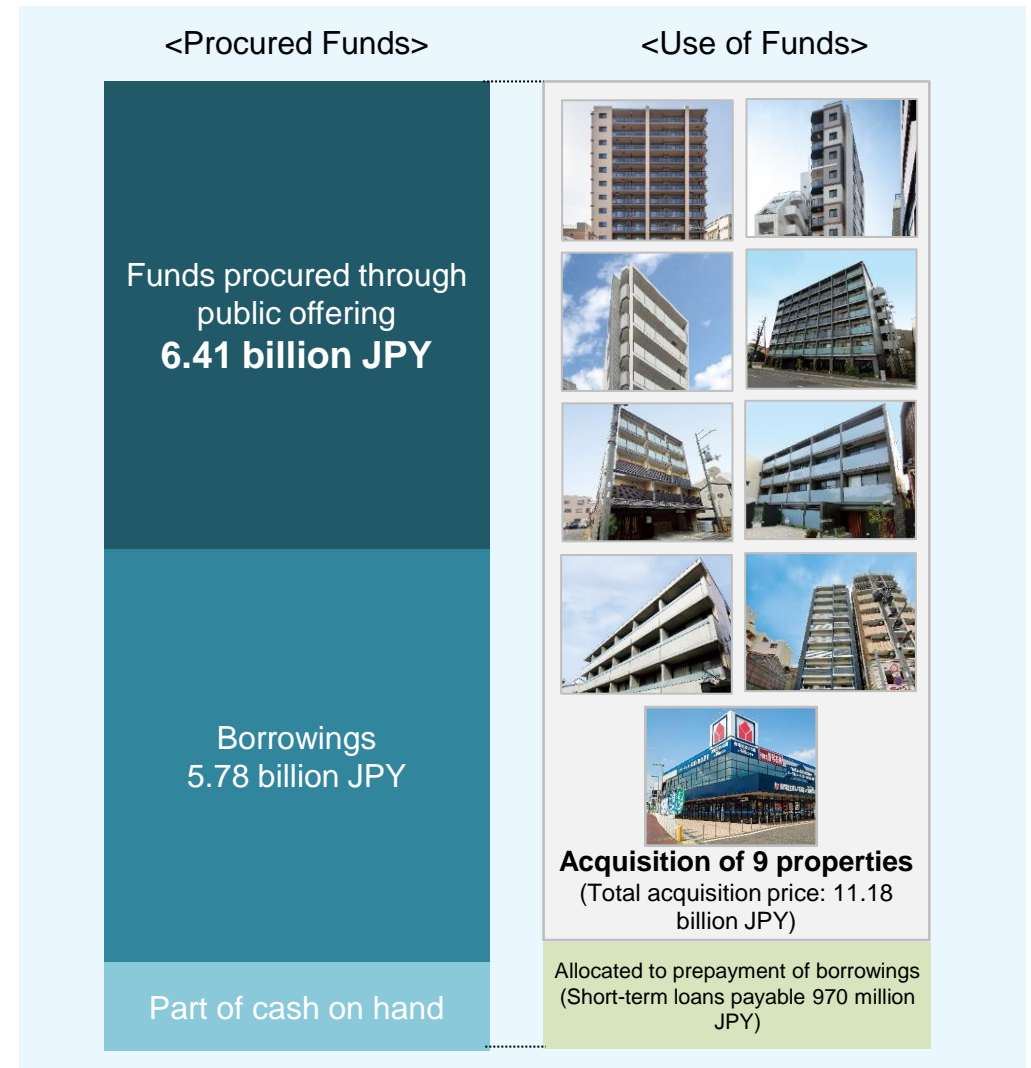
At IPO

25.4 years

Reduced avg. building age 18.3 years

## ■ Use of Procured Funds

- Allocation of funds procured through public offering, borrowings, and part of cash on hand for acquisition of properties with high earnings stability



# Effective Asset Replacement Leveraging Sponsor Support

Continuously acquired and disposed of properties with the emphasis on stable revenue

8th FP  
(Feb. 2022)

9th FP  
(Aug. 2022)

10th FP  
(Feb. 2023)

## Acquisition

13 properties, 28.2 billion JPY

Second capital increase  
through public offering



APITA NAGOYA-MINAMI



Kawagoe West Building



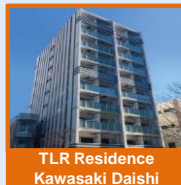
LUXENA NAGAREYAMA OTAKANOMORI

Other 9 properties (12 properties in total)



MARE Isogo Building

3 properties, 5.7 billion JPY



TLR Residence Kawasaki Daishi



TLR Residence Takaide



TLR Residence Honmachi West

9 properties, 11.1 billion JPY



LUXENA KITA-SENJU



LaVita Higashi-Ueno



LUXENA JOSHIN



LUXENA UMEKOJI-KYOTONISHI



LUXENA KIYOMIZU-GOJO



LaVita Nijo Gekkou



LaVita Toji



Pleiades Namba-Higashi



Kaden Sumairu Kan x YAMADA web.com Nara Head Office

Third capital increase  
through public offering

## Disposition

4 properties, 6.5 billion JPY

\*Including disposition of 37% quasi co-ownership interest of Chuo Bakuromachi Building



Nagano Central Building



Yamagata Ekimae-dori Building



Shinsaibashi Building



SAMTY Shin-Osaka Center Building

1 property, 1.2 billion JPY



Chuo Bakuromachi Building

\*Completed disposition of the remaining 63% quasi co-ownership interest.

2 properties, 3.3 billion JPY



Co-op Sapporo Shunko



Hotel Sunshine Utsunomiya

8th FP  
(Feb. 2022)

9th FP  
(Aug. 2022)

10th FP  
(Feb. 2023)

Point of  
Disposition

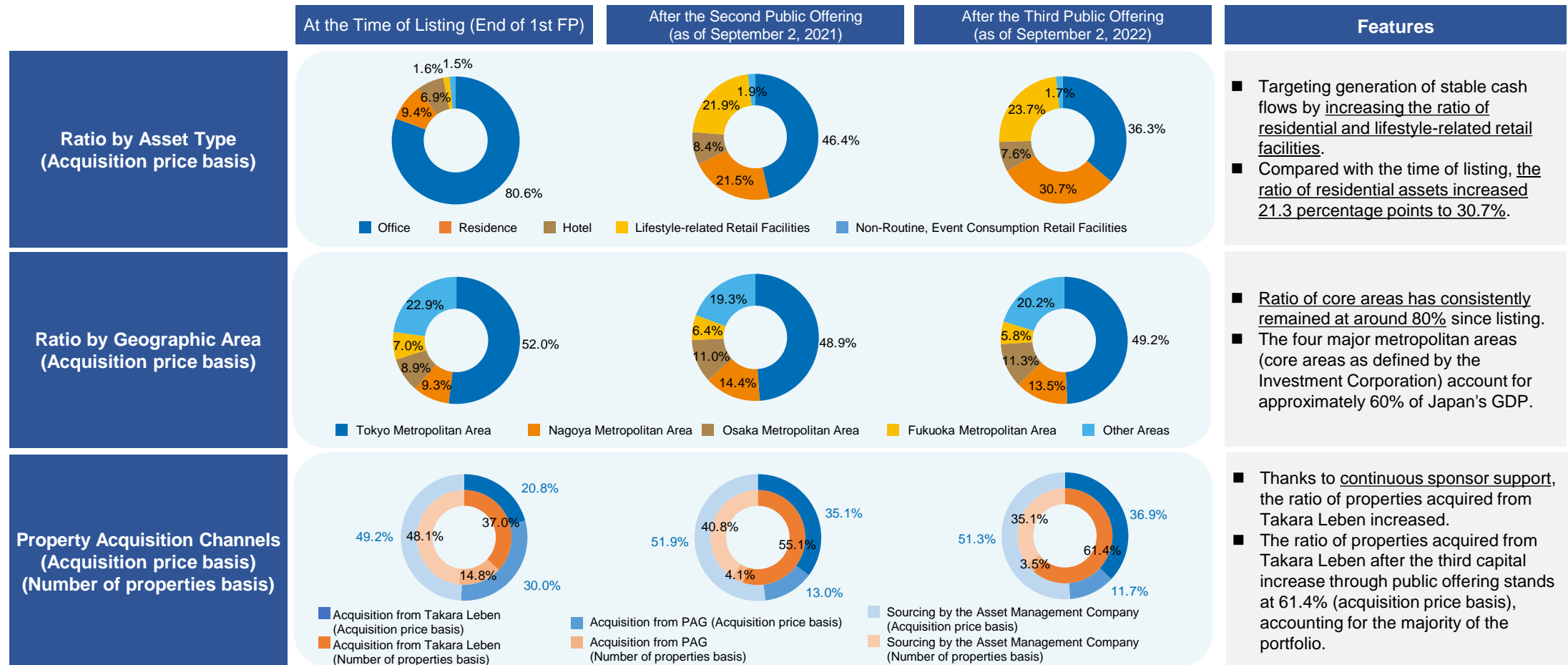
Nagano Central Building, Yamagata Ekimae-dori Building  
⇒Disposition for future stability in occupancy and revenue growth

Shinsaibashi Building, SAMTY Shin-Osaka Center Building, Chuo Bakuromachi Building, Co-op Sapporo Syunko, Hotel Sunshine Utsunomiya  
⇒Disposition after deeming the sale to be based on the condition that contributes to maximizing unitholder value

Office Residence Hotel Retail and others

# Building a Highly Stable Portfolio Through Property Acquisition and Replacement

- Ratio of highly stable residences and lifestyle-related retail facilities rose
- Consistently improving portfolio stability through a strategy of asset replacement
- Thanks to continuous sponsor support, the percentage of properties acquired from Takara Leben increased





# Impact of Capital Increase Through Public Offering

## <Portfolio Summary>



Takara Leben Real Estate  
Investment Corporation

- Asset size increased from 108.7 billion JPY at the end of the 8th FP to 124.7 billion JPY.
- Improved portfolio quality and unitholder value by reducing average building age through public offering initiative.
- With capital increase through public offering implemented for the second consecutive year, liquidity in investment units improved.

	End of 8th FP (February 28, 2022)	Results at End of 9th FP and Public Offering Initiatives		After Public Offering (September 2, 2022)
		End of 9th FP (August 31, 2022)	Assets Acquired Through Public Offering	
No. of Properties	46	48	9	57
Total Acquisition Price (billion JPY)	108.7	113.5	11.1	124.7
Total Appraisal Value (billion JPY)	116.2	121.5	11.6	133.2
Unrealized Gains (billion JPY) <small>(Note 1)</small>	6.5	6.9	0.4	7.4
Average NOI Yield After Depreciation (%) <small>(Note 2)</small>	4.1	3.9	4.0	3.9
Average Occupancy Rate (%) <small>(Note 3)</small>	99.0	99.1	98.6	97.8
Average Building Age (years)	19.3	19.4	8.0	18.3
Loan to Appraisal Value (LTV) (%)	49.3	47.9		47.3
Net Asset Value per Unit (JPY) <small>(Note 1)</small>	111,380	112,104		114,437
Net Assets per Unit (JPY)	103,166	103,052		102,840
Total Number of Outstanding Units at the End of the 9th FP:		575,000		638,600

(Note 1) Unrealized gains in the 8th FP and 9th FP 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 8th FP and 9th FP 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.

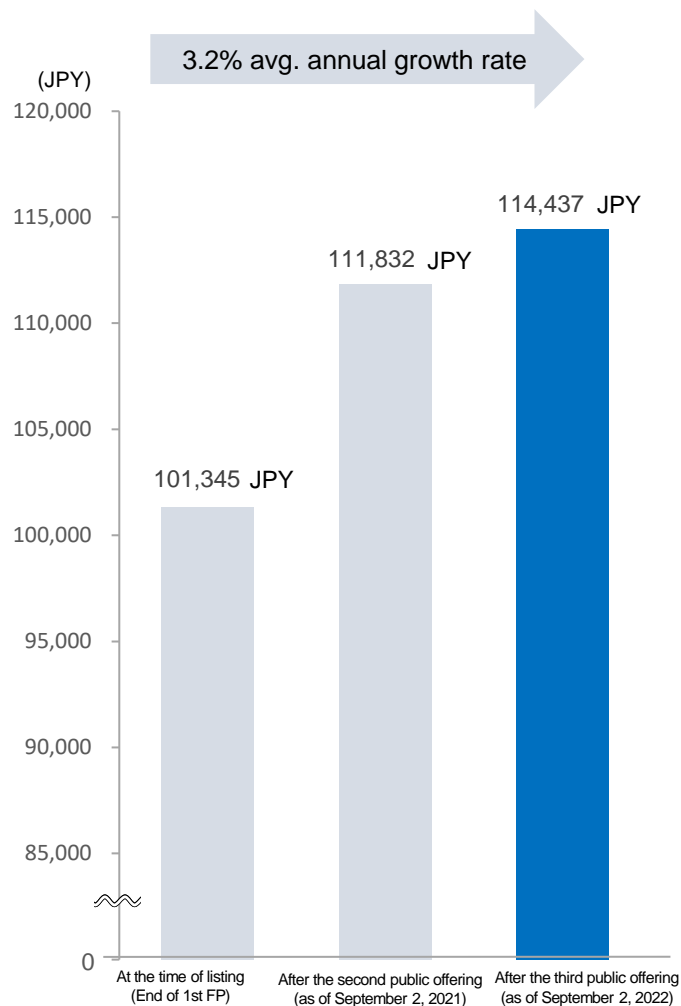
# Impact of Capital Increase Through Public Offering

## <Financial Indicators>

### ➤ Achieved portfolio quality improvements in each financial indicator

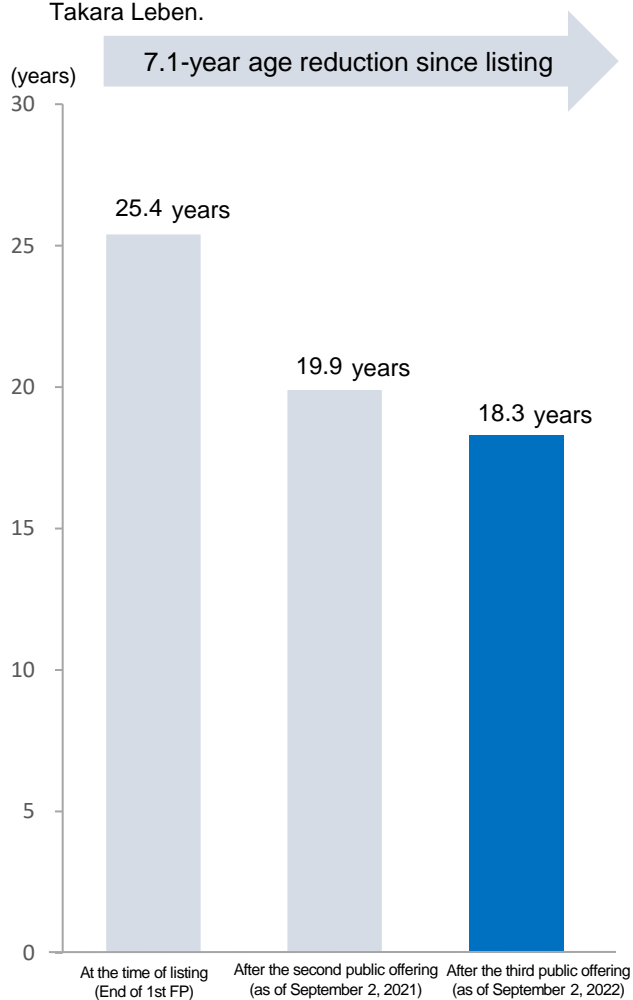
#### Net Asset Value per Unit

- Steady improvement in NAV per unit through flexible asset replacement.



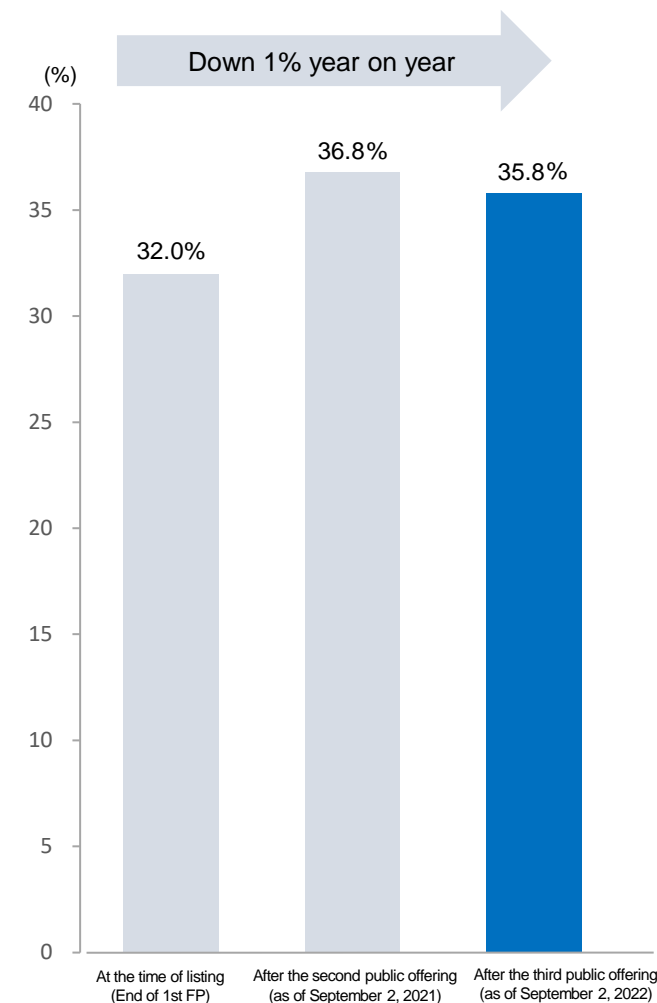
#### Average Building Age

- Building age was reduced through the acquisition of newly developed properties from the main sponsor Takara Leben.



#### Rate of Top 10 Tenants (rent basis)

- Diversified risk by dispersing the ratio of top-ranking tenants through expanding asset size.

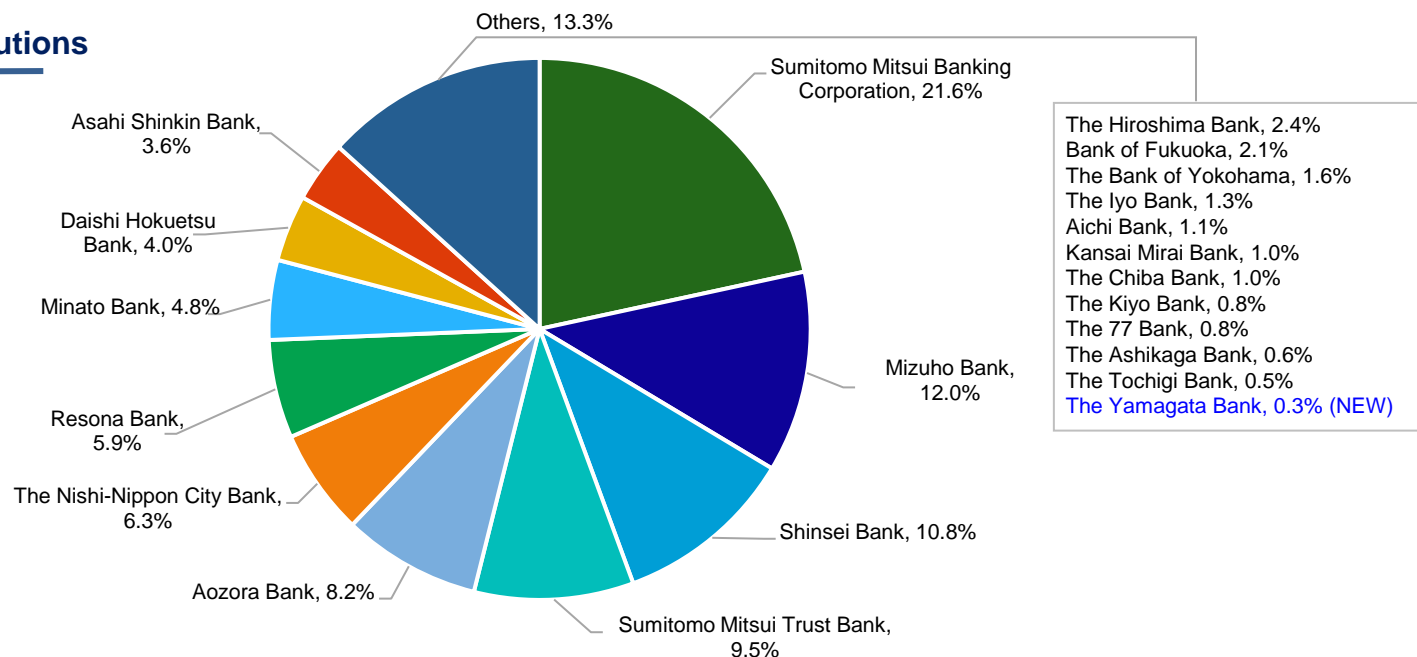


(Note) Figures presented are based on estimates announced at the time of the August 15, 2022, resolution to issue investment units.

