



Inabe Logistics Center

# Investor Presentation

for the **1**st Fiscal Period (ended Jan. 2022)

March 22, 2022



**Tokaido REIT, Inc.**  
(Securities Code: 2989)



Tokaido REIT Management Co., Ltd.

|            |   |      |
|------------|---|------|
| Section 1  | IPO Highlights                                      | P.3  |
| Section 2  | Overview of Financial Results and Earnings Forecast | P.11 |
| Section 3  | Newly Acquired Properties                           | P.15 |
| Section 4  | Management Status                                   | P.20 |
| Section 5  | Financial Status                                    | P.25 |
| Section 6  | Growth Strategy                                     | P.27 |
| Section 7  | ESG and SDGs  | P.33 |
| Appendix 1 | Features of Tokaido REIT                            | P.37 |
| Appendix 2 | Supplementary Materials                             | P.40 |

## Section 1

---

### IPO Highlights

## Basic Philosophy of Tokaido REIT

Tokaido REIT invests in the Tokaido region, which connects Japan's eastern and western hubs and boasts the world's third-largest economy



## Equity Story (Growth Strategy) of Tokaido REIT

A J-REIT investing in stable assets in the Tokaido region, which connects Japan's eastern and western hubs

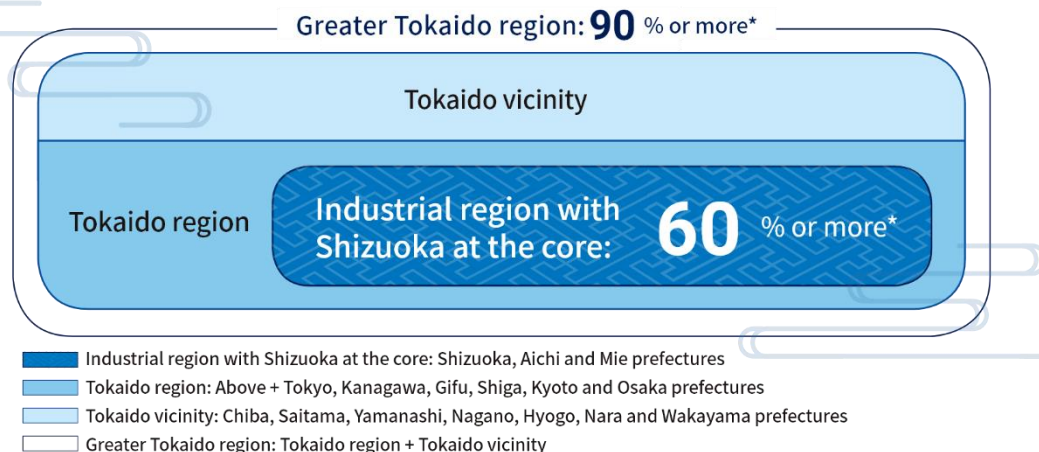
- 1 Strategic investment in the "Industrial Region" that has a sustainable economic base
- 2 Growth based on a stable portfolio backed by industrial and population clusters
- 3 Support that draws on the extensive insight of sponsors rooted in the "industrial region"
- 4 Pipeline development driven by CRE proposals
- 5 Stable financial base backed by a strong lender formation



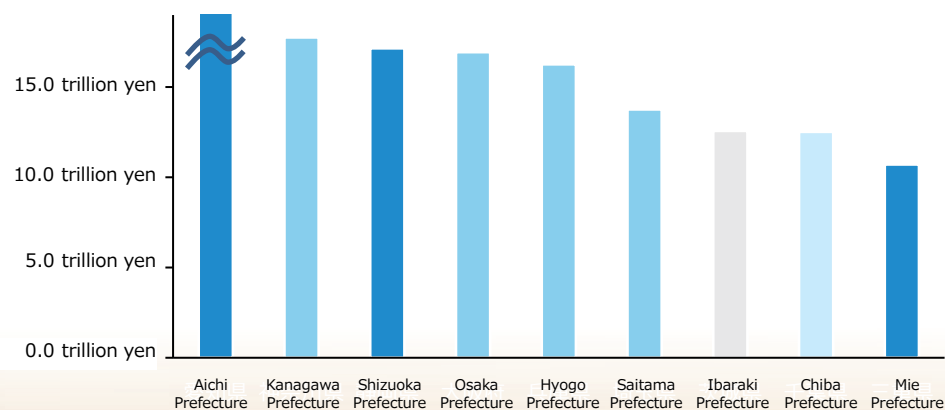
# Equity Story of Tokaido REIT

## Strategic Investment in the “Industrial Region” that has a sustainable economic base

Strategic investment in the industrial region with Shizuoka at the core

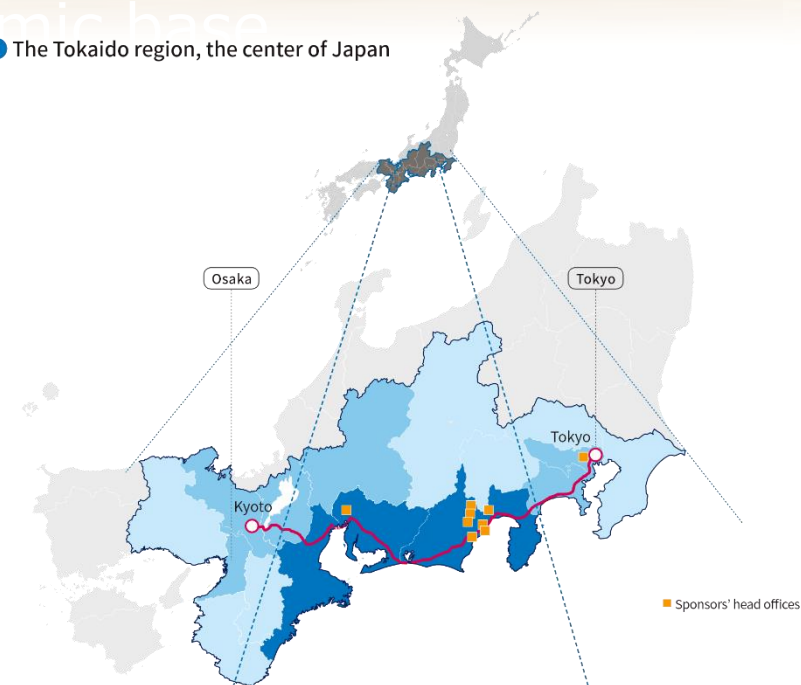


### <Value of Manufactured Goods Shipped by Prefecture>

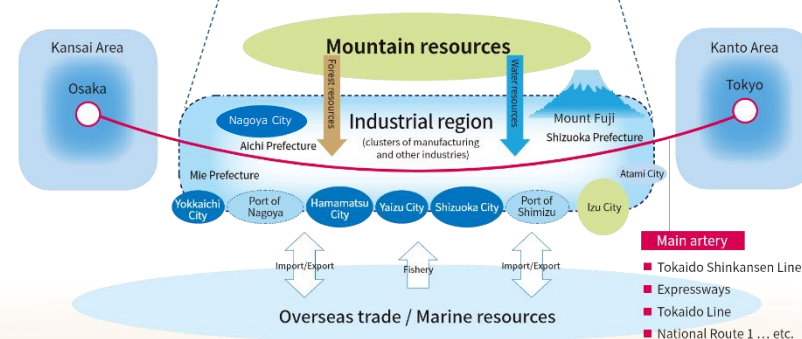


(Source) Prepared by the Asset Manager based on 2020 Industrial Statistics

1 The Tokaido region, the center of Japan



2 In particular, the industrial region with Shizuoka at the core is situated midway between Tokyo and Osaka

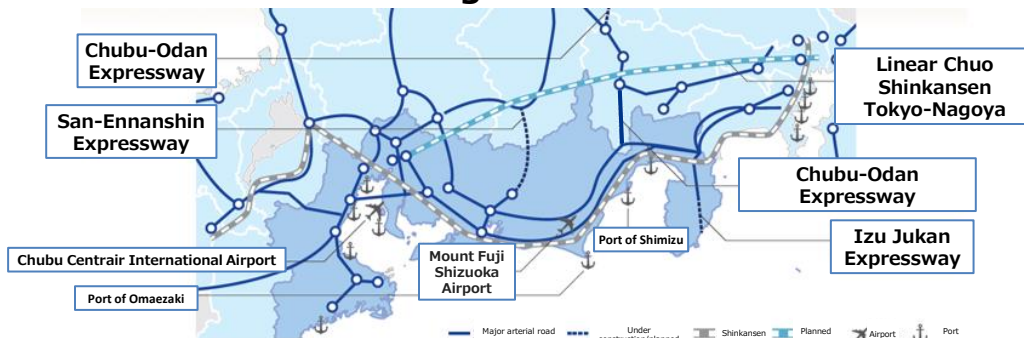


3 The industrial region with Shizuoka at the core is logistically suited for the processing and distribution of materials to consumption areas

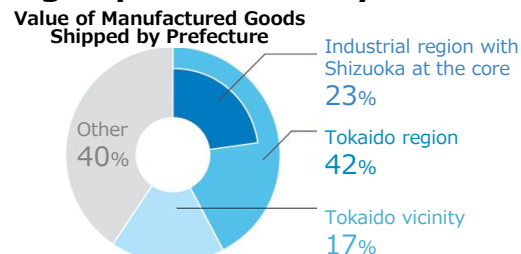
Well-developed transportation infrastructure in the industrial region with Shizuoka at the core has led to a sustainable industrial cluster and population concentration

## Industrial cluster

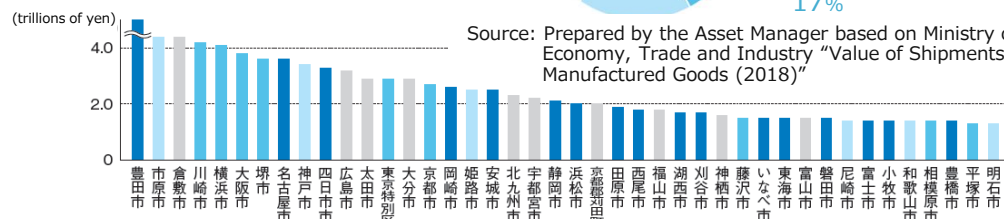
 Well-developed transportation infrastructure in the Tokaido region



 Key areas handling Japan's industry



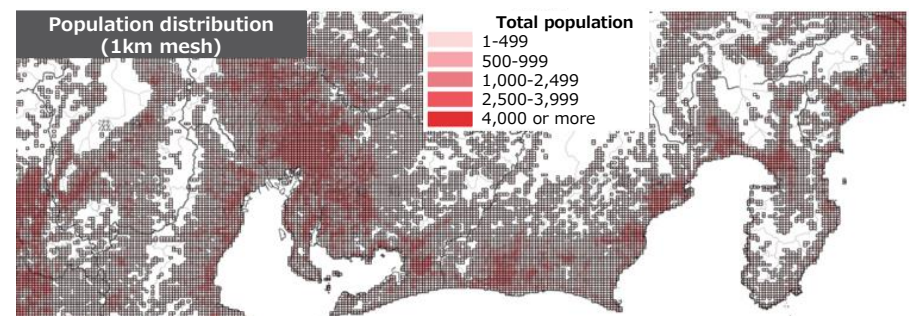
Source: Prepared by the Asset Manager based on Ministry of Economy, Trade and Industry "Value of Shipments of Manufactured Goods (2018)"



Source: Prepared by the Asset Manager based on Ministry of Economy, Trade and Industry "Census of Manufacture (2018)"

## Population concentration

 Population concentration rooted in "industrial cluster"



(Source) Prepared by the Asset Manager based on 2015 National Census

 Demographics characteristic of an "industrial region"



(Source) Prepared by the Asset Manager based on 2015 National Census

# Investment Policy

## Strategic investment area

Utilization of sponsor support using abundant local knowledge for strategic investment in the industrial region with Shizuoka at the core (Shizuoka, Aichi and Mie prefectures)

**60%** or more

## Main target property types

Industrial infrastructure assets (logistics / industrial or business / land)

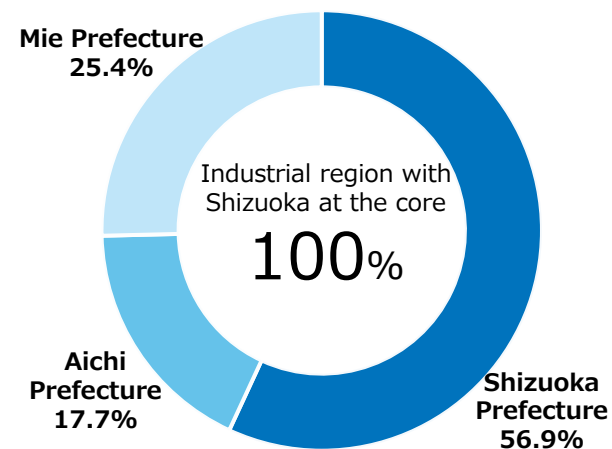
**25%** or more

Community infrastructure assets (residential / land / other)

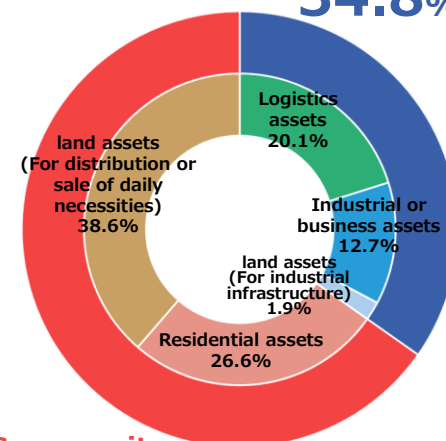
**25%** or more

## Portfolio Overview

As of January 31, 2022



**Industrial infrastructure assets**  
**34.8%**



**Community infrastructure assets**  
**65.2%**

## Attractiveness of assets in the industrial region with Shizuoka at the core

- ① Assets driven by the industrial region's sustainable economic strength
- ② Prime tenants underpinned by a strong economy
- ③ Investment area having relatively low risk of property price fluctuations

