

Summary of Financial Results for the 2nd Fiscal Period Ended July 31, 2022 (REIT)

September 16, 2022

REIT	Securities	Issuer	Tokaido REIT, Inc.	Listed Stock Exchange	Tokyo Stock Exchange
Securities	Code	2989	URL	https://www.tokaido-reit.co.jp/en/	
Representative		(Title)	Executive Director	(Name)	Yoichi Egawa
Asset	Manager	Tokaido REIT Management Co., Ltd.			
Representative		(Title)	Representative Director and President	(Name)	Yoichi Egawa
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Scheduled Date to File Securities Report	October 27, 2022			Scheduled Date to Commence Distribution Payments	October 24, 2022

Supplemental Information for Financial Statements: Scheduled

Investor Meeting Presentation: Scheduled (for institutional investors and analysts)

(Values are rounded down to the nearest million JPY)

1. Status of operations and assets for the fiscal period ended July 2022 (from February 1, 2022 to July 31, 2022)

(1) Operating Results (% represents the change from the previous fiscal period)

	Operating revenue		Operating profit		Ordinary profit		Net profit	
	million JPY	%	million JPY	%	million JPY	%	million JPY	%
Fiscal period ended 07/31/2022	1,116	(16.9)	622	(24.0)	561	29.2	560	29.6
01/31/2022	1,343	-	819	-	434	-	432	-

	Net profit per investment unit	Net profit to net assets (ROE)	Ratio of ordinary profits to total assets	Ratio of ordinary profits to operating revenue
	JPY	%	%	%
Fiscal period ended 07/31/2022	3,170	3.2	1.6	50.3
01/31/2022	3,844	5.0	2.5	32.3

(note 1) The calculation period for Tokaido Reit Investment Corporation for the fiscal period ended January 2022 was 365 days, from February 1, 2021, to January 31, 2022. However, the first fiscal period commenced operation from the acquisition date of the first property (Marunouchi Enble Court) on March 30, 2021, making the actual operating days 308 days.

(note 2) Net profit per investment units are calculated by dividing the net profit by the daily weighted average number of investment units (112,501 units). Additionally, the net profit per unit for the current period calculated using the daily weighted average number of investment units (130,912 units), assuming the start of the period was the acquisition date of the first property (Marunouchi Enble Court) on March 30, 2021, is JPY3,304.

(2) Distributions

	Distributions per unit (excluding surplus cash distributions)	Total distributions (excluding surplus cash distributions)	Surplus cash distributions per unit	Total surplus cash distributions	Payout ratio	Ratio of distributions to net assets
	JPY	million JPY	JPY	million JPY	%	%
Fiscal period ended 07/31/2022	3,170	560	-	-	100.0	3.2
01/31/2022	2,446	432	-	-	100.0	5.0

(note) The payout ratio of FP January 2022 is calculated using the following formula and rounded to one decimal place, as the number of investment units fluctuated during the period due to the issuance of new investment units.

Payout Ratio = Total Distributions (excluding surplus cash distributions) / Net profit x 100

(3) Financial position

	Total assets	Net assets	Net assets to total assets (equity ratio)	Net assets per unit
	million JPY	million JPY	%	JPY
Fiscal period ended 07/31/2022	34,200	17,589	51.4	99,485
01/31/2022	34,456	17,461	50.7	98,761

(4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	million JPY	million JPY	million JPY	million JPY
Fiscal period ended 07/31/2022	970	(118)	(781)	2,049
01/31/2022	520	(31,448)	32,906	1,979

2. Operating forecast for the fiscal period ending January 2023 (from August 1, 2022 to January 31, 2023) and the fiscal period ending July 2023 (from February 1, 2023 to July 31, 2023)

(% represents the change from the previous fiscal period)

	Operating revenue		Operating profit		Ordinary profit		Net profit		Distributions per unit (excluding surplus cash distributions)	Surplus cash distributions per unit
	million JPY	%	million JPY	%	million JPY	%	million JPY	%	JPY	JPY
Fiscal period ending 01/31/2023	1,130	1.3	631	1.5	566	1.0	565	1.0	3,200	-
07/31/2023	1,137	0.6	631	(0.1)	566	0.0	565	0.0	3,200	-

(Reference) Forecast net profit per unit (forecast net profit divided by the forecast total number of investment units issued and outstanding at end of period)

(Fiscal period ending January 2023) 3,200 JPY (Fiscal period ending July 2023) 3,200 JPY

(Note) The distributions per unit (excluding surplus cash distributions) is calculated based on a forecast total of 176,800 investment units issued and outstanding at end of the FP July 2022.

* Other

(1) Changes in accounting policies, changes in accounting estimates and restatements

(A) Changes in accounting policies due to revision of accounting standards: None

(B) Changes in accounting policies due to reasons other than (A): None

(C) Changes in accounting estimates: None

(D) Restatements: None

(2) Total number of investment units issued and outstanding at present

(A) Total number of investment units issued as of the end of each period (including treasury investment units)

Fiscal period ended 7/31/2022	176,800 units	Fiscal period ended 01/31/2022	176,800 units
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(B) Total number of treasury investment units issued and outstanding at the end of each period

Fiscal period ended 7/31/2022	0 units	Fiscal period ended 01/31/2022	0 units
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* This summary of financial results is not subject to audit by certified public accountants or external audit procedures.