## Expanding Pool of Lender Financial Institutions

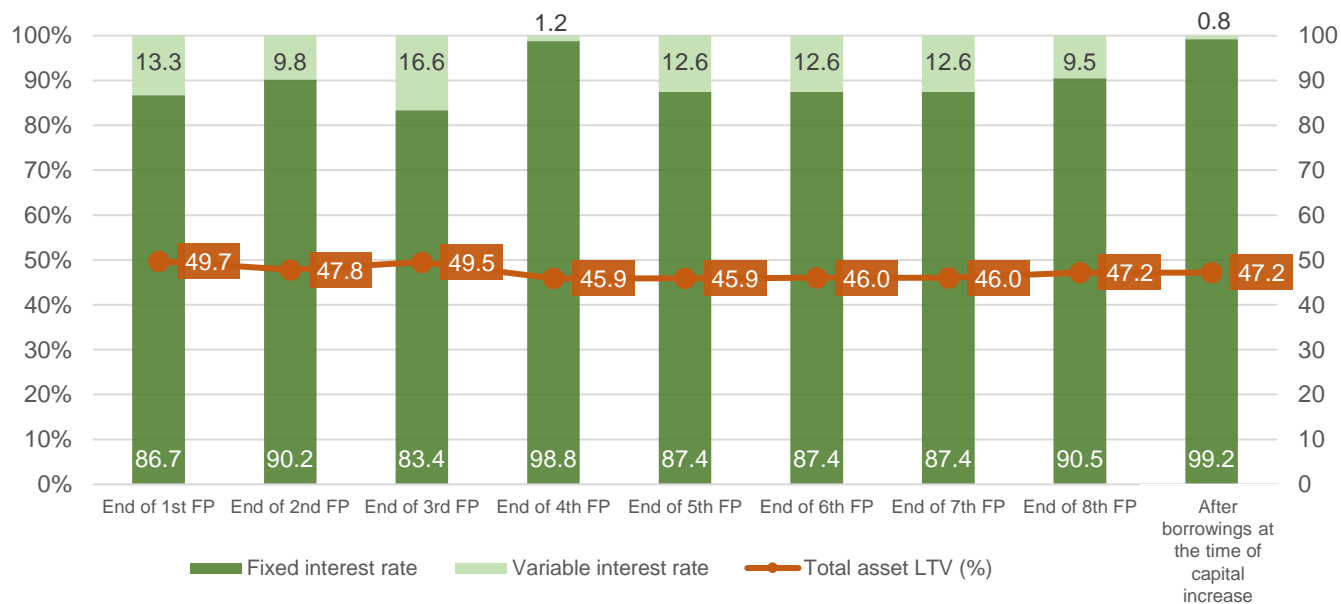
- By taking out a new loan at the time of capital increase, one new lender financial institution was added ⇒22 banks in total
- Stabilizing funding foundations by enhancing transacting bank pool

**Total borrowings**  
At end of 8th FP: 57,300 million JPY  
After taking out loans at the time of capital increase: 63,080 million JPY



## Ratio of Fixed Interest Rates, LTV Management

- With a higher ratio of fixed interest rates, LTV for the 9th FP remained roughly flat
- Maintained a high ratio of fixed interest rates and controlled LTV properly, thereby eliminating financial risk ⇒Built a sound financial structure



## **II. Overview of the 9th Fiscal Period**



# 9th Fiscal Period Financial Highlights

(Unit: million JPY)

9th FP Results vs. Forecast/8th FP vs. 9th FP	Initial Forecast	Actual	Difference	Major Factors	8th FP	9th FP	Difference	Major Factors
Number of Days in Operation	184 days	184 days	-	-	181 days	184 days	-	-
Operating Revenue	3,448	3,545	+96	+47 Revenue from acquisition of property (Honmachi WEST, Takaida) +18 Increase in utilities reimbursement +10 Revenue from restoration to original state (Akasaka Kawase, residence) +21 Other	4,030	3,545	-485	-472 Decrease in gain on disposition of property (8th FP: 720, 9th FP: 248) -167 Decrease in revenue from disposition of property +53 Increase in revenue from properties acquired in the previous period +72 Increase in revenue from acquisition of property +29 Other (ACCESS +13)
Operating Income	1,980	2,020	+39	+96 Increase in operating revenue -15 Increase in expenses from acquisition of property -30 Increase in utilities expenses -12 Other	2,093	2,020	-72	-485 Decrease in operating revenue +555 Absence of loss on disposition of real estate +105 Decrease in expenses from disposition of property -72 Increase in expenses from properties acquired in the previous period -28 Increase in expenses from acquisition of property -68 Increase in SGA -79 Other (Fixed asset and city planning taxes -21, NT -24, other)
Ordinary Income	1,686	1,727	+40	+39 Increase in operating expenses	1,806	1,727	-79	-72 Decrease in operating income -6 Increase in interest on borrowings
Net Income	1,685	1,726	+41	+40 Increase in ordinary income	1,801	1,726	-74	-79 Decrease in ordinary income +4 Other
Total Amount of Distributions	1,684	1,729	+44	+41 Increase in net income	1,794	1,729	-64	-74 Decrease in net income +10 Adjustment through retained earnings
Distributions per Unit (including distributions in excess of earnings)	2,930 JPY	3,008 JPY	+78 JPY	Total number of investment units issued and outstanding: 575,000 units	3,120 JPY	3,008 JPY	-112 JPY	Total number of investment units issued and outstanding: 575,000 units

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

# Balance Sheet



Takara Leben Real Estate  
Investment Corporation

(Unit: million JPY)

(Unit: million JPY)

8th FP vs 9th FP					8th FP vs 9th FP				
	8th FP	9th FP	Difference	Major Factors		8th FP	9th FP	Difference	Major Factors
Current Assets	10,702	6,698	-4,004		Current Liabilities	10,624	7,754	-2,869	
Cash and Deposits (including in trust)	10,157	6,197	-3,960	+1,178 Property disposition +975 Short-term loans payable -6,031 Property acquisition	Current Portion of Long-term Loans Payable	9,950	6,000	-3,950	-9,950 *Lengthening through +6,000 *Within one year refinancing
Other Current Assets	544	500	-43		Other Current Liabilities	674	1,754	+1,080	+975 Short-term loans payable
Fixed Assets	110,585	115,584	+4,999		Non-current Liabilities	51,373	55,292	+3,919	
Tangible Fixed Assets	109,705	114,630	+4,925	-930 Property disposition +6,031 Property acquisition	Long-term Loans payable	47,350	51,300	+3,950	+9,950 *Refinancing -6,000 *Transfer to loans due within one year
Intangible Assets	1	2	+0		Other Non-current Liabilities	4,023	3,992	-30	
Investments and Other Assets	877	951	+74		Total Liabilities	61,998	63,047	+1,049	
Deferred Assets	31	20	-11		Net Assets	59,320	59,255	-65	
Total Assets	121,319	122,302	+983		Total Liabilities and Net Assets	121,319	122,302	+983	

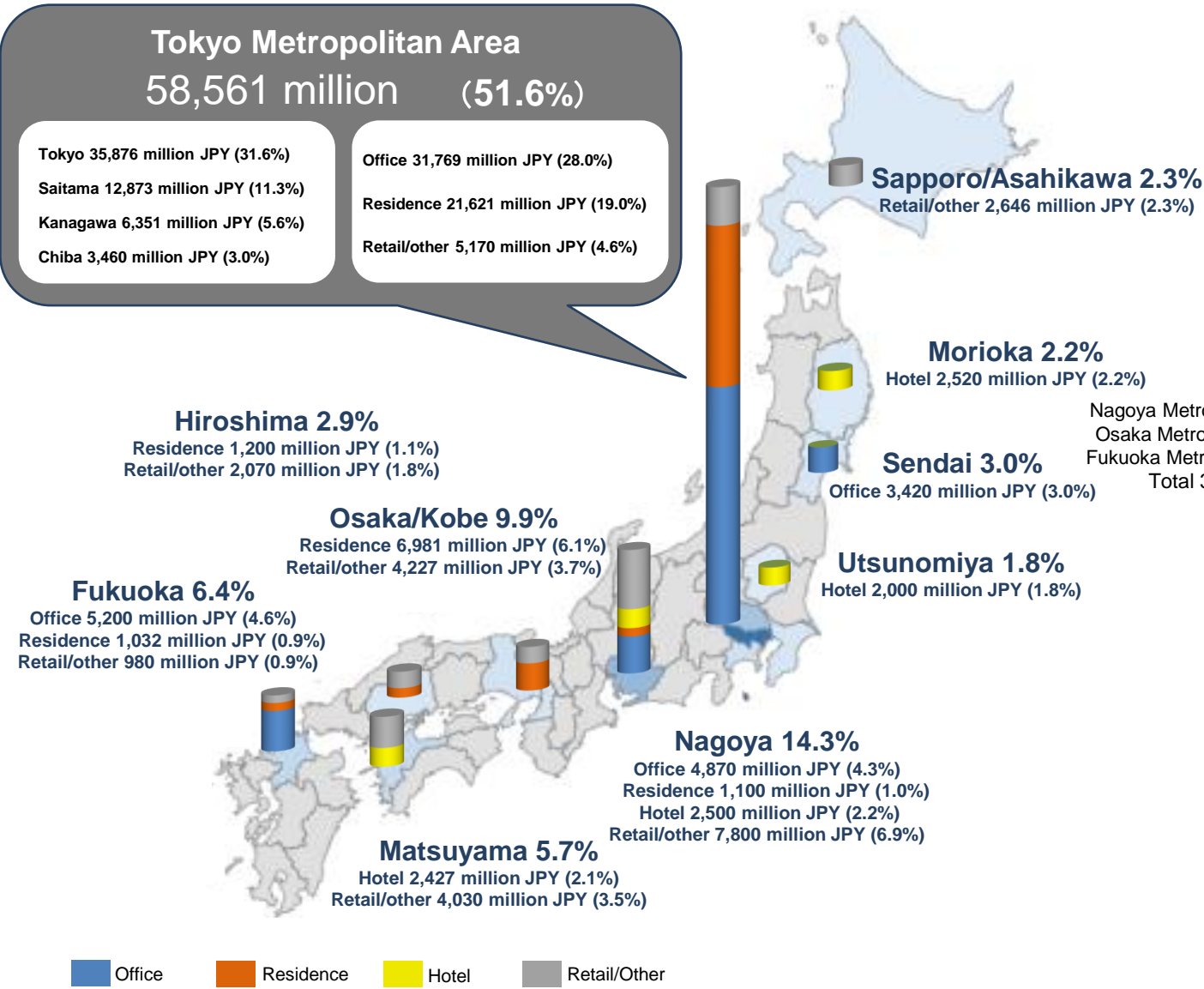
(Note) Figures are rounded down to the nearest million JPY, so totals may not add up.

## ■Property Acquisition During the Period

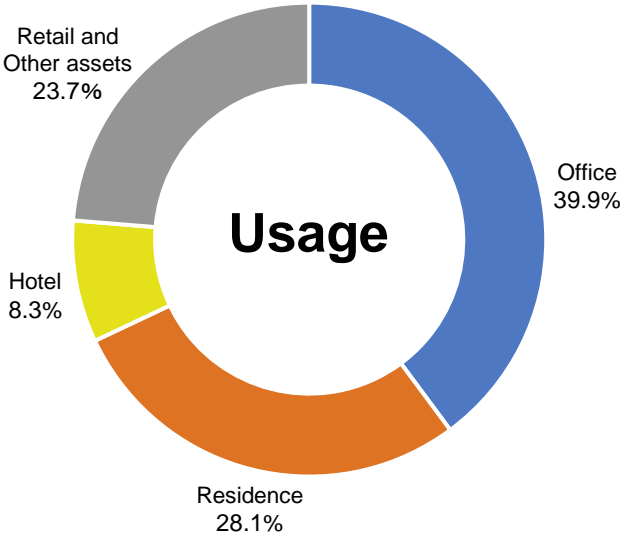
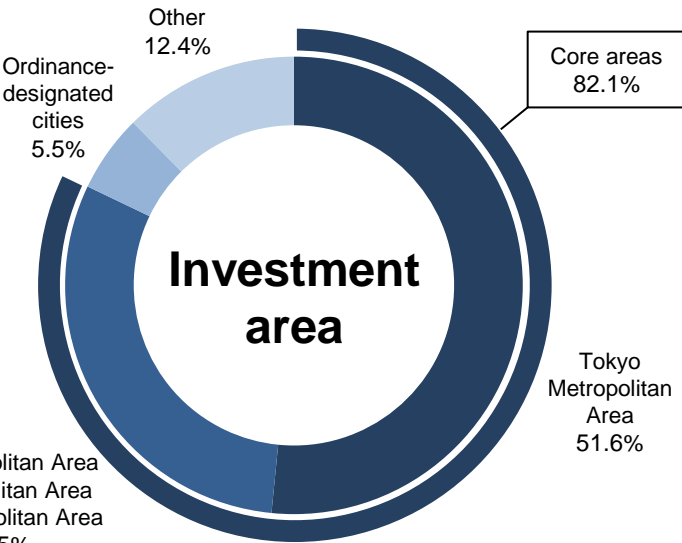
- Acquired 3 residential properties for which rental demand can be expected in the medium to long term in the 9th FP, thereby enhancing cash flow stability.

	R-20	R-21	R-22
	TLR Residence Kawasaki Daishi	TLR Residence Honmachi WEST	TLR Residence Takaida
			
Acquisition Price	1,346 million JPY	3,479 million JPY	942 million JPY
Appraisal Value (End of 9th FP)	1,410 million JPY	3,490 million JPY	1,010 million JPY
Total Floor Area	1,862.95 m <sup>2</sup>	4,170.28 m <sup>2</sup>	1,967.72 m <sup>2</sup>
Address	1-1-3 Daishi Ekimae, Kawasaki-ku, Kawasaki-shi, Kanagawa	4-4-5 Itachibori, Nishi-ku, Osaka-shi, Osaka	7-5-30 Takaida Hondori, Higashi Osaka-shi, Osaka
Access	Three-minute walk from Kawasaki Daishi Station on the Keikyu Daishi Line	Osaka Metro Three-minute walk from Awaza Station on the Chuo and Sennichimae Lines	Osaka Metro Four-minute walk from Takaida Station on the Chuo Line Four-minute walk from Takaida Chuo Station on JR Osaka Higashi Line
Completed	February 2016	December 2017	March 2015
Number of Units	72	152	72
Acquisition Date	April 11, 2022	June 1, 2022	June 1, 2022
Occupancy Rate (At the time of acquisition⇒ End of 9th FP)	84.7% ⇒ 95.8%	92.3% ⇒ 93.0%	83.6% ⇒ 89.1%

Portfolio Diversification by Geographic Area (As of August 31, 2022)



Portfolio Diversification by Category (As of August 31, 2022)

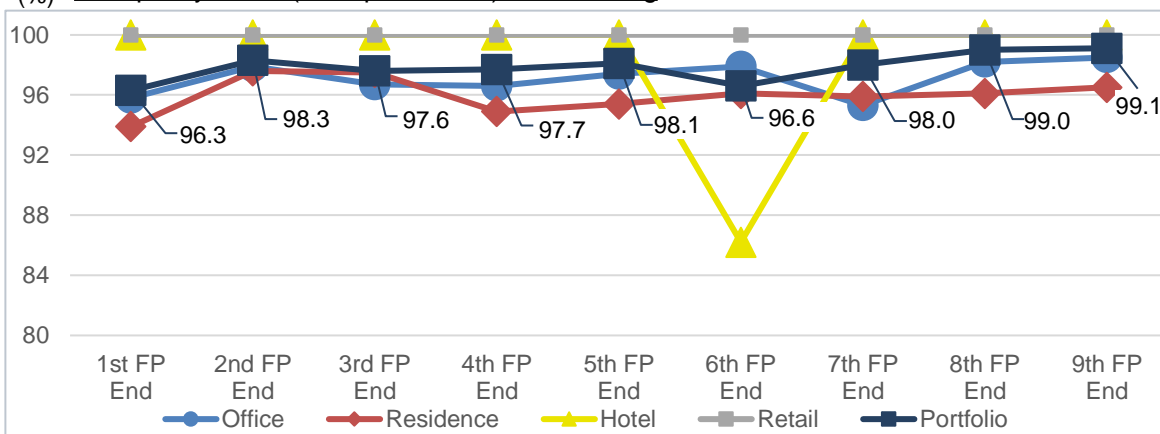


\*Amounts in the graph are presented as the acquisition prices for each category and are rounded down to the nearest million JPY, so totals may not add up.  
\*Ratios of portfolio categories are rounded to the first decimal place.

