



February 2022 Fiscal Period (8th Period) Presentation Material



Takara Leben Real Estate
Investment Corporation

Securities Code: 3492

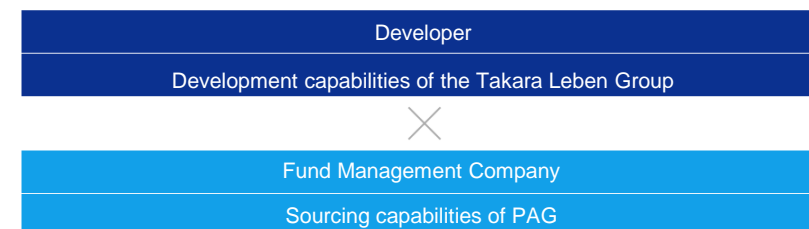
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■ Overview

Name	Takara Leben Real Estate Investment Corporation
Securities Code	3492
Listed	July 27, 2018
Fiscal Closing	February, August
Asset Size (As of February 28, 2022)	108,732 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	Takara Leben Co., Ltd. (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



- (2) Leveraging the Asset Management Company's proprietary information networks
⇒ Greater opportunity for property acquisition
- (3) 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 in the four major metropolitan areas
- (4) 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

■ Executive Summary

	Initial Targets/Plan	Results for the Period
Distributions	3,000 JPY → 3,100 JPY per unit (Revised upward on October 20, 2021)	3,120 JPY per unit (vs. forecast: <u>+20 JPY / +0.6%</u>)
External Growth	<ul style="list-style-type: none"> ● Improve portfolio quality and stability ● Secure acquisition opportunities through the Takara Leben sponsor pipeline ● Increase acquisition opportunities by utilizing the Asset Management Company's proprietary network 	<ul style="list-style-type: none"> ● Transferred 5 properties (office), acquired 1 property (residence) → Property replacement for improving portfolio quality ● Acquired 12 properties with proceeds from capital increase through public offering at beginning of period (Office: 2; Residence: 8; Retail: 2) ● Acquired 13 properties during the period (Sponsor: 8; Asset Management Company's proprietary network: 5)
Internal Growth	<ul style="list-style-type: none"> ● Continuing negotiations for elimination of rent gaps ● Explore switching management companies to reduce costs and improve management levels ● Implement capital expenditures as appropriate to improve property competitiveness 	<ul style="list-style-type: none"> ● Promoted proactive leasing, including newly acquired properties → 99% overall occupancy rate at end of period, the highest since listing ● Incurred first performance-linked rent after launch of operations at ACCESS by LOISIR HOTEL Nagoya (Dec. 2021; single month) ● Ongoing cost reductions through investment in LEDs, etc.
ESG	<ul style="list-style-type: none"> ● Advancing further LED conversion in owned properties and proactively exploring new ESG initiatives 	<ul style="list-style-type: none"> ● Acquired Green Star designation for the third consecutive year in the 2021 GRESB Real Estate Assessment ● Acquired DBJ Green Building certification for Omiya NSD Building ● Declared support for the TCFD recommendations, enhanced ESG information disclosure
Finance	<ul style="list-style-type: none"> ● Alongside expanding asset size, using capital increases to improve liquidity in investment units and enhance procurement foundations ● Extending borrowing periods, diversifying repayment dates 	<ul style="list-style-type: none"> ● Equity financing (12.1 billion JPY) via capital increase through public offering at beginning of period, as well as bank borrowings (13.9 billion JPY) ● Included in the EPRA Nareit Global Real Estate Index Series

I. Overview of the 8th Fiscal Period

8th Fiscal Period Financial Highlights

(Unit: million JPY)

8th Period Results vs. Forecast /7th Period vs 8th Period	2021/10/20 Revised forecast	Actual	Difference	Major Factors	7th FP	8th FP	Difference	Major Factors
Number of Days in Operation	181 days	181 days	-	-	184 days	181 days	-	-
Operating Revenue (million JPY)	3,803	4,030	+227	+202 Increase in gain on property transfer (Forecast: Shin-Osaka 518; Results: ShinOsaka/Bakuromachi/Shinsaibashi 720) +25 Other	3,061	4,030	+968	+771 Revenue from acquisition of property +263 Increase in gain on transfer of property (7th FP: 457, 8th FP: 720) -134 Decrease in revenue from transfer of property +101 Increase in management period of properties acquired in the previous period -33 Decrease in revenue from existing properties (NT Building, etc.)
Operating Income (million JPY)	2,262	2,093	-169	-398 Increase in loss on property transfer (Forecast: Nagano 156; Results: Nagano/Yamagata 555) +227 Increase in operating revenue +2 Other	1,843	2,093	+249	+968 Increase in operating revenue -555 Loss on transfer of real estate -170 Increase in expenses from acquisition of property +36 Decrease in expenses from transfer of property -33 Increase in amortization of deferred consumption taxes +15 Decrease in expenses from transfer of property in the previous period -12 Other
Ordinary Income (million JPY)	1,972	1,806	-165	-169 Decrease in operating income +4 Other	1,621	1,806	+185	+249 Increase in operating income -45 Increase in interest on borrowings -30 Increase in borrowing related expenses +11 Other
Net Income (million JPY)	1,905	1,801	-104	-165 Decrease in ordinary income +61 Decrease in income taxes	1,563	1,801	+237	+185 Increase in ordinary income +51 Decrease in income taxes
Total Amount of Distributions (million JPY)	1,782	1,794	+11	-104 Decrease in net income +115 Decrease in retained earnings	1,459	1,794	+334	+237 Increase in net income +96 Decrease in retained earnings
Distributions per Unit (including distributions in excess of earnings) (JPY)	3,100	3,120	+20	Total number of investment units issued and outstanding at end of 8th period: 575,000 units	3,156	3,120	-36	Total number of investment units issued and outstanding at end of 7th period: 462,500 units Total number of investment units issued and outstanding at end of 8th period: 575,000 units

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

Balance Sheet Comparison

(Unit: million JPY)

(Unit: million JPY)

7th Period vs 8th Period					7th Period vs 8th Period						
		7th FP	8th FP	Difference	Major Factors			7th FP	8th FP	Difference	Major Factors
Current Assets		6,367	10,702	+4,334		Current Liabilities		10,616	10,624	+8	
Cash and Deposits (including in trust)		5,833	10,157	+4,324	+12,171 Issuance of new investment units +13,690 Long-term loans +6,270 Property transfer -28,726 Property acquisition +919 Other	Current Portion of Long-term Loans Payable		9,950	9,950	-	
Other Current Assets		534	544	+9		Other Current Liabilities		666	674	+8	
Fixed Assets		87,900	110,585	+22,684		Non-current Liabilities		36,880	51,373	+14,493	
Tangible Fixed Assets		87,439	109,705	+22,266	+28,726 Property acquisition -6,270 Property transfer	Long-term Loans Payable		33,450	47,350	+13,900	+13,900 New loans
Intangible Assets		2	1	-0		Other Non-current Liabilities		3,430	4,023	+593	+821 Increase in deposits from acquisition of property -207 Decrease in deposits from transfer of property
Investments and Other Assets		458	877	+418	+351 Increase in deferred consumption taxes +75 Increase in borrowing related expenses -8 Other	Total Liabilities		47,496	61,998	+14,501	
Deferred Assets		13	31	+18		Net Assets		46,784	59,320	+12,535	
Total Assets		94,281	121,319	+27,037		Total Liabilities and Net Assets		94,281	121,319	+27,037	

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

Property Acquisition During the Period

Acquired September 2, 2021 (capital increase through public offering)

Office
Kawagoe West Building

Office
HAKATA REISENMACHI Building

Residence
LUXENA NAGAREYAMA OTAKANOMORI

Residence
LUXENA TODAKOEN II

Residence
LUXENA AKIHABARA

Residence
Fiore Residence Dejima Kaigan Dori

Residence
LUXENA MUSASHI-SHINJO

Residence
PRIME SQUARE

Residence
Winbel Chorus Seisekisakuragaoka

Retail and others
APiTA NAGOYA-MINAMI

Retail and others
(Tentative name) BIGMOTOR Konosu (Land)

Residence
MARE Isogo Building

Total acquisition price

26.31 billion JPY

Procurement via capital increase through public offering (12.1 billion JPY)/borrowings (13.9 billion JPY)/part of cash on hand

Acquired 13 properties total for 28,210 million JPY

Acquired November 25, 2021



MARE Isogo Building

Acquisition price

1.9 billion JPY

Utilization of cash on hand from property transfer

Property Transfer During the Period



Nagano Central Building

Transfer date: October 20, 2021
Transfer price: 778 million JPY



SAMTY Shin-Osaka Center Building

Transfer date: November 19, 2021
Transfer price: 4,000 million JPY



Chuo Bakuromachi Building

Transfer date: February 1, 2022 (37%)
March 1, 2022 (63%)
Transfer price: 1,950 million JPY

*63% transferred in the following 9th fiscal period



Shinsaibashi Building

Transfer date: February 17, 2022
Transfer price: 850 million JPY



Yamagata Ekimae-dori Building

Transfer date: February 25, 2022
Transfer price: 237 million JPY

Allocation to acquisition funds for new property, stabilization of distributions, etc.

Transferred 5 properties total for 7,815 million JPY

➤ Considering risks on future stable cash flow, realization of internal growth, etc., executed scheduled transfer of properties

6th FP



Morioka Ekimae-dori Building



EME Koriyama Building



Utsunomiya Central Building

Scheduled property transfer

Increase in repair expenses/capital expenditures
Considering internal growth capacity going forward

7th FP



Almost Blue



Alpha Space Toritsudai

8th FP



Nagano Central Building



Yamagata Ekimae-dori Building



SAMTY Shin-Osaka Center Building



Shinsaibashi Building



Chuo Bakuromachi Building

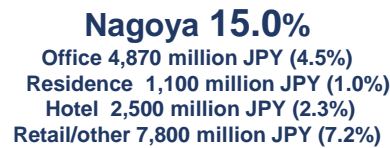
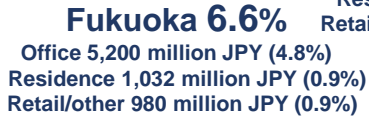
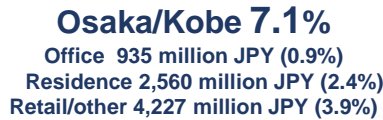
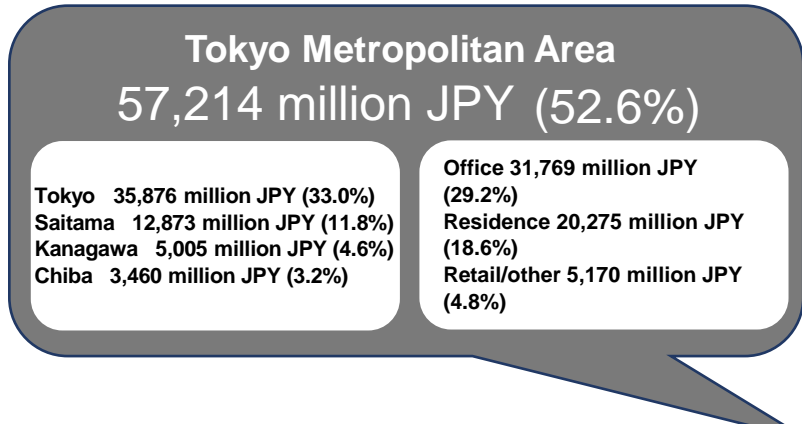
▶ ▶ ▶ Transferred for future stability in occupancy and increase in revenue

▶ ▶ ▶ Transferred after receiving offers deemed contributory to maximizing unitholder value

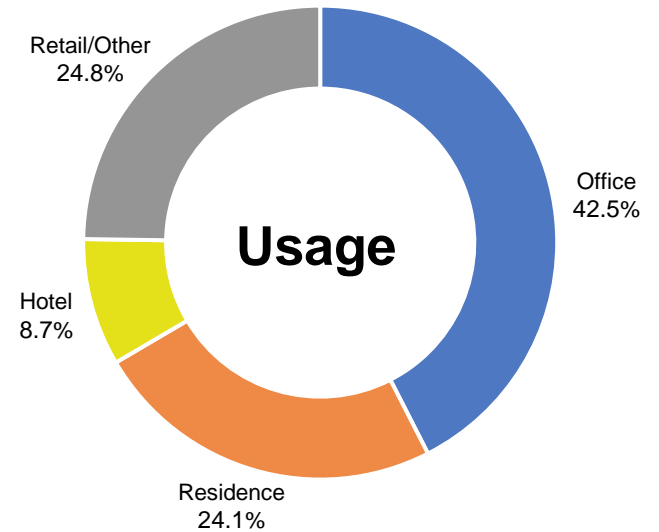
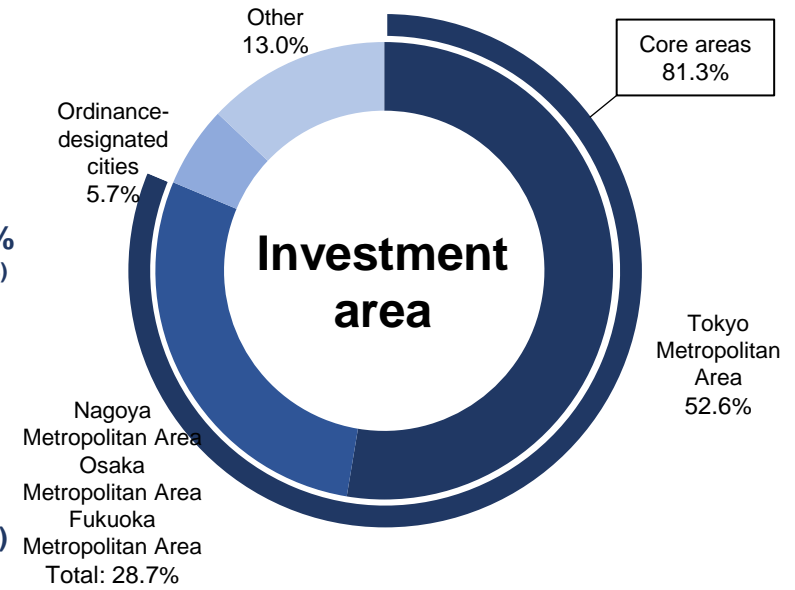
Currently leveraging cash on hand generated from transfer to source quality property

Portfolio Diversification by Geographic Area (As of February 28, 2022)

Portfolio Diversification by Category (As of February 28, 2022)



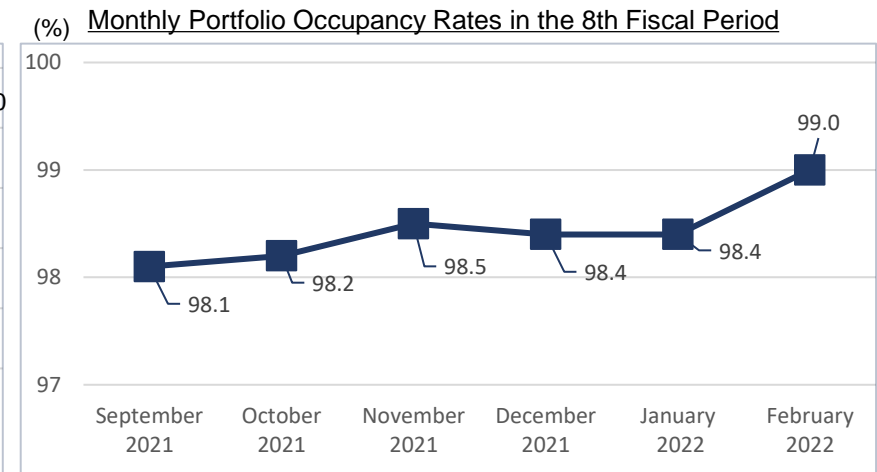
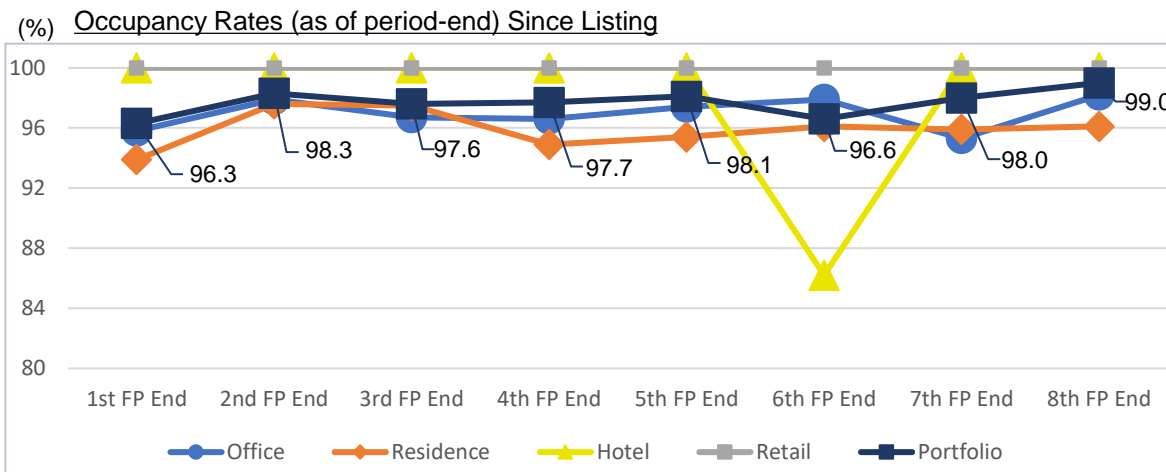
Office Residence Hotel Retail and other



* 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.