* Special remarks

The forward-looking statements in this report concerning operating forecasts are based on information currently available to Tokaido REIT and forecasts based on certain assumptions deemed reasonable at the time of the preparation of this report. Accordingly, due to various factors, actual operating conditions may differ significantly from these forecasts. In addition, the forecasts are not a guarantee of the amount of distributions.

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1. Operations

(1) Operations

(Overview for the fiscal period)

(A) Main trends related to Tokaido REIT

Tokaido REIT, Inc. (hereinafter the "Tokaido REIT") is an investment corporation established on February 1, 2021, by Tokaido REIT Management Co., Ltd. (hereinafter the "Asset Manager"), based on the Act on Investment Trusts and Investment Corporations (Act No. 198 of the year 1951, as amended, hereinafter the "Investment Trust Act"). It was established with 200 million JPY in unitholders' capital (2,000 units). On February 24, 2021, it was registered with the Kanto Local Finance Bureau following Article 187 of the Investment Trust Act (Registration Number: No. 152 of Director-General of the Kanto Local Finance Bureau).

Tokaido REIT issued new investment units (11,940 units) through a private placement with a stock payment date of March 29, 2021, and then additional new investment units (162,860 units) through a public offering with a stock payment date of June 21, 2021. On June 22, 2021, Tokaido REIT was listed on the Real Estate Investment Trust Securities Market of Tokyo Stock Exchange, Inc. (Securities Code: TSE 2989).

As a result, as of the end of the current fiscal period (July 31, 2022), 176,800 investment units have been issued.

Tokaido REIT is a real estate investment corporation focusing on investing in real estate assets in the Greater Tokaido region (consisting of the Tokaido region (Note 1) and the Tokaido vicinity (Note 2); the same applies hereinafter), backed by the region's powerful economy. This area along the Tokaido road, which connects hub cities in eastern and western Japan, accounts for over 60 percent of the GDP of Japan (as of 2021). Tokaido REIT aims to improve unitholder value while contributing to the further revitalization of regional economies and the development of industries. Tokaido REIT focuses on core investments in the industrial area around Shizuoka, which spans multiple prefectures and is home to Japan's top industries (this area consists of the prefectures of Shizuoka, Aichi and Mie. The same applies hereinafter.) (Note 3) and in the Tokaido vicinity. In addition, Tokaido REIT has sponsors, including industrial, logistics, infrastructure, and financial and real estate companies operating in the Greater Tokaido region, mainly in Shizuoka Prefecture. Tokaido REIT aims to maximize unitholder value by utilizing each sponsor's knowledge and expertise regarding real estate assets and their specific areas of industry.

(Note 1) The "Tokaido region" refers to Shizuoka, Aichi, Mie, Tokyo, Kanagawa, Gifu, Shiga, Kyoto, and Osaka Prefectures.

(Note 2) The "Tokaido vicinity" refers to Chiba, Saitama, Yamanashi, Nagano, Hyogo, Nara, and Wakayama Prefectures, which are adjacent to the Tokaido region.

(Note 3) As Yoshicon Co., Ltd. (TSE:5280, hereinafter occasionally referred to as "Yoshicon"), the main sponsor of Tokaido REIT, is based in Shizuoka Prefecture, and Tokaido REIT also places particular focus on Shizuoka Prefecture in its investment, "industrial region with Shizuoka at the core" is used as a term collectively referring to Shizuoka, Aichi and Mie prefectures.

(B) Operating environment

[Omitted]

(C) Operations

As of the end of the current fiscal period, Tokaido REIT possesses 9 assets under management, with a total acquisition price (Note) of 30,930 million JPY.

As of the end of the current fiscal period, the total leasable area of the 9 assets under management is 223,253.57 m², the total leased area is 222,469.55 m², and the occupancy rate is 99.6%.

(Note) "Acquisition price" indicates the sale and purchase prices (excluding national consumption tax, local consumption tax, brokerage commissions, and other various expenses) for the properties or trust beneficiary rights as indicated in the sale and purchase agreements for the owned assets.

(D) Fund procurement

(Debt finance)

During the current fiscal period, Tokaido REIT borrowed 2,600 million JPY equivalent to the amount of loans that matured during the current period. And, it made a prepayment of 350 million yen on existing debt.

As a result, the balance of loans at the end of the current fiscal period (July 31, 2022) was 15,600 million JPY, and the loan-to-value ratio (hereinafter the "LTV") was 45.6%.

(E) Summary of performance

As a result of the operations above, operating revenue was 1,116 million JPY, operating profit was 622 million JPY, ordinary profit was 561 million JPY, and net profit was 560 million JPY. In accordance with Tokaido REIT's policy on the distribution of cash (Article 25 of the Articles of Incorporation), Tokaido REIT intends to include the maximum value of distributed profits in expenses by applying special provisions for taxation on investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended)). The total amount of unappropriated income for the current fiscal period, excluding distributions of less than one JPY per investment unit, was set to 560,456,000 JPY. Hence, distributions per investment unit amounted to 3,170 JPY.

(Outlook for the next fiscal period)

(A) Outlook for operations as a whole

(a) External growth strategy

Tokaido REIT has nine sponsor companies. Those consist of industrial companies, logistics companies, infrastructure companies, and financial and real estate companies. Those companies operate mainly in Shizuoka Prefecture and support the region, one of Japan's concentrated industrial clusters. This framework backs the growth of Tokaido REIT by leveraging each sponsor company's strengths.

