Investor Presentation for the 2nd Fiscal Period (ended Jul. 2022) September 16, 2022

Centrair Logistics Center (Acquired investment in silent partnership)





Matsusaka Logistics Center (Acquisition of preferential negotiation rights)









Table of Contents



Section 1	Tokaido REIT's Equity Story	P.3
Section 2	Overview of Financial Results and Earnings Forecast	P.11
Section 3	Acquisition of preferential negotiation rights	P.16
Section 4	Management Status	P.22
Section 5	Financial Status	P.28
Section 6	Growth Strategy	P.30
Section 7	ESG and SDGs	P.39
Appendix 1	Features of Tokaido REIT	P.45
Appendix 2	Supplementary Materials	P.48



Section 1

Tokaido REIT's Equity Story

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



Strategic investment in the "Industrial Region" that has a sustainable economic base

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Growth based on a stable portfolio backed by industrial and population clusters



Support that draws on the extensive insight of sponsors rooted in the "industrial region"



Pipeline development driven by CRE proposals





Tokaido REIT's Equity Story

Equity Story of Tokaido REIT



Strategic Investment in the "Industrial Region" that has a sustainable economic base



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

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

Tokaido REIT's Equity Story

Equity Story of Tokaido REIT

Tokaido REIT, Inc.

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



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







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



Tokaido REIT, Inc.

Tokaido REIT's Equity Story Support That Draws on the Extensive Insight of Sponsors Rooted in the "Industrial Region"

Tokaido REIT, Inc.



igaplus 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
	Provision of right of first look	•								
External	Grant of right of first negotiation	•								
	Provision of warehousing function	•								
	Provision of property information			•	•		٠	•	•	٠
	Provision of property management services, etc.	•							•	
Internal growth	Provision of leasing support	•		•	•				•	
	Provision of energy management services, etc.				٠	•				
	Investment in the asset manager	•	•	•	•	•	•	•	•	•
	Support asset manager's human resources acquisition	•	•	•	•	•	•			
Other Support	Grant of trademark license	•	•	•	•	•	•	•	•	•
	Advice on financing for real estate acquisition		•							
	Same-boat investment	٠		•						

Tokaido REIT's Equity Story

Investment unit price performance since the IPO

2022/9/9 Tokaido REIT 123,200 yen +23.2%125,000 Yen Tokaido REIT TSE REIT Index 120,000 Yen 115,000 Yen Performance vs. market benchmark 110,000 Yen +27.3%105,000 Yen 100,000 Yen 95,000 Yen Closing price of TSE REIT Index on day before listing date 2,116.58p 2022/9/9 90,000 Yen 2,029.27n **TSE REIT Index** \approx **▲4.1%** 0 Yen 2021/10 2021/12 2021/6 2021/8 2022/2 2022/4 2022/6 2022/8

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

Tokaido REIT, Inc.



Section 2

Overview of Financial Results and Earnings Forecast

Executive Summary (Highlights)





(Note 1) Figures smaller than the indicated units are rounded down in the case of monetary amounts and rounded up in the case of percentages when any amount is equivalent to 5 or more. (Note 2) The long-term debt ratio includes the current portion of long-term borrowings.

Results of 2nd Fiscal Period (ended Jul. 2022)



(Unit: million yen)	2nd FP Forecast (A)	2nd FP Result (B)	Vs. Forecast (B) – (A)
Operating revenue	1,120	1,116	▲3
Operating expenses	477	494	+16
Expenses related to real estate leasing business (Excluding depreciation)	250	262	+11
Depreciation	116	116	+0
SGA, etc.	110	115	+4
Operating profit	642	622	▲19
Non-operating income	-	0	0
Non-operating expenses	75	61	▲14
Ordinary profit	566	561	▲5
Net profit	565	560	▲5
Reference) NOI	869	854	▲15
(Unit: yen)	(A)	(B)	(B) – (A)
Distributions per unit	3,200	3,170	▲30

🟲 Tokaido REIT, Ind

Forecast for 4th Fiscal Period (ending Jul. 2023)