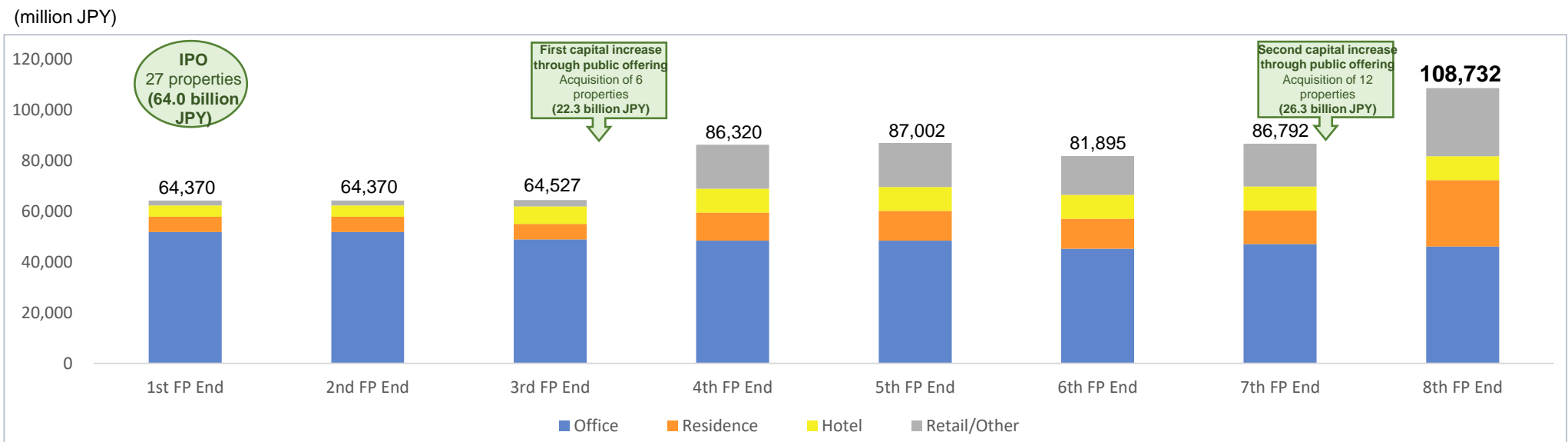
* Ratios of portfolio categories are rounded to the first decimal place.

Trends in Occupancy Rates



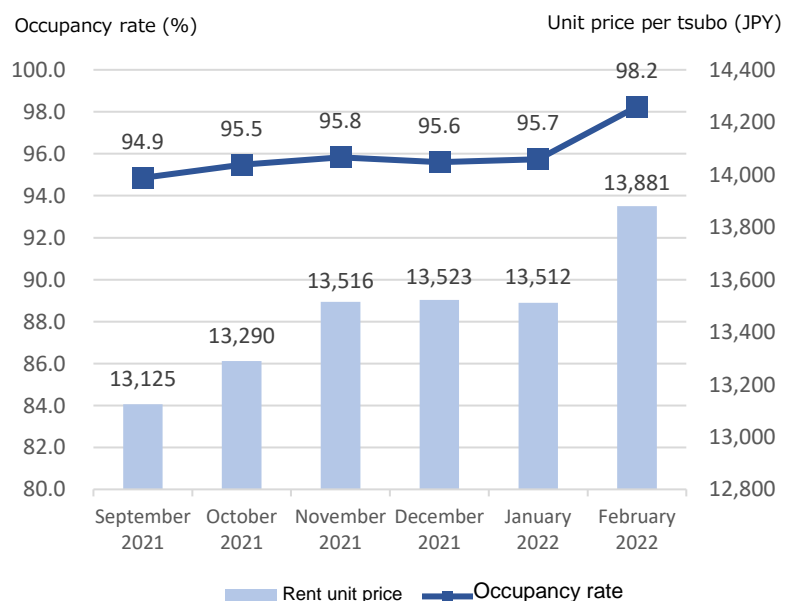
Occupancy rate of the entire portfolio at the end of the fiscal period under review (Feb. 28, 2022) was 99.0%, the highest since listing

Asset Size



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

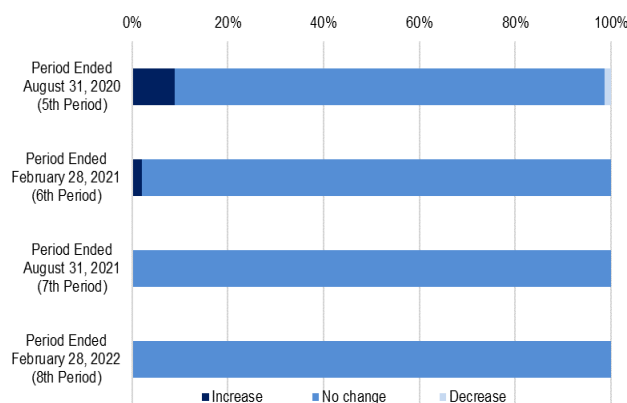
Trends in Occupancy Rate and Rent Unit Price



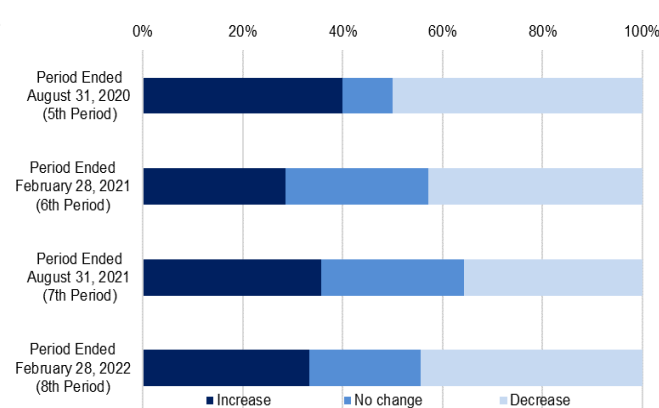
- The occupancy rate at the end of the 8th fiscal period (Feb. 28, 2022) improved from 95.3% at the end of the 7th fiscal period (Aug. 31, 2021) to 98.2%
- Average rent per tsubo (area unit) for the portfolio trends upward with property acquisitions and transfers

Rent Revision Status

At Time of Renewal

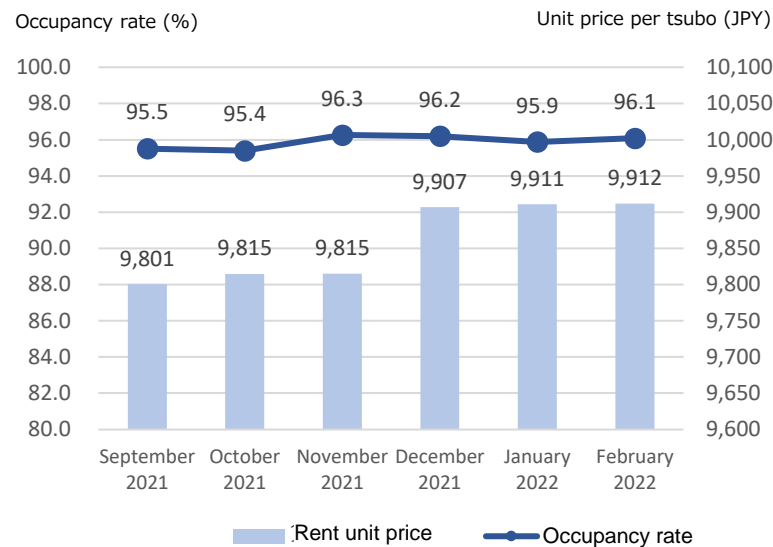


At Time of New Contract



- Rent remains unchanged at the time of contract renewal with tenants due to the impact from the COVID-19 pandemic, etc.
- Rent reductions, exemption, and grace completed as of the end of the previous period, and did not occur during the fiscal period under review

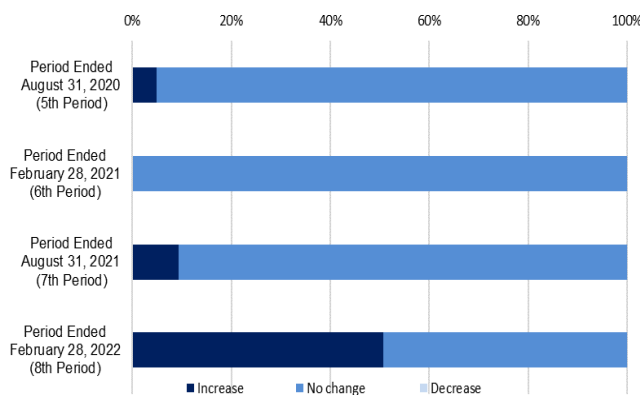
Trends in Occupancy Rate and Rent Unit Price



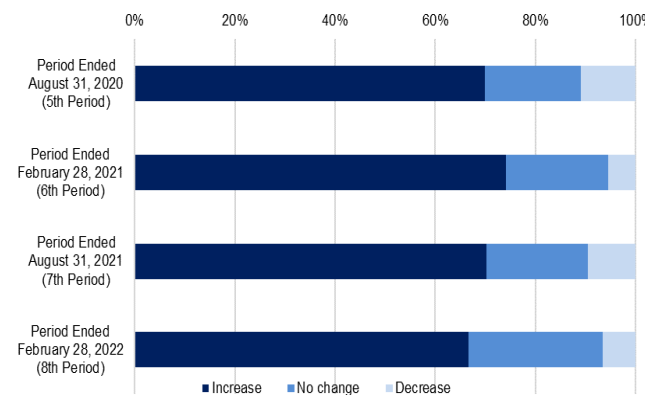
- In the 8th fiscal period ended February 28, 2022, the occupancy rate remained stable at around 96%
- Average rent per tsubo (area unit) for the portfolio during the period remained in the range of 9,800 - 9,900 JPY

Rent Revision Status

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

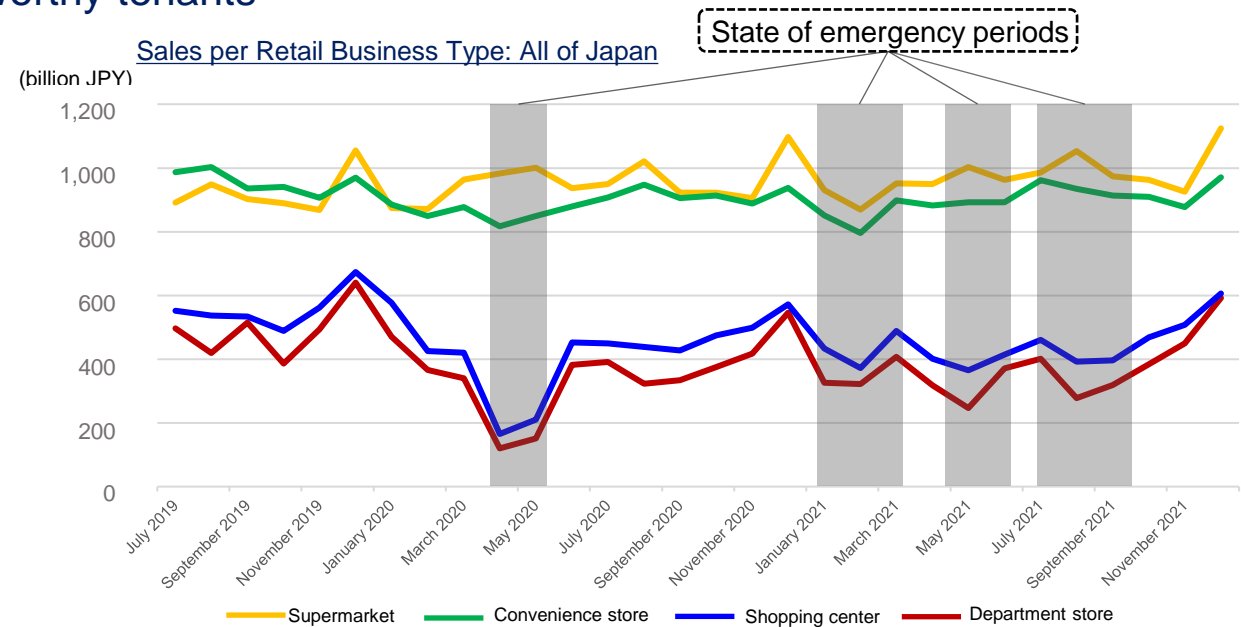
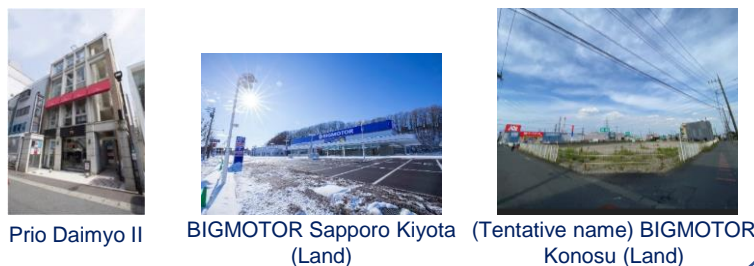
- Maintained average occupancy rate of 100% during the period
- Lifestyle-related retail facilities comprise high share of over 80%
- Secured long-term stability of cash flows by holding land with leasehold interest in lifestyle-related retail facilities and retail facilities with highly creditworthy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

Ratio by Facility Type (acquisition price basis)

Lifestyle-related (82%)



Non-routine, event consumption type (18%)



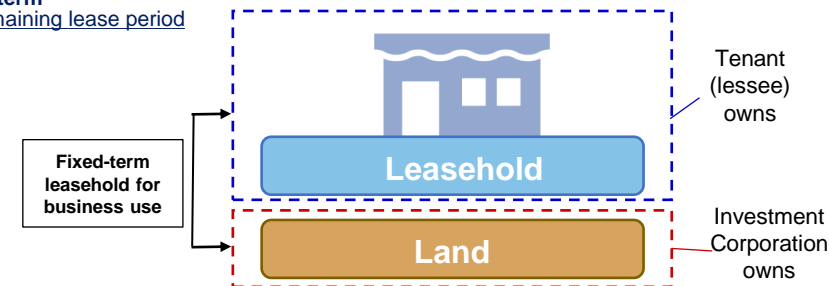
Source: Japan Department Stores Association, Japan Supermarkets Association, Japan Council of Shopping Centers, Japan Franchise Association