Among Tokaido REIT's sponsors, Yoshicon, an industrial sponsor, is the primary sponsor. The sponsor offers support mainly for the external growth of Tokaido REIT by providing Tokaido REIT and the Asset Manager with preferential property information, preferential negotiation rights, and warehousing functions (Note). Furthermore, Tokaido REIT and the Asset Manager can also receive selling information regarding properties owned by third parties from the other sponsors. Those sponsors are, respectively:

A) Industrial sponsor companies: Kiuchi Construction Co., Ltd. and JDC Corporation

B) Logistics sponsor companies: Suzuyo & Co., Ltd. and Seiwa Kaiun Co., Ltd.

C) Infrastructure sponsor companies: Shizuoka Gas Co., Ltd.

D) Financial and real estate sponsor companies: Shizuoka Fudosan K.K.

Tokaido REIT was granted preferential negotiation rights for the 'Matsusaka Logistics Center' as of September 16, 2022, through a proprietary acquisition channel unique to the Asset Manager. (Note)

Tokaido REIT aims to expand its asset size while leveraging the sponsor companies' support and the Asset Manager's unique acquisition routes.

(Note) Tokaido REIT has no obligation to acquire the property, nor is there any guarantee that it will be able to acquire the property.

(b) Internal growth strategy

Among Tokaido REIT's sponsors, Yoshicon, an industrial company, provides Tokaido REIT and the Asset Manager with property management operations, leasing, and other support for internal growth. Tokaido REIT and the Asset Manager can also receive support for the internal growth from the other eight sponsors (listed in (a) External growth strategy) along with Yoshicon.

Tokaido REIT aims to improve the stability of its revenue stream and maximize its earning power of the unitholder value by performing appropriate asset management as an Asset Manager while leveraging the support of our sponsor companies.

(c) Financial strategy

Tokaido REIT drives to achieve continuous growth by issuing new investment units in line with the external growth to build an asset management platform with medium- and long-term stability and improve the efficiency of our asset management and financial performance. In this viewpoint, for issuing the new investment units, Tokaido REIT comprehensively takes into account the profitability of assets under management, the timing of asset acquisition, LTV standards, interest-bearing debt repayment plans, and the like, applying a wide range of perspectives. Moreover, Tokaido REIT considers investment unit prices and each unitholder's decline in proportional shares (dilution of shares) that results from the new investment units'

issuance while deciding based on current financial and real estate market conditions. Tokaido REIT also adjusts its ratio of fixed and variable interest rates based on the interest rates of the financial market. In its borrowings, Tokaido REIT makes an effort to lower refinancing risk by diversifying repayment dates, using long repayment periods, and reducing and fixing loan interest rates.

(B) Important matters which occurred following the settlement of accounts

None

(C) Operating forecasts

Below are the operating forecasts for Tokaido REIT for the fiscal period ending January 2023 (from August 1, 2022 to January 31, 2023) and the fiscal period ending July 2023 (from February 1, 2023 to July 31, 2023).

	Operating revenue	Operating profit	Ordinary profit	Net profit	Distributions per unit (excluding surplus cash distributions)	Surplus cash distributions per unit
	million JPY	million JPY	million JPY	million JPY	JPY	JPY
Fiscal period ending 01/31/2023	1,130	631	566	565	3,200	—
07/31/2023	1,137	631	566	565	3,200	—

2. Financial Statements

(1) Balance Sheets

(Unit: thousand JPY)

	Previous (1st) fiscal period (January 31, 2022)	Current (2nd) fiscal period (July 31, 2022)
Assets		
Current assets		
Cash and deposits	715,552	789,166
Cash and deposits in trust	1,264,011	1,260,256
Operating accounts receivable	37,210	44,240
Prepaid expenses	32,097	50,433
Consumption taxes receivable	388,838	—
Other	59	30
Total current assets	2,437,770	2,144,128
Non-current assets		
Tangible non-current assets		
Buildings	1,079,390	1,079,837
Accumulated depreciation	(22,712)	(36,514)
Buildings (net)	1,056,677	1,043,323
Structures	4,492	4,492
Accumulated depreciation	(72)	(113)
Structures (net)	4,419	4,379
Equipment	1,404	1,404
Accumulated depreciation	(256)	(410)
Equipment (net)	1,148	994
Land	2,482,317	2,482,317
Buildings in trust	7,839,470	7,868,786
Accumulated depreciation	(129,822)	(227,848)
Buildings in trust (net)	7,709,647	7,640,938
Structures in trust	194,634	194,634
Accumulated depreciation	(4,475)	(7,874)
Structures in trust (net)	190,158	186,759
Equipment in trust	11,255	18,679
Accumulated depreciation	(391)	(1,658)
Equipment in trust (net)	10,864	17,021
Land in trust	18,130,418	18,134,097
Total tangible non-current assets	29,585,652	29,509,831
Intangible non-current assets		
Leasehold rights in trust	2,076,544	2,076,544
Total intangible non-current assets	2,076,544	2,076,544
Investments and other assets		
Investment Securities	—	102,230
Long-term prepaid expenses	43,529	54,498
Security and guarantee deposits	313,063	313,063
Deferred tax assets	29	12
Total investments and other assets	356,622	469,804
Total non-current assets	32,018,819	32,056,180
Total assets	313,063	313,063