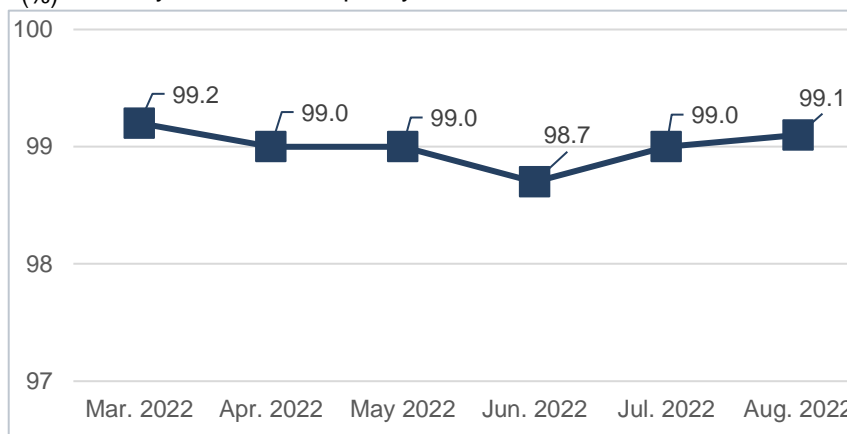


## Trends in Occupancy Rates

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



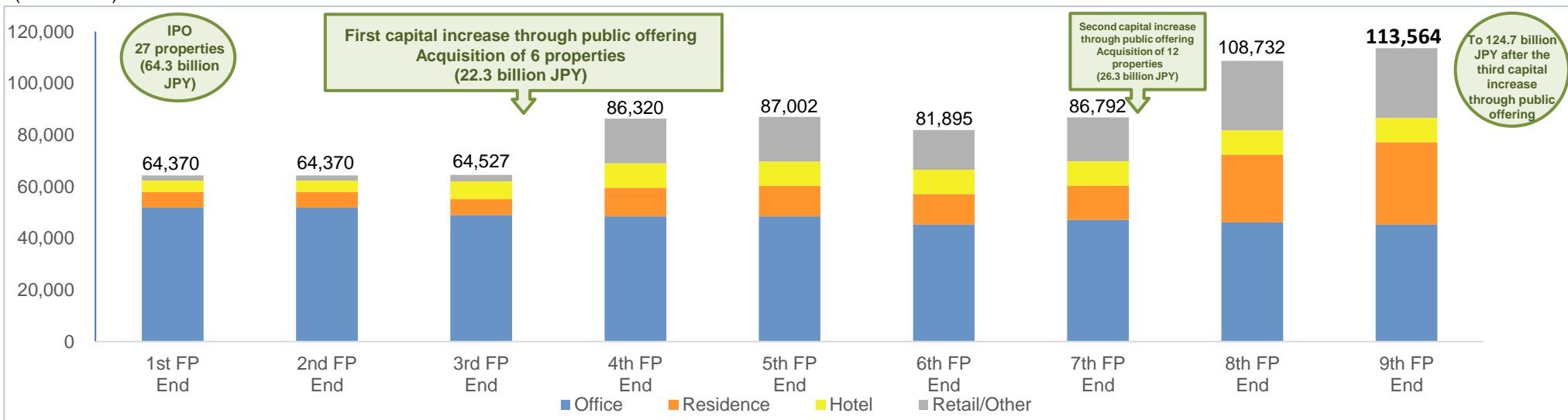
(%) Monthly Portfolio Occupancy Rates in the 9th FP



Average occupancy rate during the period for the entire portfolio and end-of-period occupancy rate stood at 99.0% and 99.1%, respectively, hitting all-time highs since listing

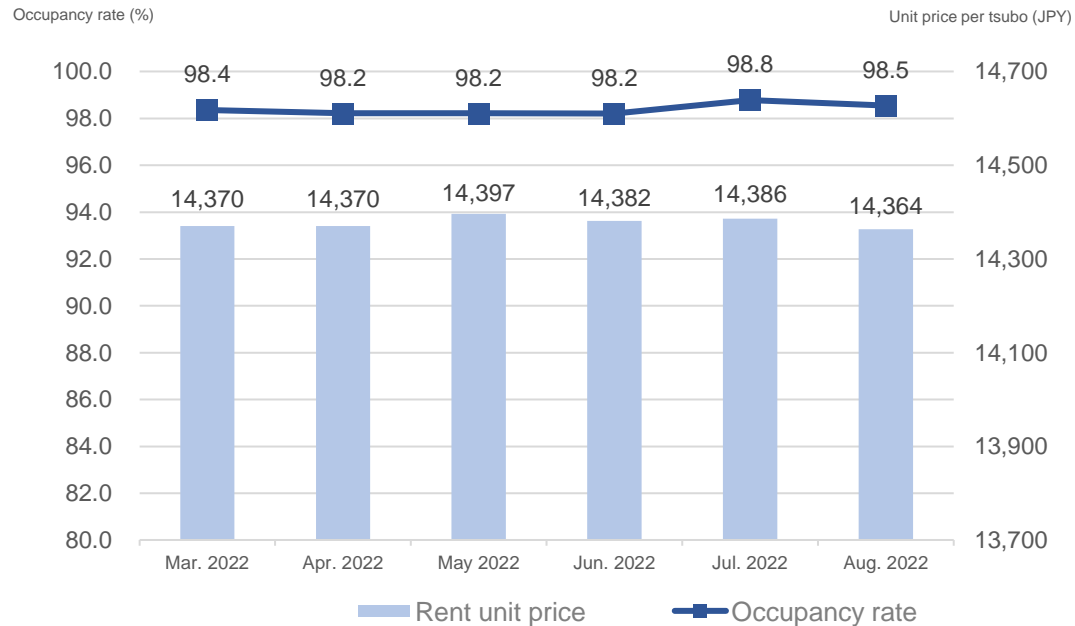
## Asset Size

(million JPY)



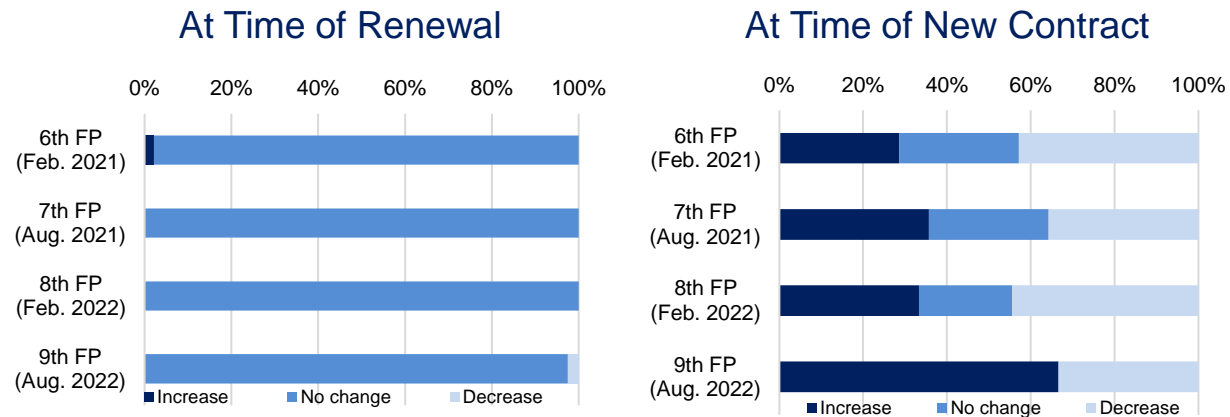
Steadily expanding asset size via use of capital increase through public offering, seizing promising opportunities while improving portfolio quality

## Trends in Occupancy Rate and Rent Unit Price



- The occupancy rate at the end of the 9th FP remained at the 98.0% level.
- Average portfolio rent per tsubo (area unit) remained stable in the upper 14,300 JPY range.

## Rent Revision Status

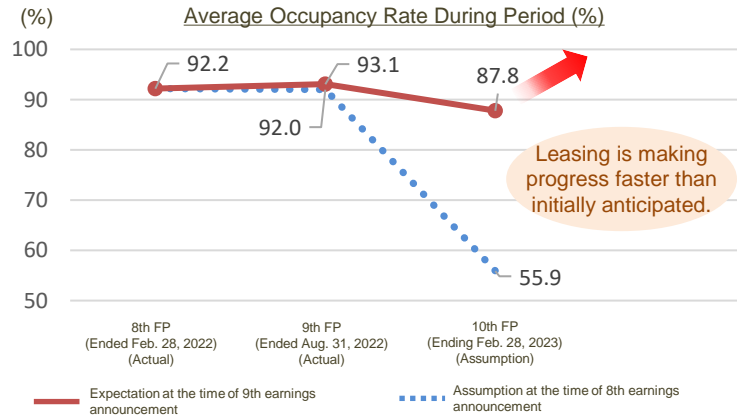


- Rent remained unchanged at the time of contract renewal with tenants due to the impact from the COVID-19 pandemic, etc. (only one tenant's rent reduced for a limited time).
- Rent increased or decreased at the time of new contract depending on the property.

## Status of leasing for properties with lower occupancy rates

Office  
O-01

### NT Building



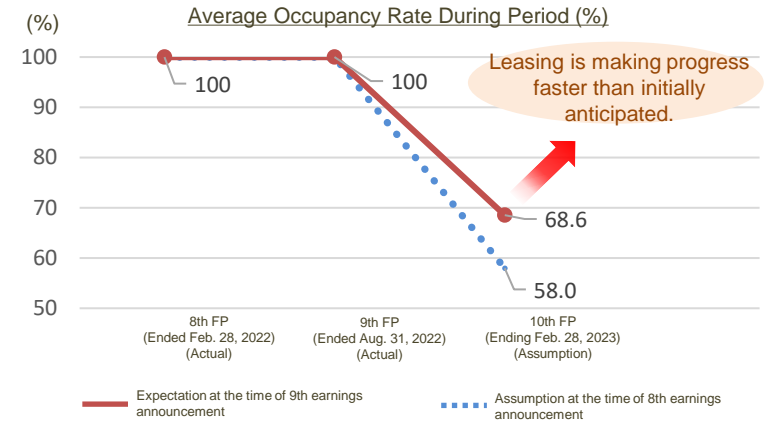
Location	Shinagawa-ku, Tokyo
Completed	March 1996
Total leasable area	9,980.19 m <sup>2</sup>
Acquisition price	12,350 million JPY
Investment ratio (Acquisition price basis)	10.9%(End of 9th FP)

### Current and future initiatives

As the key tenant's cancellation of 5.5 floors at the end of August 2022 was decided, occupancy rate was expected to decline to 55.9% and the average occupancy rate was set at 55.9% in the forecast during the 10th FP. As early leasing activities proved effective, however, the vacancy was successfully leased up more quickly than anticipated. Of the current vacant rooms, all the floors, except the 17th floor which was undergoing renovation, were filled with tenants. Aiming for full occupancy, activities are ongoing.

Office  
O-21

### Hakata Reisenmachi Building



Location	Fukuoka-shi, Fukuoka
Completed	December 2020
Total leasable area	2,081.25 m <sup>2</sup>
Acquisition price	2,700 million JPY
Investment ratio (Acquisition price basis)	2.4%(End of 9th FP)

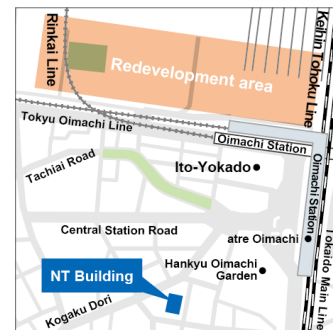
### Current and future initiatives

As the seller's master lease expired as of September 1, 2022, occupancy rate temporarily dropped to around 22%. However, through promoting leasing steadily by dividing sections flexibly, it recovered to over 67% in October 2022, which is certain to rise to 77.8% in November. There are more than one tenant candidate under consideration; we aim to lease up further down the road.

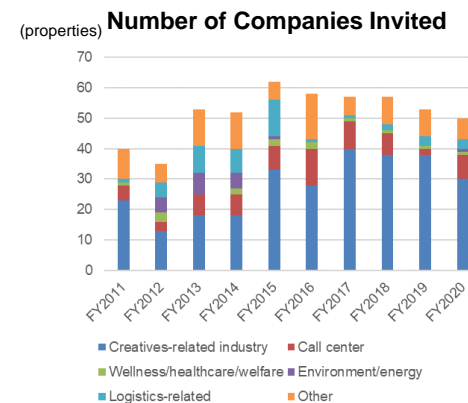
## Redevelopment in front of Oimachi Station

- As redevelopment is scheduled for an area around Oimachi Station, access and convenience around the station is expected to improve and further development can be expected.

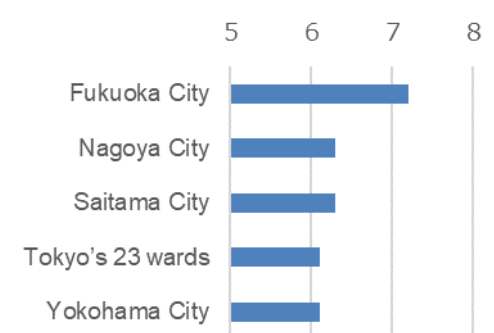
### Hiromachi District Development Plan (tentative name)



## Number of companies invited and entry rates in Fukuoka City



### Entry Rates (%)

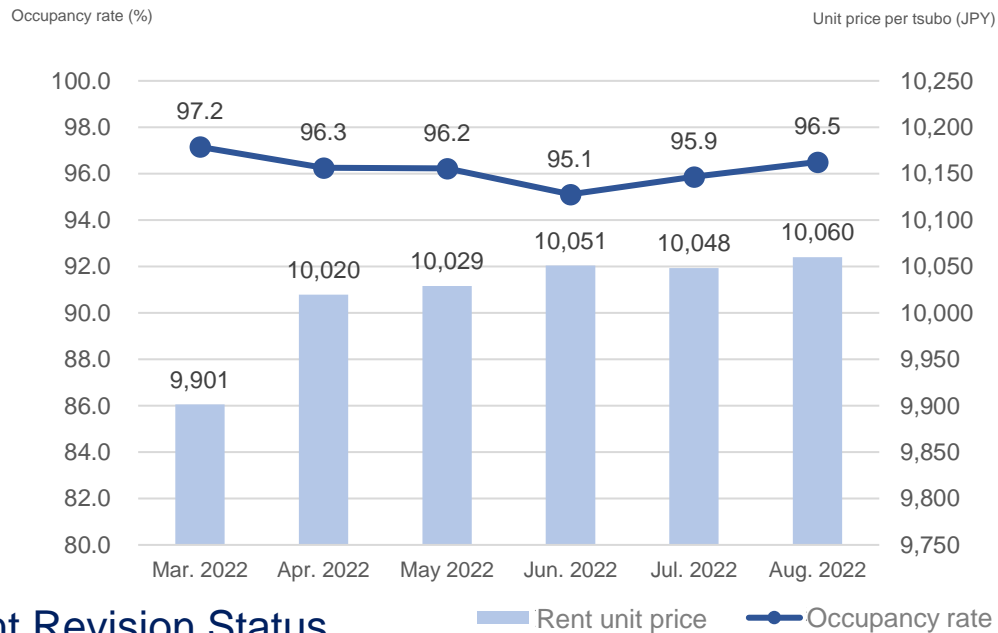


Source: Survey by the Economics, Tourism and Culture Bureau, Fukuoka City

Source: Overview of Fukuoka City's Economy (March 2022)

⇒ Leasing up at properties whose occupancy rate fell has progressed significantly more quickly than expected in the forecast for the previous period.

## Trends in Occupancy Rate and Rent Unit Price

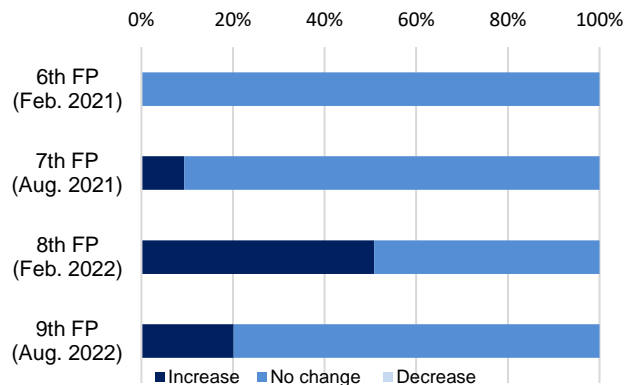


- In the 9th FP ended August 31, 2022, the occupancy rate remained stable at around 96%.
- Average rent per tsubo (area unit) for the portfolio trends upward with property acquisitions and rent revisions.

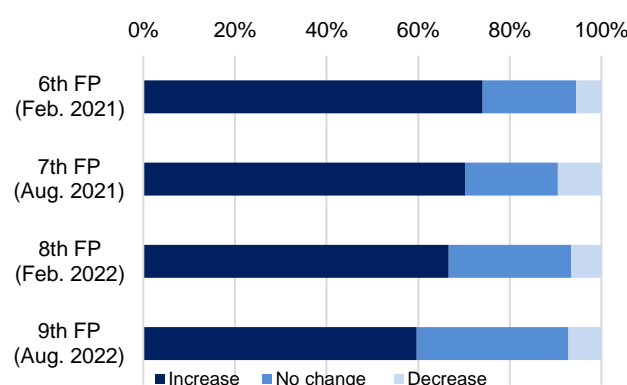
## Rent Revision Status

■ Rent unit price ● Occupancy rate

### At Time of Renewal



### At Time of New Contract

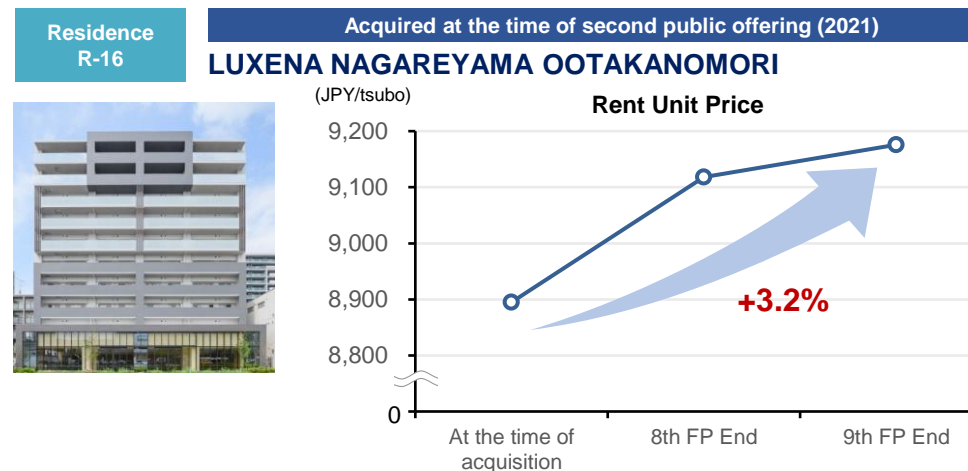
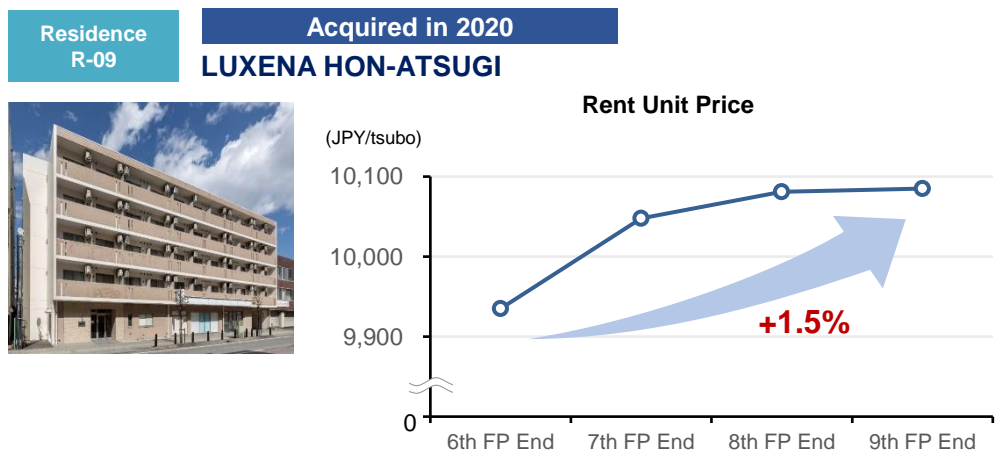
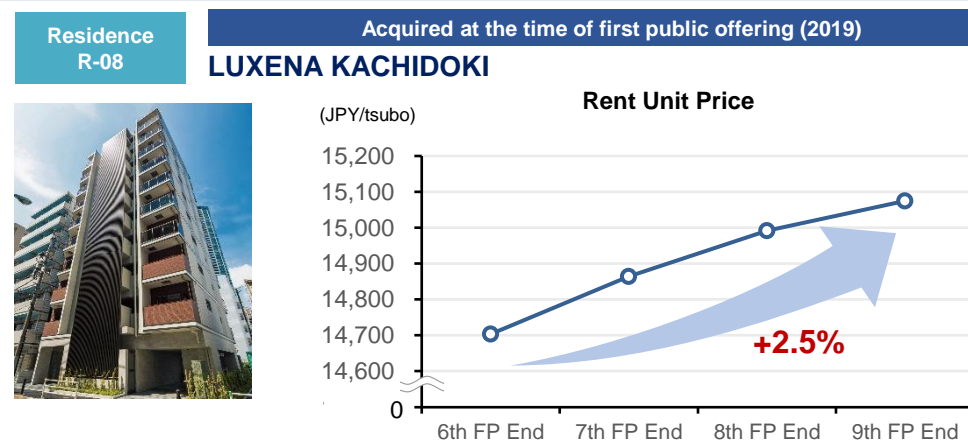
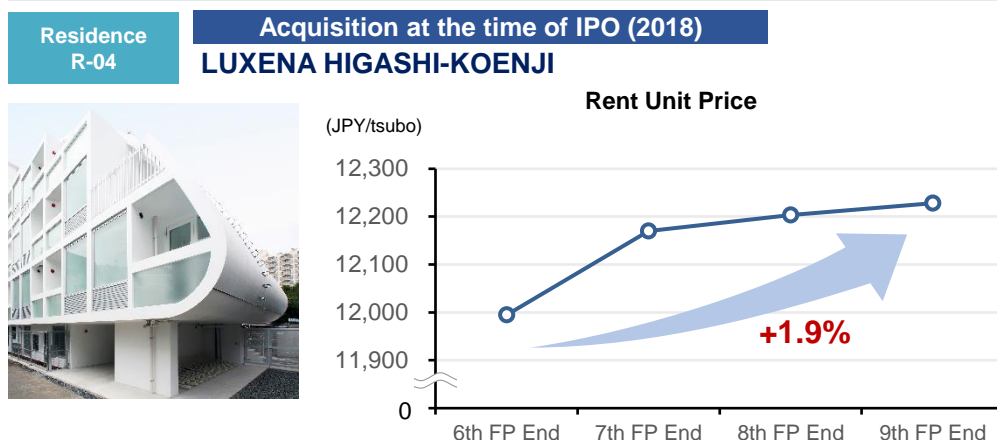


- Significant increase in upward rent revisions at the time of contract renewal due to aggressive negotiations for newly acquired properties, etc.
- Continued increasing trend of rent at the time of new contract.