# Support That Draws on the Extensive Insight of Sponsors Rooted in the “Industrial Region”



## Details of support from sponsors drawing on the insight of sponsors in the industrial region

|                 | Support overview                                    | Yoshikon | THE SHIZUOKA BANK | Shizuoka Fudosan | SHIZUOKA GAS | CHUBU ELECTRIC POWER MIRAIZ | Seiwa Kaiun | Suzuyo | KIUCHI construction | JDC |
|-----------------|---|----------|-------------------|------------------|--------------|-----------------------------|-------------|--------|---------------------|-----|
| External growth | Provision of right of first look                    | ●        |                   |                  |              |                             |             |        |                     |     |
|                 | Grant of right of first negotiation                 | ●        |                   |                  |              |                             |             |        |                     |     |
|                 | Provision of warehousing function                   | ●        |                   |                  |              |                             |             |        |                     |     |
|                 | Provision of property information                   |          |                   | ●                | ●            |                             | ●           | ●      | ●                   | ●   |
| Internal growth | Provision of property management services, etc.     | ●        |                   |                  |              |                             |             |        | ●                   |     |
|                 | Provision of leasing support                        | ●        |                   | ●                | ●            |                             |             |        | ●                   |     |
|                 | Provision of energy management services, etc.       |          |                   |                  | ●            | ●                           |             |        |                     |     |
|                 | Investment in the asset manager                     | ●        | ●                 | ●                | ●            | ●                           | ●           | ●      | ●                   | ●   |
| Other Support   | Support asset manager's human resources acquisition | ●        | ●                 | ●                | ●            | ●                           | ●           |        |                     |     |
|                 | Grant of trademark license                          | ●        | ●                 | ●                | ●            | ●                           | ●           | ●      | ●                   | ●   |
|                 | Advice on financing for real estate acquisition     |          | ●                 |                  |              |                             |             |        |                     |     |
|                 | Same-boat investment                                | ●        |                   | ●                |              |                             |             |        |                     |     |



## IPO Overview

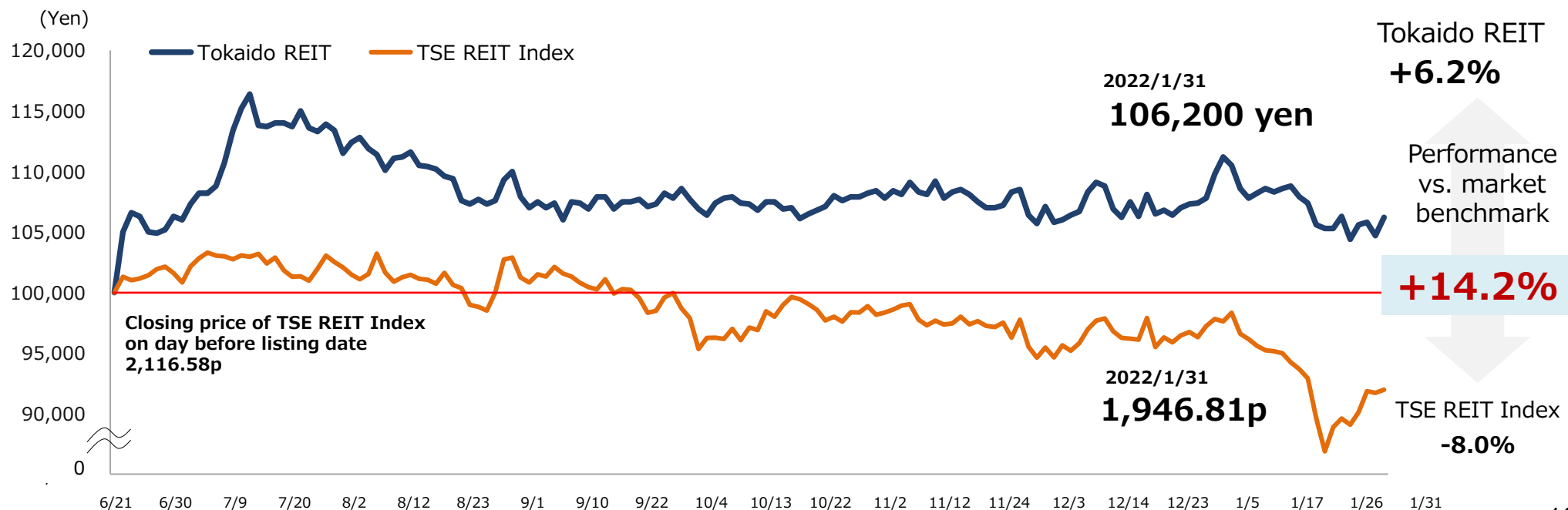
|  |                   |
|--|-------------------|
| Offering type                          | Domestic offering |
| Listing date                           | June 22, 2021     |
| Number of units issued and outstanding | 176,800 units     |

|   |             |
|---|-------------|
| Issue price                               | 100,000 yen |
| Closing price on listing date             | 105,000 yen |
| Closing price at end of 1st fiscal period | 106,200 yen |

|   |                                       |
|---|---------------------------------------|
| Lead managers                           | Mizuho Securities<br>Daiwa Securities |
| Number of properties at time of listing | 8 properties                          |
| Asset size at time of listing           | Approx.<br>30.3 billion yen           |



## Change in Investment Unit Price (Open price calculated with 100,000 yen as the closing price on the day before the listing date)



## Section 2

---

# Overview of Financial Results and Earnings Forecast

# Executive Summary (Highlights)

**1st Fiscal Period  
(ended Jan. 2022)  
Distributions per unit  
(results)**

**2,446 yen**

**Comparison with Initial  
Forecast  
+296 yen (+13.8%)**

## External growth

**Asset size  
30.93  
billion yen**

Realization of a portfolio structure that keeps the impact of COVID-19 to a minimum

**Property acquisition  
600  
million yen**

Acquisition of part of the pipeline from Yoshicon Co., Ltd. that is the main sponsor

## Internal growth

**Occupancy rate  
99.6%**

Realization of stable occupancy rate by utilizing strategic subleasing

**Industrial infrastructure asset 100.0%**  
**Community infrastructure asset 99.2%**

## Financial strategy

**Total interest-bearing liabilities  
15.95  
billion yen**

Increased by 600 million yen from the IPO due to property acquisition

**Long-term debt ratio  
100.0%**

We will continue to aim for strategic, long-term diversified development

**LTV on total assets  
46.3%**

Although there was a temporary rise, this will continue to be controlled in the 40-50% range

(Note 1) The calculation period for the 1st fiscal period (ended January 2022) is from February 1, 2021, to January 31, 2022.

Actual asset management period was 308 days from March 30, 2021, (the date of acquisition of one property (Marunouchi EMBL Court) until January 31, 2022.

(Note 2) The long-term debt ratio includes the current portion of long-term borrowings.

# Results of 1st Fiscal Period (ended Jan. 2022)

| (Unit: million yen)   | Initial 1st Fiscal Period Forecast (A) | 1st Fiscal Period Result (B) | Comparison with Initial Forecast (B) - (A) | Major Factors Behind Change (Compared with Initial Forecast)                             |
|---|--|------------------------------|--|--|
| Operating revenue   | 1,362                                  | 1,343                        | -18  | Impact of sluggish occupancy rates at time of acquisition                                |
| Operating expenses  | 509                                    | 524                          | +15  |  |
| Expenses related to real estate leasing business (Excluding depreciation) | 211                                    | 225                          | +14  | Construction ahead of schedule +10<br>Leasing expenses +4                                |
| Depreciation  | 149                                    | 157                          | +8   | Increase in depreciation compared to anticipated amount +7                               |
| SGA, etc.   | 148                                    | 141                          | -7   | IR expenses -6   |
| Operating profit  | 852                                    | 819                          | -33  |  |
| Non-operating income  | -                                      | 0                            |  |  |
| Non-operating expenses  | 471                                    | 384                          | -87  | Financing fees -19<br>Organization expenses -10<br>Investment unit issuance expenses -51 |
| Ordinary profit   | 381                                    | 434                          | +53  |  |
| Net profit  | 381                                    | 432                          | +51  |  |
| (Reference) NOI   | 1,151                                  | 1,118                        | -33  |  |
| (Unit: yen)   | (A)                                    | (B)                          | (B) - (A)                                  |  |
| Distributions per unit  | 2,150                                  | 2,446                        | +296                                       |  |

# Overview of Financial Results and Earnings Forecast

## 2nd Fiscal Period (ending Jul. 2022) and 3rd Fiscal Period (ending Jan. 2023) Forecasts

### Forecast for 2nd Fiscal Period (ending Jul 2022)

| (Unit: million yen)   | Initial 2nd Fiscal Period Forecast (A) | 2nd Fiscal Period Forecast (B) | Comparison with Initial Forecast (B) - (A) | Major Factors Behind Change (Comparison with Initial Forecast) |
|---|--|--------------------------------|--|--|
| Operating revenue   | 1,101                                  | 1,120                          | +19  | Contribution of newly acquired properties +19                  |
| Operating expenses  | 474                                    | 477                            | +3   |  |
| Expenses related to real estate leasing business (Excluding depreciation) | 244                                    | 250                            | +6   | Leasing expenses +6  |
| Depreciation  | 109                                    | 116                            | +7   | Increase in depreciation compared with anticipated amount +5   |
| SGA, etc.   | 120                                    | 110                            | -10  | Audit remuneration -7  |
| Operating profit  | 626                                    | 642                            | +16  |  |
| Non-operating income  | -                                      | -                              | -  |  |
| Non-operating expenses  | 62                                     | 75                             | +13  | Interest expenses Financing fees +13                           |
| Ordinary profit   | 564                                    | 566                            | +2   |  |
| Net profit  | 564                                    | 565                            | +1   |  |
| (Reference) NOI   | 856                                    | 869                            | +13  |  |
| (Unit: yen)   | (A)                                    | (B)                            | (B) - (A)                                  |  |
| Distributions per unit  | 3,186                                  | 3,200                          | +14  |  |

### Forecast for 3rd Fiscal Period (ending Jan 2023)

| (Unit: million yen)   | Initial Fiscal Period Forecast (A) | 3rd Fiscal Period Forecast (B) | Comparison with Initial Forecast (B) - (A) | Major Factors Behind Change (Comparison with Initial Forecast)                 |
|---|------------------------------------|--------------------------------|--|--|
| Operating revenue   | 1,101                              | 1,120                          | +19  | Contribution of newly acquired properties +19                                  |
| Operating expenses  | 468                                | 487                            | +19  |  |
| Expenses related to real estate leasing business (Excluding depreciation) | 244                                | 248                            | +4   | Leasing expenses +4  |
| Depreciation  | 110                                | 117                            | +7   | Increase in depreciation compared with anticipated amount +5                   |
| SGA, etc.   | 113                                | 120                            | +7   | IR expenses +4 (including expenses for holding General Meeting of Unitholders) |
| Operating profit  | 633                                | 633                            | 0  |  |
| Non-operating income  | -                                  | -                              | -  |  |
| Non-operating expenses  | 62                                 | 63                             | +1   |  |
| Ordinary profit   | 570                                | 569                            | 0  |  |
| Net profit  | 569                                | 568                            | 0  |  |
| (Reference) NOI   | 856                                | 872                            | +16  |  |
| (Unit: yen)   | (A)                                | (B)                            | (B) - (A)                                  |  |
| Distributions per unit  | 3,217                              | 3,217                          | 0  |  |

## Section 3

---

### Newly Acquired Properties

Sponsor development project  
CRE proposal

## Shizuoka Machine Yard (Land)

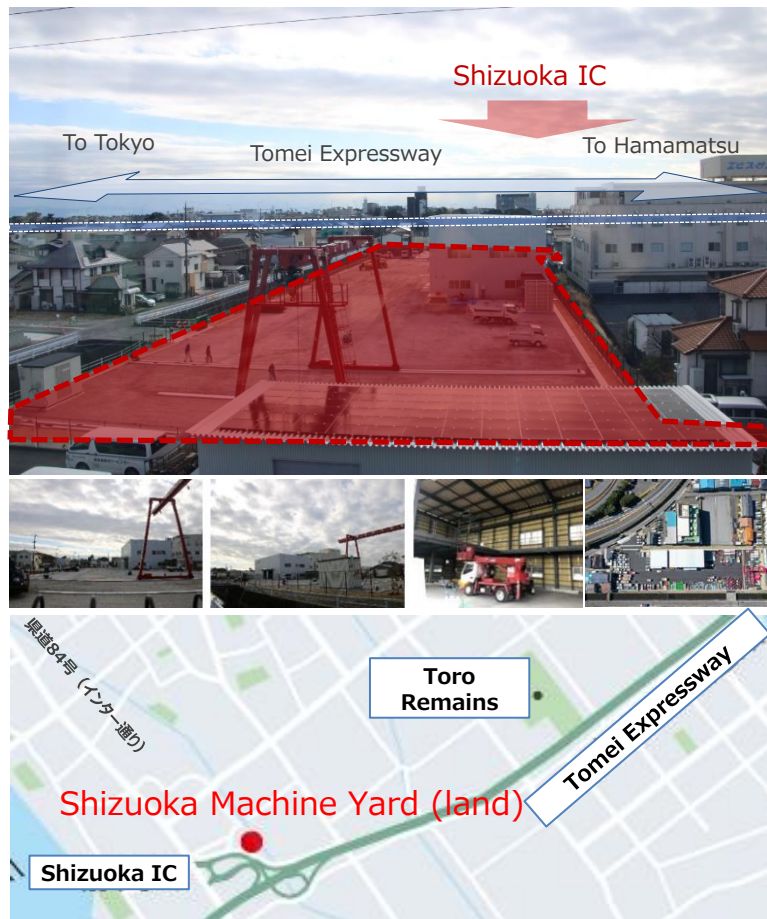
Industrial  
infrastructure asset

land For industrial  
infrastructure

Acquisition price  
**600 million yen**

Appraisal NOI yield  
**6.0%**

Appraisal value  
**717 million yen**



|           |                           |                   |      |
|-----------|---------------------------|-------------------|------|
| Location  | Shizuoka-shi,<br>Shizuoka | Occupancy rate    | 100% |
| Site area | 6,219.80 m <sup>2</sup>   | Number of tenants | 1    |