(Unit: thousand JPY)

	Previous (1st) fiscal period (January 31, 2022)	Current (2nd) fiscal period (July 31, 2022)
Liabilities		
Current liabilities		
Operating accounts payable	87,156	66,649
Short-term borrowings	2,950,000	3,200,000
Accounts payable-other	117,628	82,815
Accrued income taxes	1,831	866
Accrued consumption taxes, etc.	—	41,318
Accrued expenses	8,259	8,669
Advances received	155,328	154,460
Deposits	19,939	2,871
Total current liabilities	3,340,144	3,557,652
Non-current liabilities		
Long-term borrowings	13,000,000	12,400,000
Security and guarantee deposits received	61,007	60,179
Security and guarantee deposits in trust received	594,343	593,371
Total non-current liabilities	13,655,350	13,053,551
Total liabilities	16,995,495	16,611,203
Net assets		
Investor capital		
Unitholders' capital	17,028,560	17,028,560
Retained earnings		
Unappropriated retained earnings	432,534	560,544
Total retained earnings	432,534	560,544
Total investor capital	17,461,094	17,589,104
Total net assets	※ 1 17,461,094	※ 1 17,589,104
Total liabilities and net assets	34,456,589	34,200,308

(2) Statements of Income

(Unit: thousand JPY)

	Previous (1st) fiscal period From February 1, 2021 to January 31, 2022	Current (2nd) fiscal period From February 1, 2022 to July 31, 2022
Operating revenue		
Leasing business revenue	※ 1 1,315,908	※ 1 1,089,647
Other leasing business revenue	※ 1 28,035	※ 1 26,444
Dividend income	—	504
Total operating revenue	1,343,943	1,116,595
Operating expenses		
Leasing business expenses	※ 1 382,740	※ 1 378,713
Asset management fees	82,526	66,667
Asset custody fees	2,010	1,210
Administrative service fees	8,213	13,543
Directors' compensation	3,800	2,400
Audit fees	4,965	4,965
Other operating expenses	40,465	26,755
Total operating expenses	524,719	494,254
Operating profit	819,224	622,340
Non-operating income		
Interest income	3	8
Interest on refunds	3	47
Total non-operating income	3	56
Non-operating expenses		
Interest expenses	54,169	45,458
Financing fees	198,540	15,590
Amortization on investment unit issuance expenses	71,853	—
Amortization of Organization Costs	60,327	—
Total non-operating expenses	384,890	61,049
Ordinary profit	434,337	561,348
Net profit before taxes	434,337	561,348
Income taxes-current	1,832	867
Income taxes-deferred	(29)	17
Total income taxes	1,802	885
Net profit	432,534	560,462
Retained earnings brought forward	—	81
Unappropriated retained earnings	432,534	560,544

(3) Statement of Changes in Net Assets

Previous (1st) fiscal period (from February 1, 2021 to January 31, 2022)

(Unit: thousand JPY)

	Investor capital				Total net assets
	Unitholders' capital	Retained earnings		Total investor capital	
		Unappropriated retained earnings	Total retained earnings		
Balance at the beginning of the fiscal period	-	-	-	-	-
Changes during the current fiscal period					
Issuance of new investment units	17,028,560	-	-	17,028,560	17,028,560
Net profit	-	432,534	432,534	432,534	432,534
Total changes during the current fiscal period	17,028,560	432,534	432,534	17,461,094	17,461,094
Balance at the end of the fiscal period	※ 1 17,028,560	432,534	432,534	17,461,094	17,461,094

Current (2nd) fiscal period (from February 1, 2022 to July 31, 2022)

(Unit: thousand JPY)

	Investor capital				Total net assets
	Unitholders' capital	Retained earnings		Total investor capital	
		Unappropriated retained earnings	Total retained earnings		
Balance at the beginning of the fiscal period	17,028,560	432,534	432,534	17,461,094	17,461,094
Changes during the current fiscal period					
Distributions of retained earnings	—	560,462	560,462	560,462	560,462
Net profit	—	128,010	128,010	128,010	128,010
Total changes during the current fiscal period	※ 1 17,028,560	560,544	560,544	17,589,104	17,589,104
Balance at the end of the fiscal period	17,028,560	432,534	432,534	17,461,094	17,461,094

(4) Statement of Cash Distributions

(Unit: JPY)

	Previous (1st) fiscal period From February 1, 2021 to January 31, 2022	Current (2nd) fiscal period From February 1, 2022 to July 31, 2022
I. Unappropriated retained earnings	432,534,527	560,544,609
II. Distributions	432,452,800	560,456,000
(Distributions per unit)	(2,446)	(3,170)
III. Retained earnings carried forward	81,727	88,609