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

(Unit: million yen)	Previous Forecast for 3rd FP (A)	3rd FP Forecast (B)	Vs. Forecast (B) - (A)	Major Factors Behind Change (Comparison with Initial Forecast)	(Unit: million yen)	3rd FP Forecast (A)	4th FP Forecast (B)	Difference (B) - (A)	Major Factors Behind Change (Comparison with 3rd FP Forecast)
Operating revenue	1,120	1,130	+10	Kusanagi Ekimae +10	Operating revenue	1,130	1,137	+6	Chikusa +3 Marunouchi +2
Operating expenses	487	498	+12		Operating expenses	498	504	+6	
Expenses related to real estate leasing business (Excluding depreciation)	248	260	+12	Kusanagi Ekimae +8 Utilities expenses +4	Expenses related to real estate leasing business (Excluding depreciation)	260	266	+6	Leasing expenses +6
Depreciation	117	118	+1		Depreciation	118	121	+3	
SGA, etc.	120	120	0		SGA, etc.	120	117	▲3	Expenses involved in holding General Meeting ▲3
Operating profit	633	631	▲2		Operating profit	631	631	0	
Non-operating income	0	0	0		Non-operating income	0	0	0	
Non-operating expenses	63	65	+2	Financing fees +2	Non-operating expenses	65	64	0	
Ordinary profit	569	566	▲3		Ordinary profit	566	566	0	
Net profit	568	565	▲3		Net profit	565	565	0	
(Reference) NOI	872	867	▲5		(Reference) NOI	867	868	0	
(Unit: yen)	(A)	(B)	(B) – (A)		(Unit: yen)	(A)	(B)	(B) – (A)	
Distributions per unit	3,217	3,200	▲17		Distributions per unit	3,200	3,200	0	

Tokaido REIT's position on distributions

Tokaido REIT aims to maintain and increase its high level of profit distribution by utilizing cash flow generated from stable assets in industrial regions

Maintaining a steady level of 3,200 yen from profit distribution alone







Section 3

Acquisition of preferential negotiation rights



Acquisition of preferential negotiation rights Asset manager's own route Matsusaka Logistics Center

Industrial infrastructure assets

Logistics assets

<Significance of acquisition of preferential negotiation rights>

- **1.** Securing investment opportunities in an industrial region with a sustainable economic base
- 2. Steadily increasing asset scale by securing opportunities for external growth
- **3.** Creating opportunities for timely provision of information related to acquisition deliberations

Overview of preferential negotiation rights

(1)	Contractual partner	KT Capital Corporation		
(2)	Contract date	September 16, 2022		
(3)	Corresponding real estate	Matsusaka Logistics Center		
(4)	Preferential negotiation period	September 16, 2022 to October 31, 2022		
Overview of the property				
(1)				
(1)	Name of property	Matsusaka Logistics Center		
(1)	Name of property Address	Matsusaka Logistics Center 957-177 Aza Kuchiyamada, Ureshino Ichishicho, Matsusaka City		
	,	957-177 Aza Kuchiyamada, Ureshino Ichishicho,		
(2)	Address	957-177 Aza Kuchiyamada, Ureshino Ichishicho, Matsusaka City 350 meters from Ichishi-Ureshino Interchange,		

<Changes to investment guidelines>

 In order to maximize our external growth opportunities, we have made partial revisions to our operating guidelines

Industrial infrastructure assets

- Logistics assets, industrial business assets (excluding business establishments) and land used for these purposes
- Investment standards

Location

✓ Land in close proximity to consumption and production locations, with good access to highways, major roads, ports, airports, rail facilities, truck terminals, etc.