- Many of the residential assets acquired from sponsors, on the back of high quality, rents were successfully increased after acquisition.

## Cases of rent increase for properties acquired from sponsors



- Maintained average occupancy rate of 100% during the period
- Thanks to properties added through capital increase through public offering, the percentage of lifestyle-related retail facilities increased as high as over 85%
- Secured long-term stability of cash flows by holding land with leasehold interest in lifestyle-related retail facilities and retail facilities with highly creditworthy tenants

Rate by Facility Type (acquisition price basis) \*As of September 2, 2022

## Lifestyle-related (85%)



YAMADA web.com  
Matsuyama Toiyacho



Tecc LIFE SELLECT  
KobeTarami (Land)



TA Shonan  
Kugenumakaigan



Co-op Sapporo Shunko



AEON STYLE Onomichi  
(Land)



DCM Daiki Onomichi (Land)



Cainz Omiya



APITA NAGOYA-MINAMI



Kaden Sumairu Kan x YAMADA  
web.com Nara Head Office

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



Prio Daimyo II



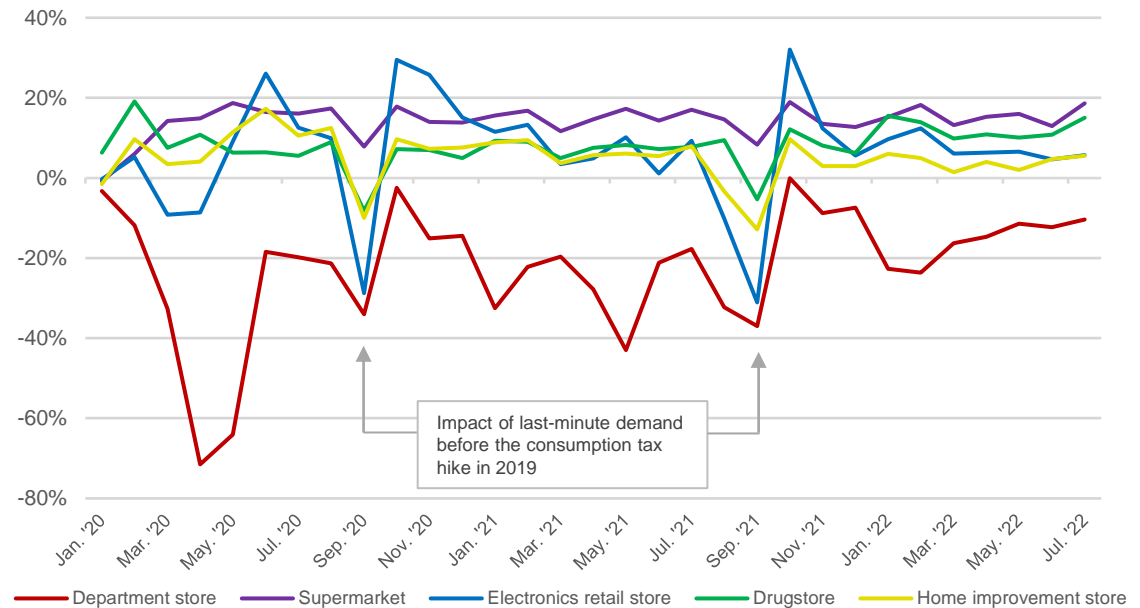
BIGMOTOR Sapporo Kiyota (Land)



(Tentative name) BIGMOTOR  
Konosu (Land)

## Sales by Business Category (January 2020 ~ July 2022; Compared with 2019)

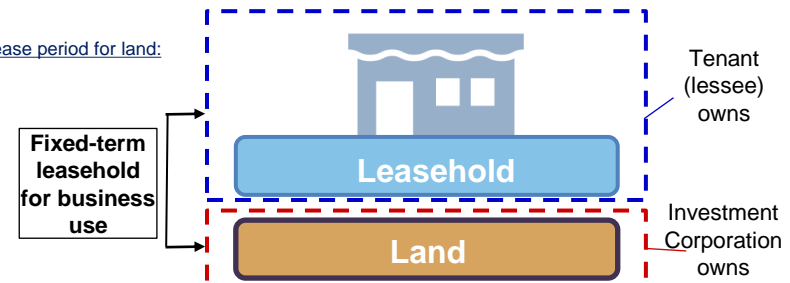
Source: "Current Survey of Commerce" by the Ministry of Economy, Trade and Industry



⇒ Sales of lifestyle-related retail facilities remained robust even amid the COVID-19 pandemic

## Investment in Land

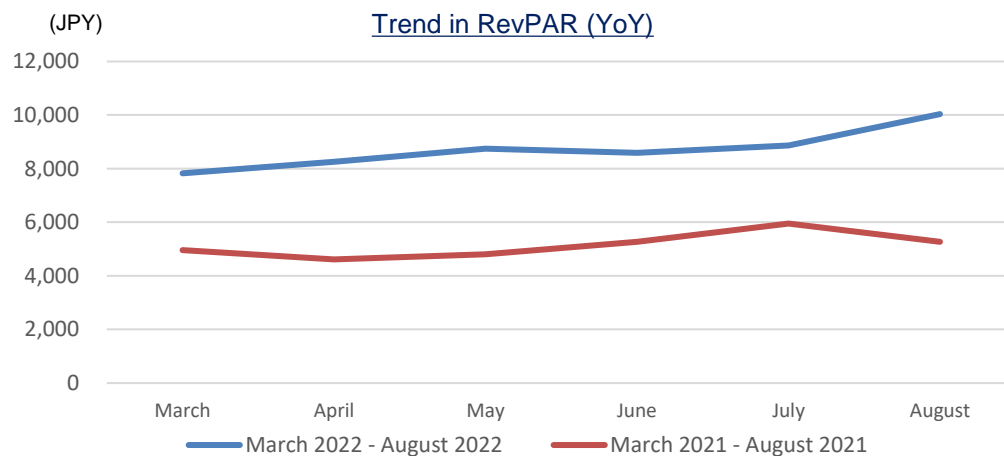
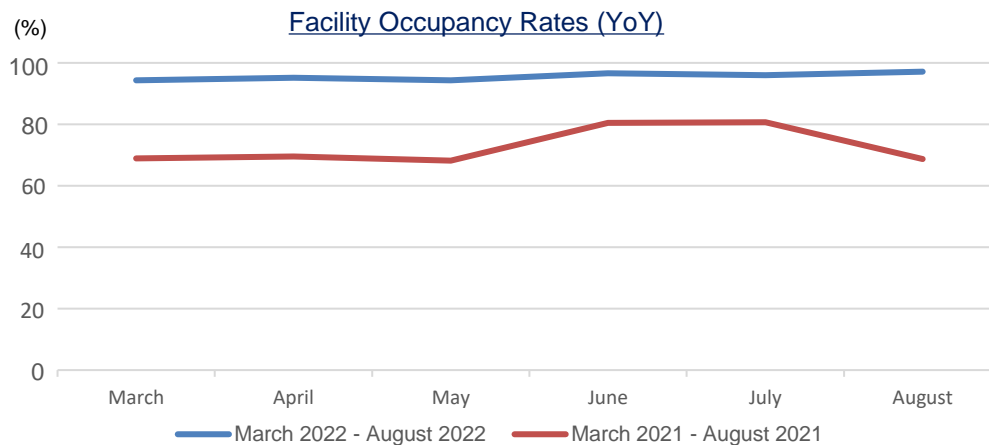
- **Stable rental revenue over the long term**  
Investment Corporation's average remaining lease period for land: Approximately 24 years
- **Careful selection of properties with high expectation for rental demand**  
Careful selection and investment in high-quality properties with strong replaceability of and lasting demand from tenants
- No additional investment needed in maintenance, repairs, etc., no unexpected expenditures



⇒ Supporting portfolio profitability through stable cash flows over the long term

- In line with recovery from the COVID-19 pandemic, hotels' occupancy rate and RevPAR remained strong.
- Performance-linked rent was incurred every month through the 9th FP at ACCESS by LOISIR HOTEL Nagoya.

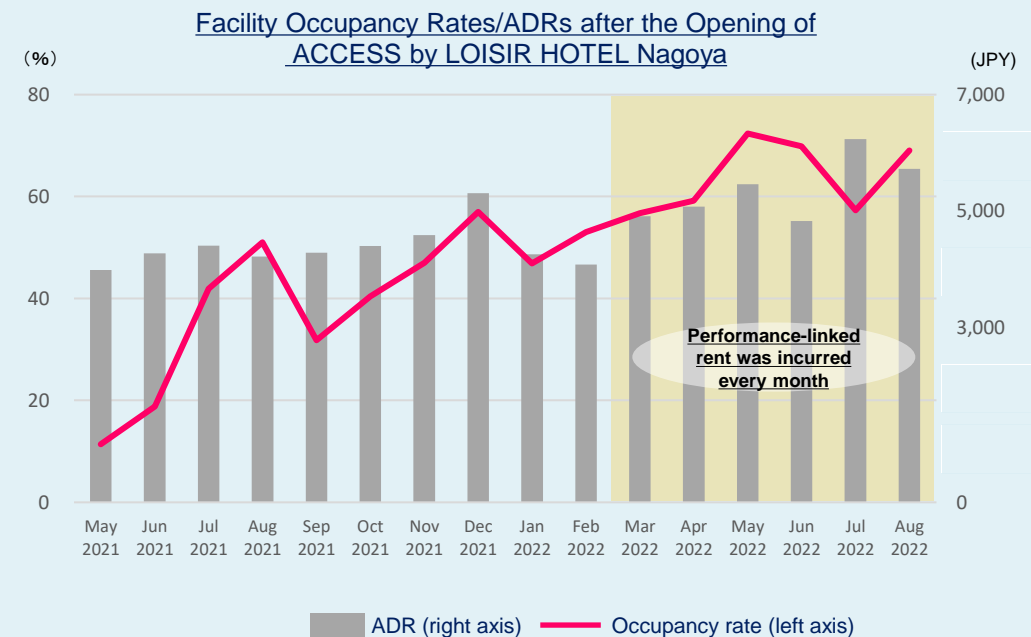
## Management status for 3 hotels (fixed rent)



## Management status for ACCESS by LOISIR HOTEL Nagoya

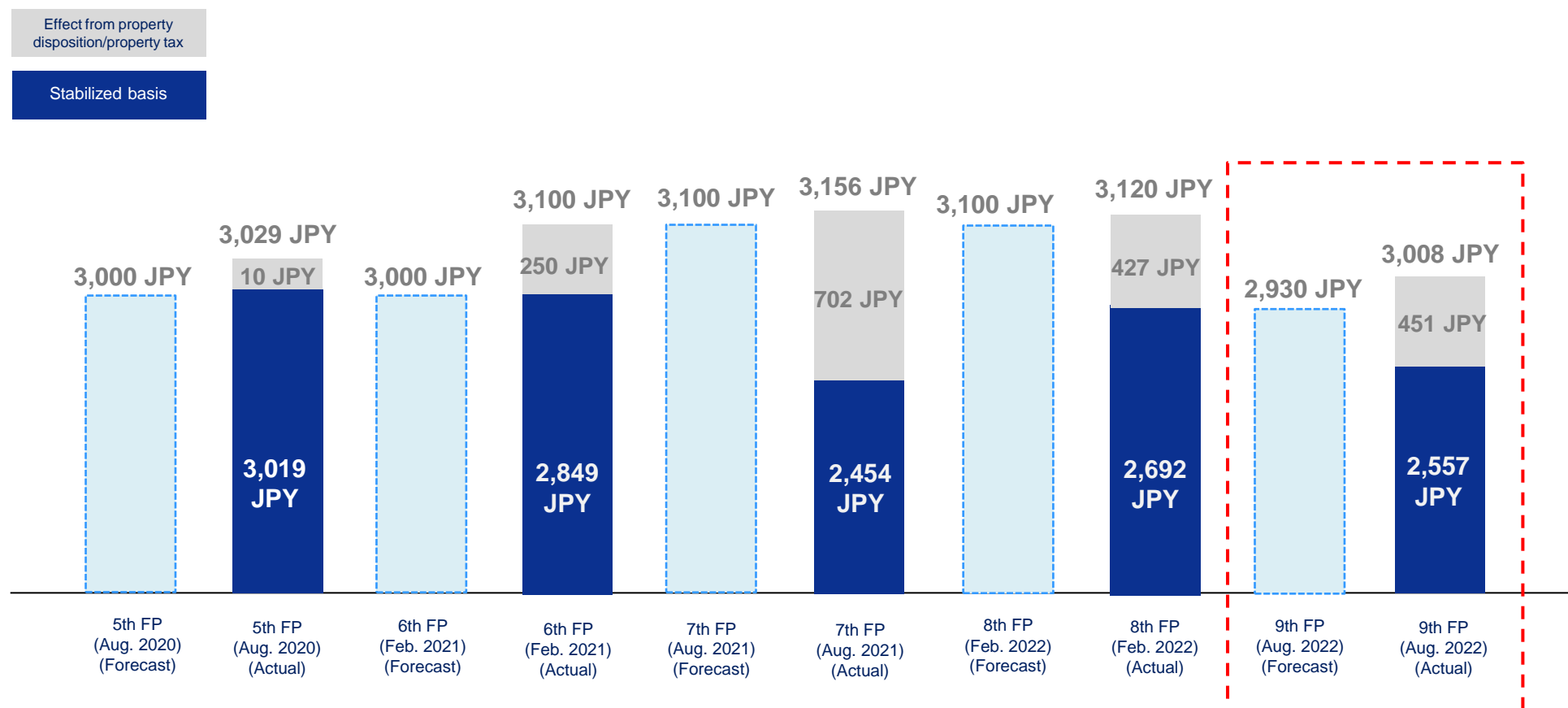
- After the opening in May 2021, it has operated smoothly.
- **Performance-linked rent was incurred throughout the period from March 2022 through August 2022.**

Operator (Tenant) Name	Solare Hotels and Resorts Co., Ltd.
Contract Period	March 15, 2021, to March 14, 2031 (10 years)
Monthly Rent	Variable rent (GOP-linked)



# Trend in Distributions per Unit

- Distribution per unit was **3,008** JPY
- Change of **+78** JPY (**+2.7%**) compared with the initial distribution forecast of **2,930** JPY

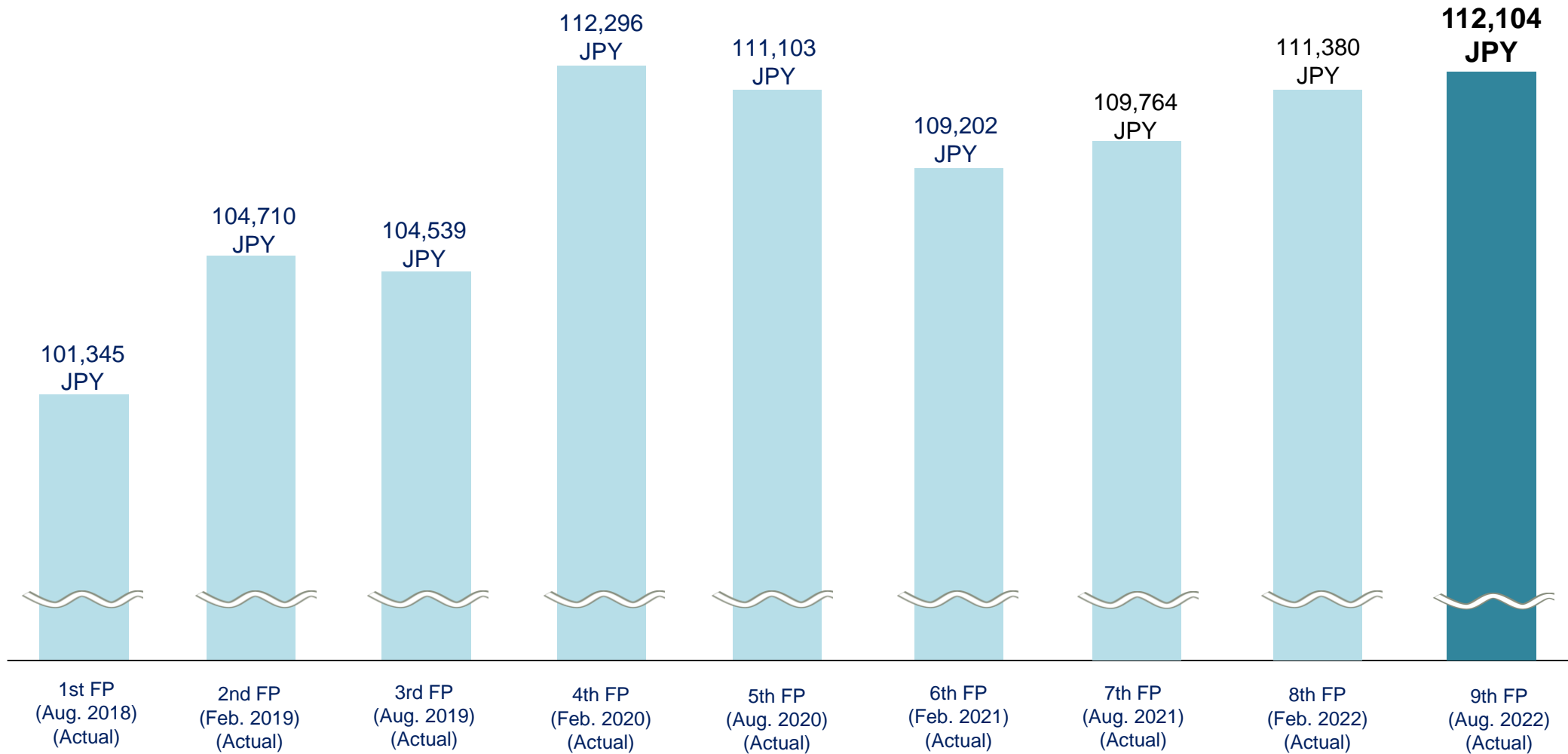


Note: Amounts are calculated by dividing the amount of each item by the total number of investment units issued and outstanding. These are rounded down to the nearest JPY, so some portions do not match total amount.



# Trend in NAV per Unit

- NAV per unit increased from 111,380 JPY at the end of the 8th FP to 112,104 JPY at the end of the 9th FP.
- Increased due to unrealized gains from properties acquired/disposed of during the fiscal period under review.