### 1. Industrial infrastructure assets meeting the abundant corporate needs of the industrial region

- ✓ Industrial infrastructure assets able to meet the abundant needs of a wide range of industries located in an industrial region with Shizuoka at the core (Shizuoka, Aichi and Mie prefectures) spanning prefectures in the industrial cluster representative of Japan

### 2. A scarce land asset (for industrial infrastructure) of a considerable size while being in a favorable location adjacent to an interchange on the Tomei Expressway

- ✓ Close proximity (approx. 0.4 km) to the Shizuoka IC of the Tomei Expressway enables capturing of demand over a wide area using the expressway
- ✓ Good access to Prefectural Route 84 (known as Inter-dori) connecting central Shizuoka to the Shizuoka IC (approx. 0.4 km) offers excellent movement to central Shizuoka and the surrounding cities
- ✓ It takes 25 minutes on the expressway to Shimizu Port, which is an international port with regular container routes to North America, Asia and Europe. Trade needs can also be met
- ✓ In addition to the industrial cluster in the surrounding area, residential concentration is also progressing, making it a favorable location from the perspectives of securing labor and access to customers
- ✓ Good access as it is within 3 km of Shizuoka Station on the JR Tokaido Line

### 3. The tenant is a company leasing civil engineering and construction machinery (construction machinery rental), which is a growing area with a wide range of needs in the industrial region

- ✓ Stable cash flow due to long-term contract with the tenant
- ✓ The tenant is investing in dedicated office buildings and machinery facilities, and is believed to be fixed

### 4. Sponsor development property made through a CRE proposal by the sponsor

- ✓ The main sponsor, Yoshicon Co., Ltd., utilizes the land secured using its regional network
- ✓ In order to meet the CRE need of the civil engineering and construction machinery (construction machinery rental) company, a CRE proposal including ownership by an investment corporation was made

(Note 1) Tokaido REIT only owns the land. The building is owned by the tenant.

(Note 2) "Appraisal NOI yield" is the net operating income by the capitalization method over a definite time stated in the real estate appraisal report (appraisal NOI) expressed as a percentage of acquisition price.

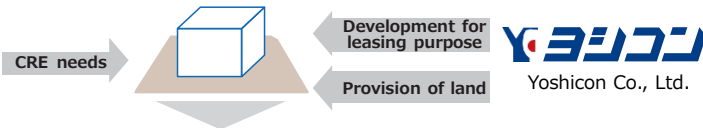
## CRE Story of the Property

- The property was in the pipeline developed by Yoshicon Co., Ltd. (Yoshicon), a sponsor utilizing CRE needs
- In the trend of outsourcing in the construction industry, this was realized by meeting the strong CRE needs of the service industry while capturing the shift from ownership to leasing of civil engineering and construction equipment
- Yoshicon provided the land it secured, and the construction of the necessary office buildings, etc. was also carried out by Yoshicon's group companies to develop the site



Utilized in business activities

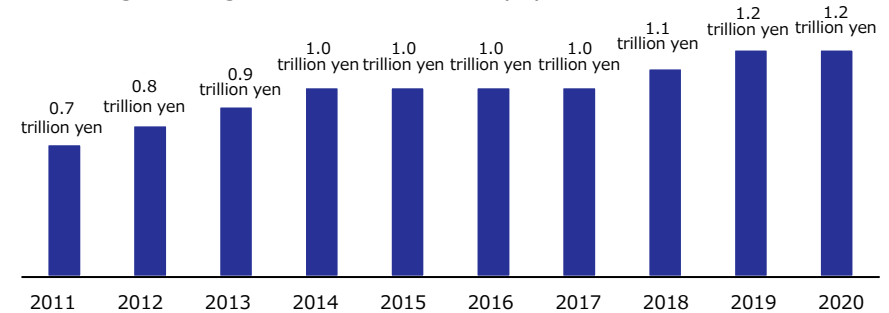
Company leasing civil engineering/construction machinery



 Tokaido REIT, Inc.



## <Civil Engineering and Construction Equipment Rental Market>



(Source) Prepared by the Asset Manager based on "Current Survey of Selected Service Industries - Leasing of Goods in Civil Engineering and Construction Equipment"



# Acquisition of Equity Interest in Silent Partnership: Centrair Logistics Center (February 25, 2022)

Equity in investment in silent partnership  
Sponsor bridge SPC

## Centrair Logistics Center

Industrial  
infrastructure asset  
Logistics assets



Property with  
preferential  
negotiation rights

Equity in investment  
in silent partnership  
**100 million yen**

### <Significance of acquisition>

1. Flexible property acquisition
2. Securing opportunity for future external growth
3. Acquiring stable revenue from cash flow from equity interest

### Godo Kaisha Owari 2

| Assets   | Liabilities  |
|--|--|
| Trust beneficiary interest in real estate (Note 1)<br>10,959 million yen | Non-recourse loan (Senior)<br>6,434 million yen                              |
|  | Non-recourse loan (Mezzanine)<br>1,500 million yen                           |
|  | Investment, etc. in silent partnership (Note 2)<br>3,025 million yen         |
|  | Of which, preferred investment in silent partnership<br>1,100 million yen    |
|  | Of which, subordinated investment in silent partnership<br>1,925 million yen |

(Note 1) The amounts of trust beneficiary interest in real estate include the acquisition expenses for acquisition of the trust beneficiary interest, expenses for forming a silent partnership and reserves, etc. The appraisal value of the property as of December 31, 2021, was 11,500 million yen.

(Note 2) Of the total amount of investment, etc. in silent partnership, Tokaido REIT made 100 million yen (approx. 3.3%), Yoshicon made 1,925 million yen (approx. 63.6%), and one domestic general company made 1,000 million yen (approx. 33.1%).

# Acquisition of Equity Interest in Silent Partnership: Centrair Logistics Center (February 25, 2022)

 Investment value of underlying assets with emphasis on acquisition of equity in investment in silent partnership (the point of this property)

- Location capturing the extensive logistics needs backed by the industrial cluster of manufacturers representative of Japan and population concentration in the Chukyo region**
- Tokoname City is an industrial area with a concentration of the ceramics industry including high-tech fine ceramic, and also has a concentration of steel manufacturers and automotive manufacturers**

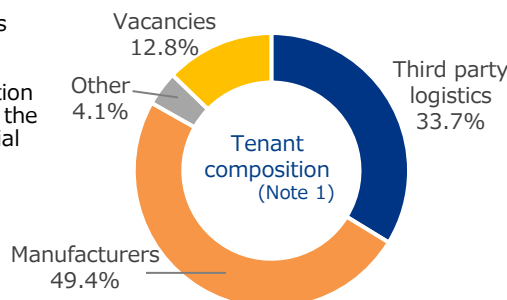
- ✓ Not only is Tokoname City the location of a plant of sanitary ware manufacturer "LIXIL Corporation (formerly INAX)" but Tokai City in the north is also home to plants, etc. such as the Nagoya Works of Nippon Steel Corporation, Aichi Steel and Daido Steel.
- ✓ The Nishimikawa region including Anjo City and Kariya City located to the west of Tokoname City has a concentration of automotive parts manufacturers and draws upon the demand for industrial goods such as automotive machinery parts

- Connected to an excellent highway network with good access to the surrounding industrial regions and central Nagoya**

- A large multi-tenant logistics facility with an anti-seismic structure boasting high specs rare for the region and also accommodating small-scale use along with large-scale use**

- The current tenants are filled with solid demand from third-party logistics operators and manufacturers**

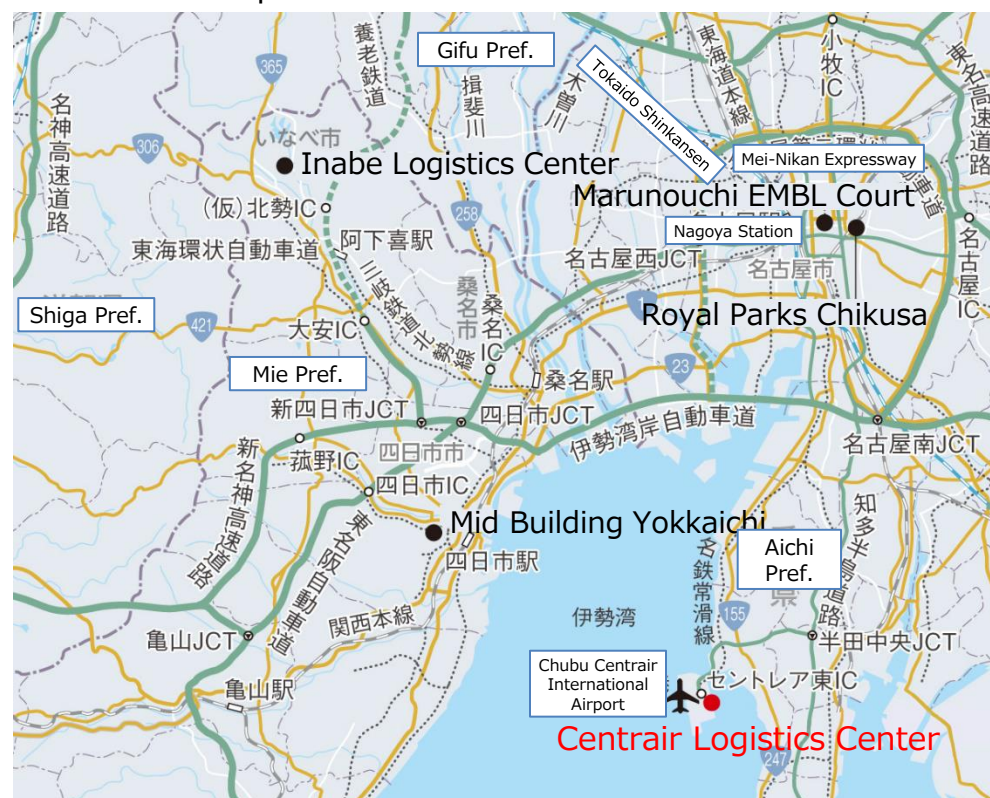
- ✓ Many third-party logistics operators meeting diverse logistics needs
- ✓ In addition, it is utilized as a hub supporting storage and transportation for manufacturer tenants, meeting the extensive needs of the rich industrial region
- ✓ A certain number of tenants also provide services supporting the adjacent airport



|                  |                          |                            |       |
|------------------|--------------------------|----------------------------|-------|
| Location         | Tokoname-shi, Aichi      | Occupancy rate (Note 2)    | 87.2% |
| Total floor area | 73,995.95 m <sup>2</sup> | Number of tenants (Note 2) | 15    |

(Note 2) The occupancy rate and number of tenants are the state of leasing as of January 31, 2022.

<Wide area map>



**Centrair Logistics Center**

(Note 1) This indicates the percentage of leased area based on lease agreements of existing tenants in relation to the leasable area as of January 31, 2022, rounded to one decimal place.

(Note 2) The occupancy rate and number of tenants are the state of leasing as of January 31, 2022.

## Section 4

---

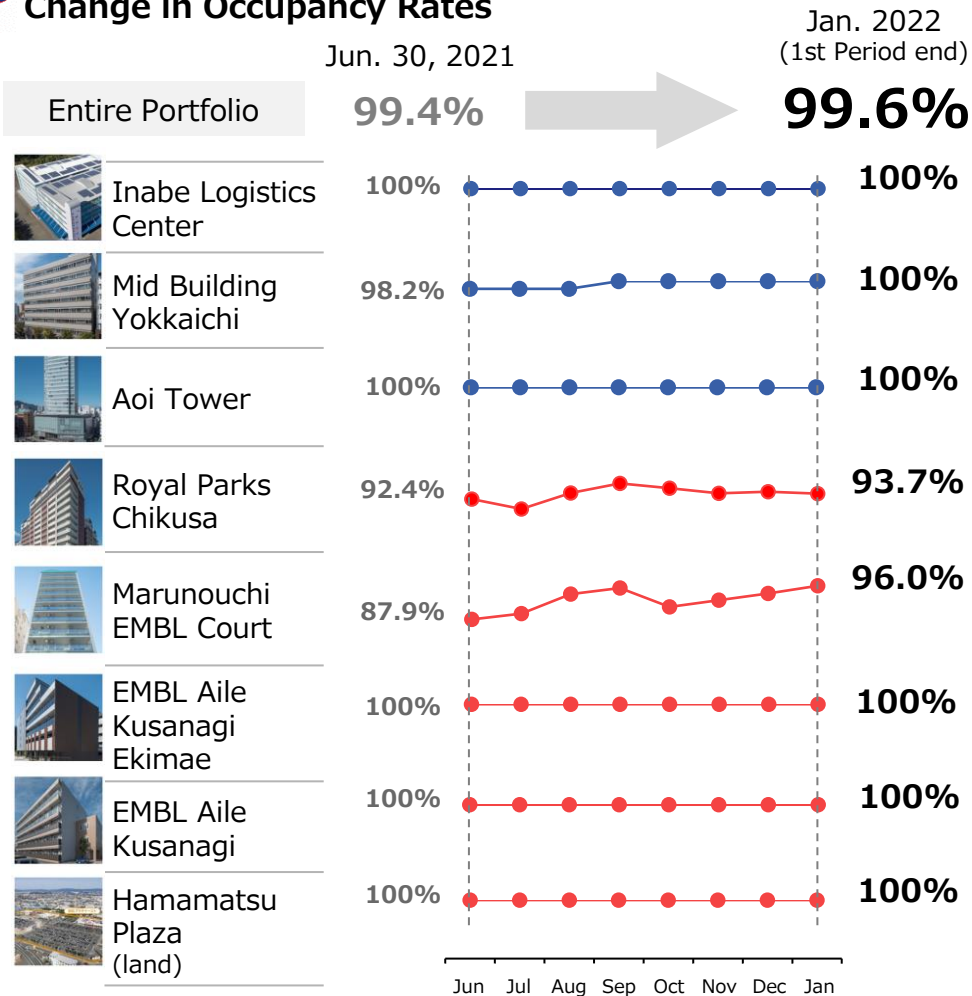
# Management Status

# Portfolio Management Status

Since the IPO in June 2021, continued stable operation utilizing the strength of being located in the industrial region