Size (total area)

<Before change> ✓ Total area: 10,000m or more

<After change> 🗸 Eliminated



- Investment value emphasized when acquiring preferential negotiation rights 1 (key points of this property)
- 1. It is an industrial infrastructure asset that meets the abundant corporate needs of the industrial region
- The property is located in an industrial region centered around Shizuoka which is home to one of Japan's top industrial clusters, straddling multiple prefectures (Shizuoka, Aichi, and Mie), and is an industrial infrastructure asset that can meet the abundant needs of a wide range of industries
- ✓ Mie Prefecture, whose industrial region stretches from Aichi Prefecture, is Japan's 9th largest manufacturing cluster in terms of value of products shipped, shipping roughly 11 trillion yen of products in 2020
- ✓ The monetary value of products shipped per working-age person is the highest in Japan, and the aggregation of manufacturing companies has created a sustainable regional economy



<Value of manufactured goods shipped per working-age person> (thousand yen)

(Source) Prepared by the Asset Manager based on 2020 industrial statistics and national census figures

(Note) The working-age population refers to the total number of people between the ages of 15 and 64 in 2020 $\,$



Matsusaka Logistics Center

Tokaido REIT, Inc.

- Investment value emphasized when acquiring preferential negotiation rights 2 (key points of this property)
- 2. The property is well-situated, located very near the Ichishi-Ureshino Interchange of the Ise Expressway, which passes through Mie Prefecture's industrial region, with the cities of Tsu and Matsusaka behind it
 - ✓ Excellent access, being located 0.35 km from the Ichishi-Ureshino Interchange of the Ise Expressway, the main arterial road of Mie Prefecture, which is a center of industry
 - ✓ The property is located adjacent to the Tengeeji Industrial Park , which covers a total of 50 ha, but it is surrounded by residential areas, so it is well-situated from the perspectives of both access to labor and access to customers
 - ✓ There are also stations for the JR Kisei Main Line and JR Meisho Line, which run parallel to the expressway, supplementing the living infrastructure in the area

3. The property's location, the heart of Mie Prefecture, has long been an area of economic development, and there are many manufacturing companies nearby

- Mie Prefecture's Chunansei area, which is centered around Matsusaka City and Tsu City, has a long history of economic development. It was the operation center of the Ise merchants, among which were the Mitsui family, the founders of the Mitsui Group. The Ise merchants were one of the three great merchant groups of Japan, along with the Osaka and Omi merchants
- ✓ Now, Mie Prefecture is home to numerous automotive manufacturers and semiconductor manufacturers. Along the Ise coast there is a high concentration of industry, including heavy industry, such as one of the world's top nickel production sites
- ✓ There is a high level of logistics demand which is expected to remain solid over the long term due to industry related to electronics products used in the next generation of electric vehicles and hybrid vehicles.



- Electronic paste for electronic components used in electric vehicles and smartphones
 Electronic components applicant components
- ✓ Electronic semiconductor components, devices, and circuits
 ✓ Other

Investment value emphasized when acquiring preferential negotiation rights ③ (key points of this property)

4. The tenant is a third party logistics operator that addresses the needs of the industrial region

- \checkmark Stable cash flow through a long-term contract with the tenant
- ✓ The tenant continually addresses the growing logistics needs of the region and is expected to remain a long-term tenant
- ✓ There will be a rich range of cargo owners due to the characteristics of the industrial region, providing medium- and long-term support to tenant businesses

5. The judgment of the sponsor company will be used to perform sourcing using the Asset Manager's own routes, supplementing the pipeline

- ✓ The project will use the routes developed by the Asset Manager in the industrial region since the IPO
- ✓ The seller, KT Capital, has developed a reputation for investing in and developing industrial infrastructure assets and living infrastructure assets in industrial regions, and plans to maintain collaborative relationships in the future







Diversification of Tokaido REIT's acquisition routes

In order to maximize its external growth opportunities, Tokaido REIT is expanding its property acquisition using diverse routes



Tokaido REIT, Inc.