## Financial Indicators

	Period ended February 29, 2020 (4th FP)	Period ended August 31, 2020 (5th FP)	Period ended February 28, 2021 (6th FP)	Period ended August 31, 2021 (7th FP)	Period ended February 28, 2022 (8th FP)	Fiscal period ended August 31, 2022 (9th FP)
Interest-bearing debt (million JPY)	43,400	43,400	43,400	43,400	57,300	58,275
Total asset LTV	45.9%	45.9%	46.0%	46.0%	47.2%	47.6%
Market value LTV	42.8%	43.1%	43.5%	43.5%	44.8%	45.1%
Average interest rate	0.57%	0.63%	0.63%	0.63%	0.62%	0.70%
Average borrowing period	3.2 years	3.9 years	3.9 years	4.3 years	4.2 years	4.6 years

## Credit Ratings

JCR

**A-**

(Positive)



**A**

(Stable)

Changed on June 6, 2022

R&I

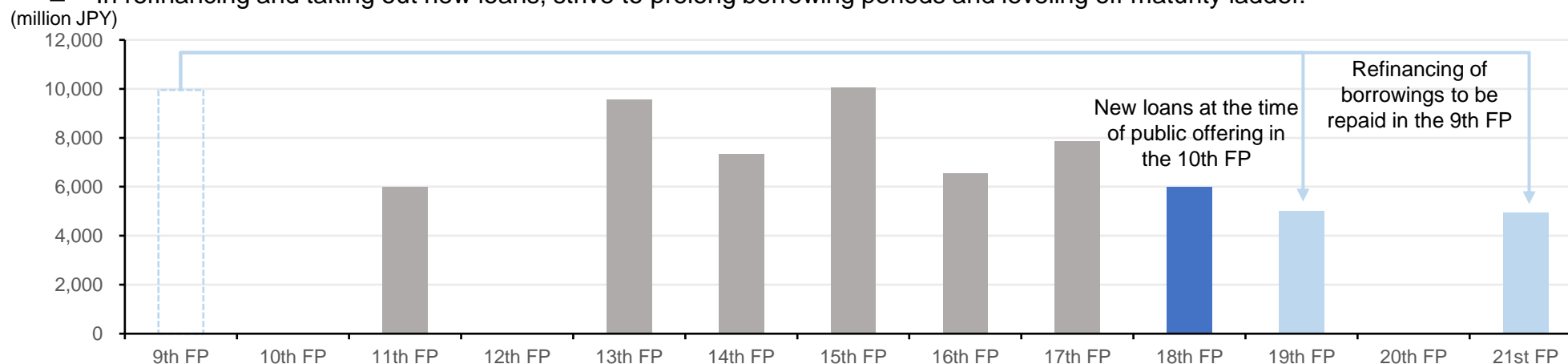
**A-**

(Stable)

Rated on March 22, 2021

## Maturity Ladder

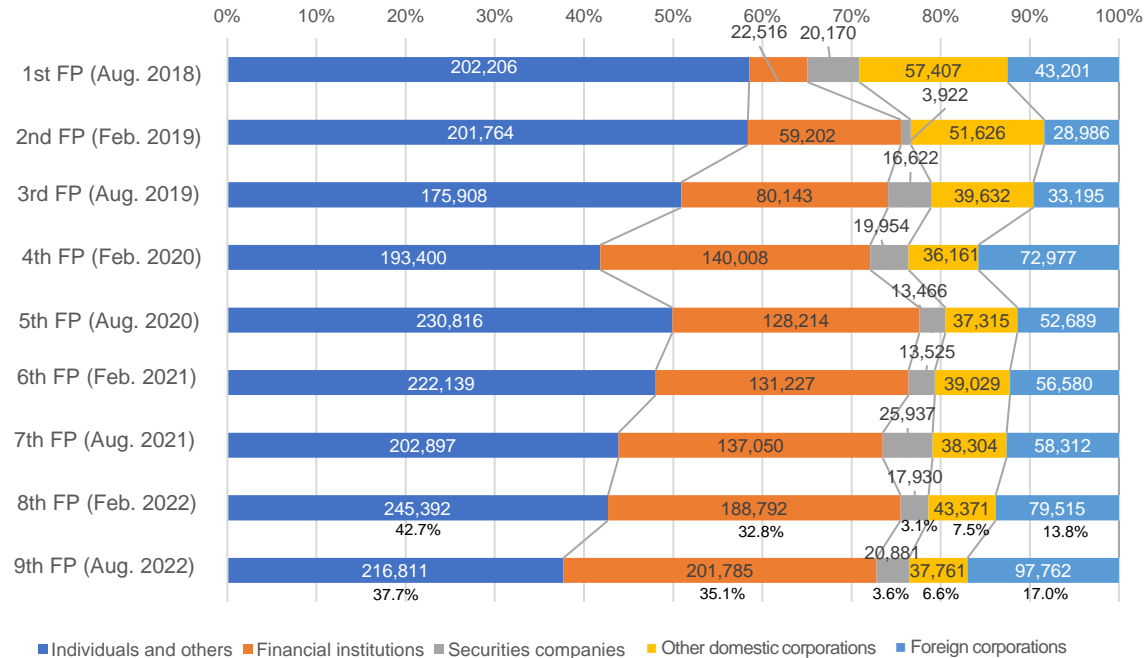
- For refinancing of borrowings to be repaid in the 9th FP, the entire amount was procured at fixed interest rates, including the longest borrowing period of 6 years since listing.
- In refinancing and taking out new loans, strive to prolong borrowing periods and leveling off maturity ladder.



# Composition of Unitholders

## Number of Investment Units by Type of Unitholder

(Unit: units)



## Major Unitholders (Top 10)

	Name	Number of Investment Units Owned (units)	Ownership (%)
1	The Master Trust Bank of Japan (Trust Account)	81,109	14.1
2	Custody Bank of Japan, Ltd. (Trust Account)	61,194	10.6
3	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	24,379	4.2
4	Takara Leben Co., Ltd.	14,385	2.5
5	JP MORGAN CHASE BANK 385771	9,150	1.6
6	PAG JREIT CO-INVEST LIMITED	8,647	1.5
7	SMBC Nikko Securities Inc.	8,356	1.5
8	SSBTC CLIENT OMNIBUS ACCOUNT	7,338	1.3
9	STATE STREET BANK WEST CLIENT – TREATY 505234	6,560	1.1
10	Kinki Industrial Credit Association	5,590	1.0

## Number of Unitholders by Type of Shareholder

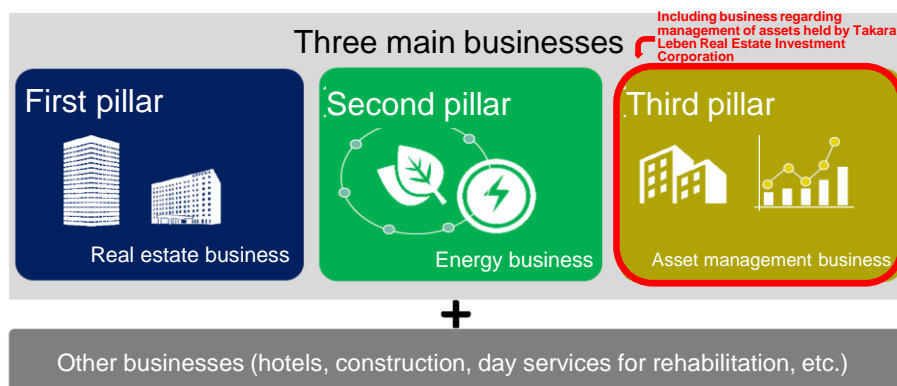
(Unit: People)

	1st FP (Aug. 2018)		2nd FP (Feb. 2019)		3rd FP (Aug. 2019)		4th FP (Feb. 2020)		5th FP (Aug. 2020)		6th FP (Feb. 2021)		7th FP (Aug. 2021)		8th FP (Feb. 2022)		9th FP (Aug. 2022)	
Individuals 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%	26,244	97.5%	24,152	97.3%
Financial institutions	33	0.3%	35	0.2%	40	0.3%	43	0.2%	37	0.2%	35	0.2%	39	0.2%	46	0.2%	47	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%	23	0.1%	22	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%	384	1.4%	343	1.4%
Foreign corporations	36	0.3%	50	0.3%	74	0.5%	135	0.7%	150	0.7%	173	0.8%	192	0.8%	210	0.8%	249	1.0%
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%	26,907	100.0%	24,813	100.0%

- Takara Leben, a sponsor, goes beyond the bounds of a general real estate developer, co-creates with local communities, evolves into a new entity that works on urban development, and enhances ESG management further.
- As of October 1, 2022, the firm changed to a new holding company structure and changed the name to MIRARTH Holdings, Inc.

Future environment design company

## MIRARTH HOLDINGS, Inc.



- Building a structure that promotes sustainable growth and enables quick and flexible management decisions
- Clarifying responsibility for profitability and business by segment and making effective use of management resources
- Enhancing not only real estate but energy and financial businesses as well
- Aiming for future urban development through co-creation with local communities
- Enhancing not only domestic but also global operations
- As a company listed on the Prime Section of TSE, enhancing ESG management further

### Examples of initiatives in the Group

#### ○ Promoting the energy business

Promoting the energy business that leverages renewable energy that contributes to reducing greenhouse gas emissions, including CO<sub>2</sub>. Developing mega-solar power plants in idle land, engaged in large-scale solar power generation. Since 2013 when it entered the energy business, it developed many mega-solar power plants centered in the Kanto area; the total power generation stood at around 310 MW as of the end of March 2022.

#### ○ Environment-friendly property development

MIRARTH proposed a ZEH (net zero emission) condominium featuring unprecedented environmental value through initiatives, such as suppression of peak electricity by leveraging IoT, energy conservation through full electric energy intake in exclusive areas, and CO<sub>2</sub>-free electricity supply.



Utilizing former site of a golf course  
Leben Solar Tottori Daisen Power Plant  
(Completed in August 2022)

The Group's first power plant in Tottori, the largest size in the Chugoku region

BELS highest-ranked ZEH condominium  
Leben Toyama Jintsu Honmachi ONE TOWER  
(due to be completed in November 2023)

Acquired the highest rank 5-Star evaluation under BELS (Building-Housing Energy-efficiency Labeling System)



The Group's first logistics facility  
Noda City Nakazato Logistics Facility  
(Completed in March 2022)

Installed a photovoltaic system on the roof, which supplies electricity to be used within the facilities

# ESG Initiatives (2) Policy/External Evaluation

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

## Sustainability Basic Policy

1. Initiatives to prevent global warming
2. Reducing environmental load
3. Legal compliance and building internal systems
4. Communication with stakeholders
5. Proactive information disclosure

Materiality	Specific Initiatives	Related SDGs
1. Promoting climate change action (E)	(1) Reducing GHGs	13
	(2) Effective use of water resources	
	(3) Managing waste	
2. Implementation of renewable energies and ongoing usage rate improvement (E)	(1) Receiving support and cooperation from MIRARTH HOLDINGS Group for promotion of renewable energy implementation initiatives	7
	(2) Exploring and implementing various renewable energy sources such as green certificates, PPAs (Power Purchase Agreements) small hydropower generation, etc.	
3. Reducing environmental load and strengthening resilience (E)	(1) Building a more robust portfolio through effective use of CAPEX	11
	(2) Promoting green leases	
	(3) Enhancing BCP	
4. Improving employee and tenant health and comfort (S)	(1) Ongoing implementation of employee satisfaction surveys and continued opportunities for regular dialogue with top management	3
	(2) Promoting flexible work styles	
	(3) Ongoing implementation of tenant satisfaction surveys	
5. Respect for human rights, diversity, and human resources development (S)	(1) Promoting human rights-related awareness and education	5
	(2) Building work environments mindful of diversity and inclusion	
	(3) Promoting human resources development, enhancing training programs and encouraging acquisition of qualifications	
6. Building a disciplined organizational structure and stakeholder engagement (G)	(1) Prohibiting political donations and preventing corruption	16
	(2) Establishing an effective internal control system	
	(3) Enhancing disclosure	

## GRESB Assessment

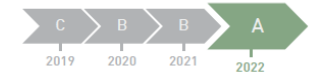
- The GRESB Real Estate Assessment score continued to rise, and **Green Star designation was obtained for the fourth consecutive year.**
- **Acquired the highest A-level designation** in the GRESB Public Disclosure assessment for strength of ESG information disclosure.



GRESB  
★★★★★ 2022



GRESB  
Public Disclosure 2022



## DBJ Green Building Certification

- NT Building was recertified whose evaluation rank rose from 1-star to 2-star (August 15, 2022).



NT Building



Omiya NSD Building



Higashi-Ikebukuro Central Place

## BELS Assessment



Dormy Inn Morioka



Hakata Gion Building



LUXENA TODAKOEN



Kawagoe West Building



LUXENA HEIWADAI



Dormy Inn Matsuyama



L.Biz Jimbocho



ACCESS by LOISIR HOTEL Nagoya



LUXENA AKIHABARA



Hakata Reisenmachi Building



LUXENA MUSASHI-SHINJO



## Environmental Initiatives

### LED conversion for energy saving (Example)



NT Building (entrance)



Higashi-Ikebukuro Central Place (leased room)



NT Building (vehicle route)

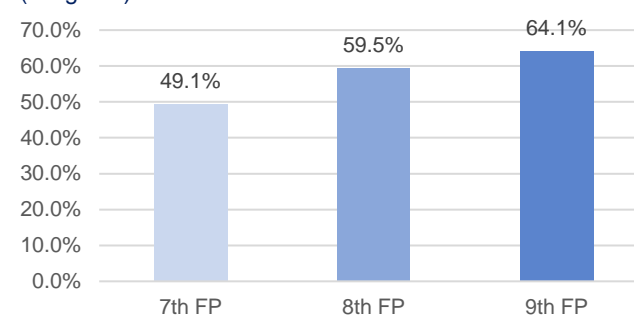


Hakata Gion Building (elevator lobby)

### (LED conversion rate)

No. of Properties	Portfolio LED Conversion Rate	
36 properties	Total 64.1%	Of which, 82.5% in common areas
		Of which, 60.4% in exclusive areas

### (Progress)



\*Ratios are calculated based on area

## Governance Initiatives

### Asset management fee structure aligned with unitholder interests

In March 2022, reviewed part of the calculation method for asset management fees for the Asset Management Company

⇒ Adopted the asset management fee structure that boosts incentives for increasing unitholder interests

Asset Management Fee Structure	Calculation Method	Upper Limit
Management Fees I	Total assets in the immediately preceding fiscal period × 0.3% per annum (Maximum rate)	Total assets × 0.5% per annum
Management Fee II	Net income before tax and before deduction of asset management fees × Net income per unit before tax and before deduction of asset management fees × 0.0030% (Maximum rate)	
Acquisition fees	Acquisition price × 1.0% (Maximum rate)	-

## Social Initiatives

### Tenant communication

- Feedback to a tenant questionnaire survey

Based on the results of a tenant questionnaire survey conducted in the previous period, we reviewed and promoted measures to improve management of each property and improve the level of comfort of the buildings.

(Example) Installed a Rubie Goldberg machine in the elevator hall on the 1st floor of Kawagoe West Building  
⇒ To ease stress while waiting for an elevator

### Employee communication

- Introduction of a new personnel appraisal system  
Reviewed the personnel appraisal system for full-time officers and employees and built a system that enables transparent goal setting and evaluation feedback to help promote communication more vigorously than before in fiscal 2022.
- Personal interviews with the President

The President has conducted one-on-one interviews with all the employees of the Asset Management Company on a quarterly basis since fiscal 2022.

## ESG information disclosure

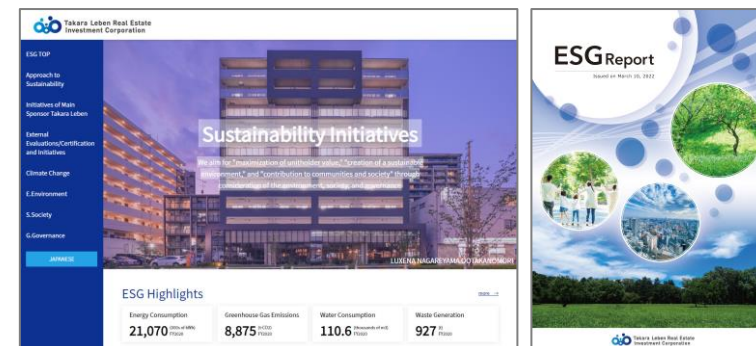
Disclosing information on ESG initiatives to a wide range of investors and other stakeholders

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

Launched a new ESG-specific page (in March 2022), proactively disclosing information

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

⇒ Report on our approach to ESG and initiatives in general (issued in March 2022)







## **III. Investment Strategy for the 10th and 11th Fiscal Periods**

# Financial Forecasts for the 10th and 11th Fiscal Periods

(Unit: million JPY)

	9th FP Actual	10th FP Forecast	Difference	Major Factors	10th FP Forecast	11th FP Forecast	Difference	Major Factors
Number of Days in Operation	184 days	181 days	-	-	181 days	184 days	-	-
Operating Revenue	3,545	3,495	-49	-162 Decrease in gain on disposition of property (9th FP: 248, 10th FP:85) +59 Increase in revenue from properties acquired in the previous period +309 Increase in revenue from acquisition of property -90 Decrease in revenue from disposition of properties -142 Decrease in revenue from NT Building and Reisenmachi -23 Other	3,495	3,478	-16	-85 Absence of gain on property disposition -15 Decrease in revenue from disposition of properties in the previous period +82 Increase in revenue for NT, Reisenmachi, and ACCESS
Operating Income	2,020	1,955	-64	-49 Decrease in operating revenue -70 Increase in expenses from property acquisition -17 Increase in expenses from properties acquired in the previous period +36 Decrease in expenses from property disposition +27 Decrease in SGA +9 Other	1,955	1,948	-6	-16 Decrease in operating revenue +10 Decrease in expenses from disposition of property in the previous period
Ordinary Income	1,727	1,610	-116	-64 Decrease in operating income -47 Increase in non-operating expenses	1,610	1,600	-10	-6 Decrease in operating income -3 Increase in non-operating expenses
Net Income	1,726	1,610	-116	-116 Decrease in ordinary income	1,610	1,599	-10	-10 Decrease in ordinary income
Total Amount of Distributions	1,729	1,730	+1	-116 Decrease in net income +118 Adjustment through retained earnings	1,730	1,630	-99	-10 Decrease in net income -89 Decrease in reversal of retained earnings
Distributions per Unit (including distributions in excess of earnings)	3,008 JPY	2,710 JPY	-298 JPY	Total number of investment units issued and outstanding at end of 9th FP: 575,000 units Total number of investment units issued and outstanding at end of 10th FP: 638,600 units	2,710 JPY	2,554 JPY	-156 JPY	Total number of investment units issued and outstanding: 638,600 units

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





# Acquired Properties (1) in the 10th Fiscal Period - Capital Increase Through Public Offering -

	LUXENA KITA-SENJU	LaVita Higashi-Ueno	LUXENA JOSHIN	LUXENA UMEKOJI-KYOTONISHI	LUXENA KIYOMIZU-GOJO
					
Acquisition Price	1,540 million JPY	1,280 million JPY	620 million JPY	725 million JPY	515 million JPY
Appraisal Value	1,570 million JPY	1,300 million JPY	633 million JPY	742 million JPY	562 million JPY
Total Floor Area	1,893.46 m <sup>2</sup>	1,029.91 m <sup>2</sup>	1,290.49 m <sup>2</sup>	1,466.11 m <sup>2</sup>	1,068.10 m <sup>2</sup>
Appraisal NOI Yield	3.84%	3.52%	4.48%	4.36%	4.49%
Location	17-6, Senju Kawaracho, Adachi-ku, Tokyo	1-19-7, Higashi-Ueno, Taito-ku, Tokyo	4-20-3, Jyosai, Nishi-ku, Nagoya-shi, Aichi	67-2, Nishi-Shichijo Goryo-cho, Shimogyo-ku, Kyoto-shi, Kyoto	360, Yamazaki-cho, Yamato Oji Gojogaru, Higashiyama-ku, Kyoto-shi, Kyoto
Access	Four-minute walk from Senju Ohashi Station on the Keisei Main Line Ten-minute walk from Kitasenju Station on JR Jyoban Line, the Tobu Skytree Line, the Tokyo Metro Chiyoda and Hibiya Lines, and Tsukuba Express	Four-minute walk from Naka-Okachimachi Station on the Tokyo Metro Hibiya Line Six-minute walk from Shin-Okachimachi Station on the Toei Oedo Line and Tsukuba Express	Two-minute walk from Jyoshin Station on the Tsurumai Line of the Nagoya Municipal Subway	Eight-minute walk from Umeoji Kyoto Nishi Station on JR Sanin Main Line (Sagano Line)	Six-minute walk from Kiyomizu Gojo Station on the Keihan Main Line Fourteen-minute walk from Kyoto Kawaramachi Station on the Hankyu Kyoto Line
Asset Type	Residence	Residence	Residence	Residence	Residence
Completed	January 2022	February 2019	February 2022	July 2019	March 2015
Seller	Takara Leben	Takara Leben	Takara Leben	Takara Leben	Takara Leben
Acquisition Date	September 2, 2022	September 2, 2022	September 2, 2022	September 2, 2022	September 2, 2022
Occupancy Rate (End of September 2022)	96.9%	95.6%	96.5%	100.0%	97.5%
Number of Units	52	21	34	51	32

(Note) "Appraisal NOI Yield" is the figure obtained by dividing the net operating income (NOI) stated in the appraisal report by acquisition price.