- ✓ Royal Parks Chikusa and Marunouchi EMBL Court that had a slump in occupancy as of June 30, 2021, have been on a recovery trend in occupancy since being acquired by Tokaido REIT
- ✓ Although Aoi Tower has secured stable revenue through the sponsor's master lease, leasing continues to be strengthened
- ✓ Secured high occupancy throughout the entire portfolio

## Change in Occupancy Rates



## Unit Rent Per Tsubo (including common service fees)

(Unit: yen)

|                           | June 2021<br>(At time of IPO) | Jan. 2022<br>(1st Period end) |
|---------------------------|-------------------------------|-------------------------------|
| Mid Building Yokkaichi    | 9,384                         | 9,395                         |
| Aoi Tower                 | 17,000                        | 17,000                        |
| Royal Parks Chikusa       | 8,457                         | 8,487                         |
| Marunouchi EMBL Court     | 8,019                         | 7,928                         |
| EMBL Aile Kusanagi Ekimae | 5,488                         | 5,488                         |
| EMBL Aile Kusanagi        | 6,376                         | 6,376                         |
| Hamamatsu Plaza (land)    | 2,171                         | 2,171                         |

# Portfolio Management Status

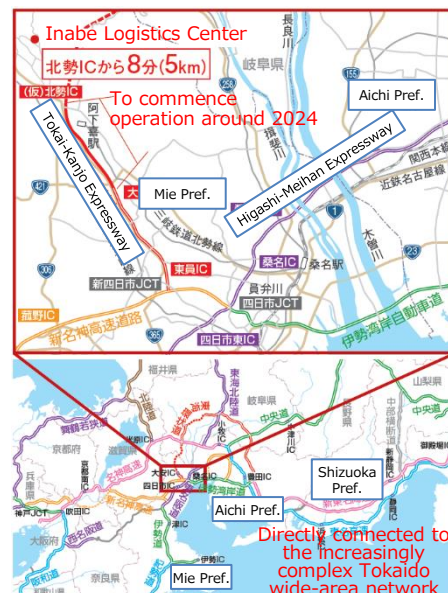
Sponsor bridge SPC

(Inabe-shi, Mie)

Industrial infrastructure asset

## Inabe Logistics Center

Logistics assets



Acquisition price

6.23 billion yen

Appraisal NOI yield

6.3%

### Strengths

- ✓ Large logistics facility backed by the industrial cluster
- ✓ Good tenants are expected to become fixed due to competitive rent levels
- ✓ Accommodates multiple tenants (surfaces that can be split into four with a variety of elevators)

### Asset Management Status as of end of the 1st Fiscal Period

- ✓ Continued stable operation through reliable tenants
- ✓ Acquired after capital expenditure construction, and repair expenses are also stable

Sponsor bridge SPC

(Yokkaichi-shi, Mie)

Industrial infrastructure asset

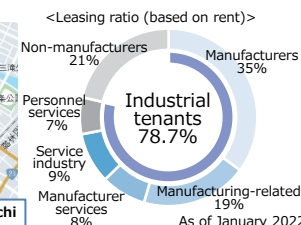
Industrial or business assets

## Mid Building Yokkaichi



### Strengths

- ✓ Support for solid industrial need backed by a concentration of industry
- ✓ Many industrial tenants, reflecting the concentration of the manufacturing industry in Yokkaichi



Acquisition price

1.62 billion yen

Appraisal NOI yield

6.6%

### Asset Management Review as of end of the 1st Fiscal Period

- ✓ Occupancy has changed from 98.2% at the time of the IPO to 100% since last September
- ✓ The feel for leasing activity is that there have also been many inquiries during COVID-19

Sponsor's own route

(Shizuoka-shi, Shizuoka)

Industrial infrastructure asset

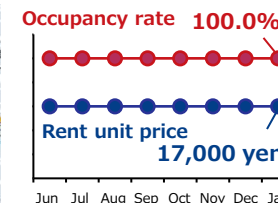
Industrial or business assets

## Aoi Tower



### Strengths

- ✓ A landmark tower meeting strong business needs backed by the industrial cluster



Acquisition price

2.3 billion yen

Appraisal NOI yield

5.7%

### Asset Management Status as of end of the 1st Fiscal Period

- ✓ Stable operation continued due to the sponsor's master lease
- ✓ The shared office in the property is very popular and has high occupancy



## Sponsor bridge SPC

(Nagoya-shi, Aichi)

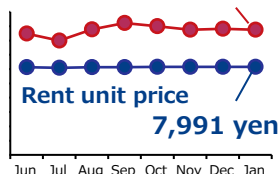
## Community infrastructure asset

Residential asset

## Royal Parks Chikusa



Occupancy rate 93.7%

Acquisition price  
4.4 billion yenAppraisal NOI yield  
5.8%

## Strengths

- ✓ A scarce family rental residential property backed by the population concentration in the region
- ✓ It is a high-grade rental property within walking distance of the Sakae area, and has absorbed a wide range of needs under the COVID-19 pandemic

Asset Management Status as of  
end of the 1st Fiscal Period

- ✓ Although occupancy rose to 96.1% during the period, it settled to 93.7% at the end of the period

## Asset manager's own route

(Nagoya-shi, Aichi)

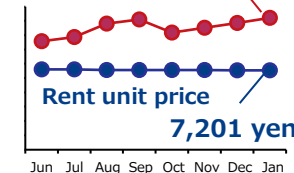
## Community infrastructure asset

Residential asset

## Marunouchi EMBL Court



Occupancy rate 96.0%

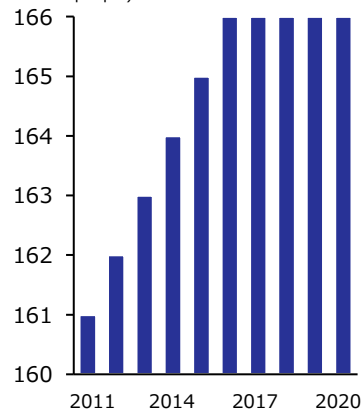
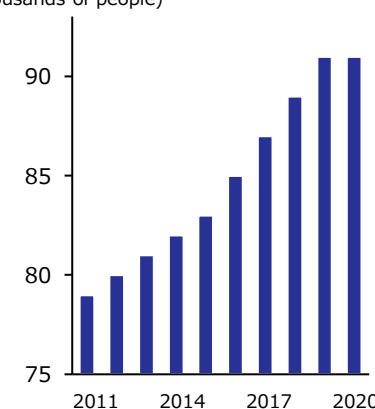
Acquisition price  
1.08 billion yenAppraisal NOI yield  
5.0%

## Strengths

- ✓ A well-located residential property with business demand backed by the industrial cluster and population concentration in the region

Asset Management Status as of  
end of the 1st Fiscal Period

- ✓ Occupancy was 87.9% at the time of the IPO, but it was 96.0% at the end of the period
- ✓ Although there were some vacancies due to COVID-19, occupancy has been stable after this passed

<Population of Chikusa-ku, Nagoya-shi>  
(thousands of people)<Population of Naka-ku, Nagoya-shi>  
(thousands of people)

Source: Prepared by the Asset Manager based on Nagoya City "Population Statistics (2020)"

(Note) "Appraisal NOI yield" is the net operating income by the direct capitalization method stated in the real estate appraisal report (appraisal NOI) of each acquisition asset expressed as a percentage of acquisition price.

# Portfolio Management Status

## Sponsor development project Sponsor partnership

(Shizuoka-shi, Shizuoka)

### EMBL Aile Kusanagi Ekimae

## Community infrastructure asset

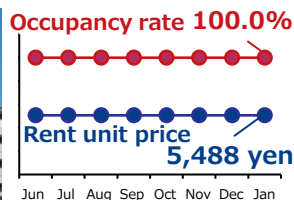
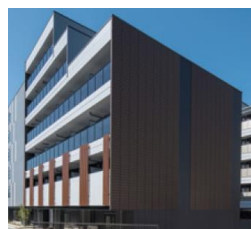
Residential asset

#### Strengths

- ✓ A sponsor-developed property acquired in a CRE proposal
- ✓ Corporate housing of Shizuoka Bank and student housing. A student apartment building leased and operated by major company JSB

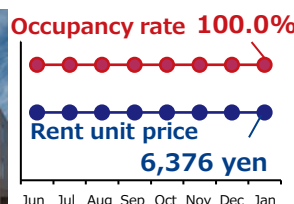
#### Asset Management Status as of end of the 1st Fiscal Period

- ✓ Sponsor master lease backed by leasing to two companies
- ✓ Shizuoka Bank's corporate housing has stable occupancy
- ✓ The student apartments had good occupancy even under the COVID-19 pandemic

Acquisition price  
2.0 billion yenAppraisal NOI yield  
6.0%

## Sponsor development project (Shizuoka-shi, Shizuoka)

### EMBL Aile Kusanagi

Acquisition price  
750 million yenAppraisal NOI yield  
6.7%

#### Strengths

- ✓ A sponsor-developed property acquired in a CRE proposal
- ✓ A scarce property leased and operated by major student apartment provider JSB, providing a sense of security to students and parents

#### Asset Management Status as of end of the 1st Fiscal Period

- ✓ Leasing of student apartments has performed well even under the COVID-19 pandemic



## Sponsor bridge SPC

(Hamamatsu-shi, Shizuoka)

### Hamamatsu Plaza (Land)

## Community infrastructure asset

Land For distribution or sale



#### Acquisition price

11.95 billion yen

#### Appraisal NOI yield

5.0%

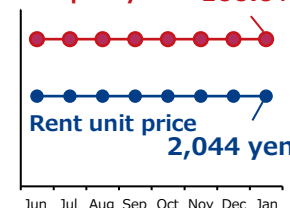
#### Strengths

- ✓ A scarce land asset located in the last one mile and meeting needs for household necessities backed by the abundant population concentration in the industrial region
- ✓ Centered on Costco, the main tenant, it has attracted customers even under the COVID-19 pandemic

#### Asset Management Status as of end of the 1st Fiscal Period

- ✓ Stable occupancy at 100% due to being land
- ✓ Costco, which is focused on household necessities, continues to perform well even under the COVID-19 pandemic, and offers synergy effects for other tenants

#### Occupancy rate 100.0%



(Note) "Appraisal NOI yield" is the net operating income by the direct capitalization method stated in the real estate appraisal report (appraisal NOI) of each acquisition asset expressed as a percentage of acquisition price.