Method of calculating distributions	<p>In accordance with the policy on the distribution of funds indicated in Article 25, Paragraph 1 of the Investment Corporation's regulations, the amount of distributions is limited to the amount of profit and is set to exceed 90% of the Investment Corporation's distributable profit amount as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. Following this policy, we have decided to distribute JPY 432,452,800 as profit distribution, which is the maximum amount not exceeding the current undistributed profit and is a multiple of the total number of issued investment units, 176,800 units.</p> <p>Furthermore, the distribution of funds in excess of the profit will not be conducted, as stipulated in Article 25, Paragraph 2 of the Investment Corporation's regulations.</p>	<p>In accordance with the policy on the distribution of funds indicated in Article 25, Paragraph 1 of the Investment Corporation's regulations, the amount of distributions is limited to the amount of profit and is set to exceed 90% of the Investment Corporation's distributable profit amount as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. Following this policy, we have decided to distribute JPY 560,456,000 as profit distribution, which is the maximum amount not exceeding the current undistributed profit and is a multiple of the total number of issued investment units, 176,800 units.</p> <p>Furthermore, the distribution of funds in excess of the profit will not be conducted, as stipulated in Article 25, Paragraph 2 of the Investment Corporation's regulations.</p>
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(5) Statement of Cash Flows

(Unit: thousand JPY)

	Previous (1st) fiscal period From February 1, 2021 to January 31, 2022	Current (2nd) fiscal period From February 1, 2022 to July 31, 2022
Cash flows from operating activities		
Net profit before taxes	434,337	561,348
Depreciation	157,731	116,687
Amortization on investment unit issuance expenses	71,853	—
Interest income	(3)	(8)
Interest expenses	54,169	45,458
Net decrease (increase) in operating accounts receivable	(37,210)	(7,029)
Net decrease (increase) in prepaid expenses	(32,097)	(18,336)
Net decrease (increase) in Consumption taxes receivable	(388,838)	388,838
Net decrease (increase) in long-term prepaid expenses	(43,529)	(10,968)
Net increase (decrease) in operating accounts payable	66,005	(46,006)
Net increase (decrease) in accounts payable-other	109,229	(35,556)
Net increase (decrease) in accrued consumption taxes	—	41,318
Net increase (decrease) in advances received	155,328	(868)
Net increase (decrease) in deposits received	19,939	(17,067)
Other	(59)	(476)
Subtotal	566,854	1,017,333
Interest income received	3	8
Interest expenses paid	(45,909)	(45,048)
Income taxes	—	(1,831)
Cash flows from operating activities	520,948	970,461
Cash flows from investing activities		
Purchase of tangible non-current assets	(3,567,605)	(447)
Purchase of tangible non-current assets in trust	(26,146,228)	(14,919)
Purchase of intangible non-current assets in trust	(2,076,544)	—
Purchase of Investment Securities	—	(101,726)
Payments of security and guarantee deposits	(313,063)	—
Repayments of security and guarantee deposits received	(2,036)	(1,098)
Security and guarantee deposits	63,044	270
Repayments of security and guarantee deposits in trust received	(6,197)	(6,865)
Proceeds from security and guarantee deposits in trust received	600,540	5,893
Cash flows from investing activities	(31,448,089)	(118,893)
Cash flows from financing activities		
Proceeds from long-term loans	15,950,000	2,600,000
Repayments of long-term borrowings	—	(2,950,000)
Revenue from the issuing of investment units	17,028,560	—
Investment unit issuance expenses	(71,853)	—
Distributions paid	—	(431,709)
Cash flows from financing activities	32,906,706	(781,709)
Net increase (decrease) in cash and cash equivalents	1,979,564	69,858
Cash and cash equivalents at the beginning of the period	-	1,979,564
Cash and cash equivalents at the end of the period	※ 1 1,979,564	※ 1 2,049,423

3. Reference Information

(1) Information Regarding the Prices of Assets under Management, etc.

(A) Investment

Type of asset	Use (Note 1)	Geographic area (Note 2)	Previous (1st) fiscal period As of January 31, 2022		Current (2nd) fiscal period As of July 31, 2022	
			Total value of assets held (million JPY) (Note 3)	Percentage of all assets (%) (Note 4)	Total value of assets held (million JPY) (Note 3)	Percentage of all assets (%) (Note 4)
Real estate	Industrial infrastructure assets	Tokaido region	2,345	6.8	2,340	6.8
		Tokaido vicinity	-	-	-	-
	Community infrastructure assets	Tokaido region	1,199	3.5	1,190	3.5
		Tokaido vicinity	-	-	-	-
Total real estate			3,544	10.3	3,531	10.3
Real estate in trust	Industrial infrastructure assets	Tokaido region	8,498	24.7	8,488	24.8
		Tokaido vicinity	-	-	-	-
	Community infrastructure assets	Tokaido region	19,619	56.9	19,566	57.2
		Tokaido vicinity	-	-	-	-
Total real estate in trust			28,117	81.6	28,055	82.0
Investment Securities			-	-	102	0.3
Deposits and other assets			2,794	8.1	2,511	7.3
Total assets			34,456	100.0	34,200	100.0

(Note 1) "Industrial infrastructure assets" refers to logistics facilities and facilities utilized by companies as industrial or business bases, and land used for such facilities. "Community infrastructure assets" refers to residential properties and land of such, and land and other assets used for distribution or sale of daily necessities.

(Note 2) The "Tokaido region" refers to the industrial region centered around Shizuoka (Shizuoka, Aichi, and Mie Prefectures. The same applies hereinafter.) and to the prefectures of Tokyo, Kanagawa, Gifu, Shiga, Kyoto, and Osaka. The "Tokaido vicinity" refers to the prefectures of Chiba, Saitama, Yamanashi, Nagano, Hyogo, Nara and Wakayama.