# Acquired Properties (2) in the 10th Fiscal Period

## - Capital Increase Through Public Offering -

	LaVita Nijyo Gekko	LaVita Toji	Pleiades Namba east	Kaden Sumairu Kan × YAMADA web.com Nara Head Office
				
Acquisition Price	515 million JPY	465 million JPY	675 million JPY	4,850 million JPY
Appraisal Value	520 million JPY	466 million JPY	693 million JPY	5,170 million JPY
Total Floor Area	930.56 m <sup>2</sup>	874.80 m <sup>2</sup>	1,271.00 m <sup>2</sup>	9,827.47 m <sup>2</sup>
Appraisal NOI Yield	4.19%	4.26%	4.32%	5.64%
Location	33-5, Nishinokyohigashigekkocho, Kyoto Nakagyo-ku, Kyoto-shi, Kyoto	84, Nishikujokaigacho, Kyoto Minami-ku, Kyoto-shi, Kyoto	1-22-7, Nipponbashi, Chuo-ku, Osaka-shi, Osaka	463-4, Kashiwagi-cho, Nara-shi, Nara
Access	Five-minute walk from Nijo Station on JR Sanin Main Line (Sagano Line) and the Tozai Line of the Kyoto Municipal Subway	Three-minute walk from Toji Station on the Kintetsu Kyoto Line	Three-minute walk from Nipponbashi Station on the Osaka Metro Sakaisuji and Chuo lines Three-minute walk from Kintetsu Nipponbashi Station on the Kintetsu Namba Line	Approx. 1,800 m southwest from Shin-Omiya Station on the Kintetsu Nara Line Approx. 2,000 m southwest from Nara Station on JR Kansai Main Line (Yamatoji Line)
Asset Type	Residence	Residence	Residence	Retail
Completed	July 2017	September 2018	December 2013	November 2008
Seller	Takara Leben	Takara Leben	Takara Leben	Undisclosed
Acquisition Date	September 2, 2022	September 2, 2022	September 2, 2022	September 2, 2022
Occupancy Rate (End of September 2022)	100.0%	90.0%	91.8%	100.0%
Number of Units	30	30	36	-

# Disposed Properties/Acquisition of Preferential Negotiating Rights in the 10th Fiscal Period

➤ Continued to strengthen stable cash flow through strategic property replacement

## Disposed properties

### Hotel H-02

#### Hotel Sunshine Utsunomiya

Disposition Price	2,200 million JPY
Book Value (End of 9th FP)	2,110 million JPY
Estimated Gain or Loss on Disposition	19 million JPY
Location	2-3-3, Higashi Shukugo, Utsunomiya-shi, Tochigi
Access	Five-minute walk from JR Utsunomiya Station
Completed	February 1991
Buyer	Ichigo Hotel REIT Investment Corporation
Disposition Date	September 20, 2022

### Retail and Other C-02

#### Co-op Sapporo Shunko

Disposition Price	1,110 million JPY
Book Value (End of 9th FP)	1,009 million JPY
Estimated Gain or Loss on Disposition	66 million JPY
Location	1-452, Suehiro 4-jo Asahikawa-shi, Hokkaido
Access	Approx. 4 km from JR Shin-Asahikawa Station
Completed	August 1994
Buyer	Kenedix Retail REIT Corporation
Disposition Date	October 7, 2022

## Acquired preferential negotiating rights from Bridge Vehicle (Island Ship No. 4)

■ After signing a preferential buying negotiation contract with Godo Kaisya Island Ship No. 4 as of September 28, 2022, acquired preferential negotiating rights related to 11 residential properties.



LUXENA TOYOCHO



LUXENA NAMBA MOTOMACHI



LaVita Yatsuka Station I



SERENITE NAMBA NISHI



LaVita Yatsuka Station II



TLR Residence Ryogoku



Colline Ensoleillee



TLR Residence Ohtorii



Rock Field Nishi-ohi



TLR Residence Kameari



LaVita Shin-Okachimachi



## **IV. Growth Strategy**



# External Growth Strategy

## - Acquisition of New Properties

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

### 2022: New Property Acquisition (As of October 14)

Type	Amount (millions of JPY)	Ratio (%)	Number of Properties	Contracts
Office	524,233	31.3	190	0
Residence	682,719	40.8	462	3
Retail	258,973	15.5	103	1
Land	44,600	2.7	27	0
Logistics	7,620	0.5	9	0
Hotel	112,340	6.7	33	0
Development land	500	0.0	3	0
Other	43,141	2.6	28	0
<b>Total</b>	<b>1,674,127</b>	<b>100.0</b>	<b>855</b>	<b>4</b>

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

### Total Estimated Price of Properties under Consideration for Acquisition (as of October 14, 2022)

**Sponsor Pipeline**  
Approximately 50%,  
estimated 37.0 billion JPY

Specific asset examples  
▪ Takara Leben-developed  
properties  
(LUXEN/L.Biz series, etc.)

**Asset Management Company**  
Own channels  
Approximately 50%, estimated 37.0  
billion JPY

Identifying and scrutinizing quality  
investment opportunities from a wide  
range of usages and price ranges  
(including bridge cases)

### Reference

### Steady uptick in new properties

#### 2021

Type	Amount (millions of JPY)	Ratio (%)	Number of Properties	Contracts
Office	750,290	37.0	312	2
Residence	770,131	37.9	628	4
Retail	269,344	13.3	123	1
Land	46,744	2.3	41	1
Logistics	47,100	2.3	20	0
Hotel	73,642	3.6	38	0
Development land	18,473	0.9	6	0
Other	53,702	2.6	20	0
<b>Total</b>	<b>2,029,428</b>	<b>100.0</b>	<b>1,188</b>	<b>8</b>

#### 2020

Type	Amount (millions of JPY)	Ratio (%)	Number of Properties	Contracts
Office	553,481	39.2	228	2
Residence	479,212	33.9	423	2
Retail	224,086	15.9	103	1
Land	45,702	3.2	20	3
Logistics	45,250	3.2	9	0
Hotel	45,614	3.2	22	0
Development land	4,634	0.3	8	0
Other	14,290	1.0	9	0
<b>Total</b>	<b>1,412,270</b>	<b>100.0</b>	<b>822</b>	<b>8</b>

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

### ■ Residence

Property Name	Location	Completed (expected)	Units/Rooms Number of Sections
LUXENA HACHIOJI MINAMICHO	Hachioji-shi, Tokyo	November 2022	44
LUXENA HEIWAJIMA	Ohta-ku, Tokyo	November 2022	41
LUXENA NAMBA MINAMI	Naniwa-ku, Osaka	December 2022	153
LUXENA HACHIOJI-SHINMACHI	Hachioji-shi, Tokyo	December 2022	37
LUXENA KAMIMAEZU	Naka-ku, Nagoya	March 2023	112
LUXENA TABATA-KITA	Arakawa-ku, Tokyo	March 2023	42
LUXENA WAKO	Wako-shi, Saitama	March 2023	30
LUXENA NIHONBASHI HORIDOMECHO	Chuo, Tokyo	June 2023	27
LUXENA YOKOHAMA TSURUMI I	Yokohama-shi, Kanagawa	July 2023	90
LUXENA MARUNOUCHI	Naka-ku, Nagoya	July 2023	65
LUXENA MACHIYA	Arakawa-ku, Tokyo	November 2023	25
LUXENA HIRAI	Edogawa-ku, Tokyo	December 2023	27
LUXENA YOKOHAMA TSURUMI II	Yokohama-shi, Kanagawa	February 2024	98
Hachimanyama Student Mansion	Suginami, Tokyo	January 2024	131
LUXENA HACHIOJI-TERAMACHI	Hachioji-shi, Tokyo	November 2024	44
LUXENA ISOGO	Yokohama-shi, Kanagawa	December 2024	58
LUXENA KAWASAKI HONCHO	Kawasaki-shi, Kanagawa	January 2025	90

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

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

(Note) The above list includes properties under development; some property names are tentative and subject to change. The name may be changed in the future.

### ■ Office

Property Name	Location	Completed (expected)	Units/Rooms Number of Sections
L.Biz Hatchobori	Chuo, Tokyo	Completed	8
L.Biz Ochanomizu	Chiyoda, Tokyo	Completed	7
L.Biz Nihonbashi II	Chuo, Tokyo	Completed	9
L.Biz Hakata Station	Fukuoka, Fukuoka	June 2024	10

### ■ Hotel

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



LUXENA NAMBA MINAMI



LUXENA KAMIMAEZU



L.Biz Nihonbashi II



L.Biz Ochanomizu



LUXENA YOKOHAMA TSURUMI I



LUXENA MARUNOUCHI



Hachimanyama Student Mansion



Hotel Wing International Takamatsu

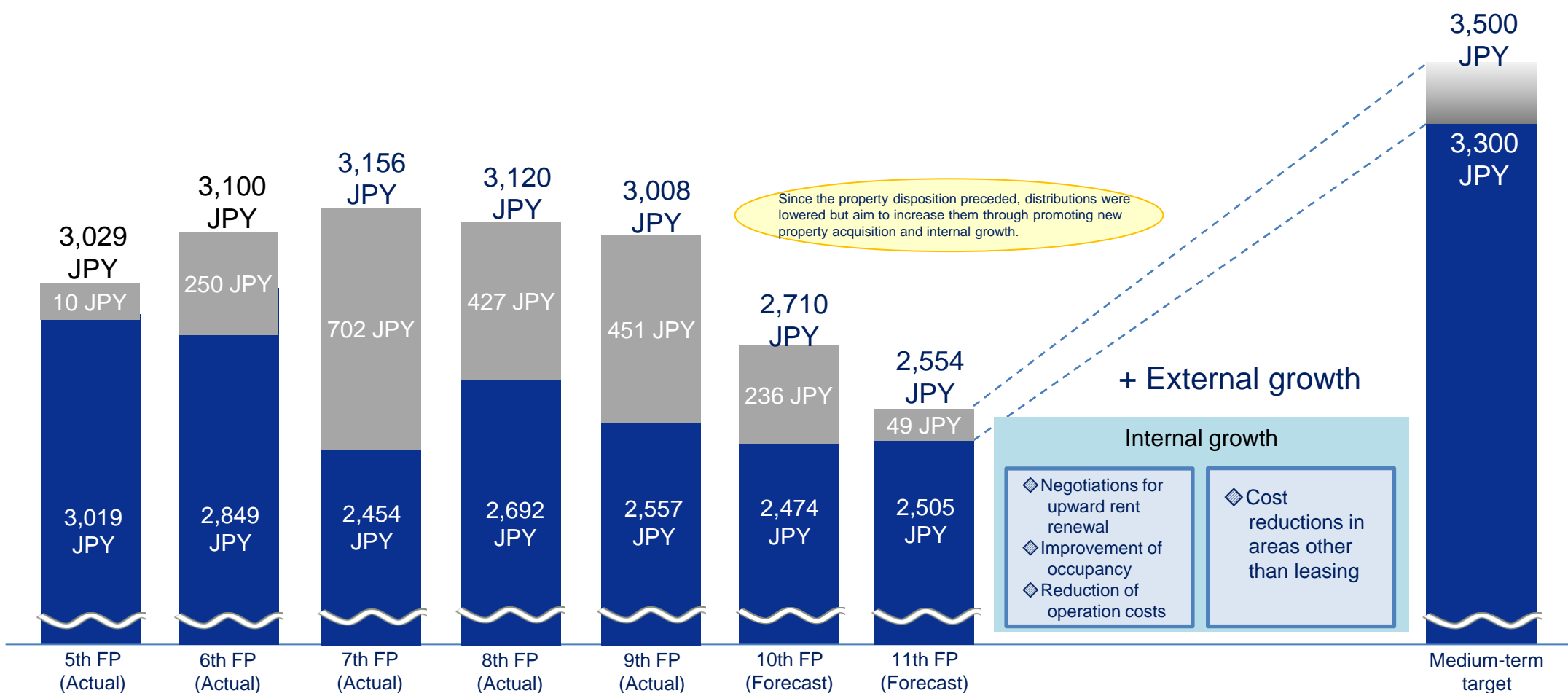
# Current Status of Medium-Term DPU Target

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

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

Effect of property disposition/property tax effect/reversal of retained earnings

Stabilized basis excluding temporary impact



Note: Amounts are calculated by dividing the amount of each item by the total number of investment units issued and outstanding. These are rounded down to the nearest JPY, so some portions do not match total amount.  
 Note 2: Deferred hedge losses, a deduction of net assets, are assumed not to occur.



## V. Appendix

# Occupancy Rate by Property

(Unit: %)

Asset Type	Property Number	Property Name	End of March 2022	End of April 2022	End of May 2022	End of June 2022	End of July 2022	End of August 2022
Office	O-01	NT Building	92.2	92.2	92.2	92.1	94.9	94.9
	O-02	Higashi-Ikebukuro Central Place	100.0	100.0	100.0	100.0	100.0	100.0
	O-03	Nagoya Center Plaza Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-05	Omiya NSD Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-07	Hakata Gion Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-09	L.Biz Jimbocho	100.0	100.0	100.0	100.0	100.0	100.0
	O-11	L.Biz Sendai	100.0	98.0	98.0	98.0	98.0	98.0
	O-12	Sendai Nikko Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-18	Akasaka Kawase Building	100.0	100.0	100.0	100.0	100.0	78.3
	O-19	Yoyogi 1-chome Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-20	Kawagoe West Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-21	HAKATA REISENMACHI Building	100.0	100.0	100.0	100.0	100.0	100.0
	Total Office		98.4	98.2	98.2	98.2	98.8	98.5
Residence	R-01	Amare Tokaidori	88.9	86.5	85.5	84.3	88.3	88.3
	R-02	Dormy Ukimafunado	100.0	100.0	100.0	93.1	93.1	100.0
	R-03	Benefis Hakata-Minami Grand Sweet	93.8	96.4	93.0	91.4	96.0	98.7
	R-04	LUXENA HIGASHI-KOENJI	90.3	92.1	92.1	92.1	98.2	95.5
	R-06	J City Hatchobori	99.0	98.1	98.1	94.9	94.8	97.1
	R-07	LUXENA HEIWADAI	97.1	95.2	93.1	97.3	99.4	97.6
	R-08	LUXENA KACHIDOKI	92.9	100.0	100.0	96.1	100.0	100.0
	R-09	LUXENA HON-ATSUGI	97.4	97.4	98.7	98.7	94.8	93.5
	R-10	LUXENA KADOMA	100.0	98.1	97.3	97.5	99.4	99.3
	R-11	LUXENA TODAKOEN	100.0	100.0	100.0	100.0	100.0	96.1
	R-12	LUXENA TODAKOEN II	100.0	100.0	100.0	100.0	100.0	96.8
	R-13	LUXENA AKIHABARA	93.9	95.1	96.0	96.0	88.1	90.8
	R-14	Fiore Residence Dejima Kaigan Dori	92.6	98.2	98.3	96.5	96.5	94.7
	R-15	LUXENA MUSASHI-SHINJO	100.0	98.9	98.9	100.0	98.7	100.0
	R-16	LUXENA NAGAREYAMA OTAKANOMORI	99.1	96.9	98.3	96.2	95.3	98.7
	R-17	PRIME SQUARE	100.0	100.0	100.0	100.0	100.0	100.0
	R-18	Winbel Chorus Seiseki Sakuragaoka	98.1	92.0	97.8	97.8	98.4	96.6

# Occupancy Rate by Property

(Unit: %)

Asset Type	Property Number	Property Name	End of March 2022	End of April 2022	End of May 2022	End of June 2022	End of July 2022	End of August 2022
Residence	R-19	Mare Isogo Building	100.0	100.0	100.0	100.0	100.0	100.0
	R-20	TLR Residence Kawasaki Daishi	—	86.1	88.9	87.5	90.3	95.8
	R-21	TLR Residence Honmachi WEST	—	—	—	93.7	93.7	93.0
	R-22	TLR Residence Takaida	—	—	—	83.6	86.6	89.1
	Total Residence		97.2	96.3	96.2	95.1	95.9	96.5
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
	Total Hotel		100.0	100.0	100.0	100.0	100.0	100.0
Retail and Other Assets	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	YAMADA web.com Matsuyama Toiyacho	100.0	100.0	100.0	100.0	100.0	100.0
	C-06	Tecc LIFE SELLECT 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	100.0	100.0
	C-09	DCM Daiki Onomichi (Land)	100.0	100.0	100.0	100.0	100.0	100.0
	C-10	Cainz Omiya	100.0	100.0	100.0	100.0	100.0	100.0
	C-11	APiTA NAGOYA-MINAMI	100.0	100.0	100.0	100.0	100.0	100.0
	C-12	(Tentative name) BIGMOTOR Konosu (Land)	100.0	100.0	100.0	100.0	100.0	100.0
	Total Retail and Other Assets		100.0	100.0	100.0	100.0	100.0	100.0
Portfolio Total			99.2	99.0	99.0	98.7	99.0	99.1