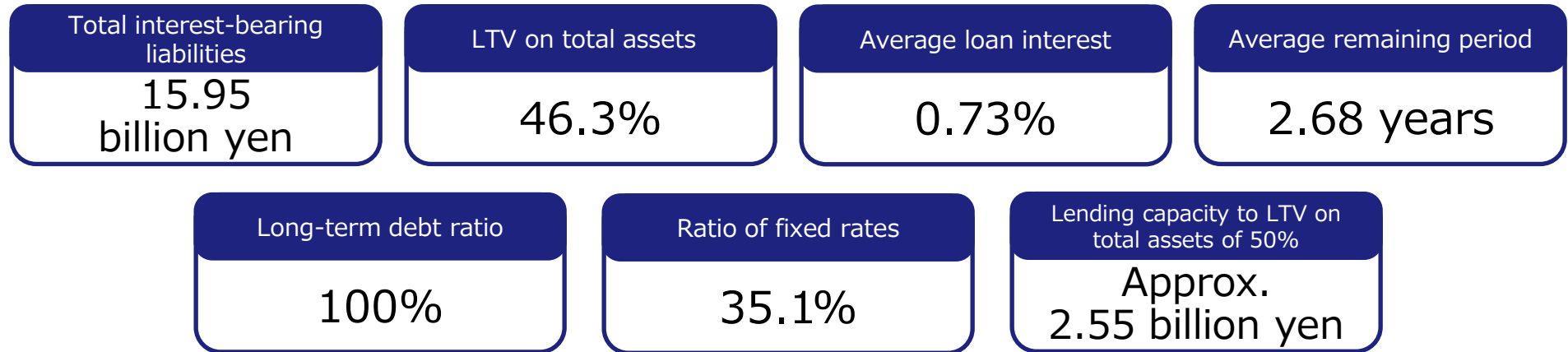
## Section 5

---

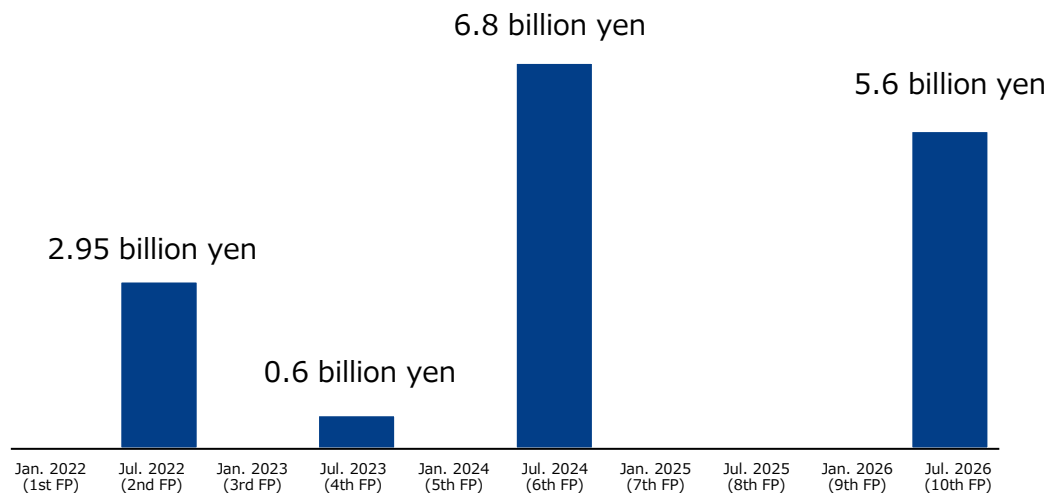
### Financial Status

# Financial Condition (as of January 31, 2022)

## Major Financial Indicators

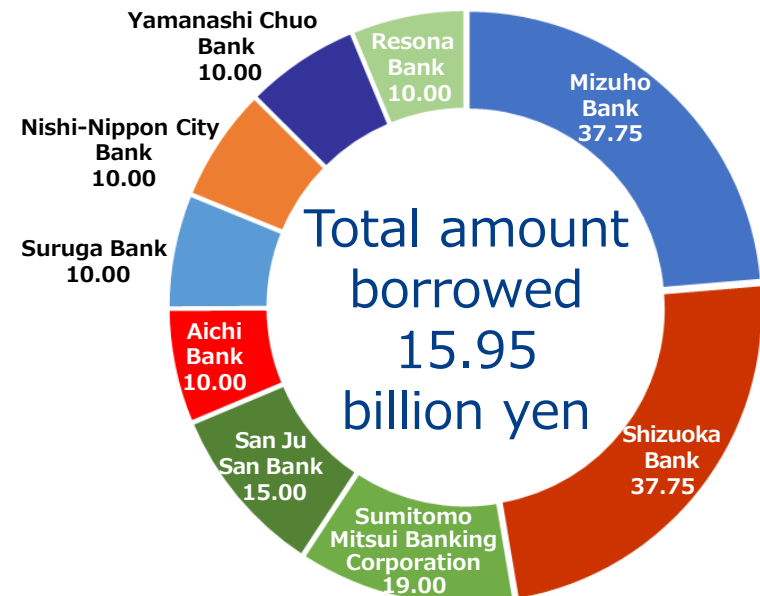


## Distribution of borrowing



## Lender formation

(Unit: 100 million yen)



(Note) The long-term debt ratio includes the current portion of long-term borrowings.

## Section 6

---

# Growth Strategy

**Aiming for early realization of asset size of 50 billion yen through acquisition of a pipeline of industrial infrastructure assets**

## IPO Portfolio



30.3 billion yen

At time of  
IPO

Acquired investment  
in silent partnership



Acquired in January 2022

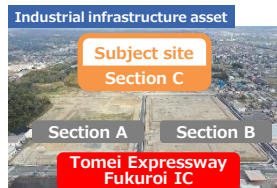


30.9 billion yen

Now



Shimizucho Project



Fukuroi Project

Property with preferential  
negotiation rights



Centrair Logistics  
Center

50 billion yen

**Grow while expanding the pipeline  
by implementing CRE proposals in  
the industrial region**

Medium-term target  
100 billion yen



Further  
growth

## Shimizucho Project

Sponsor development project

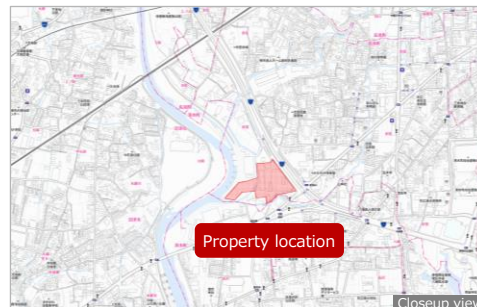


Shimizucho, where the project is located, is an area expected to capture population from both Mishima and Numazu because it is at the midpoint between Numazu and Mishima, and is a transportation hub



## ► Property characteristics

- ✓ Located in Shimizucho, which has the highest population density in the prefecture, and is between Numazu City and Mishima City, which are the main cities in eastern Shizuoka Prefecture
- ✓ It is located alongside arterial roads such as National Route 1 (Numazu Bypass), and has good access to the Numazu IC of the Tomei Expressway, approximately 6 km away
- ✓ The surrounding population is 130,000 in a 3-km radius, and approximately 300,000 in a 5-km radius, giving it a trade area with high potential



## ► Sponsor development policy

- ✓ Utilizing the characteristic of being a large-scale site in a favorable location with significant concentration of population, development will be carried out from the perspective of both an industrial infrastructure asset and a community infrastructure asset

|           |                                  |
|-----------|----------------------------------|
| Location  | Shimizu-cho, Sunto-gun, Shizuoka |
| Site area | Approx. 5,000 tsubos             |

## Fukuroi Project

Sponsor development project  
CRE proposalIndustrial infrastructure asset  
Logistics assets

|                        |  |
|------------------------|--|
| Location               | Fukuroi-shi, Shizuoka                              |
| Land area              | Approx. 26,500 tsubos                              |
| Anticipated asset type | Industrial infrastructure asset (Logistics assets) |



## ► Property characteristics

- ✓ Utilizing the judgment of the sponsor company, secured land with access to wide-area logistics and an extensive trade area from a pharmaceutical company
- ✓ It is in a favorable location directly connected to the Tomei Expressway Fukuroi IC, offering good access. Also accommodates wide-area logistics and an extensive trade area
- ✓ Has high potential as commercial land due to suburban commercial facilities being located in the surrounding area

## ► Sponsor development policy

- ✓ Development implemented against the backdrop of increasing CRE needs (logistics facility leasing needs) of third-party logistics companies with the expansion of demand
- ✓ Development through an optimal combination from CRE needs of both industrial infrastructure assets (logistics assets) and community infrastructure assets (for distribution or sale of daily necessities) utilizing the large-scale site (Total for sections A-C: approx. 50,000 tsubos)

 **Shizuoka Prefecture Numazu-shi Ooka Project**

|           |                            |
|-----------|----------------------------|
| Location  | Ooka, Numazu-shi, Shizuoka |
| Land area | Approx. 7,700 tsubos       |

**▶ Property characteristics**

- Highly scarce large-scale site in immediate proximity to the Fushimi Interchange of National Route 1

**▶ Sponsor development policy**

- Plans to **develop industrial infrastructure assets (logistics assets), factories and processing plants, etc. or commercial facilities, etc.** capturing strong CRE needs

 **Aichi Prefecture Toyohashi Fujimidai Project**

|           |                      |
|-----------|----------------------|
| Location  | Toyohashi-shi, Aichi |
| Land area | Approx. 8,600 tsubos |

**▶ Property characteristics**


- **Large-scale site** located approximately 2 km south of Oshimizu Station on the Toyohashi Railroad Atsumi Line
- The sponsor company captured CRE needs, and secured **the former site of a manufacturer's company housing** as a development site

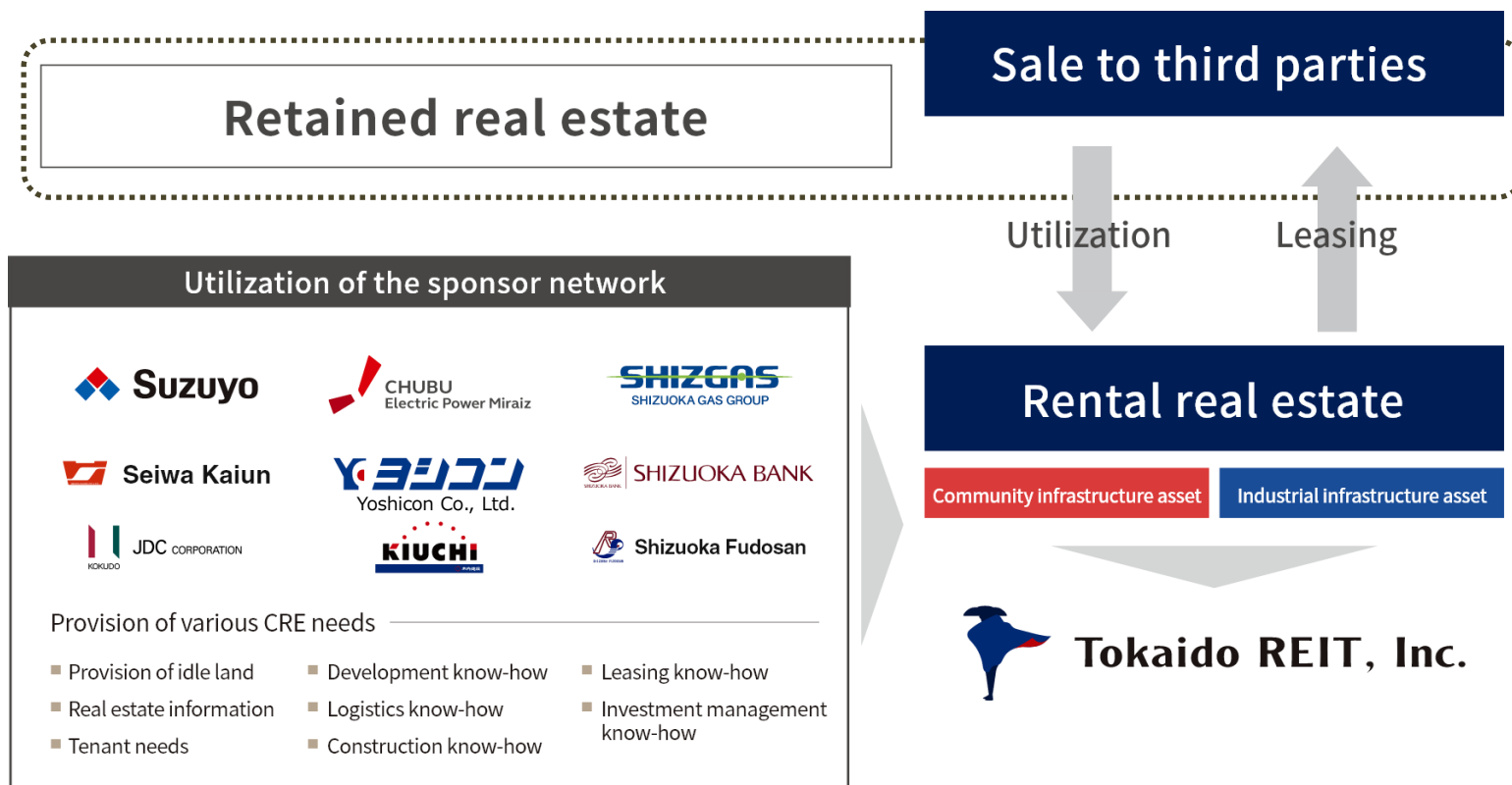
**▶ Sponsor development policy**

- Plans to **combine development of commercial facilities and development as residential sites for sale** according to CRE needs

(Note) As of the date of preparation of this document, Tokaido REIT has no plans to acquire the above assets, and there is no assurance that it will acquire them in future.

## Pipeline development driven by CRE proposals

-  Continuing to expand the pipeline through development driven by CRE proposals in the “Industrial Region”
- Make proposals that enables the required real estate to be utilized most efficiently as a leased property from the J-REIT while selling idle land and other non-essential real estate



## Tokaido REIT's growth strategy through concepts and CRE proposals focusing on the industrial region



There is abundant corporate real estate (CRE) information in the region with a high value of shipments of manufactured goods spanning the Greater Tokaido region

We will develop new rental real estate by connecting CRE needs and off-balance needs in the Greater Tokaido region through a network supporting the industrial region of "9 sponsors"



## Section 7

---

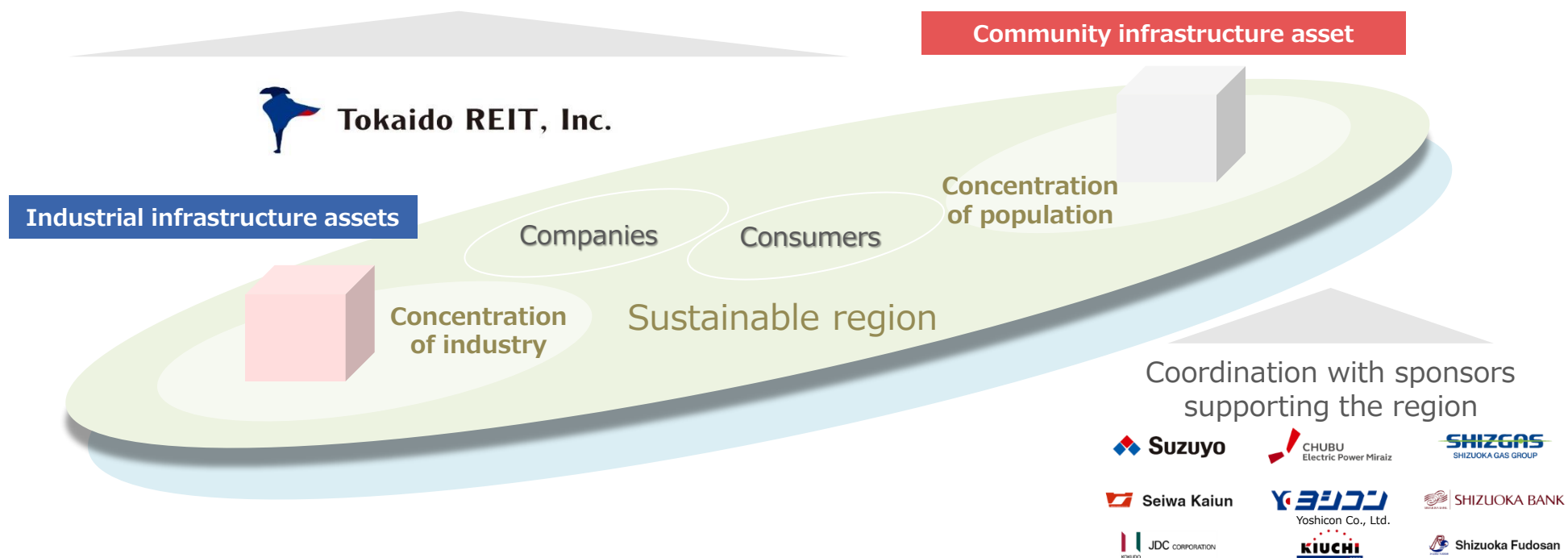
### ESG and SDGs

# Tokaido REIT's Initiatives for Realizing a Sustainable Society: Concept

 We plan to actively engage in building a sustainable society while working with sponsors who support the region