⇒ Businesses dealing with essential consumer goods enjoy stable sales without major drops 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

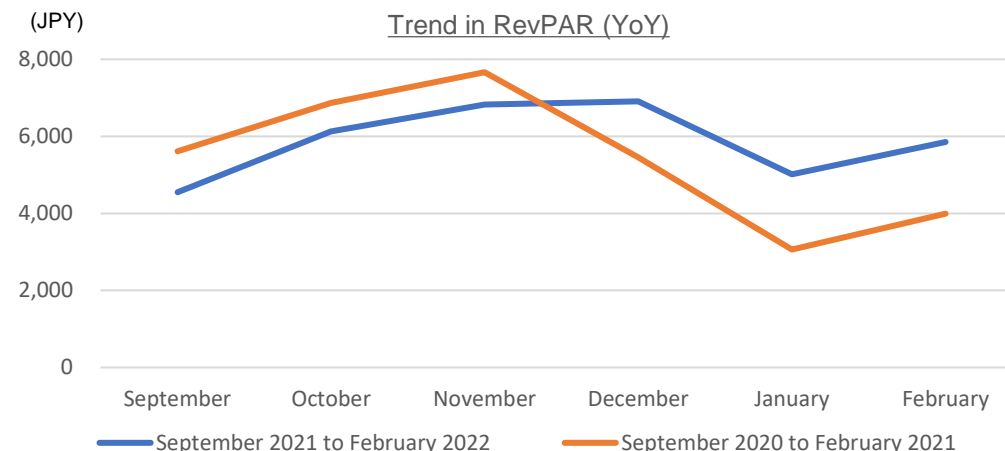
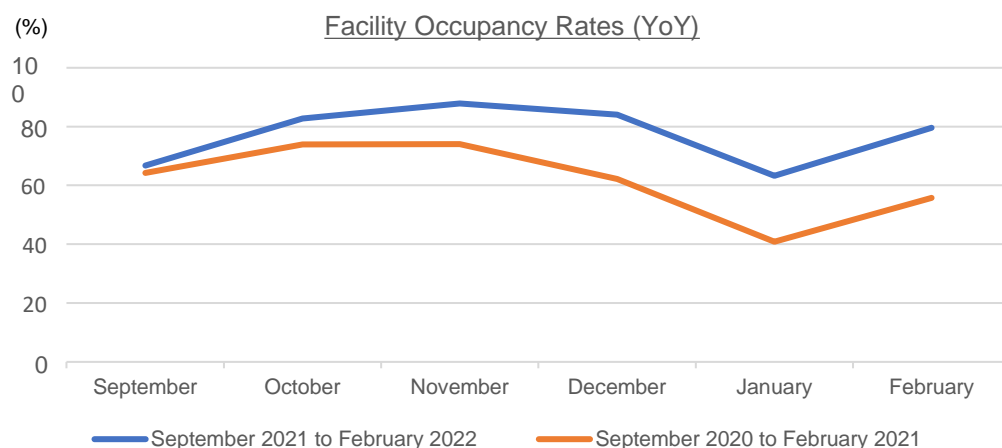
- **Careful selection of properties with high expectation for rental demand**
- **Careful selection and investment in high-quality properties with strong replaceability of and lasting demand from tenants**
- **No additional investment needed in maintenance, repairs, etc., no unexpected expenditures**



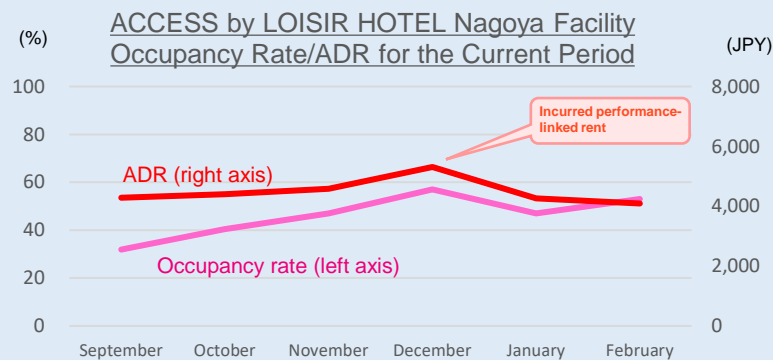
⇒ Supporting portfolio profitability through stable cash flow over the long term

- Of the four hotels owned, the rent obtained from Dormy Inn Matsuyama, Dormy Inn Morioka, and Hotel Sunshine Utsunomiya are fixed and not reduced.
- Despite ups and downs in management due to the spread of the Omicron variant and other factors, a recovery trend re-emerged by the end of the fiscal period.

■ Management Status for the Hotel Sector Overall *Calculated excluding ACCESS by LOISIR HOTEL Nagoya



- ACCESS by LOISIR HOTEL Nagoya, the only variable rent (GOP-linked) property, has been gradually seeing stable operation since its opening in May 2021. Its **first performance-linked rent, albeit for a single month, was incurred** during a lull in COVID-19 cases (December 2021).
- Continuing to monitor the impact from COVID-19 and working with the operator to stabilize rents



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, 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.

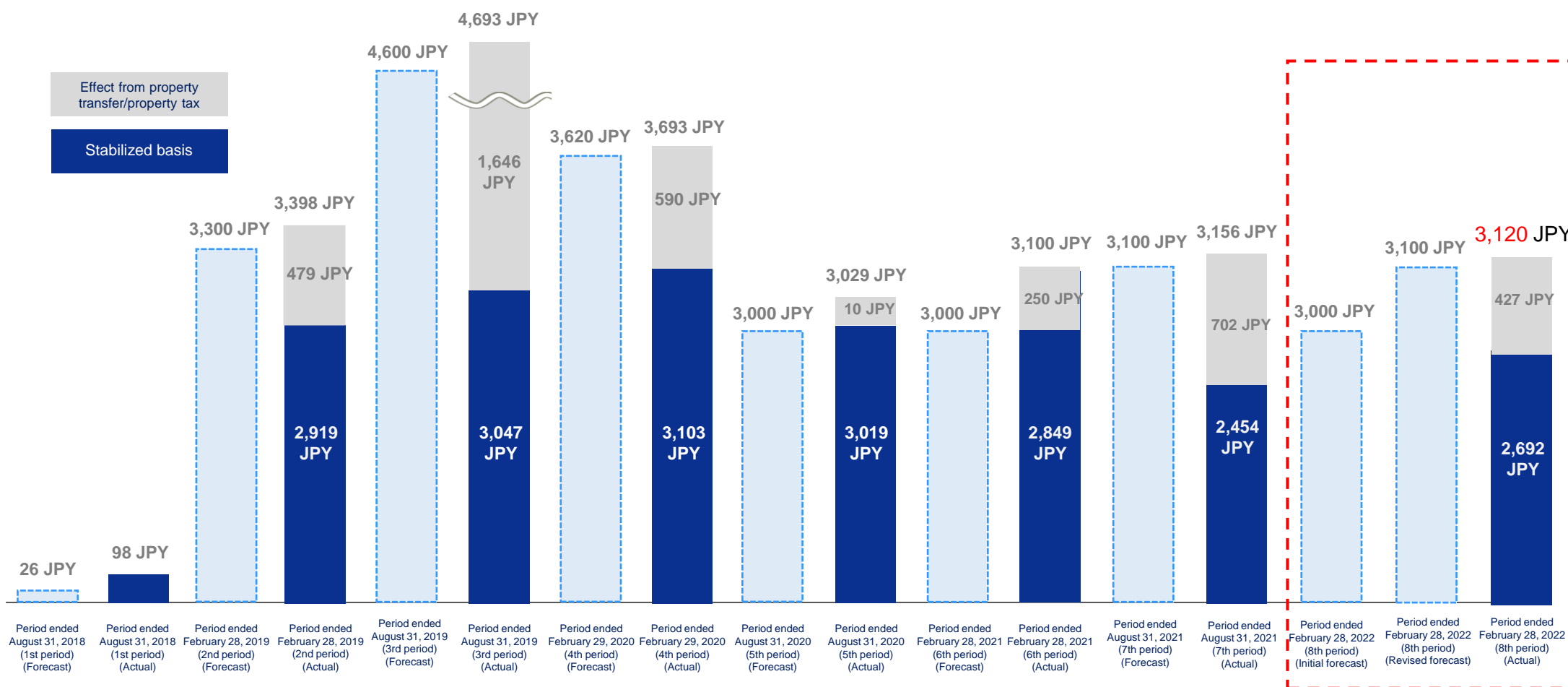
(Note) GOP represents hotel sales (not including consumption tax and local consumption tax) minus operating expenses such as cost of sales and personnel expenses (not including consumption tax and local consumption tax).

⇒ Sales are recovering again as of March 2022, and a second performance-linked rent is expected to be incurred



Trend in Distributions per Unit

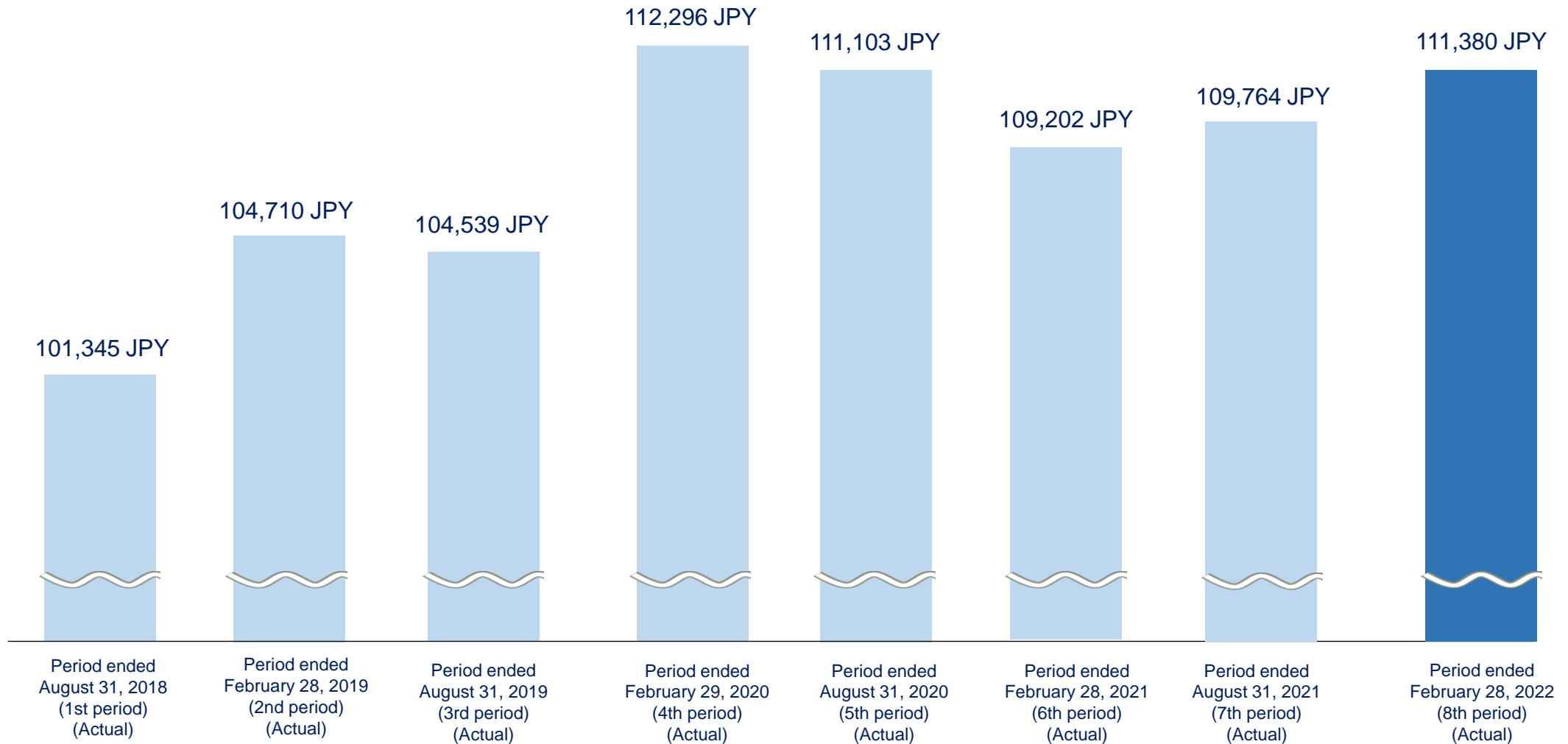
- Distributions per unit was **3,120** JPY
- **+120** JPY (+4.0%) compared with the initial distribution forecast of **3,000** JPY; **+20** JPY (+0.6%) compared with the revised distribution forecast of **3,100** JPY



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 109,764 JPY at the end of the 7th period to 111,380 JPY at the end of the 8th period
- Increase due to unrealized gains from properties acquired during the fiscal period under review



Financial Indicators

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

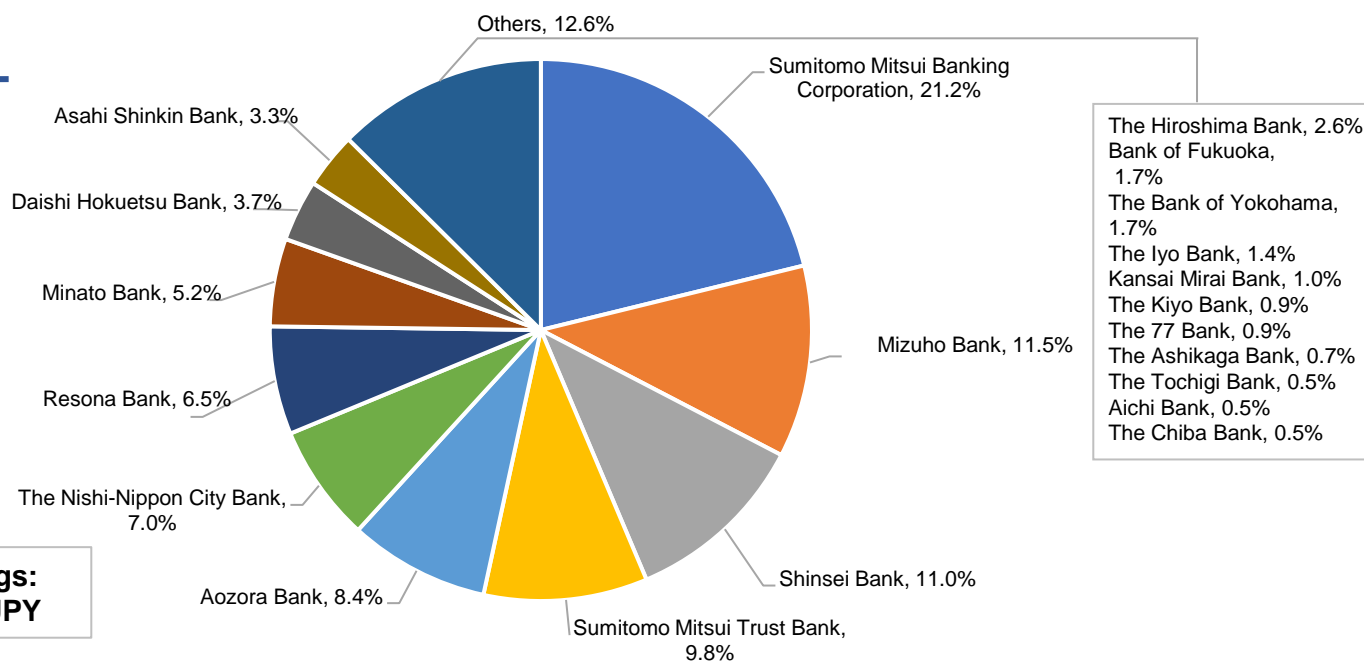
Total assets LTV = Total interest-bearing debt at the end of the period / Total assets at the end of the period

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)

Distribution of Lenders

- Currently **21** lender financial institutions
- Stabilizing funding foundations by enhancing transacting bank pool