Section 4

Management Status



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

- ✓ As of July 31, 2022 (the end of the 2nd fiscal period), we have maintained a high overall occupancy rate of 99.6% across our portfolio
- Royal Parks Chikusa absorbed vacancies spanning the end of the year and the start of the next, and the occupancy rate as of July 31, 2022, was 1.5% higher than it was as of January 31, 2022



Jan. 31 Feb. 28 Mar. 31 Apr. 30 May 31 Jun. 30 Jul. 31



Sponsor bridge SPC (Inabe-shi, Mie) Inabe Logistics Center





Industrial infrastructure

- Strengths
- \checkmark Large logistics facility backed by the industrial cluster
- ✓ Inabe City is home to the plants of many major manufacturers
- ✓ The completion of the interchange in close proximity to the property dramatically improved access to the Nagoya and Kyoto-Osaka-Kobe areas
- ✓ We are maintaining competitive rents and have achieved a high degree of long-term retention of high quality tenants
- ✓ The facility is a large one, unusual for its area, with multiple tenants, so it is highly versatile (it is flat and can be subdivided into four parts, each with their own elevator)
- ✓ Continued stable operation through reliable tenants
- ✓ Utilities revenue is collected based on usage, so the impact of rising energy prices is minor

Sponsor bridge SPC (Yokkaichi-shi, Mie) Mid Building Yokkaichi Industrial infrastructure asset Industrial or business assets



<Leasing ratio (based on rent)>



Strengths

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

Asset Management Status as of end of the 2nd FP

- ✓ Maintaining a high occupancy rate of 98.7% as of the end of the fiscal period
- While there have been some vacancies, they were rapidly filled due to abundant demand
- ✓ The rising cost of energy was partially absorbed through utilities revenue









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.





(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



Major Financial Indicators



(Note 1) The average loan interest was calculated by determining the figure as of the end of each fiscal period, taking into consideration up-front fees, and weighting them by the interest-bearing debt balance. (Note 2) The average remaining years figure was calculated by determining the remaining years for interest-bearing debt period figure as of the end of each fiscal period and weighting them by the interest-bearing debt balance.

(Note 3) The long-term debt ratio includes the current portion of long-term borrowings.



Section 6

Growth Strategy

Growth Strategy

Asset Size Growth Story





31

Growth Strategy Acquisition of Equity Interest in Silent Partnership: Centrair Logistics Center (February 22, 2022)





- (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%).

Growth Strategy Acquisition of Equity Interest in Silent Partnership: Centrair Logistics Center (February 22, 2022)



- Investment value of underlying assets with emphasis on acquisition of equity in investment in silent partnership (the point of this property)
- 1. Location capturing the extensive logistics needs backed by the industrial cluster of manufacturers representative of Japan and population concentration in the Chukyo region
- 2. 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
- 3. Connected to an excellent highway network with good access to the surrounding industrial regions and central Nagoya
- 4. 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
- 5. 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)	99.3%
Total floor area	73,995.95 m ²	Number of tenants (Note 2)	16

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

<Wide area map>



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

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

Growth Strategy External growth by building up logistics pipelines

Backed by the concentration of industries and populations in industrial regions, logistics assets that meet diverse needs will remain the promising growth assets of the future, so we will follow a policy of active investment in these assets, including development projects

Previously acquired property



Tokaido REIT, Inc.

Property with preferential negotiation rights

Growth Strategy

Introduction of Properties Under Development by Sponsors

Sponsor development project CRE proposal Shimizucho Project

Community infrastructure asset



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

Leveraging the fact that the property is a largescale site in a favorable location with a highly concentrated population, we will carry out development from the perspective of the property as a community infrastructure asset

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

Sponsor development project CRE proposal Fukuroi Project

Has high potential as commercial land due to

the surrounding area

suburban commercial facilities being located in

Industrial infrastructure asset Logistics assets

Tokaido REIT, Inc.



utilizing the large-scale site (Total for

sections A-C: approx. 50,000 tsubos)

Introduction of Properties Under Development by Sponsors



Shizuoka Prefecture Numazu-shi Ooka Project

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

Shizuoka Prefecture Shizuoka-shi Suruga Mariko Project

Location	Mariko, Suruga-ku, Shizuoka-shi, Shizuoka
Land area	Approx. 7,200 tsubos

Aichi Prefecture Toyohashi Fujimidai Project

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

Property characteristics

Extremely rare large-scale site situated approximately 4.5 km southeast of the Tomei Expressway Numazu