We aim for a sustainable society including SDGs through coordination with stakeholders involved in the region while conducting investment management of assets forming infrastructure of the region

## SUSTAINABLE DEVELOPMENT GOALS



# Tokaido REIT's Initiatives for Realizing a Sustainable Society: Current Situation and Future Policy

- Tokaido REIT and the Asset Manager recognize ESG initiatives to be an important management issue, and are formulating policies and preparing systems on sustainability
- The main measures implemented by Tokaido REIT are shown below, and we also intend to further strengthen systems and acquire certifications in the future

## Initiatives Since Listing

### Contactless delivery

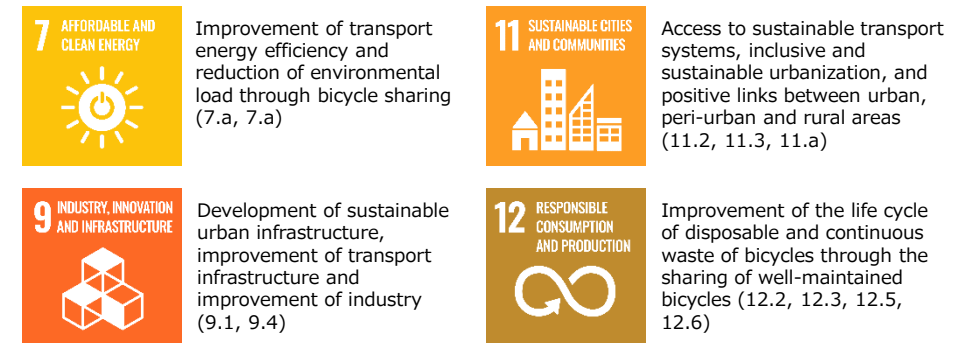
Working with Linough, Inc. to support “contactless delivery” in residential properties owned

“Contactless delivery” is delivery placing packages at designated locations such as “on the doorstep” of the delivery destination for delivery packages. This has effects such as reducing redelivery and lowering the frequency of contact during the COVID-19 pandemic.



### Bicycle sharing

Working with neuet, Inc. to install bicycle sharing ports



## Processed for making decisions on transactions with interested parties

Provisions on transactions with interested parties state the basic policy that transactions that harm the interests of Tokaido REIT and unnecessary transactions must not be carried out with oneself or interested parties and sets forth the transaction standards and decision-making procedures applicable when conducting transactions with interested parties.

<Decision-making procedures on transactions with interested parties>



## Utilization of external experts for internal auditing (Asset Manager)

The Asset Manager outsources internal audit support operations to external experts.

Utilizing external experts not only ensures a certain level of objectivity of audits, but also addresses the risk of increased complexity.

## Same-boat investment

### Same-boat investment by main sponsor

The main sponsor, Yoshicon, supports the management of Tokaido REIT.

In addition to management support, it made a same-boat investment of 18,360 units (10.38%) when Tokaido REIT was listed in June 2021.

### Same-boat investment by officers and employees

Consideration is being given to the introduction of an investment unit purchase system for officers and employees of the Asset Manager utilizing a cumulative investment system.

It is intended to provide an incentive to officers and employees as a result of managing assets with the same viewpoint as unitholders by officers and employees of the Asset Manager becoming investors.

## Appendix 1

---

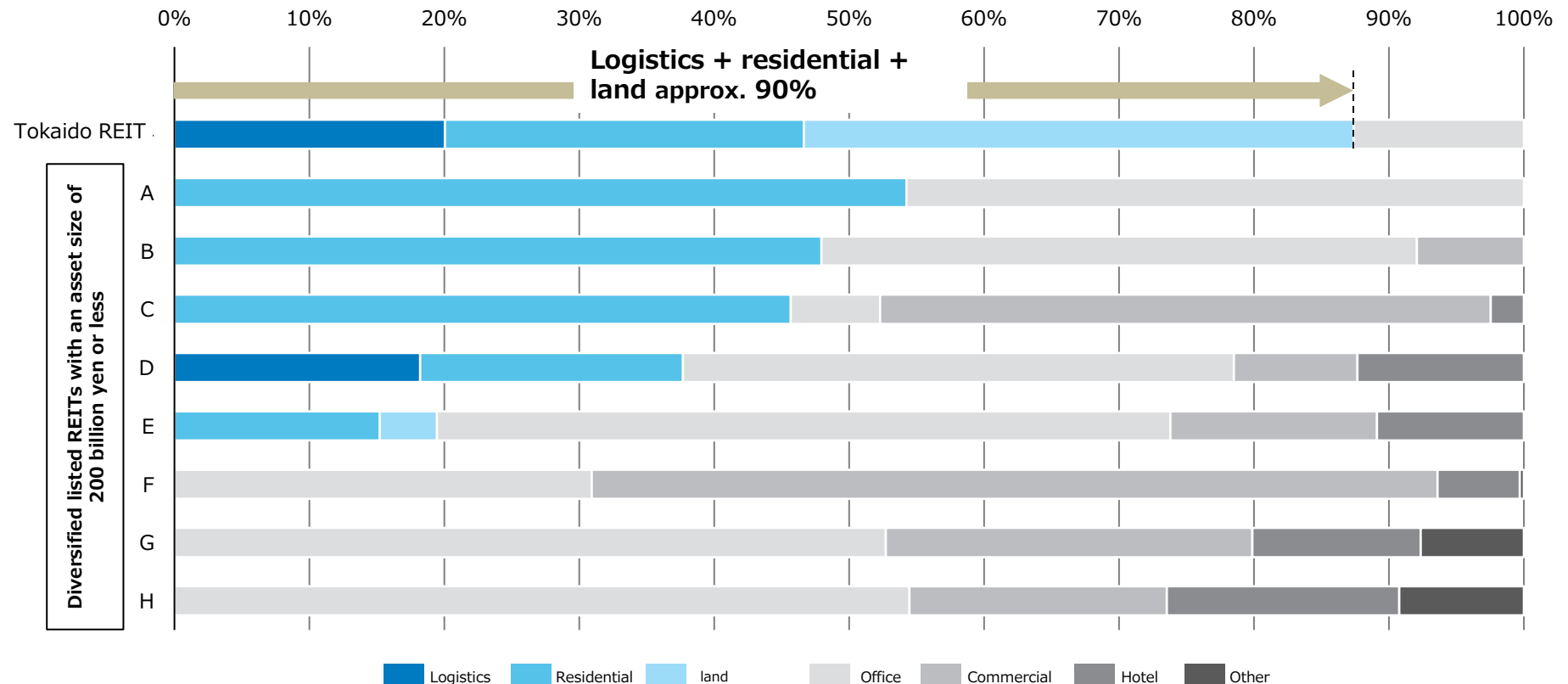
### Features of Tokaido REIT

# Properties Owned by Tokaido REIT

The percentage of logistics, residential and land with relatively high valuations under the COVID-19 pandemic was approximately 90%, which is relatively high among listed REITs of the same size

As lifestyles change under the COVID-19 pandemic, listed REITs with a high percentage of logistics, residential and land assets with comparatively stable cash flow have been valued relatively highly

## Percentage of assets considered to have relatively stable cash flow



Source: Prepared by the Asset Manager calculating the percentages of acquisition price of assets by type owned by J-REITs at the end of the most recent fiscal period disclosed as of March 10, 2022 (assets owned as of January 31, 2022, for Tokaido REIT). The asset size was also calculated using the same method.

# About the Main Sponsor, Yoshicon Co., Ltd.

## Overview of Yoshicon Co., Ltd.

Comprehensive urban development company



We will always dream, and face challenges without neglecting reform to create new corporate value.

## Development record of Yoshicon rooted in the industrial region

<Food manufacturer plants>



<Logistics facilities>



<Condominiums and apartments>



|  |   |
|--|---|
| Securities Code                          | 5280  |
| Listed Market                            | TSE JASDAQ Standard   |
| Location                                 | Head office: 1-4-12 Tokiwacho, Aoi-ku, Shizuoka-shi, Shizuoka<br>(Tokyo office: 2-14-3 Nagatacho, Chiyoda-ku, Tokyo)                                  |
| Representative                           | Naohiro Yoshida, Representative Director and President  |
| Establishment                            | January 13, 1969  |
| Capital                                  | 100 million yen (fiscal year ended Mar. 2021)   |
| Basic Policy                             | "Our company seeks unlimited possibilities, providing happiness and profit to our stakeholders, and contributing to the community through their work" |
| Percentage of Investment in Tokaido REIT | Approx. 10.4%   |

## Appendix 2

---

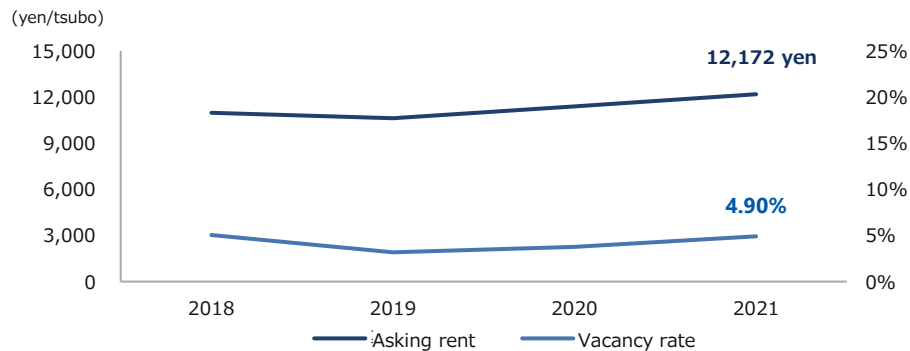
## Supplementary Materials

# Office Trends in the Shizuoka Area

- Although office rents in Shizuoka City are rising, vacancies remain low at less than 5%
- The last new supply of offices in Shizuoka City was in 2017, and there are no plans for new supply until 2024
- Shizuoka Station has access to local lines and the Shinkansen, a large number of average daily passengers, and high transport convenience supporting office demand

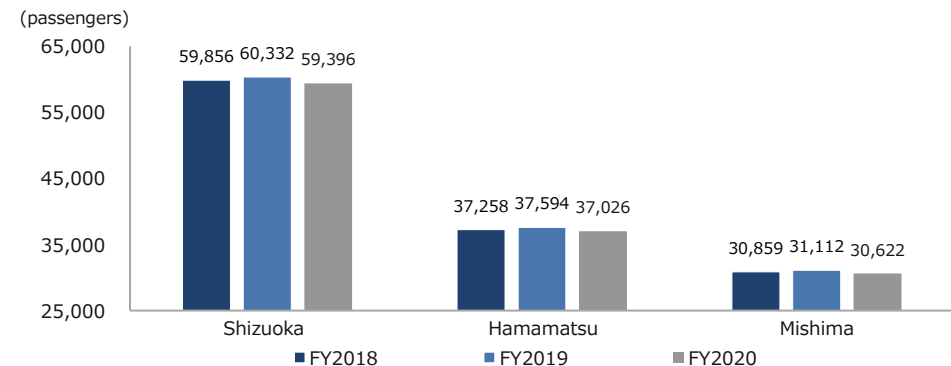
## Office rents and vacancy rate in Shizuoka City

- Office rents have gradually risen even under the COVID-19 pandemic. The vacancy rate has remained low



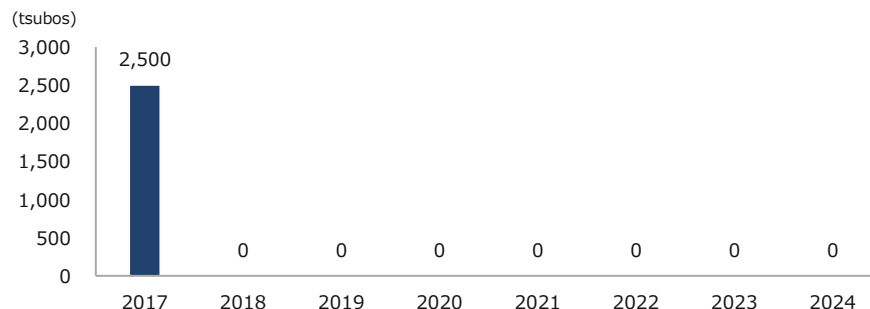
## Average number of daily passengers in Shizuoka Prefecture

- The number of incoming and outgoing passengers at Shizuoka Station is the highest in the prefecture and stable due to the excellent transport convenience



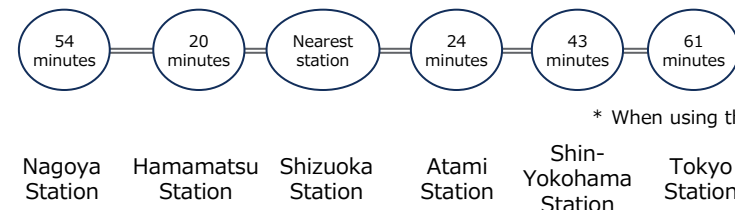
## Forecast of new office supply in Shizuoka City

- New supply will be limited, and stable office demand is expected



## Time required to each station from Shizuoka Station by Shinkansen

- Access to Nagoya Station in 54 minutes and Shin-Yokohama Station in 43 minutes using the Shinkansen