**Total borrowings:
57,300 million JPY**



Credit Ratings

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

A- (Stable)

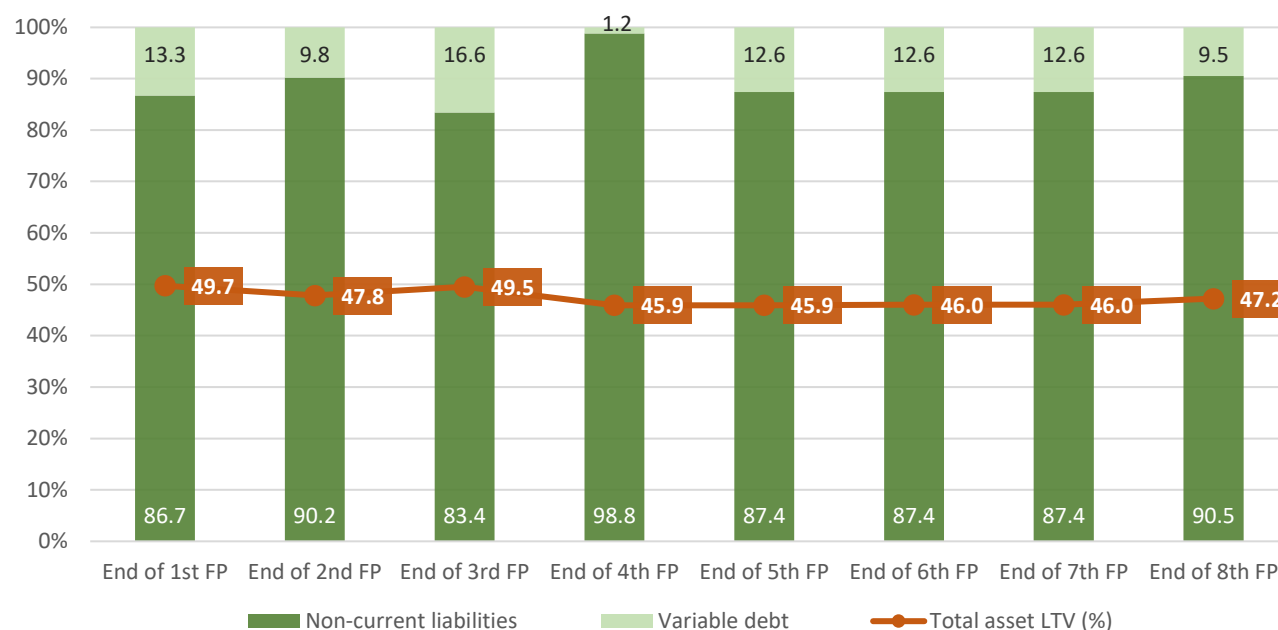
Rating and Investment Information, Inc. (R&I)
(Rated on March 22, 2021)

A- (Positive)

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

Ratio of Fixed Interest Rates, LTV Management

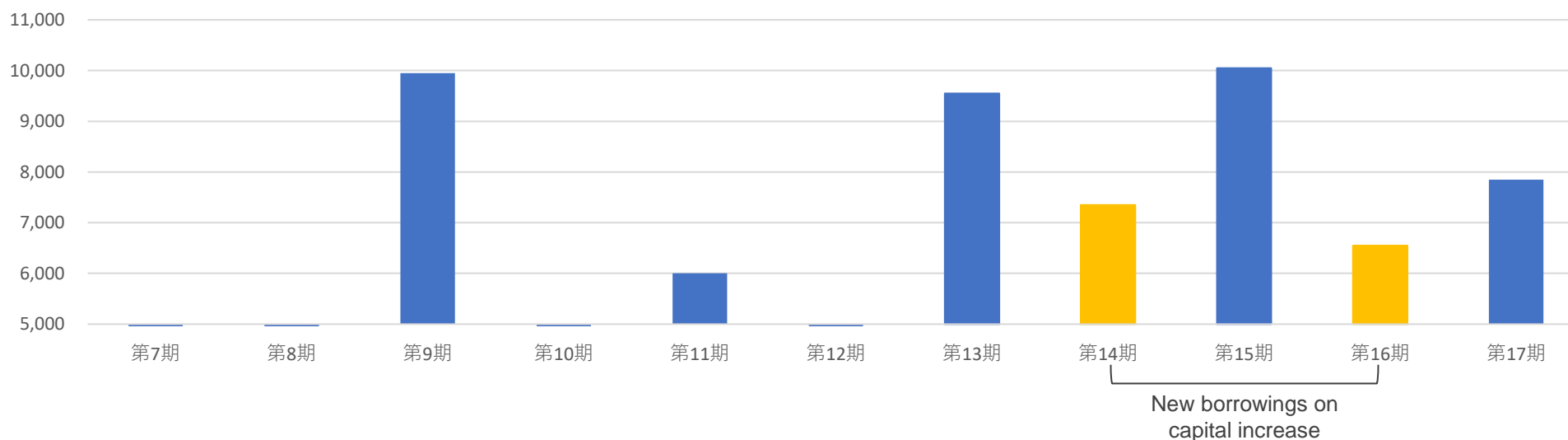
- With a higher ratio of fixed interest rates, LTV for the fiscal period under review slightly increased
- Building a sound financial structure by eliminating financing risks through the maintenance of a high ratio of fixed interest rates and stabilized LTV



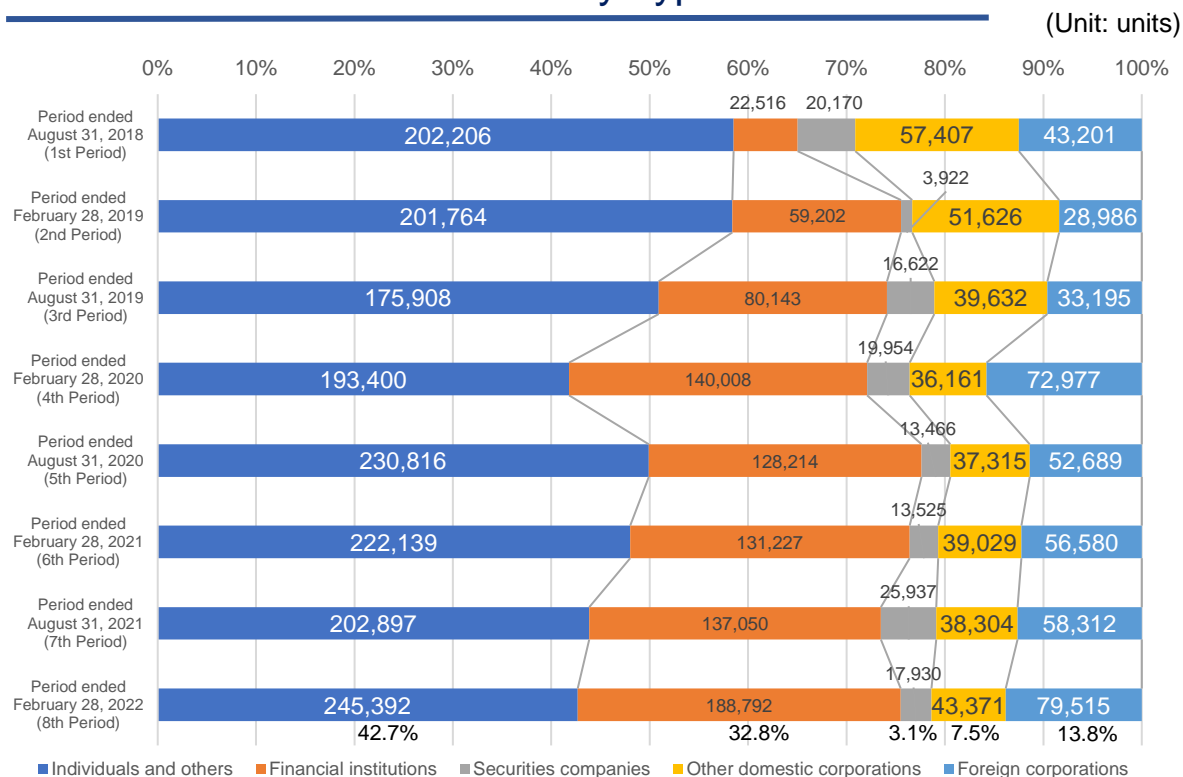
Maturity Ladder

- The maturity ladder for current borrowings of 57,300 million JPY is diversified from the 8th through the 17th fiscal periods (ending August 31, 2026)

(unit: million JPY)



Number of Investment Units by Type of Unitholder



Major Unitholders (Top 10)

Name	Units Owned	Ownership (%)
1 The Master Trust Bank of Japan (Trust Account)	74,675	13.0
2 Custody Bank of Japan, Ltd. (Trust Account)	53,778	9.4
3 The Nomura Trust and Banking Co., Ltd. (Trust Account)	18,361	3.2
4 Takara Leben Co., Ltd.	14,385	2.5
5 Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	10,669	1.9
6 BNYM AS AGT/CLTS NON TREATY JASDEC	9,766	1.7
7 PAG JREIT CO-INVEST LIMITED	8,647	1.5
8 SSBTC CLIENT OMNIBUS ACCOUNT	6,821	1.2
9 SMBC Nikko Securities Inc.	6,078	1.1
10 JP MORGAN CHASE BANK 385781	5,636	1.0

Number of Unitholders by Type of Shareholder

(Unit: People)

	Period ended August 31, 2018 (1st period)		Period ended February 28, 2019 (2nd period)		Period ended August 31, 2019 (3rd period)		Period ended February 29, 2020 (4th period)		Period ended August 31, 2020 (5th period)		Period ended February 28, 2021 (6th period)		Period ended August 31, 2021 (7th period)		Period ended February 28, 2022 (8th period)	
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%
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%
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%
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%
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%
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%

- In the EPRA Nareit Quarterly Review release on March 2, 2022, new incorporation in the index was announced
- Expectation for positive impact of the incorporation



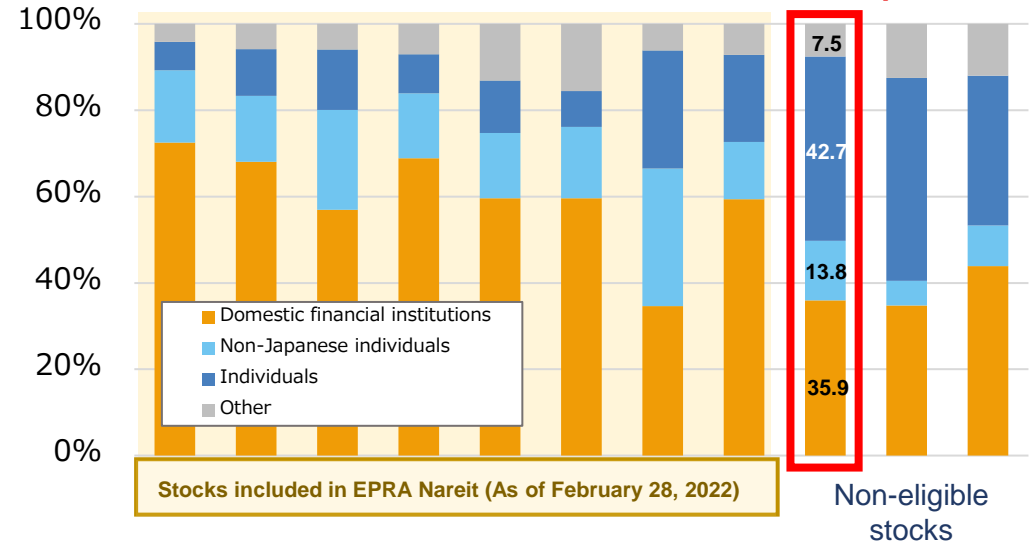
Overview: EPRA Nareit

- The world's leading international real estate investment index consisting of listed real estate stocks and REITs
- Main eligibility requirements for inclusion in the index are market capitalization and annual report disclosure in English

As of February 28, 2022
vs. (comprehensive) REITs of similar scale

Composition of Unitholders*

Investment Corporation



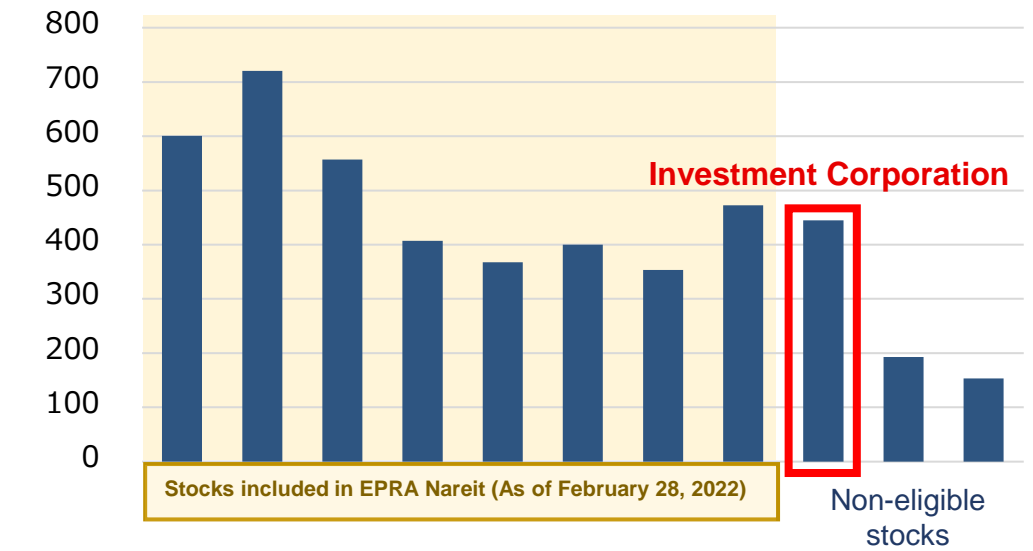
*Market capitalization is as of February 28, 2022, and the composition of unitholders is based on corporate announcements as of the same date

Trend of higher ratio of individual unitholders compared with other included REITs

⇒ Expanded unitholder base expected

Daily Average Trading Volume*

(million JPY)



*Daily average trading volume from September 1, 2021, to February 28, 2022

Comparison of average trading volume shows growth potential from inclusion

⇒ Greater liquidity potential expected

- With the support of the Takara Leben 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 (2) Effective use of water resources (3) Managing waste	13 CLIMATE ACTION
2. Implementation of renewable energies and ongoing usage rate improvement (E)	(1) Receiving support and cooperation from the Takara Leben Group for promotion of renewable energy implementation initiatives (2) Exploring and implementing various renewable energy sources such as green certificates, PPAs (Power Purchase Agreements) small hydropower generation, etc.	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
3. Reducing environmental load and strengthening resilience (E)	(1) Building a more robust portfolio through effective use of CAPEX (2) Promoting green leases (3) Enhancing BCP	11 SUSTAINABLE CITIES AND COMMUNITIES
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 (2) Promoting flexible work styles (3) Ongoing implementation of tenant satisfaction surveys	3 GOOD HEALTH AND WELL-BEING 11 SUSTAINABLE CITIES AND COMMUNITIES
5. Respect for human rights, diversity, and human resources development (S)	(1) Promoting human rights-related awareness and education (2) Building work environments mindful of diversity and inclusion (3) Promoting human resources development, enhancing training programs and encouraging acquisition of qualifications	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
6. Building a disciplined organizational structure and stakeholder engagement (G)	(1) Prohibiting political donations and preventing corruption (2) Establishing an effective internal control system (3) Enhancing disclosure	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR DEVELOPMENT

GRESB Real Estate Assessment

Acquired "2 Star" rating in the 2021 GRESB Real Estate Assessment

Acquired Green Star designation for the third consecutive year with 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

Acquired B-level designation in the GREB Public Disclosure assessment for strength of ESG information disclosure



Takara Leben Group initiative examples

○ Promoting energy business

The Takara Leben Group has been actively promoting the energy business as the second pillar following its core real estate business. Since its entry into the energy business in 2013, it has expanded its operational scale, such as in the first listing of "Takara Leben Infrastructure Investment Corporation" on the Tokyo Stock Exchange's infrastructure fund market. As of September 30, 2021, in-house development and procurement was approximately 360,000 kW.