Sponsor development policy

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

Property characteristics

 Large development site located extremely close to National Route 1 Maruko Interchange

Sponsor development policy

 Plans for development of industrial infrastructure assets (logistics assets), plants, etc. that meet CRE needs

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


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

ESG and SDGs Tokaido REIT's Initiatives for Realizing a Sustainable Society: Concept

4 QUALITY

FOUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

AFFORDABLE AN

8 DECENT WORK AND ECONOMIC GROWTH

INDUSTRY, INNOVATIO

AND INFRASTRUCTURI AND INFRASTRUCTURI

3 GOOD HEALTH AND WELL-BEING

We have adopted a policy of actively engaging 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

10 REDUCED INEQUALITIES

SUSTAINABLE CITIES AND COMMUNITIES



Tokaido REIT, Inc.

16 PEACE, JUSTIC AND STRONG

17 PARTNERSHIPS FOR THE GOALS

SUSTAINABLE

15 UFE ON LAND

DEVELOPI

14 LIFE BELOW WATER

13 CLIMATE

CONSUMPTION

Sustainability Policy and Sustainability Promotion System



During the 2nd fiscal period, the Asset Manager formulated a Sustainability Policy and Sustainability Promotion System Regulations to strengthen its efforts to create a sustainable society.

Sustainability Policy

We believe that in order to create sustainable societies, we have a corporate responsibility to engage in ESG management, taking into consideration environmental, social, and governance factors. To achieve this ESG management, we will collaborate with stakeholders such as sponsors with roots in the community as we implement our sustainability initiatives.

1. Responding to climate change

We will continuously evaluate the climate change risks and opportunities involved in the real estate we operate, investigate and implement appropriate measures, and strive to improve our climate change resilience.

We will create an organization structure and real estate management structure that can respond appropriately and rapidly to changes in the needs of society, which is undergoing medium- and long-term change, and we will strive to deal with these changes in order to contribute to the transition to a carbon-free society.

2. Measures for reducing our environmental impact

In order to reduce our environmental impact, we will deliberate regarding the creation and replacement of energy-saving devices in the real estate we operate with the aim of increasing the efficiency of our energy usage.

We will also consider using renewable energy and we will strive to reduce greenhouse gas emissions.

3. Contributing to the creation of a recycling-oriented society

In order to create a recycling-oriented society, we are striving to use water more efficiently in the real estate we operate by installing water-saving devices, and we are actively promoting the 3Rs (reducing, reusing, and recycling) with respect to the waste we produce. Through this, we are constantly working to more effectively utilize limited resources.

4. Improving tenant health, safety, comfort, and satisfaction

In order to establish positive relationships with our tenants, we are implementing disaster prevention and BCP measures in the real estate we operate. We are striving to improve the health, safety, and comfort of tenants and facility users.

We are also identifying tenant needs using questionnaires and working to provide our tenants with even greater satisfaction.

5. Collaborating with stakeholders

We are promoting our ESG system by building positive relationships with stakeholders such as property management companies, customers such as tenants, suppliers, and members of the local community and engaging in collaborations with them.

6. Measures involving officers

We strive to train and raise awareness among our officers so that our employees will focus on ESG to an even greater degree, improve their operational skills, and achieve a good work-life balance.

Furthermore, we comply with societal norms such as respect for human rights and diversity through our thorough compliance measures.

7. Appropriately timed disclosure of ESG information and enhancement of governance

In order to build stronger bonds of trust with investors and all of our stakeholders, we strive to maintain the transparency of our business activities and actively disclose information. Furthermore, with regard to cyber risks such as improper use of personal information and unauthorized access to internal data, we strive to appropriately manage information and enhance security through training and the reinforcement of our information management system.