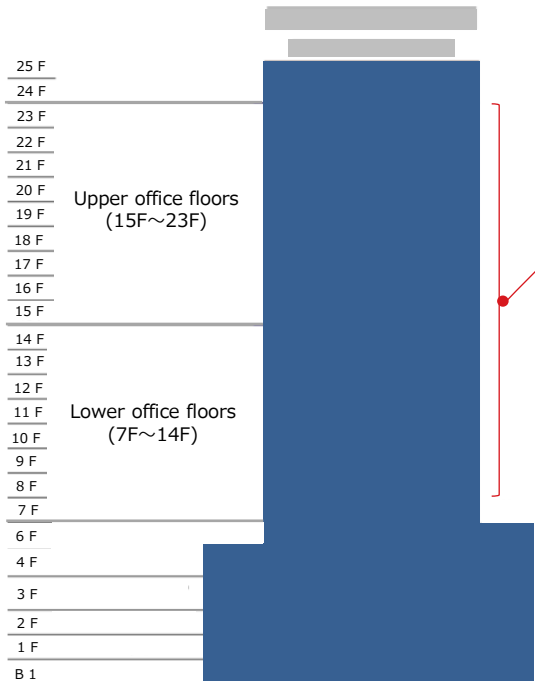


\* When using the Shinkansen "Hikari"

# Excellent Tenant Composition with High Credit Rating (Aoi Tower) Tokaido REIT, Inc.

- Major companies with a relatively high credit rating account for the majority of the tenants of Aoi Tower on both office floors and retail floors
- Many of the office tenants are branches and sales offices of major companies, and stable rent demand is expected in the medium- to long term even during the COVID-19 pandemic

## Floor image of Aoi Tower



## Tenant list

- Tenant composition reflects the branch and sales office needs of major companies, and the impact of relocation and consolidation is very limited

### Tenant list (7F-23F)

- OKAMURA CORPORATION Shizuoka Branch, Tokai Branch (7F)
- ECC Foreign Language Institute Aoi Tower Shizuoka School (7F)
- ECC Junior Shizuoka Center (7F)
- Hair Clinic Reve 21 Shizuoka O.C (7F)
- Mitsubishi Electric Building Techno-Service Co., Ltd. Shizuoka Branch (8F)
- Takasago Thermal Engineering Co., Ltd. (8F)
- Tokio Marine & Nichido Facilities, Inc. Shizuoka Branch (9F)
- ALSOK-Shizuoka Co., Ltd. (9F)
- KANDENKO CO., LTD. Shizuoka Sales Office (9F)
- RACE GROUP Shizuoka Sales Office (9F)
- Mitsubishi Corporation Shizuoka Office (9F)
- Tokio Marine & Nichido Adjusting Services Co., Ltd. Shizuoka Office (10F)
- Tokio Marine & Nichido Fire Insurance Co., Ltd. Shizuoka Branch, other (13F)
- Tokio Marine & Nichido Life Insurance Co. Ltd. Shizuoka Life Branch (13F)
- Hamamura Consulting Bureau, Ltd. (14F)
- Management Innovation Soken Co., Ltd. (14F)
- ORIX Corporation (14F)
- ORIX Auto Corporation (14F)
- United Front Partners Shizuoka Branch (14F)
- NIHON TECHNO CO., LTD. Shizuoka Sales Office (14F)
- NEFFUL INTERNATIONAL HOLDINGS PTE.LTD. (14F)
- UNIX Co., Ltd. (15F)
- Adire Legal Professional Corporation Shizuoka Branch (15F)
- Kekkonjoho center, Inc (15F)
- Nihonwasou Shizuoka Office (16F)
- Global Design Corporation (16F)
- Deloitte Touche Tohmatsu LLC (17F)
- Deloitte Tohmatsu Tax Co. (17F)
- DENTSU EAST JAPAN INC. Shizuoka Branch (19F)
- OUTSOURCING Inc. (19F)
- OUTSOURCING TECHNOLOGY Inc. Shizuoka Sales Office (19F)
- Shizuoka Kenmin Kyosai Cooperative Association (20,21F)
- NSK Ltd. Shizuoka Branch (22F)
- Aflac Shizuoka Branch (22F)
- Mishiku & Nagamachi (22F)
- Riviera Co., Ltd. (23F)
- NTT Facilities (23F)

### Office tenant list (B1F-2F \*Floors owned by Tokaido REIT)

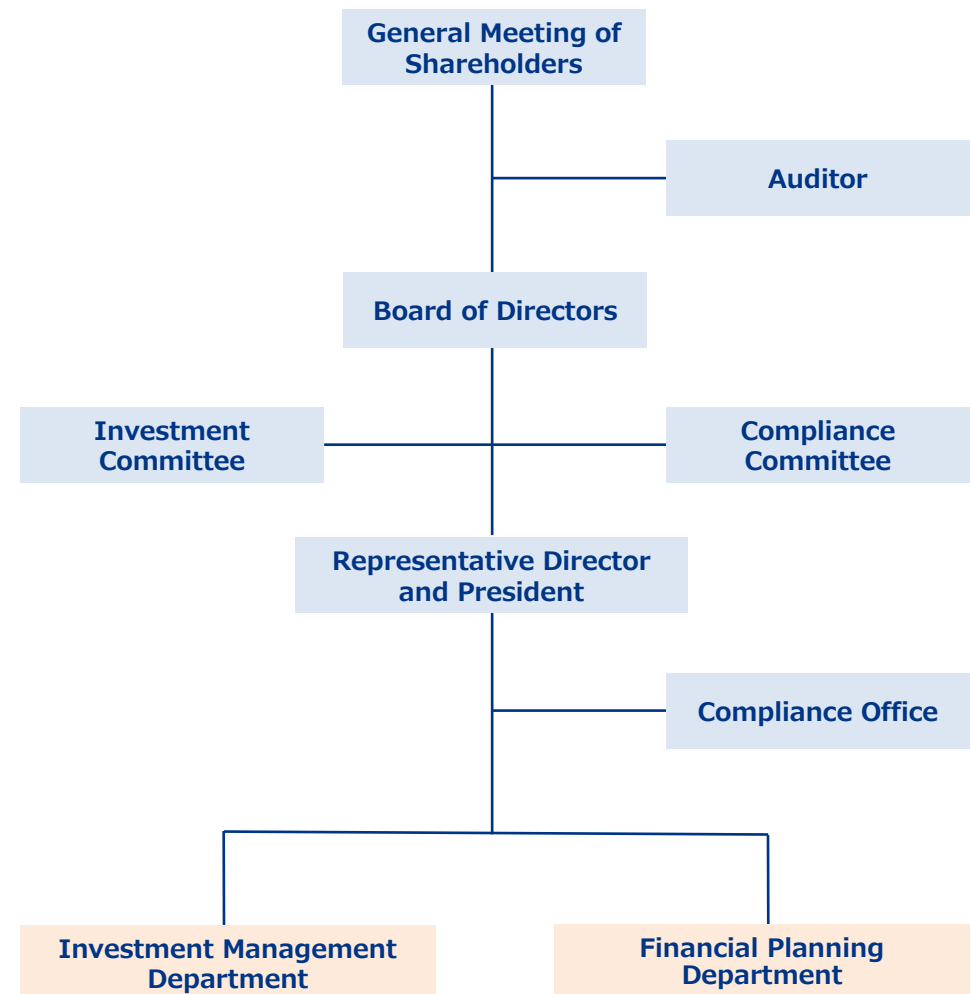
- St. Marc Cafe Shizuoka Aoi Tower Store (B1F)
- Iwakyu Soba Restaurant (B1F)
- Mandoukou Chinese Restaurant Aoi Tower Store (B1F)
- Shabuyo Shabu Shibuya Restaurant (B1F)
- Shizuoka Fish Market Direct Store (B1F)
- Irifunesushi (B1F)
- Tendo Tenya Shizuoka Aoi Tower Store (B1F)
- Shizuoka Bank (ATM) (B1F)
- OZZONESTE (B1F)
- Hoken no Madoguchi Shizuoka Aoi Tower (B1F)
- Howmuch Ticket Store Aoi Tower Basement Store (B1F)
- unico Shizuoka (1F)
- 7-Eleven Shizuoka Aoi Tower Store (1F)
- SMBC Nikko Securities Shizuoka Branch (1-2F)
- Able Network Shizuoka Store (1F)
- Regus Business Center (1F)
- Sekaicho Sake Shop (1F)
- Kakuoan Fruit Daifuku Benzaiten (1F)
- Pola The Beauty Shizuoka Store (1F)
- Ecoray Photostudio (2F)
- Beauty Dresse YAMANO (2F)
- Riviera Co., Ltd. Shizuoka Showroom (2F)
- TCB Tokyo Central Cosmetic Surgery Shizuoka Clinic (2F)

# Overview of the Asset Manager

## Overview of the Asset Manager

|                   |   |       |
|-------------------|---|-------|
| Name              | Tokaido REIT Management Co., Ltd.                   |       |
| Location          | 2-14-3 Nagatacho, Chiyoda-ku, Tokyo                 |       |
| Capital           | 100 million yen                                     |       |
| Representative    | Yoichi Egawa, Representative Director and President |       |
| Capital Structure | Yoshicon Co., Ltd.                                  | 55.0% |
|                   | Chubu Electric Power Miraiz Co., Inc.               | 10.0% |
|                   | KIUCHI Construction Co., Ltd.                       | 5.0%  |
|                   | SHIZUOKA GAS CO., LTD.                              | 5.0%  |
|                   | THE SHIZUOKA BANK, LTD.                             | 5.0%  |
|                   | Shizuoka Fudosan Co., Ltd.                          | 5.0%  |
|                   | Suzuyo & Co., Ltd.                                  | 5.0%  |
|                   | Seiwa Kaiun Co., Ltd.                               | 5.0%  |
|                   | JDC CORPORATION                                     | 5.0%  |

## Organizational Chart

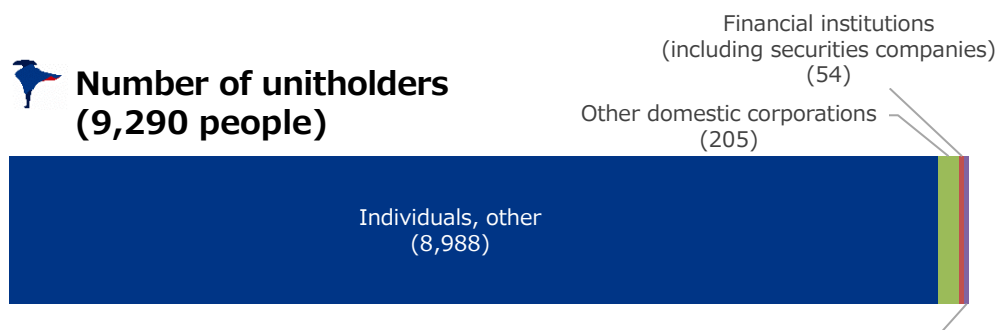


# Unitholder Information

## Number of investment units (176,800 units)



## Number of unitholders (9,290 people)



(Unit: people)

End of 1st Fiscal  
Period  
(Jan. 31, 2022)

|  |  |       |
|--|--|-------|
| Individuals, other   |  | 8,988 |
|  | City banks, trust banks                          | 5     |
|  | Regional banks                                   | 2     |
| Financial institutions<br>(including securities companies) | Shinkin banks, other                             | 27    |
|  | Life and non-life insurers, securities companies | 20    |
|  | Total  | 54    |
| Other domestic corporations                                |  | 205   |
| Foreign corporations, foreign individuals                  |  | 43    |
| Total  |  | 9,290 |

## Major unitholders (as of January 31, 2022)

|       | Name  | Number of investment units held (units) | Ownership ratio (%) |
|-------|---|---|---------------------|
| 1     | Yoshicon Co., Ltd.  | 18,360                                  | 10.38%              |
| 2     | The Master Trust Bank of Japan, Ltd. (Trust Account)                              | 9,843                                   | 5.56%               |
| 3     | Custody Bank of Japan, Ltd. (Trust Account)                                       | 9,198                                   | 5.20%               |
| 4     | Individual  | 4,722                                   | 2.67%               |
| 5     | The Nomura Trust & Banking Co. (Investment Trust Account)                         | 4,468                                   | 2.52%               |
| 6     | Nomura Securities Co., Ltd. (standing proxy: Sumitomo Mitsui Banking Corporation) | 3,115                                   | 1.76%               |
| 7     | Individual  | 3,038                                   | 1.71%               |
| 8     | Ueda Yagi Tanshi Co., Ltd.  | 2,652                                   | 1.50%               |
| 9     | Custody Bank of Japan, Ltd. (Securities Investment Trust Account)                 | 2,177                                   | 1.23%               |
| 10    | Nomura Securities Co., Ltd.   | 1,687                                   | 0.95%               |
| Total |   | 59,260                                  | 33.52%              |


 We will hold meetings with institutional investors and briefings for individual investors and continue dialogue with investors through proactive IR activities.