○ ZEH condominium building conversion

In February 2022, Takara Leben completed construction of Leben Nagano Nakagosho THE PEERLESS in Nagano City, Nagano Prefecture. This ZEH (net zero emission) building offers unprecedented environmental value through initiatives such as suppression of peak electricity consumption by harnessing IoT, energy conservation through fully electric energy intake in exclusive areas, and CO₂-free electricity supply.

This is the first Takara Leben property and the first condominium in Nagano Prefecture to be certified under the Ministry of the Environment's ZEH-M Oriented project to promote CO₂ reduction in new housing complexes and existing residences.



Acquisition of External Certifications

DBJ Green Building Certification

DBJ Green Building 2019 ○
Property with satisfactory environmental & social awareness

DBJ Green Building 2020 ○
Property with satisfactory environmental & social awareness

New DBJ Green Building 2021 ∞
Property with superior environmental & social awareness

NT Building Higashi-Ikebukuro Central Place Omiya NSD Building

BELS Assessment



Dormy Inn Morioka Hakata Gion Building LUXENA TODAKOEN Kawagoe West Building LUXENA HEIWADAI

Dormy Inn Matsuyama L.Biz Jimbocho Building ACCESS by LOISIR HOTEL Nagoya LUXENA AKIHABARA Hakata Reisenmachi Building LUXENA MUSASHI-SHINJO

Environmental Initiatives

LED conversion for energy saving (Examples)

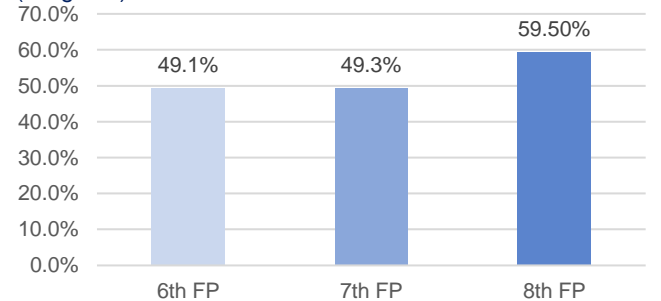
NT Building (entrance) **New** Yoyogi 1-chome Building (leased room)

NT Building (vehicle route) Hakata Gion Building (elevator lobby)

(LED conversion rate)

No. of properties	Portfolio LED conversion rate	
	36 properties	Total 59.5%

(Progress)



Social Initiatives

Tenant communication

- Conducting tenant questionnaires
Conducting questionnaires with as many tenants as possible to help improve management of each property and promote measures to improve building comfort
- Green lease track record
Promoting the introduction of green leases with the aim of improving the environmental performance of properties owned in collaboration with tenants
Concluded a green lease contract with the tenant for the office building L.Biz Jimbocho Building (leased in its entirety)

Employee communication

- Supporting capability development
Introduced a qualification acquisition incentive program at the Asset Management Company for the purpose of self-development and improvement of work quality

Governance Initiatives

Initiatives for aligning with interests of unitholders

- Changing asset management fee structure

Submitted an amendment to the Articles of Incorporation at the general meeting of unitholders held on November 26, 2021, for partially revising the calculation method of asset management fees paid to the Asset Management Company. This would take effect from March 2022 with the aim of aligning with unitholder interest more closely than ever before.

[Before change]

Management Fee II: Net income before tax and before deduction of asset management fees × 10% (Maximum rate)

[After change]

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)**

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)	-

Declared Support for the TCFD Recommendations

Takara PAG Real Estate Advisory Ltd., the Asset Management Company, declared its support for the Task Force on Climate-related Financial Disclosure (TCFD) recommendations in February 2022 and joined the TCFD Consortium the following March.

- TCFD is the name of an international initiative established by the Financial Stability Board at the request of heads of state and government at the G20 in 2015 as a private-sector-led task force on climate-related financial disclosure. It publishes recommendations for companies to make disclosures on their "governance," "strategy," "risk management," and "indicators and targets" as they relate to climate change-related risks and opportunities.



- The TCFD Consortium was established to discuss how companies and financial institutions supporting the TCFD recommendations can work together to promote effective corporate information disclosure and how the disclosed information can be used by financial institutions to make appropriate investment decisions.



Enhanced ESG Information Disclosure

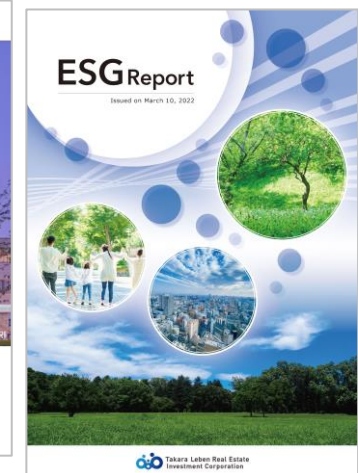
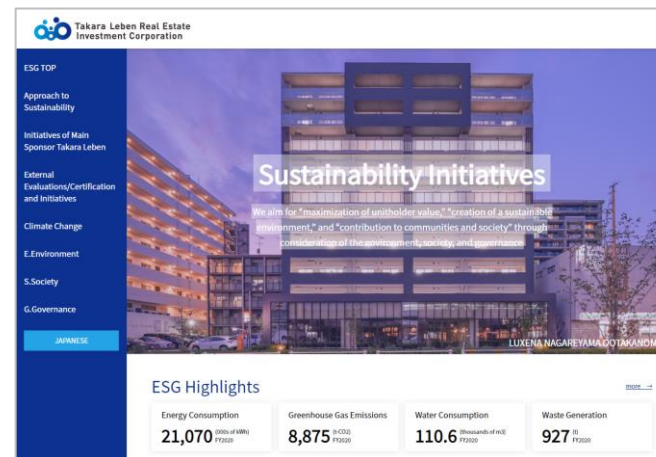
Disclosing information on ESG initiatives to a wide range of investors and other stakeholders

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 March 2022)



II. Investment Strategy for the 9th and 10th Fiscal Periods

Financial Forecasts for the 9th and 10th Fiscal Periods

(Unit: million JPY)

	8th Period Actual	9th Period Forecast	Difference	Major Factors	9th Period Forecast	10th Period Forecast	Difference	Major Factors
Number of Days in Operation	181 days	184 days	+3 days	-	184 days	181 days	-3 days	-
Operating Revenue (million JPY)	4,030	3,448	-581	-472 Absence of gain on property transfer -167 Absence of revenue during the period from transfer of properties +28 Increase in management period of properties acquired in the previous period +24 Revenue during the period from newly acquired properties +6 Other	3,448	3,065	-383	-248 Absence of gain on real estate transfer -126 Decrease from reduced occupancy rate (NT Building, Hakata Reisenmachi Building) -9 Others
Operating Income (million JPY)	2,093	1,980	-112	-581 Decrease in operating revenue +555 Absence of loss on property transfer -142 Increase in rental operation expenses (property tax expensing, leasing expenses, new property expenses, etc.) +81 Decrease in expenses from transfer of property -25 Others	1,980	1,692	-287	-383 Decrease in operating revenue +72 Decrease in expenses from real estate leasing (leasing expenses, repair expenses, etc.) +24 Others
Ordinary Income (million JPY)	1,806	1,686	-120	-112 Decrease in operating income -8 Others	1,686	1,399	-286	-287 Decrease in operating income +0 Others
Net Income (million JPY)	1,801	1,685	-116	-120 Decrease in ordinary income +4 Decrease in income taxes	1,685	1,398	-286	-286 Decrease in ordinary income
Total Amount of Distributions (million JPY)	1,794	1,684	-109	-116 Decrease in net income +7 Decrease in retained earnings	1,684	1,552	-132	-286 Decrease in net income +154 Reversal of retained earnings
Distributions per Unit (including distributions in excess of earnings) (JPY)	3,120	2,930	-190	Total number of investment units issued and outstanding: 575,000 units	2,930	2,700	-230	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.

Acquired Properties and Properties Disposed in the 9th Fiscal Period

➤ Continued to strengthen stable cash flow through strategic property replacement

Acquired Properties

Residence
R-20

B CITY APARTMENT KAWASAKI SOUTH



Compact, 20 m² apartments for single tenants

- Located a three-minute walk from Kawasaki Daishi Station on the Keikyu Daishi Line, this apartment building consists of 72 units for single occupants. In addition to excellent access to Kawasaki Station, the second largest terminal station in Kanagawa Prefecture after Yokohama Station, the area also offers excellent access to Haneda Airport via Keikyu Kawasaki Station. In addition, the location offers high potential for rental residences due to better transportation accessibility with the opening of the Tamagawa Sky Bridge and growing population concentration in neighborhood thanks to King Skyfront, an urban redevelopment project led by Kawasaki City.

Property Overview

Acquisition Price	1,346 million JPY
Appraisal Value	1,400 million JPY
Total Floor Area	1,862.95 m ²
Appraisal NOI Yield	4.2% (Note)
Address	1-1-3, Daishi Ekimae, Kawasaki-ku, Kawasaki-shi, Kanagawa
Access	Three-minute walk from Kawasaki Daishi Station on the Keikyu Daishi Line
Usage	Residence
Completed	February 2016
Seller	Undisclosed
Acquisition Date	April 11, 2022
Occupancy Rate	80.6% (March 2022)

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

Transferred Properties

Office
O-08

Chuo Bakuromachi Building (63% quasi-co-ownership interest)

* Transferred 37% quasi-co-ownership interest in the 8th fiscal period and 63% in the 9th fiscal period.



Transfer Price	1,228 million JPY
Book Value (End of 8th FP)	930 million JPY (Calculated by multiplying by the ratio of quasi-co-ownership interest)
Estimated Gain or Loss on Transfer	297 million JPY (Note)
Address	1-7-7 Bakuromachi, Chuo-ku, Osaka-shi, Osaka
Access	Six-minute walk from Sakaisuji-Honmachi Station on the Osaka Metro Sakaisuji and Chuo lines
Usage	Office
Completed	April 1993
Buyer	Undisclosed
Transfer Date	March 1, 2022

(Note) "Estimated gain or loss on transfer" is a reference figure calculated based on the difference between the transfer price and the book value at the end of the 8th fiscal period and will vary from the actual gain or loss on transfer.

■ Total asset size (Acquisition price basis)

End of 8th FP
(As of February 28, 2022)
108,732 million JPY



9th FP, after acquisition of one property and transfer of one property
(As of April 11, 2022)
109,143 million JPY

■ Ongoing exploration of property replacement

Acquisition

- Leveraging diverse information networks proprietary to the Asset Management Company, boasting talent from listed/privately placed REITs, real estate funds, financial institutions, etc., acquiring rich property information from parties other than the sponsor



Transfer

- Aligning management policy for owned properties at internal meetings at the beginning of the period
- As core driver, the Investment Management Department explores portfolio composition going forward, scrutinizing properties

III. Growth Strategy

- 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 April 11)

Type	Amount (JPY)	Ratio (%)	Number of properties	Contracts
Office	179,694,800,000	30.9	82	0
Residence	228,900,653,800	39.4	167	1
Retail	107,800,000,000	18.6	32	0
Land	8,410,000,000	1.4	7	0
Logistics	4,000,000,000	0.7	3	0
Hotel	36,780,000,000	6.3	10	0
Development land	500,000,000	0.1	3	0
Other	14,693,000,000	2.5	10	0
Total	580,788,453,800	100.0	314	1

⇒ 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 April 11, 2022)

Sponsor pipeline
Approximately 60%,
estimated 42.0 billion JPY

Specific asset examples

- Takara Leben-developed properties (LUXENA/L.Biz series, etc.)

Proprietary Route of
Asset Management
Company
Approximately 40%,
estimated 30.0 billion JPY

Identifying and scrutinizing
quality investment
opportunities
from a wide range of
usages and price ranges

Reference

Steady uptick in new properties

2021

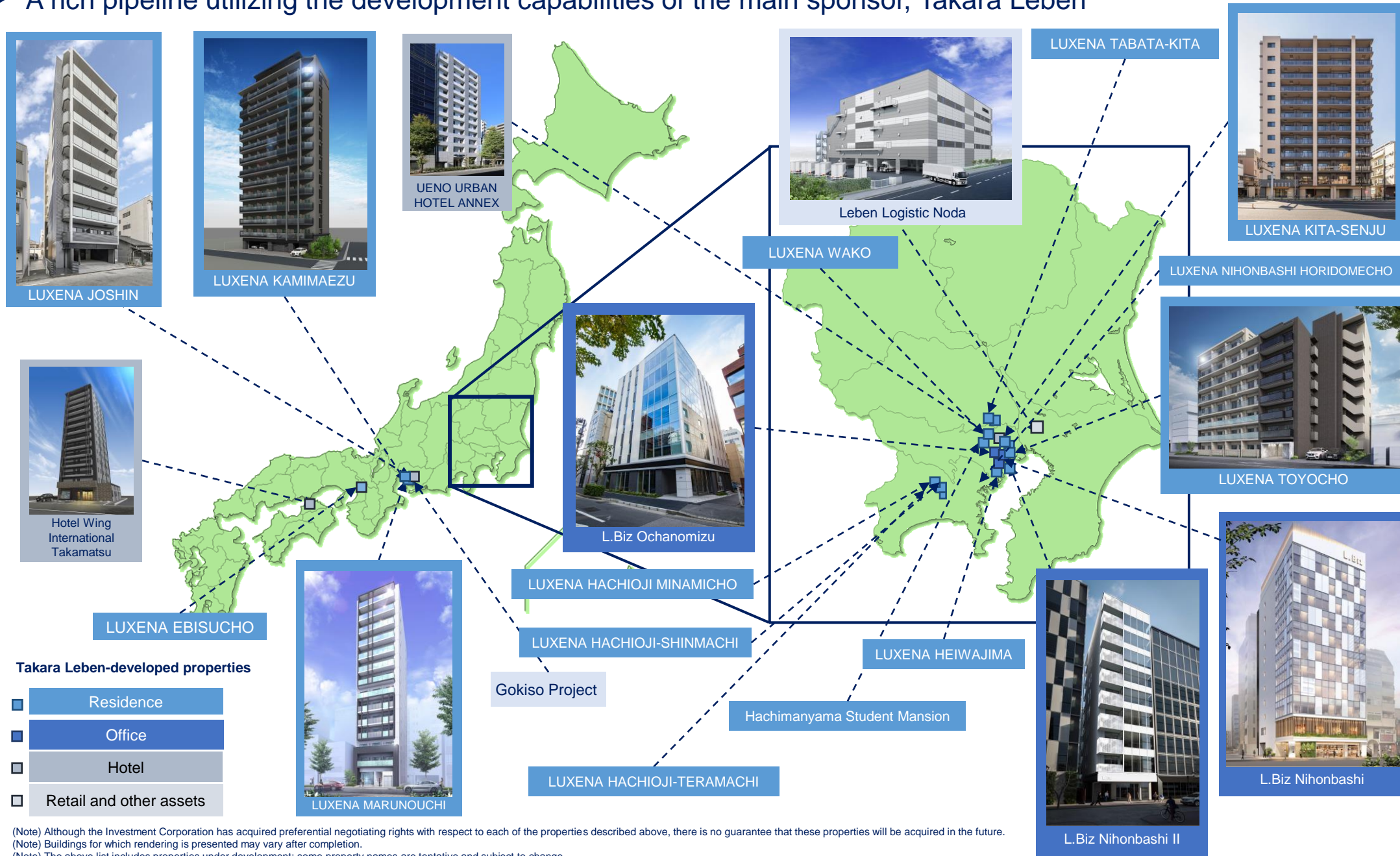
Type	Amount (JPY)	Ratio (%)	Number of properties	Contracts
Office	750,290,107,000	37.0	312	2
Residence	770,131,121,363	37.9	628	3
Retail	269,344,717,696	13.3	123	1
Land	46,744,000,000	2.3	41	1
Logistics	47,100,000,000	2.3	20	0
Hotel	73,642,500,000	3.6	38	0
Development land	18,473,200,000	0.9	6	0
Other	53,702,500,000	2.6	20	0
Total	2,029,428,146,059	100.0	1,188	7

2020

Type	Amount (JPY)	Ratio (%)	Number of properties	Contracts
Office	553,481,122,214	39.2	228	2
Residence	479,212,009,762	33.9	423	2
Retail	224,086,755,000	15.9	103	1
Land	45,702,000,000	3.2	20	3
Logistics	45,250,000,000	3.2	9	0
Hotel	45,614,000,000	3.2	22	0
Development land	4,634,750,000	0.3	8	0
Other	14,290,000,000	1.0	9	0
Total	1,412,270,636,976	100.0	822	8

External Growth Strategy -Pipeline-

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

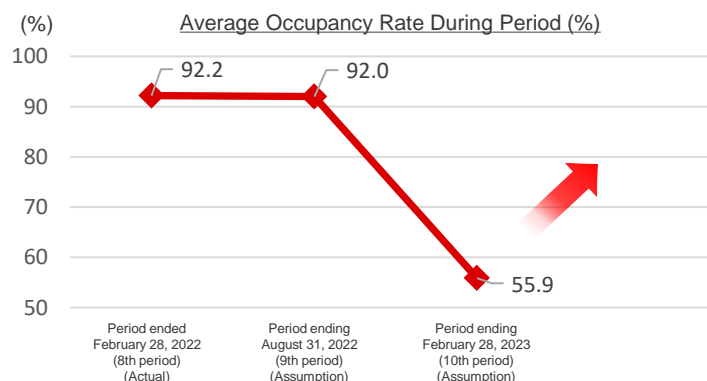


(Note) Although the Investment Corporation has acquired preferential negotiating rights with respect to each of the properties described above, there is no guarantee that these properties will be acquired in the future.
 (Note) Buildings for which rendering is presented may vary after completion.
 (Note) The above list includes properties under development; some property names are tentative and subject to change.