T Sustainability system

	Position holder	Roles, etc.
Chief Sustainability Officer	Representative Director and President	Prepare systems related to the promotion of sustainability, supervise the formulation and implementation of policies, objectives, and individual measures
Sustainability Operating Officer	General Manager of the Investment Management Department	Supervise the preparation of systems related to the promotion of sustainability and the implementation of individual measures
Sustainability Promotion Board	Chief Sustainability Officer Sustainability Operating Officer General Manager of the Financial Planning Department Compliance Officer	 Meet, as a general rule, at least once every 3 months and perform the following Considers and proposes sustainability-related policies, objectives, and measures Continuously follows up on remaining issues and findings related to objectives by reflecting them, as a general rule, in the objectives for the following reporting period Report policies, objectives, measures, etc., to the Asset Manager Board of Directors and the Investment Corporation Board of Directors

ESG and SDGs 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 have formulated sustainability policies and prepared sustainability systems
- We intend to further strengthen our 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



Improvement of transport energy efficiency and reduction of environmental load through bicycle sharing (7.a, 7.a)



Access to sustainable transport systems, inclusive and sustainable urbanization, and positive links between urban, peri-urban and rural areas (11.2, 11.3, 11.a)



Development of sustainable urban infrastructure, improvement of transport infrastructure and improvement of industry (9.1, 9.4)









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

In May 2022, it introduced an investment unit purchase system for officers and employees of the Asset Manager utilizing a cumulative investment system (the system was put into operation in July 2022)

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 September 7, 2022 (assets owned as of September 16, 2022, for Tokaido REIT).

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.

Securities Code	5280
Listed Market	TSE Standard
Location	Head office: 1-4-12 Tokiwacho, Aoi-ku, Shizuoka-shi, Shizuoka (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. 2022)
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	10.38%



Development record of Yoshicon rooted in the industrial region <Food manufacturer plants>



<Logistics facilities>



<Condominiums and apartments>





Appendix 2

Supplementary Materials

Office Trends in the Shizuoka Area

Tokaido REIT, Inc.

- 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 Prefecture offers convenient access to the Tokyo area, and it has the second highest number of business sites in the Chubu region, surpassed only by Aichi Prefecture, so it supports a high level of office demand





Forecast of new office supply in Shizuoka City



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

Number of business sites in the Chubu region

In the Chubu region, Shizuoka Prefecture has the second highest number of business sites, surpassed only by Aichi Prefecture



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



Source: Sanko Estate, Shizuoka-shi, Preliminary tabulation results of the 2021 Economic Census (number of privately-owned establishments by industry (major classification))

Supplementary Materials

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



Overview of the Asset Manager

Toverview of the Asset Manager Torganizational Chart **General Meeting of** Name Tokaido REIT Management Co., Ltd. **Shareholders** 2-14-3 Nagatacho, Chiyoda-ku, Tokyo Location Auditor Capital 100 million yen Representative Yoichi Egawa, Representative Director and President **Board of Directors** Yoshicon Co., Ltd. 55.0% Compliance Investment Chubu Electric Power Miraiz Co., Inc. 10.0% Committee Committee KIUCHI Construction Co., Ltd. 5.0% **Representative Director** and President SHIZUOKA GAS CO., LTD. 5.0% Capital THE SHIZUOKA BANK, LTD. 5.0% Structure **Compliance Office** Shizuoka Fudosan Co., Ltd. 5.0% Suzuyo & Co., Ltd. 5.0% 5.0% Seiwa Kaiun Co., Ltd. **Investment Management Financial Planning** Department Department JDC CORPORATION 5.0%