(Note 3) "Total value of assets held" values are based on the amounts recorded in the balance sheet as of the last day of each fiscal period (book values after depreciation for real estate and real estate trust assets), rounded down to the nearest million JPY. "Construction in progress" is not included in "Total real estate."

(Note 4) "Percentage of all assets" values indicate the ratio of the total value of assets held for each type of asset to the total assets for all assets. They are rounded to the first decimal place.

(Note 5) Silent Partnership Interest for which GK Owari 2 is the Operator.

	Previous (1st) fiscal period As of January 31, 2022		Current (2nd) fiscal period As of July 31, 2022	
	Amount (million JPY) (Note 1)	Percentage of all assets (%) (Note 2)	Amount (million JPY) (Note 1)	Percentage of all assets (%) (Note 2)
Total liabilities	16,995	49.3	16,611	48.6
Total net assets	17,461	50.7	17,589	51.4
Total assets	34,456	100.0	34,200	100.0

(Note 1) "Total liabilities" values, "total net assets" values, and "total assets" values are based on the amounts recorded in the balance sheet as of the last day of each fiscal period, rounded down to the nearest million JPY.

(Note 2) "Percentage of all assets" values are rounded to the first decimal place.

(B) Investment assets

As of July 31, 2022, the assets held by Tokaido REIT, including real estate and beneficiary interests for real estate trust assets (collectively referred to as "owned assets") are detailed as follows.

(a) Overview of owned assets

The names, locations, acquisition prices (prices and investment ratios), balance sheet amounts, appraisal values, and acquisition dates of properties pertaining to assets owned by Tokaido REIT are as follows.

(As of July 31, 2022)

Class	Subclass	Property code (Note 1)	Property name	Location	Acquisition price (Note 2)		Balance sheet amount (million JPY) (Note 3)	Appraisal value (million JPY) (Note 4)	Acquisition date
					Price (million JPY)	Investment ratio (%)			
Industrial infrastructure assets	Logistics asset	LO-1	Inabe Logistics Center	Inabe City, Mie Prefecture	6,230	20.1	6,259	6,780	June 23, 2021
	Industrial or business asset	OF-1	Mid Building Yokkaichi	Yokkaichi City, Mie Prefecture	1,620	5.2	1,616	1,800	June 23, 2021
		OF-2	Aoi Tower	Shizuoka City, Shizuoka Prefecture	2,300	7.4	2,340	2,580	June 23, 2021
	Land asset (for industrial infrastructure)	IL-1	Shizuoka Machine Yard (land)	Shizuoka City, Shizuoka Prefecture	600	1.9	612	722	January 31, 2022
	Subtotal				10,750	34.8	10,829	11,882	
Community infrastructure assets	Residential asset	RE-1	Royal Parks Chikusa	Nagoya City, Aichi Prefecture	4,400	14.2	4,610	4,840	June 23, 2021
		RE-2	Marunouchi EMBL Court (Note 5)	Nagoya City, Aichi Prefecture	1,080	3.5	1,190	1,230	March 30, 2021
		RE-3	EMBL Aile Kusanagi Ekimae	Shizuoka City, Shizuoka Prefecture	2,000	6.5	2,102	2,200	June 23, 2021
		RE-4	EMBL Aile Kusanagi	Shizuoka City, Shizuoka Prefecture	750	2.4	797	973	June 23, 2021

Class	Subclass	Property code (Note 1)	Property name	Location	Acquisition price (Note 2)		Balance sheet amount (million JPY) (Note 3)	Appraisal value (million JPY) (Note 4)	Acquisition date
					Price (million JPY)	Investment ratio (%)			
	Land asset (for distribution or sale of daily necessities)	RL-1	Hamamatsu Plaza (land) (Note 6)	Hamamatsu City, Shizuoka Prefecture	11,950	38.6	12,056	12,600	June 23, 2021
	Subtotal					20,180	65.2	20,757	21,843
Total					30,930	100.0	31,586	33,725	

(Note 1) The "property number" is the number given to assets owned by Tokaido REIT based on the "investment target" category. For the "investment target" category, LO refers to logistics assets, OF refers to industrial or business assets, IL refers to land assets (for industrial infrastructure), RE refers to residential assets, RL refers to land assets (for distribution or sale of daily necessities), and RT refers to other assets (for distribution or sale of daily necessities). When an asset is a complex with multiple uses, the asset is indicated under the investment target category with the highest proportion of rent revenue assumed upon full occupancy. The same applies hereinafter.

(Note 2) "Acquisition price" indicates the sale and purchase price (excluding national consumption tax, local consumption tax, brokerage commissions, and other

various expenses) for the real estate or real estate trust beneficiary rights as indicated in the sale and purchase agreement for the owned asset. Values are rounded down to the nearest million JPY. "Investment ratio" indicates the acquisition price of each owned asset as a percentage of the total acquisition price, rounded to the first decimal place

(Note 3) The "balance sheet amount" indicates the book value recorded in the balance sheet (the book value after depreciation), rounded down to the nearest million JPY. "Construction in progress" is not included.

(Note 4) "Appraisal value" indicates the appraisal value recorded in each real estate appraisal as of the appraisal date (July 31, 2022). The appraisal of individual owned assets was delegated to Japan Valuers Co., Ltd., Tanizawa Sōgō Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., and JLL Morii Valuation & Advisory K.K.. The same applies hereinafter.