Major Leasing Projects

Office
O-01

NT Building



Location	Shinagawa-ku, Tokyo
Completed	March 1996
Total leasable area	9,976.36 m ²
Acquisition price	12,350 million JPY
Investment ratio (Acquisition price basis)	11.4% (End of 8th FP)

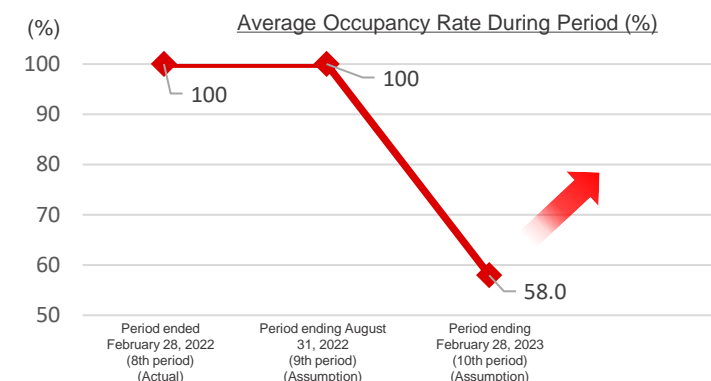
Current and future initiatives

A key tenant currently leasing six floors is to terminate the lease for 5.5 floors at the end of August 2022. We will implement a range of campaigns and measures, such as renewal of currently vacant floors in cooperation with leasing brokers and the PM company.

We will also continue to focus on improving existing tenant satisfaction.

Office
O-21

Hakata Reisenmachi Building



Address	Fukuoka-shi, Fukuoka
Completed	December 2020
Total leasable area	2,081.25 m ²
Acquisition price	2,700 million JPY
Investment ratio (Acquisition price basis)	2.5% (End of 8th FP)

Current and future initiatives

The seller's master lease is scheduled to expire one year from acquisition (until September 1, 2022). As of the end of the 8th period, two of the nine sections were under contract. In leasing the remaining seven sections, we will continue to strengthen our efforts to attract new tenants in cooperation with the PM company in order to achieve both early closing and higher rent unit prices.

⇒Conservative assumptions are used for both buildings in the earnings forecast, aiming for an upward revision of NOI due to shorter downtime, etc.

Eliminating the Rent Gap

In order to fill the rent gap going forward, we will systematically negotiate beginning with tenants approaching contract renewal to eliminate the rent gap, even for properties where upward rent revisions have stalled under the COVID-19 pandemic.

Financial Strategy/ESG

- Reduction of refinancing risk by lengthening and diversifying maturity ladder
- Responding to interest rate fluctuation risk by fixing interest rates
- Diversifying funding sources → Exploring procurement via green bonds/green loans

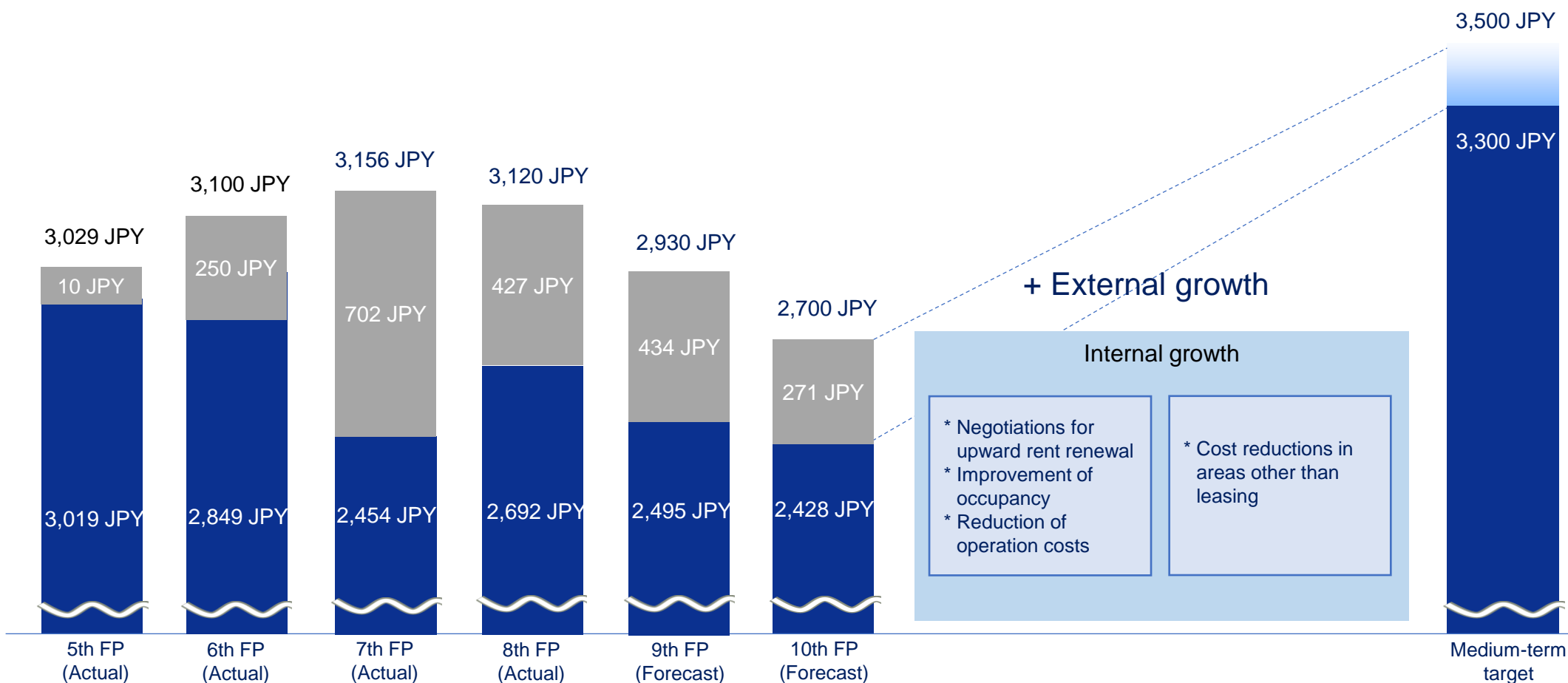
Current Status of Medium-Term DPU Target

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

Stabilized basis excluding temporary impact



(Note 1) 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.

IV. Appendix

Occupancy Rate by Property (Office and Residence)

(Unit: %)

Asset Type	Premises Number	Property Name	End of September 2021	End of October 2021	End of November 2021	End of December 2021	End of January 2022	End of February 2022
Office	O-01	NT Building	92.2	92.2	92.2	92.2	92.2	92.2
	O-02	Higashi-Ikebukuro Central Place	98.3	98.3	100.0	100.0	100.0	100.0
	O-03	Nagoya Center Plaza Building	96.2	96.2	93.8	92.5	94.9	100.0
	O-05	Omiya NSD Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-06	SAMTY Shin-Osaka Center Building	89.8	89.8	—	—	—	—
	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	95.8	95.8
	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	—
	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	83.0	—	—	—	—	—
	O-17	Yamagata Ekimae-dori Building	67.9	70.6	70.6	70.6	70.6	—
	O-18	Akasaka Kawase Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-19	Yoyogi 1-chome Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-20	Kawagoe West Building	100.0	100.0	100.0	100.0	100.0	100.0
	O-21	HAKATA REISENMACHI Building	100.0	100.0	100.0	100.0	100.0	100.0
		Total Office		94.9	95.5	95.8	95.6	95.7
Residence	R-01	Amare Tokaidori	87.8	86.8	89.0	88.0	88.0	87.0
	R-02	Dormy Ukimafunado	100.0	100.0	100.0	100.0	100.0	100.0
	R-03	Benefis Hakata-Minami Grand Sweet	98.5	98.5	97.2	94.8	95.1	96.3
	R-04	LUXENA HIGASHI-KOENJI	86.7	86.3	92.0	92.6	92.6	95.5
	R-06	J City Hatchobori	97.1	96.1	93.0	93.9	93.9	93.0
	R-07	LUXENA HEIWADAI	96.6	97.5	97.2	97.5	96.2	96.2
	R-08	LUXENA KACHIDOKI	77.7	77.5	77.5	85.0	85.0	92.9
	R-09	LUXENA HON-ATSUGI	100.0	98.7	98.7	97.4	94.7	96.0
	R-10	LUXENA KADOMA	99.4	99.3	98.6	100.0	96.8	96.1
	R-11	LUXENA TODAKOEN	100.0	97.9	98.0	96.0	96.0	100.0
	R-12	LUXENA TODAKOEN II	100.0	100.0	100.0	96.8	100.0	100.0
	R-13	LUXENA AKIHABARA	88.9	90.2	91.5	91.5	91.6	94.7

Occupancy Rate by Property (Hotel and Retail)

(Unit: %)

Asset type	Premises Number	Property name	End of September 2021	End of October 2021	End of November 2021	End of December 2021	End of January 2022	End of February 2022
Residence	R-14	Fiore Residence Dejima Kaigan Dori	83.2	85.0	86.8	85.0	85.0	85.0
	R-15	LUXENA MUSASHI-SHINJO	100.0	100.0	100.0	100.0	100.0	100.0
	R-16	LUXENA NAGAREYAMA OTAKANOMORI	97.2	96.4	99.1	100.0	100.0	99.1
	R-17	PRIME SQUARE	100.0	100.0	100.0	100.0	100.0	100.0
	R-18	Winbel Chorus Seiseki Sakuragaoka	94.3	94.3	97.7	95.9	97.7	93.7
	R-19	Mare Isogo Building	—	—	100.0	100.0	100.0	100.0
	Total Residence			95.5	95.4	96.3	96.2	95.9
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
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	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	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
Portfolio Total			98.1	98.2	98.5	98.4	98.4	99.0

Appraisal Value

Asset type	Property number	Property name	Acquisition price (in million)	Period end book value (in million)	7th Fiscal Period			8th Fiscal Period			Difference			Appraisal value - book value (8th period end) (in million)
					Period end appraisal value (in million)	Appraisal NOI (in million)	Cap rate	Period end appraisal value (in million)	Appraisal NOI (in million)	Cap rate	Period end appraisal value (in million)	Appraisal NOI (in million)	Cap rate	
Office	O-01	NT Building	12,350	12,399	13,000	547	3.9	12,700	530	3.9	(300)	(17)	—	300
	O-02	Higashi-Ikebukuro Central Place	9,780	9,869	10,500	426	3.9	10,500	414	3.8	—	(12)	(0.1)	630
	O-03	Nagoya Center Plaza Building	4,870	5,198	5,020	267	4.9	5,130	266	4.8	110	(1)	(0.1)	(68)
	O-05	Omiya NSD Building	3,493	3,536	3,960	194	4.6	3,960	194	4.6	—	(0)	—	423
	O-07	Hakata Gion Building	2,500	2,475	2,850	124	4.2	2,960	130	4.2	110	6	—	484
	O-08	Chuo Bakuromachi Building (Note)	935	930	1,228	57	4.1	1,230	57	4.1	1	0	—	299
	O-09	L.Biz Jimbocho	1,006	1,011	1,140	45	3.8	1,140	44	3.7	—	(0)	(0.1)	128
	O-11	L.Biz Sendai	1,680	1,643	1,840	94	4.7	1,670	92	4.7	(170)	(2)	—	26
	O-12	Sendai Nikko Building	1,740	1,745	1,800	89	4.3	1,760	89	4.3	(40)	0	—	14
	O-18	Akasaka Kawase Building	690	713	751	28	3.5	753	28	3.5	2	0	—	39
	O-19	Yoyogi 1-Chome Building	1,850	1,928	2,040	74	3.4	2,110	74	3.3	70	(0)	(0.1)	181
	O-20	Kawagoe West Building	2,600	2,629	—	—	—	2,750	131	4.6	—	—	—	120
O-21	Hakata Reisenmachi Building	2,700	2,812	—	—	—	2,810	113	3.9	—	—	—	(2)	
Total Office			46,195	46,894	44,219	1,951	—	49,473	2,168	—	(216)	(27)	—	2,578
Residence	R-01	Amare Tokaidori	1,100	1,061	1,220	59	4.6	1,210	59	4.5	(10)	0	(0.1)	148
	R-02	Dormy Ukimafunado	1,080	1,087	1,130	57	4.5	1,110	57	4.5	(20)	(0)	—	22
	R-03	Benefis Hakata-Minami Grand Sweet	1,032	1,002	1,140	54	4.5	1,160	54	4.4	20	(0)	(0.1)	157
	R-04	LUXENA HIGASHI-KOENJI	1,060	1,075	1,120	44	3.8	1,140	44	3.7	20	(0)	(0.1)	64
	R-06	J City Hatchobori	1,200	1,188	1,280	64	4.8	1,280	64	4.8	—	0	—	91
	R-07	LUXENA HEIWADAI	3,910	3,878	4,410	179	3.9	4,430	175	3.8	20	(3)	(0.1)	551
	R-08	LUXENA KACHIDOKI	1,120	1,106	1,290	47	3.6	1,300	46	3.5	10	(1)	(0.1)	193
	R-09	LUXENA HON-ATSUGI	705	716	761	38	4.7	777	38	4.6	16	(0)	(0.1)	60
	R-10	LUXENA KADOMA	2,000	2,023	2,140	96	4.4	2,180	96	4.3	40	(0)	(0.1)	156
	R-11	LUXENA TODAKOEN	910	916	—	—	—	978	41	4.0	—	—	—	61
	R-12	LUXENA TODAKOEN II	1,200	1,206	—	—	—	1,260	52	4.0	—	—	—	53
	R-13	LUXENA AKIHABARA	2,300	2,313	—	—	—	2,450	85	3.3	—	—	—	136
	R-14	Fiore Residence Dejima Kaigan Dori	560	570	—	—	—	591	30	4.6	—	—	—	20
	R-15	LUXENA MUSASHI-SHINJO	1,900	1,909	—	—	—	1,980	81	4.0	—	—	—	70

(Note) The figures for the acquisition price, period end book value, period end appraisal value and appraisal NOI of Chuo Bakuromachi Building are shown for the 63% quasi-co-ownership interest held as of February 28, 2022, due to the transfer of 37% quasi-co-ownership interest in the property on February 1, 2022.