51

Unitholder Information



Number of (176,800)	f investment ı units)	inits	Foreign nationals (14,091 units)	•	Major unitholders (as of July 31, 2022)		
Individuals, (76,184 u		(including cor	r domestic porations 976 units)		Name	Number of investment units held (units)	Ownership ratio (%)
			Financial institutions	1	Yoshicon Co., Ltd.	18,360	10.38%
👞 Number of	f unitholders	(incl Other domestic corpo	uding securities companie rations ⁽⁵¹⁾	^{s)} 2	Custody Bank of Japan, Ltd. (Trust Account)	10,393	5.88%
(9,303 pe	ople)	(195)		3	The Master Trust Bank of Japan, Ltd. (Trust Account)	8,737	4.94%
	Individual			4	JPMorgan Securities Japan Co., Ltd.	5,148	2.91%
	(9,00	1)		5	Individual	4,722	2.67%
		(Unit: people)	/ Foreign nationals	6	The Nomura Trust & Banking Co. (Investment Trust Account)	3,972	2.25%
		End of 2nd FP (Jul. 31, 2022)	(56)	7	Morgan Stanley MUFG Securities Co., Ltd.	3,924	2.22%
Individ	uals, other	9,001	-	8	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	3,300	1.87%
	City banks, trust bank	s 4	-	9	J. P. MORGAN SECURITIES		
	Regional banks	2	-		PLC FOR AND ON BEHALF O F ITS CLIENTS JPMSP RE	3,201	1.81%
	ancial institutions Shinkin banks, other 23		-		CLIENT ASSETS-SETT ACC T		
	Life and non-life insure securities companies	ers, 22	-	10	Ueda Yagi Tanshi Co., Ltd.	2,510	1.42%
	Total	51	-		Total	64,267	36.35%
Other dome	stic corporations	195				01/207	
Foreign corporation	ons, foreign individuals	56					
-	Total	9,303					

52

Investor Relations Activities



We will continue to engage in dialogue with investors through our proactive IR activities.

The state of the second second



Date held	December 1, 2021	
Briefing	Company briefing for individual investors	NISA
Venue	Midland Hall (Nagoya-shi, Aichi)	Real estate mar 3.5%
Date held	May 17, 2022	Trustworthiness sponsor 4.6% Comparison
Briefing	Company briefing for individual investors	other REIT 8.1%
Venue	ACT CITY Hamamatsu (Hamamatsu-shi, Shizuoka)	Securities o recommen 14.89



Financial Statements (Balance Sheet)



(Unit: thousands of yen)

	(Unit: thousands of yen)
	1st Fiscal Period	2nd Fiscal Period
	(January 31, 2022)	(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		
Property, plant and equipment		
Buildings	1,056,677	1,043,323
Structures	4,419	4,379
Tools, furniture and fixtures	1,148	994
Land	2,482,317	2,482,317
Buildings in trust	7,709,647	7,640,938
Structures in trust	190,158	186,759
Tools, furniture and fixtures in trust	10,864	17,021
Land in trust	18,130,418	18,134,097
Total property, plant and equipment	29,585,652	29,509,831
Intangible Assets	<u>.</u>	
Land leasehold interests in trust	2,076,544	2,076,544
Total intangible assets	2,076,544	2,076,544
Investments and other assets	<u>.</u>	
Investment securities	_	102,230
Long-term prepaid expenses	43,529	54,498
Leasehold 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	34,456,589	34,200,308

	(8)	
	1st Fiscal Period (January 31, 2022)	2nd Fiscal Period (July 31, 2022)
Liabilities		
Current liabilities		
Operating accounts payable	87,156	66,649
Current portion of long-term borrowings	2,950,000	3,200,000
Accounts payable - other	117,628	82,815
Income taxes payable	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
Leasehold and guarantee deposits received	61,007	60,179
Leasehold and guarantee deposits received in trust	594,343	593,371
Total non-current liabilities	13,655,350	13,053,551
Total liabilities	16,995,495	16,611,203
Net assets		
Unitholders' equity		
Unitholders' capital	17,028,560	17,028,560
Surplus		
Unappropriated retained earnings	432,534	560,544
Total surplus	432,534	560,544
Total unitholders' equity	17,461,094	17,589,104
Total net assets	17,461,094	17,589,104
Total liabilities and net assets	34,456,589	34,200,308

54

Financial Statements (Statement of Income and Retained Earnings) Tokaido REIT, Inc.