# Appraisal Value



Takara Leben Real Estate  
Investment Corporation

Asset Type	Property Number	Property Name	Acquisition Price (million JPY)	Period-end Book Value (million JPY)	8th FP			9th FP			Difference			Appraisal Value - Book Value (9th FP end) (million JPY)
					Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	
Office	O-01	NT Building	12,350	12,383	12,700	530	3.9	12,600	506	3.7	(100)	(23)	(0.2)	216
	O-02	Higashi-Ikebukuro Central Place	9,780	9,898	10,500	414	3.8	10,900	415	3.7	400	1	(0.1)	1,001
	O-03	Nagoya Center Plaza Building	4,870	5,272	5,130	266	4.8	5,230	265	4.7	100	0	(0.1)	(42)
	O-05	Omiya NSD Building	3,493	3,535	3,960	194	4.6	3,960	194	4.6	—	0	—	424
	O-07	Hakata Gion Building	2,500	2,489	2,960	130	4.2	2,930	130	4.1	(30)	0	(0.1)	440
	O-09	L.Biz Jimbocho	1,006	1,008	1,140	44	3.7	1,180	45	3.6	40	0	(0.1)	171
	O-11	L.Biz Sendai	1,680	1,637	1,670	92	4.7	1,670	92	4.7	—	0	—	32
	O-12	Sendai Nikko Building	1,740	1,742	1,760	89	4.3	1,800	89	4.2	40	0	(0.1)	57
	O-18	Akasaka Kawase Building	690	712	753	28	3.5	751	28	3.4	(2)	0	(0.1)	38
	O-19	Yoyogi 1-Chome Building	1,850	1,929	2,110	74	3.3	2,170	74	3.2	60	0	(0.1)	240
	O-20	Kawagoe West Building	2,600	2,621	2,750	131	4.6	2,780	129	4.5	30	(1)	(0.1)	158
	O-21	Hakata Reisenmachi Building	2,700	2,803	2,810	113	3.9	2,720	105	3.8	(90)	(7)	(0.1)	(83)
Total Office			45,259	46,035	48,243	2,110	—	48,691	2,077	—	448	(33)	—	2,655
Residence	R-01	Amare Tokaidori	1,100	1,056	1,210	59	4.5	1,220	58	4.4	10	0	(0.1)	163
	R-02	Dormy Ukimafunado	1,080	1,084	1,110	57	4.5	1,130	56	4.4	20	0	(0.1)	45
	R-03	Benefis Hakata-Minami Grand Sweet	1,032	996	1,160	54	4.4	1,180	54	4.3	20	0	(0.1)	183
	R-04	LUXENA HIGASHI-KOENJI	1,060	1,072	1,140	44	3.7	1,170	44	3.6	30	0	(0.1)	97
	R-06	J City Hatchobori	1,200	1,190	1,280	64	4.8	1,260	65	4.7	(20)	0	(0.1)	69
	R-07	LUXENA HEIWADAI	3,910	3,866	4,430	175	3.8	4,430	175	3.8	—	0	—	563
	R-08	LUXENA KACHIDOKI	1,120	1,102	1,300	46	3.5	1,320	47	3.5	20	0	—	217
	R-09	LUXENA HON-ATSUGI	705	715	777	38	4.6	777	38	4.6	—	0	—	61
	R-10	LUXENA KADOMA	2,000	2,006	2,180	96	4.3	2,170	95	4.3	(10)	0	—	163
	R-11	LUXENA TODAKOEN	910	911	978	41	4.0	978	40	4.0	—	0	—	66
	R-12	LUXENA TODAKOEN II	1,200	1,199	1,260	52	4.0	1,260	52	4.0	—	0	—	60
	R-13	LUXENA AKIHABARA	2,300	2,307	2,450	85	3.3	2,460	82	3.2	10	(2)	(0.1)	152
	R-14	Fiore Residence Dejima Kaigan Dori	560	566	591	30	4.6	595	30	4.6	4	0	—	28
	R-15	LUXENA MUSASHI-SHINJO	1,900	1,902	1,980	81	4.0	2,020	82	3.9	40	1	(0.1)	117

Asset Type	Property Number	Property Name	Acquisition Price (million JPY)	Period-end Book Value (million JPY)	8th FP			9th FP			Difference (Note 2)			Appraisal Value - Book Value (9th FP end) (million JPY)
					Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	Period-end Appraisal Value (million JPY)	Appraisal NOI (million JPY)	Cap Rate (%)	
Residence	R-16	LUXENA NAGAREYAMA OTAKANOMORI	2,840	2,841	3,040	132	4.2	3,070	131	4.1	30	(1)	(0.1)	228
	R-17	PRIME SQUARE	620	626	734	33	4.3	753	33	4.2	19	0	(0.1)	126
	R-18	Winbel Chorus Seisekisakuragaoka	730	737	840	41	4.3	841	40	4.2	1	0	(0.1)	103
	R-19	MARE Isogo Building	1,900	1,971	2,130	103	4.6	2,170	103	4.5	40	0	(0.1)	198
	R-20	TLR Residence Kawasaki Daishi	1,346	1,403	—	—	—	1,410	57	3.9	—	—	—	6
	R-21	TLR Residence Honmachi WEST	3,479	3,625	—	—	—	3,490	126	3.5	—	—	—	(135)
	R-22	TLR Residence Takaida	942	989	—	—	—	1,010	44	4.1	—	—	—	20
Total Residence			31,934	32,175	28,590	1,239	—	34,714	1,463	—	214	(4)	—	2,538
Hotel	H-01	Dormy Inn Matsuyama	2,427	2,290	2,550	131	5.0	2,550	132	5.0	—	1	—	259
	H-02	Hotel Sunshine Utsunomiya	2,000	2,110	2,090	117	5.1	2,090	117	5.1	—	0	—	(20)
	H-03	Dormy Inn Morioka	2,520	2,387	2,570	130	4.9	2,570	130	4.9	—	0	—	182
	H-04	ACCESS by LOISIR HOTEL Nagoya	2,500	2,490	2,190	106	4.2	2,190	106	4.2	—	0	—	(300)
Total Hotel			9,447	9,279	9,400	485	—	9,400	486	—	—	0	—	120
Retail and Other Assets	C-01	Prio Daimyo II	980	997	1,120	47	4.1	1,120	48	4.1	—	0	—	122
	C-02	Co-op Sapporo Shunko	1,036	1,009	1,110	72	6.2	1,110	72	6.2	—	—	—	100
	C-03	TA Shonan Kugenumakaigan	500	503	570	27	4.7	570	27	4.7	—	0	—	66
	C-05	YAMADA web.com Matsuyama Toiyacho	4,030	3,989	4,410	300	6.8	4,410	300	6.8	—	0	—	420
	C-06	Tecc LIFE SELLECT KobeTarumi (Land))	4,227	4,277	4,350	208	4.8	4,350	207	4.8	—	0	—	72
	C-07	AEON STYLE Onomichi (Land)	900	929	1,040	48	4.7	1,040	49	4.7	—	0	—	110
	C-08	BIGMOTOR Sapporo Kiyota (Land)	1,610	1,648	1,790	(Note 1)	(Note 1)	1,790	(Note 1)	(Note 1)	—	0	—	141
	C-09	DCM Daiki Onomichi (Land)	1,170	1,192	1,240	65	5.3	1,240	65	5.3	—	0	—	47
	C-10	Cainz Omiya	2,520	2,542	2,590	125	4.4	2,590	125	4.4	—	0	—	47
	C-11	APiTA NAGOYA-MINAMI	7,800	7,872	8,250	402	4.6	8,250	402	4.6	—	0	—	377
	C-12	(Tentative name) BIGMOTOR Konosu (Land)	2,150	2,178	2,290	(Note 1)	(Note 1)	2,290	(Note 1)	(Note 1)	—	0	—	111
Total Retail and Other Assets			26,923	27,140	28,760	1,298	—	28,760	1,299	—	—	1	—	1,619
Portfolio Total			113,564	114,630	114,993	5,133	—	121,565	5,326	—	662	(35)	—	6,934

(Note 1) This information is not presented as the DCF method is the only method applied to BIGMOTOR Sapporo Kiyota (Land) and (Tentative name) BIGMOTOR Konosu (Land).

(Note 2) Regarding the difference between the 8th FP and the 9th FP, three properties acquired in the 9th FP: TLR Residence Kawasaki Daishi, TLR Residence Honmachi WEST, and TLR Residence Takaida were exempt.

# Balance Sheet (9th Fiscal Period)



Takara Leben Real Estate  
Investment Corporation

<Assets> (Unit: thousand JPY)	8th FP	9th FP
<b>Current assets</b>		
Cash and deposits	7,587,926	3,619,842
Cash and deposits in trust	2,570,032	2,577,890
Account receivable	91,074	93,166
Prepaid expenses	340,073	402,799
Consumption tax receivable	99,075	-
Other current assets	13,890	4,363
<b>Total current assets</b>	<b>10,702,072</b>	<b>6,698,042</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings, net	3,833,411	3,787,111
Structures, net	27,806	27,566
Machinery and equipment, net	41,598	40,409
Tools, furniture and fixtures, net	27,289	25,363
Land	6,280,425	6,280,425
Buildings in trust, net	25,071,194	26,487,887
Structures in trust, net	130,209	140,318
Machinery and equipment in trust, net	-	9,519
Tools, furniture and fixtures in trust, net	48,704	69,891
Land in trust	74,244,525	77,753,189
Construction in progress in trust	362	8,851
<b>Total tangible assets</b>	<b>109,705,526</b>	<b>114,630,532</b>
<b>Intangible assets</b>		
Software	1,925	2,362
<b>Total intangible assets</b>	<b>1,925</b>	<b>2,362</b>
<b>Investments and other assets</b>		
Long-term prepaid expenses	866,666	940,826
Security deposits	11,000	11,000
Other assets	10	10
<b>Total investments and other assets</b>	<b>877,676</b>	<b>951,836</b>
<b>Total fixed assets</b>	<b>110,585,127</b>	<b>115,584,731</b>
<b>Deferred assets</b>		
Investment unit issuance costs	31,898	20,211
<b>Total deferred assets</b>	<b>31,898</b>	<b>20,211</b>
<b>Total assets</b>	<b>121,319,099</b>	<b>122,302,985</b>

<Liabilities> (Unit: thousand JPY)	8th FP	9th FP
<b>Current liabilities</b>		
Operating accounts payable	339,756	310,387
Short-term loans payable	-	975,000
Current portion of long-term loans payable	9,950,000	6,000,000
Current portion of tenant leasehold and security deposit in trust	62,103	62,103
Accounts payable	220,030	238,190
Accrued expenses	15,585	21,443
Income taxes payable	599	598
Accrued consumption tax, etc.	-	131,364
Advances received	23,628	8,499
Derivative liabilities	2,041	-
Other current liabilities	10,922	7,156
<b>Total current liabilities</b>	<b>10,624,667</b>	<b>7,754,743</b>
<b>Non-current liabilities</b>		
Long-term loans payable	47,350,000	51,300,000
Tenant leasehold and security deposits	205,625	198,676
Tenant leasehold and security deposits in trust	3,729,323	3,672,238
Asset retirement obligations	88,970	89,310
Others	-	32,757
<b>Total non-current liabilities</b>	<b>51,373,919</b>	<b>55,292,983</b>
<b>Total liabilities</b>	<b>61,998,586</b>	<b>63,047,726</b>
<b>&lt;Net assets&gt; (Unit: thousand JPY)</b>	<b>8th FP</b>	<b>9th FP</b>
<b>Unitholders' equity</b>		
Unitholders' capital	57,382,134	57,382,134
Deduction from unitholders' capital		
Allowance for temporary difference adjustment	(11,086)	(10,218)
Total deduction from unitholders' capital	(11,086)	(10,218)
Unitholders' capital, net	57,371,047	57,371,916
<b>Surplus</b>		
Retained earnings	1,951,506	1,883,342
Total surplus	1,951,506	1,883,342
<b>Total unitholders' equity</b>	<b>59,322,554</b>	<b>59,255,258</b>
<b>Valuation and translation adjustments</b>		
Deferred gains or losses on hedges	(2,041)	-
<b>Total valuation and translation adjustments</b>	<b>(2,041)</b>	<b>-</b>
<b>Total net assets</b>	<b>59,320,513</b>	<b>59,255,258</b>
<b>Total liabilities and net assets</b>	<b>121,319,099</b>	<b>122,302,985</b>

# Statement of Income / Statement of Cashflow (9th Fiscal Period)



Takara Leben Real Estate  
Investment Corporation

<Statement of Income> (Unit: thousand JPY)	8th FP	9th FP
<b>Operating revenue</b>		
Rental revenue	3,155,564	3,163,845
Other rental revenue	154,224	133,435
Gain on sales of real estate properties	720,791	248,108
<b>Total operating revenue</b>	<b>4,030,579</b>	<b>3,545,389</b>
<b>Operating expenses</b>		
Expenses related to property rental business	1,049,365	1,122,990
Loss on sales of real estate property	555,207	-
Asset management fee	168,286	199,266
Asset custody and administrative service fees	25,419	23,642
Directors' compensation	2,400	2,400
Taxes and dues	81,478	109,941
Other operating expenses	55,244	66,876
<b>Total operating expenses</b>	<b>1,937,401</b>	<b>1,525,116</b>
<b>Operating income</b>	<b>2,093,178</b>	<b>2,020,272</b>
<b>Non-operating income</b>		
Interest income	36	41
Reversal of distributions payable	207	832
Refund of property taxes	794	-
Interest on tax refund	736	122
Income from insurance claim	1,111	2,327
Others	-	952
<b>Total non-operating income</b>	<b>2,885</b>	<b>4,275</b>
<b>Non-operating expenses</b>		
Interest expenses	177,228	184,114
Borrowing related expenses	100,168	101,437
Amortization of investment unit issuance costs	11,687	11,687
<b>Total non-operating expenses</b>	<b>289,084</b>	<b>297,239</b>
<b>Ordinary income</b>	<b>1,806,980</b>	<b>1,727,309</b>
<b>Income before income taxes</b>	<b>1,806,980</b>	<b>1,727,309</b>
<b>Income taxes</b>		
Income taxes-current	605	605
Income taxes-deferred	4,924	-
<b>Total income taxes</b>	<b>5,529</b>	<b>605</b>
<b>Net income</b>	<b>1,801,451</b>	<b>1,726,704</b>
Retained earnings brought forward	150,055	156,638
<b>Unappropriated retained earnings</b>	<b>1,951,506</b>	<b>1,883,342</b>

<Statement of Cash Flows> (Unit: thousand JPY)	8th FP	9th FP
<b>Cash flows provided by (used in) operating activities</b>		
Income before income taxes	1,806,980	1,727,309
Depreciation	437,070	437,981
Amortization of investment unit issuance costs	11,687	11,687
Borrowing related expenses	92,730	93,409
Interest income	(36)	(41)
Interest expense	177,228	184,114
Decrease (increase) in operating accounts receivable	13,276	(6,392)
Decrease (increase) in consumption tax receivable	130,096	99,075
Increase (decrease) in consumption tax payable	-	131,364
Decrease (increase) in prepaid expenses	(94,855)	(45,730)
Decrease (increase) in long-term prepaid expenses	(347,959)	(47,666)
Increase (decrease) in operating accounts payable	(32,708)	60,048
Increase (decrease) in accounts payable	18,341	26,054
Increase (decrease) in advances received	3,136	(15,128)
Decrease due to disposal of properties	6,270,270	930,789
Others	(4,779)	4,482
<b>Sub total</b>	<b>8,478,749</b>	<b>3,591,357</b>
Interest income received	36	41
Interest expenses paid	(178,564)	(178,256)
Income taxes paid	(60,195)	(605)
<b>Net cash provided by operating activities</b>	<b>8,240,025</b>	<b>3,412,537</b>
<b>Cash flows provided by (used in) investing activities</b>		
Purchases of property, plant and equipment	(37,730)	(2,898)
Purchase of property, plant and equipment in trust	(28,862,664)	(6,364,931)
Purchase of intangible assets	-	(1,096)
Proceeds from refund of leasehold and guarantee deposits in trust	80	-
Proceeds from tenant leasehold and security deposits received	88	8,414
Proceeds from tenant leasehold and security deposits in trust	224,807	11,651
Repayments of tenant leasehold and security deposits in trust	(66,197)	(17,542)
<b>Net cash used in investing activities</b>	<b>(28,741,616)</b>	<b>(6,366,403)</b>
<b>Cash flows provided by (used in) financing activities</b>		
Proceeds from short-term loans payable	-	974,800
Proceeds from long-term loans	13,690,102	9,814,340
Repayments of long-term loans	-	(9,950,000)
Proceeds from issuance of investment units	12,171,458	-
Payments of investment unit issuance costs	-	(8,913)
Distributions paid	(1,459,784)	(1,791,762)
<b>Net cash used in financing activities</b>	<b>24,401,776</b>	<b>(961,535)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,901,916</b>	<b>(3,915,402)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,458,106</b>	<b>7,360,022</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>7,360,022</b>	<b>3,444,620</b>

# Profit and Loss by Property



Takara Leben Real Estate  
Investment Corporation

(Unit: thousand JPY)

Property name	O-01	O-02	O-03	O-05	O-07
	NT Building	Higashi-Ikebukuro Central Place	Nagoya Center Plaza Building	Omiya NSD Building	Hakata Gion Building
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing	305,873	267,593	200,438	129,128	93,074
Lease business revenue	286,106	243,152	177,740	122,889	84,824
Other lease business revenue	19,766	24,440	22,697	6,239	8,249
② Operating expenses from real estate leasing	100,144	51,494	73,859	32,002	28,797
Management fee	43,549	10,050	24,299	11,886	7,027
Utilities expenses	25,835	18,561	25,518	7,556	8,012
Taxes and dues	25,194	14,849	16,093	8,051	7,702
Insurance premium	685	406	617	214	184
Repair expenses	4,399	7,216	6,682	3,933	5,430
Trust fee	400	375	300	300	400
Other expenses	79	34	349	61	39
③ NOI (①-②)	205,728	216,098	126,578	97,125	64,277
④ Depreciation	39,715	29,573	32,045	8,838	12,479
⑤ Operating income (loss) from real estate leasing (③-④)	166,013	186,524	94,533	88,287	51,797
⑥ Acquisition price	12,350,000	9,780,000	4,870,000	3,493,900	2,500,000
⑦ NOI yield (%・Annualized)	3.30	4.38	5.16	5.51	5.10



# Profit and Loss by Property



Takara Leben Real Estate  
Investment Corporation

(Unit: thousand JPY)

Property name	O-09	O-11	O-12	O-18	O-19
	L.Biz Jimbocho	L.Biz Sendai	Sendai Nikko Building	Akasaka Kawase Building	Yoyogi 1-chome Building
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing	26,975	68,994	66,698	20,168	42,658
Lease business revenue	26,527	60,506	61,808	17,724	42,658
Other lease business revenue	448	8,487	4,889	2,444	-
② Operating expenses from real estate leasing	3,916	20,273	20,686	5,989	4,611
Management fee	1,780	8,784	5,564	1,503	1,101
Utilities expenses	-	5,869	6,007	863	-
Taxes and dues	1,773	5,005	7,640	1,483	2,714
Insurance premium	30	176	136	24	50
Repair expenses	-	102	787	2,095	350
Trust fee	300	300	450	-	375
Other expenses	31	35	99	17	19
③ NOI (①-②)	23,059	48,721	46,012	14,179	38,047
④ Depreciation	2,789	9,146	5,708	1,007	3,920
⑤ Operating income (loss) from real estate leasing (③-④)	20,270	39,574	40,303	13,172	34,126
⑥ Acquisition price	1,006,000	1,680,000	1,740,000	690,000	1,850,000
⑦ NOI yield (%・Annualized)	4.55	5.75	5.25	4.08	4.08



# Profit and Loss by Property



Takara Leben Real Estate  
Investment Corporation

(Unit: thousand JPY)

Property name	O-20	O-21	R-01	R-02	R-03
	Kawagoe West Building	Hakata Reisenmachi Building	Amare Tokaidori	Dormy Ukimafunado	Benefis Hakata-Minami Grand Sweet
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing	88,524	69,633	34,876	29,306	36,232
Lease business revenue	83,159	69,089	33,996	29,244	34,028
Other lease business revenue	5,364	543	879	62	2,203
② Operating expenses from real estate leasing	18,080	18,764	11,357	5,851	11,925
Management fee	6,354	6,575	4,625	985	5,542
Utilities expenses	5,918	2,478	328	11	286
Taxes and dues	4,195	6,082	2,154	1,678	2,610
Insurance premium	104	103	91	69	87
Repair expenses	1,072	3,000	3,675	2,776	2,769
Trust fee	400	300	300	300	300
Other expenses	35	224	181	30	328
③ NOI (①-②)	70,443	50,868	23,518	23,454	24,306
④ Depreciation	8,370	9,758	9,249	2,992	6,756
⑤ Operating income (loss) from real estate leasing (③-④)	62,073	41,109	14,269	20,462	17,550
⑥ Acquisition price	2,600,000	2,700,000	1,100,000	1,080,000	1,032,000
⑦ NOI yield (%・Annualized)	5.37	3.74	4.24	4.31	4.67