Asset type	Property number	Property name	Acquisition price (in million)	Period end book value (in million)	7th Fiscal Period			8th Fiscal Period			Difference			Appraisal value - book value (8th period end) (in million)
					Period end appraisal value (in million)	Appraisal NOI (in million)	Cap rate	Period end appraisal value (in million)	Appraisal NOI (in million)	Cap rate	Period end appraisal value (in million)	Appraisal NOI (in million)	Cap rate	
Residence	R-16	LUXENA NAGAREYAMA OTAKANOMORI	2,840	2,858	—	—	—	3,040	132	4.2	—	—	—	181
	R-17	PRIME SQUARE	620	628	—	—	—	734	33	4.3	—	—	—	105
	R-18	Winbel Chorus Seisekisakuragaoka	730	740	—	—	—	840	41	4.3	—	—	—	99
	R-19	MARE Isogo Building	1,900	1,977	—	—	—	2,130	103	4.6	—	—	—	152
Total Residence			26,167	26,261	14,491	643	—	28,590	1,239	—	96	(5)	—	2,328
Hotel	H-01	Dormy Inn Matsuyama	2,427	2,309	2,550	131	5.0	2,550	131	5.0	—	(0)	—	240
	H-02	Hotel Sunshine Utsunomiya	2,000	2,130	2,080	117	5.1	2,090	117	5.1	10	0	—	(40)
	H-03	Dormy Inn Morioka	2,520	2,414	2,570	130	4.9	2,570	130	4.9	—	0	—	155
	H-04	ACCESS by LOISIR HOTEL Nagoya	2,500	2,501	2,190	109	4.2	2,190	106	4.2	—	(2)	—	(311)
Total Hotel			9,447	9,356	9,390	488	—	9,400	485	—	10	(2)	—	43
Retail and Other Assets	C-01	Prio Daimyo II	980	998	1,120	46	4.0	1,120	47	4.1	—	1	0.1	126
	C-02	Co-op Sapporo Shunko	1,036	1,016	1,110	70	6.2	1,110	72	6.2	—	1	—	85
	C-03	TA Shonan Kugenmakaigan	500	504	570	27	4.7	570	27	4.7	—	0	—	64
	C-05	YAMADA web.com Matsuyama Toiyacho	4,030	4,005	4,410	300	6.8	4,410	300	6.8	—	—	—	388
	C-06	Kaden Sumairu Kan YAMADA KobeTarumi (Land)	4,227	4,277	4,360	208	4.8	4,350	208	4.8	(10)	(0)	—	82
	C-07	AEON STYLE Onomichi (Land)	900	929	1,040	48	4.7	1,040	48	4.7	—	—	—	110
	C-08	BIGMOTOR Sapporo Kiyota (Land)	1,610	1,648	1,790	(Note)	(Note)	1,790	(Note)	(Note)	—	(0)	—	141
	C-09	DCM Daiki Onomichi (Land)	1,170	1,192	1,240	65	5.3	1,240	65	5.3	—	—	—	47
	C-10	Cainz Omiya	2,520	2,551	2,580	125	4.4	2,590	125	4.4	10	0	—	23
	C-11	APiTA NAGOYA-MINAMI	7,800	7,890	—	—	—	8,250	402	4.6	—	—	—	359
	C-12	(Tentative name) BIGMOTOR Konosu (Land)	2,150	2,178	—	—	—	2,290	(Note)	(Note)	—	—	—	111
	Total Retail and Other Assets			26,923	27,193	18,220	893	—	28,760	1,298	—	—	2	—
Portfolio Total			108,732	109,705	86,230	3,976	—	116,223	5,191	—	(832)	(33)	—	6,517

(Note) 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).

8th Fiscal Period Balance Sheets

<Assets> (Unit: thousand JPY)	7th fiscal period	8th fiscal period
Current assets		
Cash and deposits	4,208,122	7,587,926
Cash and deposits in trust	1,624,896	2,570,032
Account receivable	94,259	91,074
Prepaid expenses	204,793	340,073
Consumption tax receivable	229,172	99,075
Other current assets	6,672	13,890
Total current assets	6,367,916	10,702,072
Fixed assets		
Tangible fixed assets		
Buildings, net	3,880,446	3,833,411
Structures, net	28,046	27,806
Machinery and equipment, net	42,786	41,598
Tools, furniture and fixtures, net	29,909	27,289
Land	6,280,425	6,280,425
Buildings in trust, net	18,732,625	25,071,194
Structures in trust, net	67,280	130,209
Tools, furniture and fixtures in trust, net	34,108	48,704
Land in trust	58,343,096	74,244,525
Construction in progress in trust	718	362
Total tangible assets	87,439,443	109,705,526
Intangible assets		
Leasehold in trust	-	-
Software	2,475	1,925
Total intangible assets	2,475	1,925
Investments and other assets		
Long-term prepaid expenses	442,788	866,666
Deferred tax assets	4,924	-
Security deposits	11,080	11,000
Other assets	10	10
Total investments and other assets	458,802	877,676
Total fixed assets	87,900,721	110,585,127
Deferred assets		
Investment unit issuance costs	13,268	31,898
Total deferred assets	13,268	31,898
Total assets	94,281,906	121,319,099

<Liabilities> (Unit: thousand JPY)	7th fiscal period	8th fiscal period
Current liabilities		
Operating accounts payable	312,492	339,756
Current portion of long-term loans payable	9,950,000	9,950,000
Current portion of tenant leasehold and security deposit in trust	50,973	62,103
Accounts payable	193,598	220,030
Accrued expenses	16,922	15,585
Income taxes payable	60,189	599
Advances received	20,491	23,628
Derivative liabilities	2,909	2,041
Other current liabilities	8,953	10,922
Total current liabilities	10,616,530	10,624,667
Non-current liabilities		
Long-term loans payable	33,450,000	47,350,000
Tenant leasehold and security deposits	205,535	205,625
Tenant leasehold and security deposits in trust	3,136,223	3,729,323
Asset retirement obligations	88,636	88,970
Total non-current liabilities	36,880,394	51,373,919
Total liabilities	47,496,925	61,998,586
<Net assets> (Unit: thousand JPY)		
Unitholders' equity		
Unitholders' capital	45,189,272	57,382,134
Deduction from unitholders' capital		
Allowance for temporary difference adjustment	(21,279)	(11,086)
Total deduction from unitholders' capital	(21,279)	(11,086)
Unitholders' capital, net	45,167,992	57,371,047
Surplus		
Retained earnings	1,619,897	1,951,506
Total surplus	1,619,897	1,951,506
Total unitholders' equity	46,787,890	59,322,554
Valuation and translation adjustments		
Deferred gains or losses on hedges	(2,909)	(2,041)
Total valuation and translation adjustments	(2,909)	(2,041)
Total net assets	46,784,980	59,320,513
Total liabilities and net assets	94,281,906	121,319,099

8th Fiscal Period Statements of Income / Statements of Cashflow Takara Leben Real Estate Investment Corporation

<Income Statement> (Unit: thousand JPY)	7th fiscal period	8th fiscal period
Operating revenue		
Rental revenue	2,427,281	3,155,564
Other rental revenue	177,464	154,224
Gain on sales of real estate properties	457,223	720,791
Total operating revenue	3,061,968	4,030,579
Operating expenses		
Expenses related to property rental business	943,498	1,049,365
Loss on sales of real estate property	-	555,207
Asset management fee	157,703	168,286
Asset custody and administrative service fees	19,162	25,419
Directors' compensation	2,400	2,400
Taxes and dues	42,830	81,478
Other operating expenses	52,384	55,244
Total operating expenses	1,217,979	1,937,401
Operating income	1,843,988	2,093,178
Non-operating income		
Interest income	44	36
Reversal of distributions payable	-	207
Refund of property taxes	-	1,531
Income from insurance claim	1,079	1,111
Others	0	-
Total non-operating income	1,124	2,885
Non-operating expenses		
Interest expenses	138,611	177,228
Borrowing related expenses	69,943	100,168
Amortization of investment unit issuance costs	15,178	11,687
Total non-operating expenses	223,733	289,084
Ordinary income	1,621,379	1,806,980
Income before income taxes	1,621,379	1,806,980
Income taxes		
Income taxes-current	60,196	605
Income taxes-deferred	(2,778)	4,924
Total income taxes	57,417	5,529
Net income	1,563,962	1,801,451
Retained earnings brought forward	55,935	150,055
Unappropriated retained earnings	1,619,897	1,951,506

<Statement of Cash Flows> (Unit: thousand JPY)	7th fiscal period	8th fiscal period
Cash flows provided by (used in) operating activities		
Income before income taxes	1,621,379	1,806,980
Depreciation	334,900	437,070
Amortization of investment unit issuance costs	15,178	11,687
Borrowing related expenses	63,803	90,999
Interest income	(44)	(36)
Interest expense	138,611	177,228
Decrease (increase) in operating accounts receivable	(37,593)	13,276
Decrease (increase) in consumption tax receivable	(229,172)	130,096
Increase (decrease) in consumption tax payable	(319,699)	-
Decrease (increase) in prepaid expenses	(43,433)	(94,855)
Decrease (increase) in long-term prepaid expenses	(126,188)	(347,959)
Increase (decrease) in operating accounts payable	51,357	(32,708)
Increase (decrease) in accounts payable	7,665	18,341
Increase (decrease) in advances received	9,295	3,136
Decrease due to disposal of properties	5,211,461	6,270,270
Others	(508)	(4,779)
Sub total	6,697,012	8,478,749
Interest income received	44	36
Interest expenses paid	(137,630)	(178,564)
Income taxes paid	(26,799)	(60,195)
Net cash provided by operating activities	6,532,626	8,240,025
Cash flows provided by (used in) investing activities		
Purchases of property, plant and equipment	(5,825,212)	(37,730)
Purchase of property, plant and equipment in trust	(4,625,153)	(28,862,664)
Proceeds from refund of leasehold and guarantee deposits in trust	-	80
Payments of tenant leasehold and security deposits	(80)	-
Proceeds from tenant leasehold and security deposits received	27,406	88
Repayments of tenant leasehold and security deposits	(268)	-
Proceeds from tenant leasehold and security deposits in trust	37,725	224,807
Repayments of tenant leasehold and security deposits in trust	(151,929)	(66,197)
Net cash used in investing activities	(10,537,511)	(28,741,616)
Cash flows provided by (used in) financing activities		
Proceeds from long-term loans	9,856,825	13,691,832
Repayments of long-term loans	(10,000,000)	-
Proceeds from issuance of investment units	-	12,171,458
Distributions paid	(1,433,027)	(1,459,784)
Net cash used in financing activities	(1,576,202)	24,403,507
Net increase (decrease) in cash and cash equivalents	(5,581,087)	3,901,916
Cash and cash equivalents at the beginning of the period	9,039,193	3,458,106
Cash and cash equivalents at the end of the period	3,458,106	7,360,022

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
					
Days in operation	181	181	181	181	79
① Operating revenue from real estate leasing	305,528	267,137	194,806	128,589	43,473
Lease business revenue	283,258	241,381	170,273	121,438	40,889
Other lease business revenue	22,270	25,756	24,532	7,150	2,583
② Operating expenses from real estate leasing	76,568	48,082	77,699	33,483	19,039
Management fee	19,999	10,529	27,935	12,816	3,384
Utilities expenses	21,964	15,353	17,860	6,688	2,591
Taxes and dues	24,830	14,512	15,899	7,745	7,111
Insurance premium	673	400	607	210	110
Repair expenses	8,652	6,803	14,750	5,660	5,643
Trust fee	400	375	300	300	173
Other expenses	47	108	345	61	25
③ NOI (①-②)	228,960	219,055	117,106	95,106	24,433
④ Depreciation	39,204	28,500	28,291	7,765	5,648
⑤ Operating income (loss) from real estate leasing (③-④)	189,755	190,554	88,814	87,340	18,784
⑥ Acquisition price	12,350,000	9,780,000	4,870,000	3,493,900	3,450,000
⑦ NOI yield (%・Annualized)	3.74	4.52	4.85	5.49	3.27

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
					
Days in operation	181	[63%]181 [37%]153	181	169	181
① Operating revenue from real estate leasing	92,652	60,620	26,984	25,173	70,143
Lease business revenue	84,784	53,864	26,527	21,435	62,157
Other lease business revenue	7,868	6,756	457	3,738	7,985
② Operating expenses from real estate leasing	25,469	23,195	4,216	12,724	19,225
Management fee	7,085	6,171	1,780	3,480	8,127
Utilities expenses	6,203	5,614	-	2,963	5,532
Taxes and dues	7,393	9,814	1,736	5,616	4,909
Insurance premium	181	201	30	83	173
Repair expenses	4,168	660	339	163	146
Trust fee	400	397	300	370	300
Other expenses	37	335	30	45	35
③ NOI (①-②)	67,183	37,425	22,768	12,448	50,917
④ Depreciation	12,053	4,045	2,789	3,725	9,000
⑤ Operating income (loss) from real estate leasing (③-④)	55,129	33,379	19,979	8,723	41,917
⑥ Acquisition price	2,500,000	1,485,100	1,006,000	772,000	1,680,000
⑦ NOI yield (%・Annualized)	5.42	5.39	4.56	3.48	6.11

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
					
Days in operation	181	49	177	181	181
① Operating revenue from real estate leasing	67,272	11,406	27,022	18,735	42,658
Lease business revenue	61,945	10,879	24,563	17,915	42,658
Other lease business revenue	5,327	527	2,459	820	-
② Operating expenses from real estate leasing	19,700	7,344	19,131	4,545	1,619
Management fee	5,471	1,794	7,526	2,220	1,182
Utilities expenses	5,352	478	3,944	754	-
Taxes and dues	7,384	2,724	4,498	1,396	-
Insurance premium	134	51	125	24	49
Repair expenses	826	994	2,697	134	-
Trust fee	450	82	293	-	375
Other expenses	82	1,219	45	16	13
③ NOI (①-②)	47,572	4,062	7,891	14,190	41,038
④ Depreciation	5,644	3,552	7,580	967	3,751
⑤ Operating income (loss) from real estate leasing (③-④)	41,928	509	311	13,222	37,286
⑥ Acquisition price	1,740,000	898,000	600,000	690,000	1,850,000
⑦ NOI yield (%・Annualized)	5.51	3.37	2.71	4.15	4.47

Profit and Loss by Property

(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	180	180	181	181	181
① Operating revenue from real estate leasing	88,487	68,888	34,786	31,851	35,219
Lease business revenue	82,697	68,468	34,504	31,836	34,482
Other lease business revenue	5,790	420	282	14	736
② Operating expenses from real estate leasing	12,573	12,371	6,663	3,335	7,517
Management fee	6,570	9,290	3,176	313	2,947
Utilities expenses	5,087	1,779	274	10	285
Taxes and dues	0	0	2,153	1,661	2,597
Insurance premium	102	101	90	68	86
Repair expenses	399	858	484	950	1,268
Trust fee	397	297	300	300	300
Other expenses	15	42	183	30	32
③ NOI (①-②)	75,913	56,517	28,122	28,515	27,701
④ Depreciation	8,370	9,738	9,066	2,975	6,746
⑤ Operating income (loss) from real estate leasing (③-④)	67,543	46,779	19,056	25,539	20,955
⑥ Acquisition price	2,600,000	2,700,000	1,100,000	1,080,000	1,032,000
⑦ NOI yield (%・Annualized)	5.92	4.24	5.16	5.32	5.41