(b) Investment securities

Type of asset	Security name	Quantity	Balance sheet amount (million JPY) (Note 1)	Current value (million JPY) (Note 1) (Note 2)	Ratio to total assets (%)	Unrealized gain or loss (million JPY)	Remarks
Silent Partnership Interest	Silent Partnership Interest for which GK Owari 2 is the Operator.	—	102	102	0.3	—	(Note 4)
Total		—	102	102	0.3	—	

(Note 1) "Balance sheet amount" and "Current value" are rounded down to the nearest million JPY.

(Note 2) "Current value" is stated at the amount recorded on the balance sheet, applying the treatment set forth in Paragraph 27 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Implementation Guidance No. 31, July 4, 2019).

(Note 3) The "Ratio to Total Assets" represents the ratio of the total holding amount of investment securities to total assets, and is stated after rounding off the second decimal place and below.

(Note 4) The managed asset is the real estate trust beneficiary rights of "Centrair Logistics Center."

(c) Portfolio list

The property name, annual rental income, leasable area, leased area, and occupancy rate of the assets owned by the Investment Corporation are as follows.

Class	Subclass	Property code	Property name	Location	Annual rental income (million JPY) (Note 1)	Leased area (m ²) (Note 2)	Leasable area (m ²) (Note 3)	Occupancy rate (%) (Note 4)
Industrial infrastructure assets	Logistics asset	LO-1	Inabe Logistics Center	Inabe City, Mie Prefecture	Undisclosed (Note 5)	105,914.86	105,914.86	100.0
	Industrial or business asset	OF-1	Mid Building Yokkaichi	Yokkaichi City, Mie Prefecture	129	3,791.19	3,842.47	98.7
		OF-2	Aoi Tower	Shizuoka City, Shizuoka Prefecture	176	2,858.50	2,858.50	100.0
	Land asset (for industrial infrastructure)	IL-1	Shizuoka Machine Yard (land)	Shizuoka City, Shizuoka Prefecture	Undisclosed (Note 5)	6,219.80	6,219.80	100.0
Community infrastructure assets	Residential asset	RE-1	Royal Parks Chikusa	Nagoya City, Aichi Prefecture	359	11,844.22	12,443.80	95.2
		RE-2	Marunouchi EMBL Court (Note 6)	Nagoya City, Aichi Prefecture	58	2,025.15	2,158.31	93.8
		RE-3	EMBL Aile Kusanagi Ekimae	Shizuoka City, Shizuoka Prefecture	129	6,486.26	6,486.26	100.0
		RE-4	EMBL Aile Kusanagi	Shizuoka City, Shizuoka Prefecture	67	2,908.12	2,908.12	100.0

Class	Subclass	Property code	Property name	Location	Annual rental income (million JPY) (Note 1)	Leased area (m ²) (Note 2)	Leasable area (m ²) (Note 3)	Occupancy rate (%) (Note 4)
	Land asset (for distribution or sale of daily necessities)	RL-1	Hamamatsu Plaza (land)	Hamamatsu City, Shizuoka Prefecture	634	80,421.45	80,421.45	100.0
Total/average					2,074	222,469.55	223,253.57	99.6

(Note 1) "Annual Rental Income" is calculated as of July 31, 2022, by multiplying the monthly fixed rent (including common service fees) stipulated in the lease agreements with lessees for each owned asset (excluding parking lots, storage, etc., in building lease agreements) by 12, and rounding down to the nearest million yen. In cases where a pass-through master lease agreement is in place for an asset and the recorded amount is the annual rent or twelve times the monthly rent stipulated in the lease agreements with the end tenants effective as of July 31, 2022, rounded down to the nearest million yen. For assets under a fixed-rent master lease agreement, the total of the monthly rent (including common service fees but excluding fees for ancillary facilities like parking and storage rooms) as stated in the lease agreements between Tokaido REIT or trustee and the master lease company is recorded. National consumption tax and local consumption tax are not included, and free rental periods and rent holidays (exemptions from the need to pay rent in one or more specific months) as of July 31, 2022, are not taken into consideration.

(Note 2) "Leased Area" refers to the area corresponding to Tokaido REIT's share in the area of each owned asset that can be leased, as stipulated in the lease

agreements already concluded between Tokaido REIT and tenants or shown in the drawings of the respective properties, as of July 31, 2022. In the case of pass-through type master lease agreements, the area is as stipulated in the lease agreements concluded with end tenants or shown in the drawings of the respective properties. Tokaido REIT or the trustee has concluded a fixed-rent master lease agreement with the master lease company for Aoi Tower and EMBL Aile Kusanagi Ekimae and a pass-through master lease agreement with the master lease company for Mid Building Yokkaichi, Royal Parks Chikusa, Marunouchi EMBL Court, EMBL Aile Kusanagi. The trustee and Tokaido REIT have concluded a passthrough master lease agreement for Centair Logistics Center. Inabe Logistics Center does not include the leased area related to the rental of roof area for the installation of solar power generation facilities.

(Note 3) "Leasable Area" refers to the area of the buildings of each asset owned as of July 31, 2022 (or the land, in the case of land asset properties) that Tokaido REIT considers leasable. Inabe Logistics Center does not include the leasable area related to the rental of roof area for the installation of solar power generation facilities.

(Note 4) "Occupancy Rate" is calculated by dividing the leased area of each owned asset as of July 31, 2022 by the leasable area, rounded to the first decimal place.