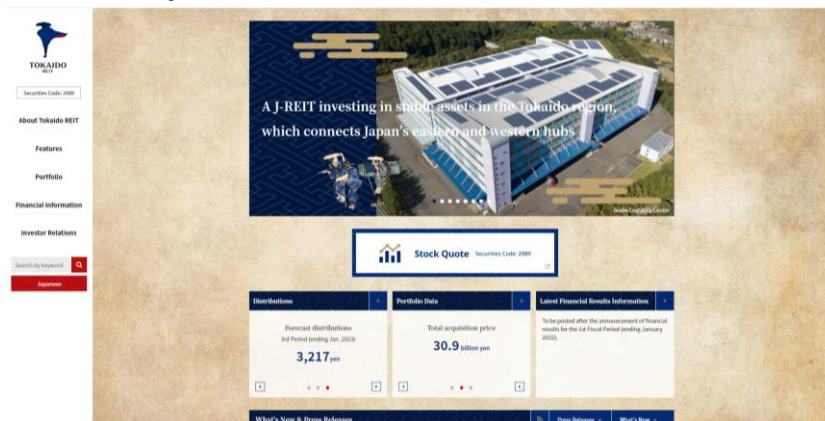
 Institutional investor meetings  
(including stakeholders)

Number of meetings

Domestic: 14 companies

Overseas: 1 company

 Publication of English IR site from  
January 2022



 Briefing for individual investors



|           |   |
|-----------|---|
| Date held | December 1, 2021                          |
| Briefing  | Company briefing for individual investors |
| Venue     | Midland Hall (Nagoya-shi, Aichi)          |

# Financial Statements (Balance Sheet)

(Unit: thousands of yen)

|  | 1st Fiscal Period<br>(January 31, 2022) |
|--|---|
| <b>Assets</b>                              |   |
| Current assets                             |   |
| Cash and deposits                          | 715,552                                 |
| Cash and deposits in trust                 | 1,264,011                               |
| Operating accounts receivable              | 37,210                                  |
| Prepaid expenses                           | 32,097                                  |
| Consumption taxes receivable               | 388,838                                 |
| Other                                      | 59                                      |
| <b>Total current assets</b>                | <b>2,437,770</b>                        |
| Non-current assets                         |   |
| Property, plant and equipment              |   |
| Buildings                                  | 1,056,677                               |
| Structures                                 | 4,419                                   |
| Tools, furniture and fixtures              | 1,148                                   |
| Land                                       | 2,482,317                               |
| Buildings in trust                         | 7,709,647                               |
| Structures in trust                        | 190,158                                 |
| Tools, furniture and fixtures in trust     | 10,864                                  |
| Land in trust                              | 18,130,418                              |
| <b>Total property, plant and equipment</b> | <b>29,585,652</b>                       |
| Intangible Assets                          |   |
| Land leasehold interests in trust          | 2,076,544                               |
| <b>Total intangible assets</b>             | <b>2,076,544</b>                        |
| Investments and other assets               |   |
| Long-term prepaid expenses                 | 43,529                                  |
| Leasehold and guarantee deposits           | 313,063                                 |
| Deferred tax assets                        | 29                                      |
| <b>Total investments and other assets</b>  | <b>356,622</b>                          |
| <b>Total non-current assets</b>            | <b>32,018,819</b>                       |
| <b>Total assets</b>                        | <b>34,456,589</b>                       |

(Unit: thousands of yen)

|  | 1st Fiscal Period<br>(January 31, 2022) |
|--|---|
| <b>Liabilities</b>                                 |   |
| Current liabilities                                |   |
| Operating accounts payable                         | 87,156                                  |
| Current portion of long-term borrowings            | 2,950,000                               |
| Accounts payable - other                           | 117,628                                 |
| Income taxes payable                               | 1,831                                   |
| Accrued expenses                                   | 8,259                                   |
| Advances received                                  | 155,328                                 |
| Other  | 19,939                                  |
| <b>Total current liabilities</b>                   | <b>3,340,144</b>                        |
| Non-current liabilities                            |   |
| Long-term borrowings                               | 13,000,000                              |
| Leasehold and guarantee deposits received          | 61,007                                  |
| Leasehold and guarantee deposits received in trust | 594,343                                 |
| <b>Total non-current liabilities</b>               | <b>13,655,350</b>                       |
| <b>Total liabilities</b>                           | <b>16,995,495</b>                       |
| Net assets   |   |
| Unitholders' equity                                |   |
| Unitholders' capital                               | 17,028,560                              |
| Surplus  |   |
| Unappropriated retained earnings (undisposed loss) | 432,534                                 |
| <b>Total surplus</b>                               | <b>432,534</b>                          |
| <b>Total unitholders' equity</b>                   | <b>17,461,094</b>                       |
| <b>Total net assets</b>                            | <b>17,461,094</b>                       |
| <b>Total liabilities and net assets</b>            | <b>34,456,589</b>                       |

## Financial Statements (Statement of Income and Retained Earnings)



(Unit: thousands of yen)

|   | 1st Fiscal Period<br>From February 1, 2021<br>to January 31, 2022 |
|---|---|
| Operating revenue                                 |   |
| Leasing business revenue                          | 1,315,908   |
| Other leasing business revenue                    | 28,035  |
| <b>Total operating revenue</b>                    | <b>1,343,943</b>  |
| Operating expenses                                |   |
| Expenses related to leasing business              | 382,740   |
| Asset management fees                             | 82,526  |
| Asset custody fees                                | 2,010   |
| Administrative service fees                       | 8,213   |
| Remuneration for directors (and other officers)   | 3,800   |
| Audit fees  | 4,965   |
| Other operating expenses                          | 40,465  |
| <b>Total operating expenses</b>                   | <b>524,719</b>  |
| <b>Operating income</b>                           | <b>819,224</b>  |
| Non-operating income                              |   |
| Interest income                                   | 3   |
| <b>Total non-operating income</b>                 | <b>3</b>  |
| Non-operating expenses                            |   |
| Interest expenses                                 | 54,169  |
| Financing fees                                    | 198,540   |
| Amortization of investment unit issuance expenses | 71,853  |
| Amortization of organization expenses             | 60,327  |
| <b>Total non-operating expenses</b>               | <b>384,890</b>  |
| <b>Ordinary income</b>                            | <b>434,337</b>  |

(Unit: thousands of yen)

|   | 1st Fiscal Period<br>From February 1, 2021<br>to January 31, 2022 |
|---|---|
| <b>Income before income taxes</b>                           | <b>434,337</b>  |
| Income taxes - current                                      | 1,832   |
| Income taxes - deferred                                     | (29)  |
| <b>Total income taxes</b>                                   | <b>1,802</b>  |
| <b>Net income</b>   | <b>432,534</b>  |
| Retained earnings brought forward                           | -   |
| <b>Unappropriated retained earnings (undisposed loss)</b>   | <b>432,534</b>  |
|   |   |
|   | 1st Fiscal Period<br>From February 1, 2021<br>to January 31, 2022 |
| I. Unappropriated retained earnings                         | 432,534,527   |
| II. Distribution amount                                     | 432,452,800   |
| [Distribution amount per unit]                              | [2,446 yen]   |
| III. Retained earnings brought forward                      | 81,727  |
|   |   |
|   | 1st Fiscal Period<br>From February 1, 2021<br>to January 31, 2022 |
| Net cash provided by (used in) operating activities         | 520,948   |
| Net cash provided by (used in) investing activities         | (31,448,089)  |
| Net cash provided by (used in) financing activities         | 32,906,706  |
| <b>Net increase (decrease) in cash and cash equivalents</b> | <b>1,979,564</b>  |
| Cash and cash equivalents at beginning of period            | -   |
| <b>Cash and cash equivalents at end of period</b>           | <b>1,979,564</b>  |

# Status of Property Appraisals (compared with IPO)






| Property name  | Appraisal company                     | Summary of appraisal results        |                                       |                        | Rate used for appraisal |                   |            |
|--|---------------------------------------|-------------------------------------|---------------------------------------|------------------------|-------------------------|-------------------|------------|
|  |                                       | Appraisal value (million yen)       |                                       |                        | Capitalization rate     |                   |            |
|  |                                       | At time of IPO (previous appraisal) | 1st Fiscal Period (current appraisal) | Unrealized gain (loss) | Previous appraisal      | Current appraisal | Difference |
| Inabe Logistics Center                               | Japan Valuers Co., Ltd.               | 6,780                               | 6,780                                 | –                      | 5.5%                    | 5.5%              | –          |
| Mid Building Yokkaichi                               | Daiwa Real Estate Appraisal Co., Ltd. | 1,810                               | 1,800                                 | -10                    | 5.3%                    | 5.3%              | –          |
| Aoi Tower  | The Tanizawa Sōgō Appraisal Co., Ltd. | 2,570                               | 2,580                                 | 10                     | 4.8%                    | 4.8%              | –          |
| Shizuoka Machine Yard (land) <small>(Note 1)</small> | Daiwa Real Estate Appraisal Co., Ltd. | 717 <small>(Note 2)</small>         | 717                                   | –                      | 5.3%                    | 5.3%              | –          |
| Royal Parks Chikusa <small>(Note 3)</small>          | The Tanizawa Sōgō Appraisal Co., Ltd. | 4,900                               | 4,900                                 | –                      | 4.5%                    | 4.4%              | -0.1%      |
| Marunouchi EMBL Court                                | The Tanizawa Sōgō Appraisal Co., Ltd. | 1,210                               | 1,230                                 | 20                     | 4.1%                    | 4.0%              | -0.1%      |
| EMBL Aile Kusanagi Ekimae                            | Daiwa Real Estate Appraisal Co., Ltd. | 2,210                               | 2,200                                 | -10                    | 5.2%                    | 5.0%              | -0.2%      |
| EMBL Aile Kusanagi                                   | JLL Morii Valuation & Advisory K.K.   | 969                                 | 972                                   | 3                      | 5.0%                    | 5.0%              | –          |
| Hamamatsu Plaza (land)                               | Daiwa Real Estate Appraisal Co., Ltd. | 12,500                              | 12,500                                | –                      | 4.7%                    | 4.7%              | –          |
| Total (percentages are simple averages)              |                                       | 32,949                              | 33,679                                | 13                     | 4.9%                    | 4.9%              | –          |

(Note 1) Discount rate used in capitalization method (Inwood method) is indicated.

(Note 2) The appraisal as of November 30, 2021, is indicated for Shizuoka Machine Yard (land) at the time of IPO (previous appraisal).

(Note 3) Discount rate used in direct capitalization method (adjusted Inwood method) is indicated.

# Overview of Portfolio Properties

| Property name                                   | Inabe Logistics Center  | Mid Building Yokkaichi  | Aoi Tower   | Shizuoka Machine Yard (land)  | Royal Parks Chikusa   |
|---|---|---|---|---|---|
| Exterior photo                                  |              |  |  |  |  |
| Location  | Inabe-shi,<br>Mie   | Yokkaichi-shi,<br>Mie   | Aoi-ku, Shizuoka-shi,<br>Shizuoka   | Suruga-ku, Shizuoka-shi,<br>Shizuoka  | Nagoya-shi,<br>Aichi  |
| Site area (m <sup>2</sup> )                     | 102,038.46 m <sup>2</sup>   | 1,025.94 m <sup>2</sup>   | 4,923.89 m <sup>2</sup>   | 6,219.80 m <sup>2</sup>   | 6,905.70 m <sup>2</sup>   |
| Total floor area (m <sup>2</sup> )              | 104,224.73 m <sup>2</sup><br>(Warehouse 1, Office)<br>7,061.60m <sup>2</sup><br>(Warehouse 2) | 5,165.48 m <sup>2</sup>   | 42,532.27 m <sup>2</sup><br>(2858.50 m <sup>2</sup> ) (Note 1)                      | –   | 17,469.21 m <sup>2</sup>  |
| Construction date                               | September 28, 1995<br>(Warehouse 1, Office)<br>September 6, 2004<br>(Warehouse 2)             | February 14, 1991   | March 31, 2010  | –   | November 29, 2007   |
| Period-end occupancy rate (%)                   | 100.0%  | 100.0%  | 100.0%  | 100.0%  | 93.7%   |
| Acquisition price (million yen)                 | 6,230   | 1,620   | 2,300   | 600   | 4,400   |
| 1st Fiscal Period appraisal value (million yen) | 6,780   | 1,800   | 2,580   | 717   | 4,900   |
| Property management company                     | CBRE  | Tokyo Capital Management  | Yoshicon  | Yoshicon  | Rio Consulting  |

(Note 1) The area of the one entire building. The area of the exclusive portion under sectional ownership acquired by Tokaido REIT is 2,858.50 m<sup>2</sup>.

(Note 2) Some parts of the official names of the property management companies are omitted.

# Overview of Portfolio Properties

| Property name                                   | Marunouchi EMBL Court   | EMBL Aile Kusanagi Ekimae  | EMBL Aile Kusanagi  | Hamamatsu Plaza (land)   |
|---|---|--|---|--|
| Exterior photo                                  |  |  |  |   |
| Location  | Nagoya-shi, Aichi   | Shimizu-ku, Shizuoka-shi, Shizuoka   | Suruga-ku, Shizuoka-shi, Shizuoka   | Hamamatsu-shi, Shizuoka  |
| Site area (m <sup>2</sup> )                     | 396.68 m <sup>2</sup>   | 3,070.99 m <sup>2</sup>  | 1,641.26 m <sup>2</sup>   | 135,838.91 m <sup>2</sup>  |
| Total floor area (m <sup>2</sup> )              | 2,789.50 m <sup>2</sup>   | 6,486.26 m <sup>2</sup>  | 2,908.12 m <sup>2</sup>   | 11,070.81 m <sup>2</sup><br>(Akachan Honpo Building, Xebio Building)<br>158.98 m <sup>2</sup><br>(Administrative Building) |
| Construction date                               | March 4, 2016   | February 22, 2021  | March 10, 2019  | November 9, 2000<br>(Akachan Honpo Building, Xebio Building)<br>November 7, 2000<br>(Administrative Building)              |
| Period-end occupancy rate (%)                   | 96.0%   | 100.0%   | 100.0%  | 100.0%   |
| Acquisition price (million yen)                 | 1,080   | 2,000  | 750   | 11,950   |
| 1st Fiscal Period appraisal value (million yen) | 1,230   | 2,200  | 972   | 12,500   |
| Property management company                     | Rio Consulting  | Yoshicon   | Yoshicon  | Xymax  |

(Note) Some parts of the official names of the property management companies are omitted.

The purpose of this document is to provide information on Tokaido REIT, Inc. (hereinafter, “Tokaido REIT”), and should not be construed as an offer of investment or solicitation for the purchase or sale of specified instruments.

Please make investment decisions at your own discretion and responsibility, and contact securities companies when purchasing investment units of Tokaido REIT.

The information provided in this document contains analysis and judgments of Tokaido REIT Management Co., Ltd. (hereinafter, “the Company”) based on currently available information, and the Company does not provide any assurances and shall not be liable in any way for the accuracy, reliability, completeness, etc. thereof.

Please note that the content may be revised or rescinded without prior notice.

This document contains forward-looking statements about future performance, etc. and they do not guarantee Tokaido REIT’s future performance or financial standing.

All rights to all parts of this document belong to the Company, and use, citation, reproduction, alteration, decomposition or transfer, etc. without permission for any purpose, regardless of whether by electronic or mechanical means, is prohibited.



**Tokaido REIT, Inc.**