Profit and Loss by Property

(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	181	181	181	181	181
① Operating revenue from real estate leasing	29,041	40,588	109,280	26,189	27,243
Lease business revenue	27,737	40,057	105,633	24,753	25,794
Other lease business revenue	1,304	530	3,647	1,436	1,449
② Operating expenses from real estate leasing	8,446	8,018	20,728	7,939	7,176
Management fee	3,437	2,449	9,998	4,308	2,472
Utilities expenses	237	304	1,856	230	853
Taxes and dues	1,528	2,885	5,141	1,089	1,038
Insurance premium	44	86	200	47	62
Repair expenses	2,866	1,959	3,064	1,856	2,734
Trust fee	300	300	375	375	-
Other expenses	31	32	92	31	16
③ NOI (①-②)	20,595	32,570	88,552	18,250	20,066
④ Depreciation	3,983	5,009	11,776	4,766	3,388
⑤ Operating income (loss) from real estate leasing (③-④)	16,611	27,561	76,775	13,484	16,677
⑥ Acquisition price	1,060,000	1,200,000	3,910,000	1,120,000	705,000
⑦ NOI yield (%・Annualized)	3.92	5.47	4.57	3.29	5.74

Profit and Loss by Property

(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	181	180	180	180	180
① Operating revenue from real estate leasing	68,607	25,741	34,233	49,485	18,608
Lease business revenue	64,794	25,016	33,697	47,644	17,893
Other lease business revenue	3,813	725	535	1,841	715
② Operating expenses from real estate leasing	8,603	3,228	3,519	6,603	4,619
Management fee	5,527	2,216	2,663	5,340	1,613
Utilities expenses	2,278	229	308	345	775
Taxes and dues	-	1	1	1	2
Insurance premium	168	45	71	76	59
Repair expenses	614	424	162	384	1,858
Trust fee	-	297	297	297	297
Other expenses	15	12	12	156	13
③ NOI (①-②)	60,003	22,512	30,714	42,882	13,988
④ Depreciation	16,094	5,280	6,343	6,369	3,481
⑤ Operating income (loss) from real estate leasing (③-④)	43,909	17,231	24,370	36,512	10,507
⑥ Acquisition price	2,000,000	910,000	1,200,000	2,300,000	560,000
⑦ NOI yield (%・Annualized)	6.05	5.02	5.19	3.78	5.07

Profit and Loss by Property

(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	180	180	180	180	96
① Operating revenue from real estate leasing	49,201	89,326	18,810	28,020	32,941
Lease business revenue	49,198	82,431	18,810	27,237	32,897
Other lease business revenue	2	6,894	-	782	44
② Operating expenses from real estate leasing	4,580	12,147	854	5,073	2,555
Management fee	3,875	8,752	188	3,020	2,061
Utilities expenses	296	1,521	-	630	201
Taxes and dues	5	2	1	1	5
Insurance premium	89	185	45	72	70
Repair expenses	-	1,305	239	942	55
Trust fee	297	372	372	372	157
Other expenses	14	7	7	33	2
③ NOI (①-②)	44,621	77,179	17,955	22,947	30,386
④ Depreciation	8,455	17,702	3,247	3,062	5,977
⑤ Operating income (loss) from real estate leasing (③-④)	36,165	59,477	14,708	19,884	24,408
⑥ Acquisition price	1,900,000	2,840,000	620,000	730,000	1,900,000
⑦ NOI yield (%・Annualized)	4.76	5.51	5.87	6.37	6.08






Profit and Loss by Property

(Unit: thousand JPY)

Property name	H-01	H-02	H-03	H-04	C-01
	Dormy Inn Matsuyama	Hotel Sunshine Utsunomiya	Dormy Inn Morioka	ACCESS by LOISIR HOTEL Nagoya	Prio Daimyo II
					
Days in operation	181	181	181	181	181
① Operating revenue from real estate leasing	76,500	63,994	74,958	2,473	30,433
Lease business revenue	76,500	63,994	74,958	2,473	27,094
Other lease business revenue	-	-	-	-	3,339
② Operating expenses from real estate leasing	9,315	11,070	8,231	7,371	6,601
Management fee	765	364	749	1,144	1,626
Utilities expenses	900	-	-	-	2,340
Taxes and dues	6,849	4,729	7,268	5,713	1,776
Insurance premium	165	186	198	95	21
Repair expenses	300	5,351	-	-	399
Trust fee	300	400	-	375	400
Other expenses	34	38	15	43	37
③ NOI (①-②)	67,184	52,924	66,726	(4,898)	23,832
④ Depreciation	19,220	18,909	27,227	10,978	1,320
⑤ Operating income (loss) from real estate leasing (③-④)	47,963	34,014	39,499	(15,876)	22,512
⑥ Acquisition price	2,427,000	2,000,000	2,520,000	2,500,000	980,000
⑦ NOI yield (%・Annualized)	5.58	5.34	5.34	(0.40)	4.90






Profit and Loss by Property

(Unit: thousand JPY)

Property name	C-02	C-03	C-05	C-06	C-07
	Co-op Sapporo Shunko	TA Shonan Kugenmakaigan	YAMADA web.com Matsuyama Toiyacho	Kaden Sumairu Kan YAMADA KobeTarumi (Land)	AEON STYLE Onomichi (Land)
					
Days in operation	181	181	181	181	181
① Operating revenue from real estate leasing	41,760	17,498	(Note 1)	(Note 1)	28,566
Lease business revenue	41,760	15,816	(Note 1)	(Note 1)	28,566
Other lease business revenue	-	1,681	(Note 1)	(Note 1)	-
② Operating expenses from real estate leasing	4,807	3,397	(Note 1)	(Note 1)	157
Management fee	417	1,067	(Note 1)	(Note 1)	142
Utilities expenses	-	1,383	(Note 1)	(Note 1)	-
Taxes and dues	3,792	914	(Note 1)	(Note 1)	-
Insurance premium	111	16	(Note 1)	(Note 1)	-
Repair expenses	155	-	(Note 1)	(Note 1)	-
Trust fee	300	-	(Note 1)	(Note 1)	-
Other expenses	31	15	(Note 1)	(Note 1)	14
③ NOI (①-②)	36,952	14,101	150,511	103,721	28,408
④ Depreciation	7,760	1,365	15,654	-	-
⑤ Operating income (loss) from real estate leasing (③-④)	29,192	12,735	134,856	103,721	28,408
⑥ Acquisition price	1,036,000	500,000	4,030,000	4,227,000	900,000
⑦ NOI yield (%・Annualized)	7.19	5.69	7.53	4.95	6.37

Profit and Loss by Property

(Unit: thousand JPY)

Property name	C-08	C-09	C-10	C-11	C-12
	BIGMOTOR Sapporo Kiyota (Land)	DCM Daiki Onomichi (Land)	Cainz Omiya	APITA NAGOYA-MINAMI	(Tentative name) BIGMOTOR Konosu (Land)
					
Days in operation	181	181	181	180	180
① Operating revenue from real estate leasing	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Lease business revenue	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other lease business revenue	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
② Operating expenses from real estate leasing	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Management fee	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Utilities expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Taxes and dues	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Insurance premium	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Repair expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Trust fee	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
Other expenses	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)
③ NOI (①-②)	39,222	(Note 1)	68,989	234,681	29,039
④ Depreciation	-	-	9,347	20,375	-
⑤ Operating income (loss) from real estate leasing (③-④)	39,222	(Note 1)	59,642	214,305	29,039
⑥ Acquisition price	1,610,000	1,170,000	2,520,000	7,800,000	2,150,000
⑦ NOI yield (%・Annualized)	4.91	(Note 1)	5.52	6.10	2.74 (Note 2)

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

(Note 2) Calculated using an amount discounted to half due to the rent reduction period until January 2022.

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

(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

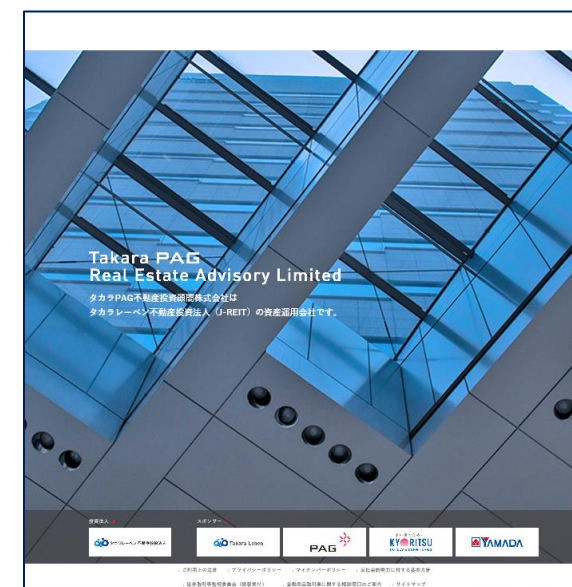
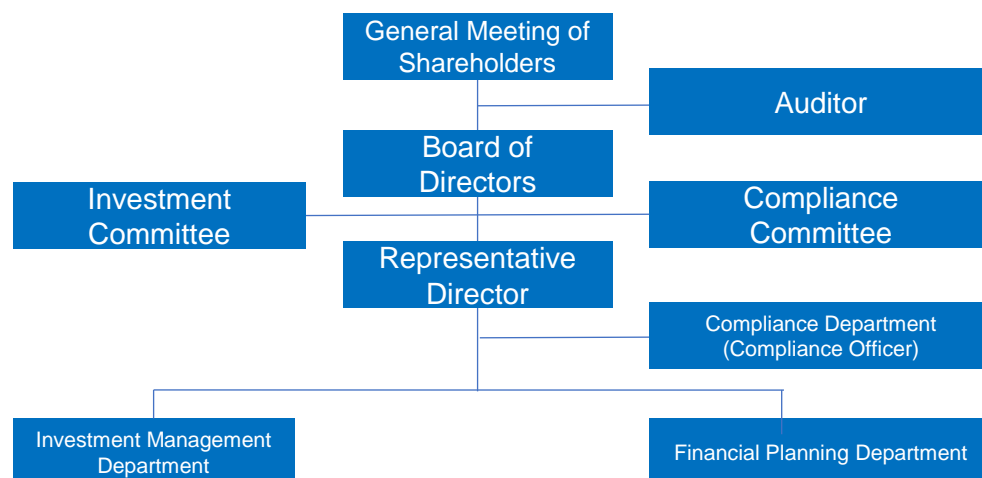
FFO per unit = FFO / Total number of investment units issued and outstanding

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

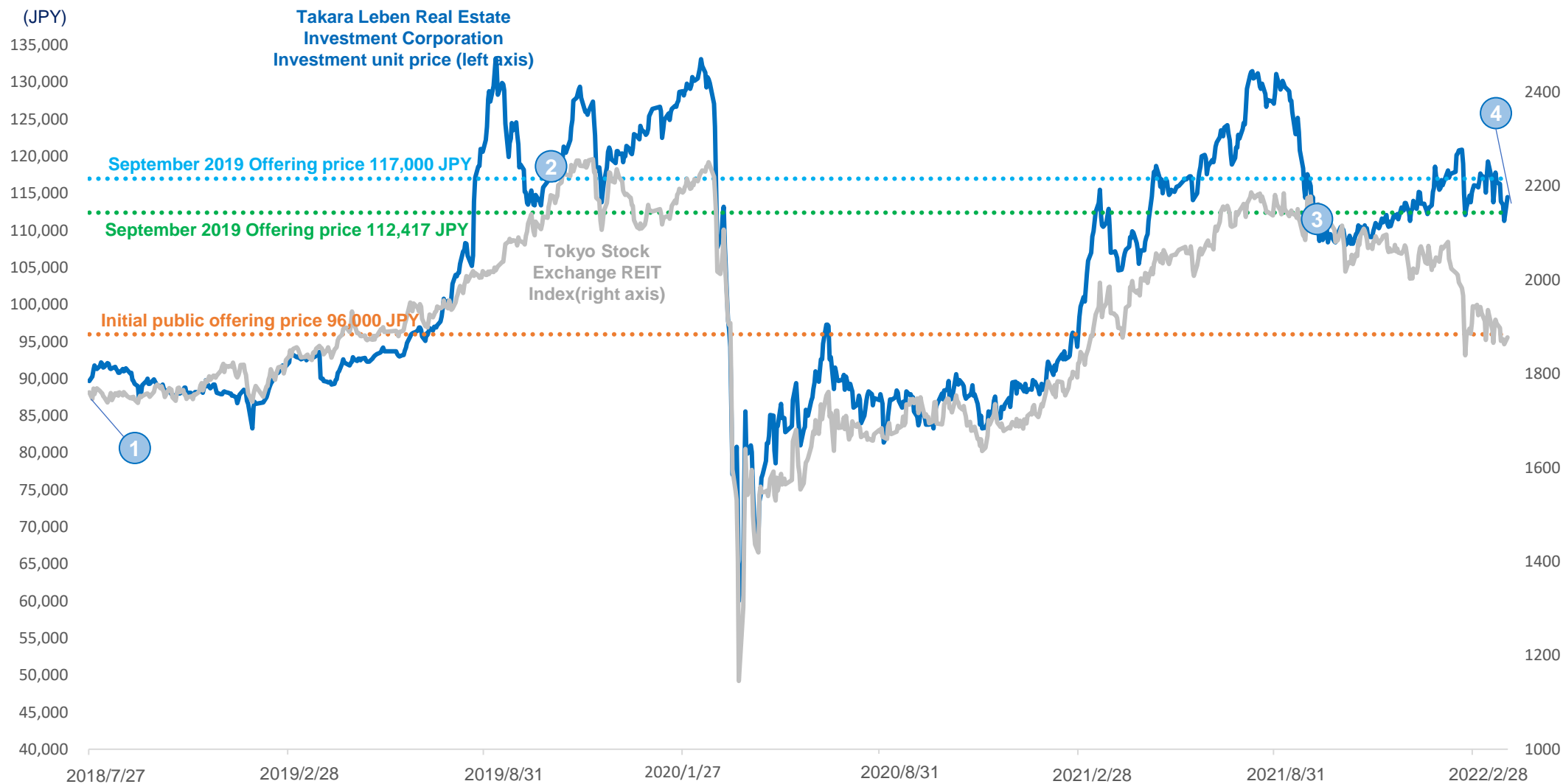
NAV per unit = (Net assets at the end of the period - Total distributions to be paid + Total appraisal value of real estate, etc. - Total book value of real estate, etc. at the end of the period) / Total number of investment units issued and outstanding

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%)



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

Investment Unit Price Trends Since Listing



1

IPO
(July 27, 2018)

- Listed with 27 properties worth 64 billion JPY

2

Acquisition of 6 properties through public offering
(As of September 3, 2019)

- Acquired 6 properties for approx. 22.33 billion JPY

3

Acquisition of 6 properties through public offering
(September 2, 2021)

- Acquired 12 properties for approx. 26.3 billion JPY

4

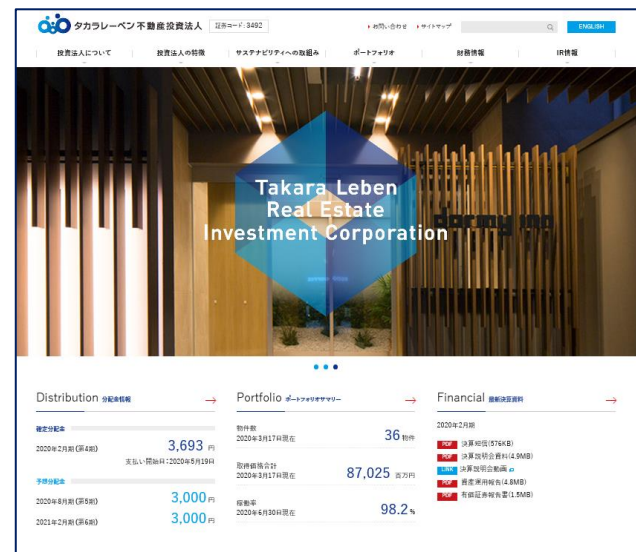
Selected for inclusion in a global index
(March 2, 2022)

- Selected for new inclusion in EPRA Nareit



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