(Note 5) This information is marked as "undisclosed" because permission for disclosure was not obtained from the tenant due to unavoidable circumstances

(C) Summary of real estate appraisal reports

Tokaido REIT has obtained real estate appraisal reports for the assets it owned as of July 31, 2022 from Japan Valuers Co., Ltd., Tanizawa Sōgō Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., and JLL Morii Valuation & Advisory K.K., . A summary follows.

The real estate appraisal reports represent the judgments and opinions of the appraisal agencies at a particular time and do not guarantee the appropriateness or accuracy of the reports nor the possibility of conducting transactions at the appraised values. Furthermore, the appraisal agencies, Japan Valuers Co., Ltd., Tanizawa Sōgō Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd., and JLL Morii Valuation & Advisory K.K., have no vested interests in Tokaido REIT or in the Asset Manager.

Class	Subclass	Property code	Property name	Appraisal agency	Appraisal value (million JPY)	Value indicated by the income approach						Appraisal NOI yield (%) (Note 2)
						Price determined using direct capitalization method (million JPY)	Capitalization rate (%)	Price determined using DCF method (million JPY)	Discount rate (%)	Terminal capitalization rate (%)	NOI (million JPY) (Note 1)	
Industrial infrastructure assets	Logistics asset	LO-1	Inabe Logistics Center	Japan Valuers Co., Ltd.	6,780	6,710	5.5	6,850	5.3	5.7	394	6.3
		Subtotal			6,780	6,710	—	6,850	—	—	—	—
	Industrial or business asset	OF-1	Mid Building Yokkaichi	Daiwa Real Estate Appraisal Co., Ltd.	1,800	1,850	5.2	1,780	5.0	5.4	105	6.5
		OF-2	Aoi Tower	Tanizawa Sōgō Appraisal Co., Ltd.	2,580	2,590	4.8	2,580	4.9	5.0	127	5.6
		Subtotal			4,380	4,440	—	4,360	—	—	—	—
	Land asset (for industrial infrastructure)	IL-1	Shizuoka Machine Yard (land)	Daiwa Real Estate Appraisal Co., Ltd.	722	717	5.3 (Note 3)	722	5.3	—	36	6.0
		Subtotal			722	717	—	722	—	—	—	—
Class	Subclass	Property code	Property name	Appraisal agency	Appraisal value (million JPY)	Value indicated by the income approach						Appraisal NOI yield (%) (Note 2)
						Price determined using direct capitalization method (million JPY)	Capitalization rate (%)	Price determined using DCF method (million JPY)	Discount rate (%)	Terminal capitalization rate (%)	NOI (million JPY) (Note 1)	
Community infrastructure assets	Residential asset	RE-1	Royal Parks Chikusa	Tanizawa Sōgō Appraisal Co., Ltd.	4,840	4,990	4.3 (Note 4)	4,780	4.3	4.5 (Note 5)	251	5.7
		RE-2	Marunouchi EMBL Court (Note 6)	Tanizawa Sōgō Appraisal Co., Ltd.	1,230	1,260	3.9	1,220	4.0	4.1	52	4.9
		RE-3	EMBL Aile Kusanagi Ekimae	Daiwa Real Estate Appraisal Co., Ltd.	2,200	2,270	5.0	2,170	4.8	5.2	120	6.0

		RE-4	EMBL Aile Kusanagi	JLL Morii Valuation & Advisory K.K.	973	987	5.0	958	4.8	5.2	50	6.7
		Subtotal			9,243	9,507	—	9,128	—	—	—	—
	Land asset (for distribution or sale of daily necessities)	RL-1	Hamamatsu Plaza (land)	Daiwa Real Estate Appraisal Co., Ltd.	12,600	12,700	4.7	12,500	4.5	4.9	597	5.0
		Subtotal			12,600	12,700	—	12,500	—	—	—	—
Total/average					33,725	34,074	—	33,560	—	—	—	5.6

(Note 1) "NOI" refers to Net Operating Income, which is the operating net revenue stated in the appraisal report, calculated by deducting operating expenses from operating revenues, and refers to the income before deducting depreciation expenses. NOI is different from Net Cash Flow (NCF), which is NOI minus the operational gains from deposits and other sources, and capital expenditures. The NOI mentioned above is calculated using the direct capitalization method. Also, "NOI" is recorded by rounding down to the nearest million yen. Therefore, the sum of NOI for each asset held may not match the total portfolio NOI.

(Note 2) "Appraisal NOI Yield" is calculated by dividing the NOI by the acquisition price, with the figure calculated by the asset management company and rounded to the second decimal place. However, the numbers in the subtotal or total columns are calculated by dividing the subtotal or total of NOI by the subtotal or total of the acquisition price, with the figure calculated by the asset management company and rounded to the second decimal place. These figures are all calculated by the asset management company and are not the figures stated in the real estate appraisal report.

(Note 3) The discount rate adopted for the direct capitalization method (Inwood Model) is stated.

(Note 4) The discount rate adopted for the direct capitalization method (Modified Inwood Model) is stated.

(Note 5) The discount rate at the time of assessing the sale price after the expiration of the holding period is stated.

(2) Capital Expenditures

(A) Capital expenditure schedule

None

(B) Capital expenditures during current period

None

(C) Money set aside for long-term repair plans

None