# Profit and Loss by Property



Takara Leben Real Estate  
Investment Corporation

(Unit: thousand JPY)

Property name	R-04	R-06	R-07	R-08	R-09
	LUXENA HIGASHI-KOENJI	J City Hatchobori	LUXENA HEIWADAI	LUXENA KACHIDOKI	LUXENA HON-ATSUGI
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing	30,279	41,564	110,063	30,416	27,560
Lease business revenue	29,547	40,666	106,236	29,824	25,549
Other lease business revenue	732	898	3,826	592	2,010
② Operating expenses from real estate leasing	7,390	12,041	21,825	6,983	6,494
Management fee	3,622	5,131	9,990	4,706	2,520
Utilities expenses	228	377	1,857	270	885
Taxes and dues	1,554	2,920	5,175	1,098	1,080
Insurance premium	45	88	203	47	63
Repair expenses	1,607	3,170	4,033	453	1,928
Trust fee	300	300	375	375	-
Other expenses	31	53	189	31	17
③ NOI (①-②)	22,889	29,523	88,238	23,433	21,065
④ Depreciation	4,053	5,416	11,776	4,766	3,442
⑤ Operating income (loss) from real estate leasing (③-④)	18,836	24,106	76,461	18,666	17,623
⑥ Acquisition price	1,060,000	1,200,000	3,910,000	1,120,000	705,000
⑦ NOI yield (%・Annualized)	4.28	4.88	4.48	4.15	5.93

# Profit and Loss by Property



Takara Leben Real Estate  
Investment Corporation

(Unit: thousand JPY)

Property name	R-10	R-11	R-12	R-13	R-14
	LUXENA KADOMA	LUXENA TODAKOEN	LUXENA TODAKOEN II	LUXENA AKIHABARA	Fiore Residence Dejima Kaigan Dori
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing	68,233	26,059	34,434	49,489	21,069
Lease business revenue	64,975	25,867	33,945	47,794	19,942
Other lease business revenue	3,257	192	488	1,695	1,126
② Operating expenses from real estate leasing	15,715	5,192	5,095	10,979	6,755
Management fee	6,686	2,524	2,534	6,897	2,839
Utilities expenses	2,299	348	374	412	981
Taxes and dues	5,581	1,744	1,569	2,388	1,382
Insurance premium	171	46	73	77	60
Repair expenses	774	153	124	869	1,155
Trust fee	-	300	300	300	300
Other expenses	202	75	119	34	35
③ NOI (①-②)	52,517	20,866	29,338	38,510	14,313
④ Depreciation	16,094	5,294	6,343	6,380	3,481
⑤ Operating income (loss) from real estate leasing (③-④)	36,423	15,572	22,994	32,129	10,832
⑥ Acquisition price	2,000,000	910,000	1,200,000	2,300,000	560,000
⑦ NOI yield (%・Annualized)	5.21	4.55	4.85	3.32	5.07

# Profit and Loss by Property



Takara Leben Real Estate  
Investment Corporation

(Unit: thousand JPY)

Property name	R-15	R-16	R-17	R-18	R-19
	LUXENA MUSASHI-SHINJO	LUXENA NAGAREYAMA OTAKANOMORI	PRIME SQUARE	Winbel Chorus Seiseki Sakuragaoka	MARE Isogo Building
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing	49,748	84,788	18,915	29,117	60,819
Lease business revenue	49,196	82,397	18,915	27,888	60,683
Other lease business revenue	552	2,390	-	1,228	136
② Operating expenses from real estate leasing	9,025	15,360	2,349	8,845	7,513
Management fee	4,234	6,534	189	3,016	3,763
Utilities expenses	375	1,850	-	607	672
Taxes and dues	3,424	4,233	1,367	1,731	2,382
Insurance premium	91	189	46	74	134
Repair expenses	563	2,159	351	3,017	239
Trust fee	300	375	375	375	300
Other expenses	35	18	19	22	21
③ NOI (①-②)	40,722	69,427	16,566	20,272	53,305
④ Depreciation	8,466	17,717	3,282	3,089	9,241
⑤ Operating income (loss) from real estate leasing (③-④)	32,255	51,710	13,283	17,182	44,064
⑥ Acquisition price	1,900,000	2,840,000	620,000	730,000	1,900,000
⑦ NOI yield (%・Annualized)	4.25	4.85	5.30	5.51	5.57



# Profit and Loss by Property



Takara Leben Real Estate  
Investment Corporation

(Unit: thousand JPY)

Property name	R-20	R-21	R-22	H-01	H-02
	TLR Residence Kawasaki Daishi	TLR Residence Honmachi WEST	TLR Residence Takaida	Dormy Inn Matsuyama	Hotel Sunshine Utsunomiya
					
Days in operation	143	92	92	184	184
① Operating revenue from real estate leasing	24,142	35,839	12,056	76,500	64,263
Lease business revenue	23,466	35,096	11,551	76,500	64,263
Other lease business revenue	676	742	505	-	-
② Operating expenses from real estate leasing	6,955	5,081	3,130	9,396	15,364
Management fee	5,506	4,176	2,069	765	364
Utilities expenses	148	279	365	900	-
Taxes and dues	5	4	8	6,834	4,759
Insurance premium	50	79	40	168	189
Repair expenses	915	235	419	390	9,612
Trust fee	233	150	225	300	400
Other expenses	95	156	2	38	38
③ NOI (①-②)	17,187	30,758	8,926	67,103	48,898
④ Depreciation	5,772	5,125	2,237	19,220	19,646
⑤ Operating income (loss) from real estate leasing (③-④)	11,415	25,632	6,688	47,883	29,252
⑥ Acquisition price	1,346,153	3,479,011	942,120	2,427,000	2,000,000
⑦ NOI yield (%・Annualized)	3.26	3.51	3.76	5.48	4.85

# Profit and Loss by Property



Takara Leben Real Estate  
Investment Corporation

(Unit: thousand JPY)

Property name	H-03	H-04	C-01	C-02	C-03
	Dormy Inn Morioka	ACCESS by LOISIR HOTEL Nagoya	Prio Daimyo II	Co-op Sapporo Shunko	TA Shonan Kugenumakaigan
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing	74,958	16,050	31,369	41,760	17,872
Lease business revenue	74,958	16,050	27,988	41,760	15,820
Other lease business revenue	-	-	3,380	-	2,052
② Operating expenses from real estate leasing	8,597	6,641	6,426	4,655	3,645
Management fee	749	160	1,460	417	1,058
Utilities expenses	-	-	2,634	-	1,639
Taxes and dues	7,246	5,960	1,872	3,792	914
Insurance premium	201	97	21	113	17
Repair expenses	383	-	-	-	-
Trust fee	-	375	400	300	-
Other expenses	16	47	37	31	16
③ NOI (①-②)	66,360	9,409	24,943	37,104	14,227
④ Depreciation	27,227	10,978	1,320	7,760	1,365
⑤ Operating income (loss) from real estate leasing (③-④)	39,133	(1,568)	23,622	29,344	12,861
⑥ Acquisition price	2,520,000	2,500,000	980,000	1,036,000	500,000
⑦ NOI yield (%・Annualized)	5.22	0.75	5.05	7.10	5.64



# Profit and Loss by Property




Takara Leben Real Estate  
Investment Corporation

(Unit: thousand JPY)

Property name	C-05	C-06	C-07	C-08	C-09
	YAMADA web.com Matsuyama Toiyacho	Tecc LIFE SELLECT KobeTarumi (Land))	AEON STYLE Onomichi (Land)	BIGMOTOR Sapporo Kiyota (Land)	DCM Daiki Onomichi (Land)
					
Days in operation	184	184	184	184	184
① Operating revenue from real estate leasing	(Note)	(Note)	28,560	(Note)	(Note)
Lease business revenue	(Note)	(Note)	28,560	(Note)	(Note)
Other lease business revenue	(Note)	(Note)	-	(Note)	(Note)
② Operating expenses from real estate leasing	(Note)	(Note)	4,063	(Note)	(Note)
Management fee	(Note)	(Note)	142	(Note)	(Note)
Utilities expenses	(Note)	(Note)	-	(Note)	(Note)
Taxes and dues	(Note)	(Note)	3,905	(Note)	(Note)
Insurance premium	(Note)	(Note)	-	(Note)	(Note)
Repair expenses	(Note)	(Note)	-	(Note)	(Note)
Trust fee	(Note)	(Note)	-	(Note)	(Note)
Other expenses	(Note)	(Note)	15	(Note)	(Note)
③ NOI (①-②)	152,672	103,683	24,496	37,139	(Note)
④ Depreciation	15,654	-	-	-	-
⑤ Operating income (loss) from real estate leasing (③-④)	137,017	103,683	24,496	37,139	(Note)
⑥ Acquisition price	4,030,000	4,227,000	900,000	1,610,000	1,170,000
⑦ NOI yield (%・Annualized)	7.52	4.87	5.40	4.58	(注)

# Profit and Loss by Property

(Unit: thousand JPY)

Property name	C-10	C-11	C-12
	Cainz Omiya	APiTA NAGOYA-MINAMI	(Tentative name) BIGMOTOR Konosu (Land)
			
Days in operation	184	184	184
① Operating revenue from real estate leasing	(Note)	(Note)	(Note)
Lease business revenue	(Note)	(Note)	(Note)
Other lease business revenue	(Note)	(Note)	(Note)
② Operating expenses from real estate leasing	(Note)	(Note)	(Note)
Management fee	(Note)	(Note)	(Note)
Utilities expenses	(Note)	(Note)	(Note)
Taxes and dues	(Note)	(Note)	(Note)
Insurance premium	(Note)	(Note)	(Note)
Repair expenses	(Note)	(Note)	(Note)
Trust fee	(Note)	(Note)	(Note)
Other expenses	(Note)	(Note)	(Note)
③ NOI (①-②)	65,347	208,657	48,646
④ Depreciation	9,347	20,463	-
⑤ Operating income (loss) from real estate leasing (③-④)	55,999	188,194	48,646
⑥ Acquisition price	2,520,000	7,800,000	2,150,000
⑦ NOI yield (%・Annualized)	5.14	5.31	4.49

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

Indicators	1st FP (Aug. 2018)	2nd FP (Feb. 2019)	3rd FP (Aug. 2019)	4th FP (Feb. 2020)	5th FP (Aug. 2020)	6th FP (Feb. 2021)	7th FP (Aug. 2021)	8th FP (Feb. 2022)	9th FP (Aug. 2022)
Days in operation	33	181	184	182	184	181	184	181	184
NOI (JPY million)	314	1,717	1,489	2,142	2,140	2,097	1,995	2,696	2,611
FFO (Funds from Operation/JPY million)	112	1,412	1,139	1,711	1,706	1,618	1,441	2,072	1,915
FFO per unit (JPY)	324	4,087	3,297	3,699	3,689	3,499	3,115	3,604	3,332
Interest-bearing debt (JPY million)	34,600	33,260	35,980	43,400	43,400	43,400	43,400	57,300	58,275
Interest-bearing debt to total assets (%)	49.7	47.8	49.5	45.9	45.9	46.0	46.0	47.2	47.6
Loan to appraisal value (%)	47.6	45.1	46.8	42.8	43.1	43.5	43.5	44.8	45.1
Net Asset Value per unit (JPY)	101,345	104,710	104,539	112,296	111,103	109,202	109,764	111,380	112,104

(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

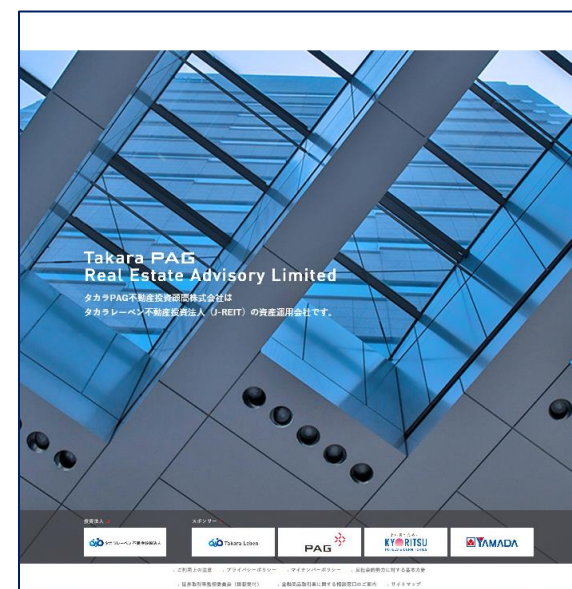
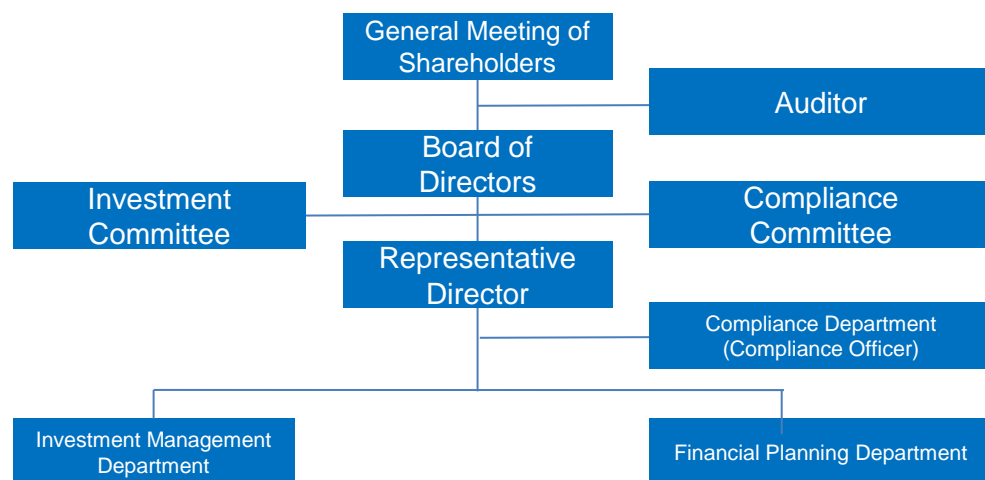
Interest-bearing debt ratio (LTV) at the end of the period = Interest-bearing debt at the end of the period / Total assets at the end of the period X 100

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. – Book 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

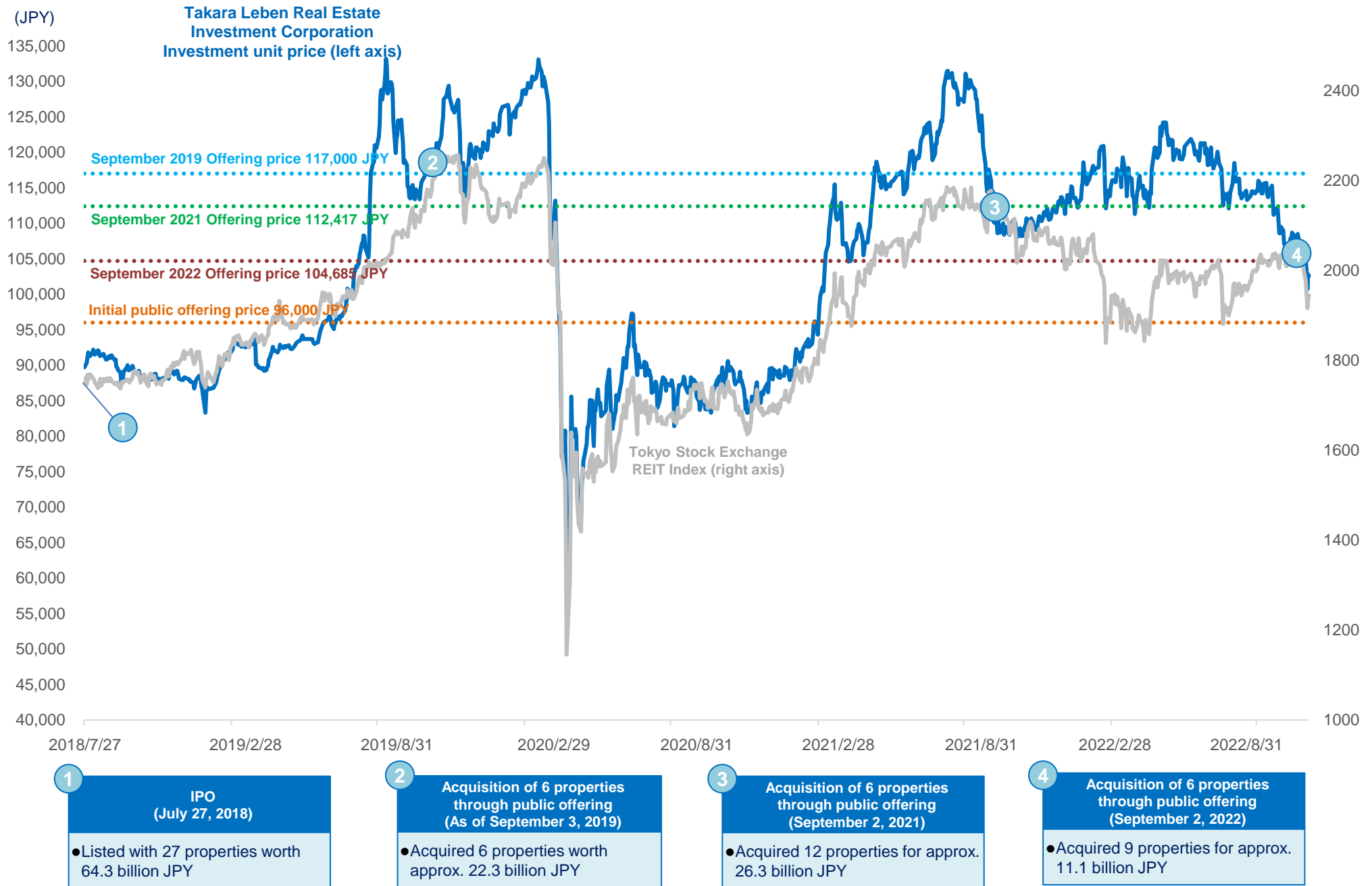
# Overview of the Asset Management Company

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	MIRARTH Holdings, Inc. (60%) PAG Real Estate Holding Limited (30%) Kyoritsu Maintenance Co., Ltd. (5%) Yamada Holdings Corporation (5%)



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

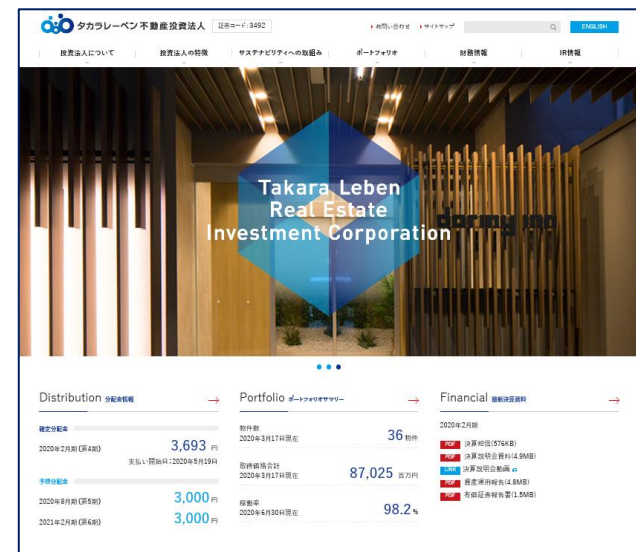
# Investment Unit Price Trends Since Listing





**Contact**  
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**Mail: info@takara-pag.com**

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



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