	(Unit	: thousands of yen)
	1st Fiscal Period From Feb. 1, 2021 to Jan. 31, 2022	2nd Fiscal Period From Feb. 1, 2022 to Jul. 31, 2022
Operating revenue		
Leasing business revenue Other leasing business revenue Dividend income	1,315,908 28,035 -	1,089,647 26,444 504
Total operating revenue	1,343,943	1,116,595
Operating expenses Expenses related to leasing business	382,740	378,713
Asset management fees	82,526	66,667
Asset custody fees	2,010	1,210
Administrative service fees Remuneration for directors	8,213 3,800	13,543 2,400
(and other officers) Audit fees	4,965	4,965
Other operating expenses	40,465	26,755
Total operating expenses	524,719	494,254
Operating income	819,224	622,340
Non-operating income		
Interest income	3	8
Interest on refund	-	47
Total non-operating income	3	56
Non-operating expenses		
Interest expenses	54,169	45,458
Financing fees	198,540	15,590
Amortization of investment unit issuance expenses Amortization of organization	71,853	-
expenses	60,327	-
Total non-operating expenses	384,890	61,049
Ordinary income	434,337	561,348

	(Unit: thousands of yen)			
	1st Fiscal Period	2nd Fiscal Period		
	From Feb. 1, 2021	From Feb. 1, 2022		
	to Jan. 31, 2022	to Jul. 31, 2022		
Income before income taxes	434,337	561,348		
Income taxes – current	1,832	867		
Income taxes – deferred	△29	17		
Total income taxes	1,802	885		
Net income	432,534	560,462		
Retained earnings brought forward	-	81		
Unappropriated retained earnings	432,534	560,544		
	ıU)	nit: thousands of yen)		
	1st Fiscal Period	2nd Fiscal Period		
	From Feb. 1, 2021	From Feb. 1, 2022		
	to Jan. 31, 2022	to Jul. 31, 2022		
I. Unappropriated retained earnings	432,534,527	560,544,609		
II. Distribution amount	432,452,800	560,456,000		
[Distribution amount per unit]	(2,446 yen)	(3,170 yen)		
III. Retained earnings brought forward	81,727	88,609		
	(U	nit: thousands of yen)		
	1st Fiscal Period	2nd Fiscal Period		
	From Feb. 1, 2021	From Feb. 1, 2022		
	to Jan. 31, 2022	to Jul. 31, 2022		
Net cash provided by (used in) operating activities	449,094	970,461		
Net cash provided by (used in) investing activities	riangle 31,448,089	△118,893		
Net cash provided by (used in) financing activities	32,978,560	△781,709		
Net increase (decrease) in cash and cash equivalents	1,979,564	69,858		
Cash and cash equivalents at beginning of period	-	1,979,564		
Cash and cash equivalents at end of period	1,979,564	2,049,423		

Portfolio list and Status of Property Appraisals



			Summary of appraisal results				Unrealized	Rate used for appraisal			
Property name	Acquisition price	Appraisal NOI yield	Appraisal value (million yen)			Book value (million yen)	gain (million yen)	Capitalization rate			Appraisal company
	(Note 1)	(Note 2)	1st FP (Previous appraisal)	2nd FP (Current appraisal)	Differ ence	(Note 3)	(Note 3)	Previous appraisal	Current appraisal	Difference	company
Inabe Logistics Center	6,230	6.3%	6,780	6,780	-	6,259	520	5.5%	5.5%	-	Japan Valuers Co., Ltd.
Mid Building Yokkaichi	1,620	6.5%	1,800	1,800	-	1,616	183	5.3%	5.2%	▲0.1%	Daiwa Real Estate Appraisal Co., Ltd.
Aoi Tower	2,300	5.6%	2,580	2,580	-	2,340	239	4.8%	4.8%	-	The Tanizawa Sōgō Appraisal Co., Ltd.
Shizuoka Machine Yard (land) (Note 4)	600	6.0%	717	722	5	612	109	5.3%	5.3%	-	Daiwa Real Estate Appraisal Co., Ltd.
Royal Parks Chikusa (Note 5)	4,400	5.7%	4,900	4,840	▲60	4,610	229	4.4%	4.3%	▲0.1%	The Tanizawa Sōgō Appraisal Co., Ltd.
Marunouchi EMBL Court	1,080	4.9%	1,230	1,230	-	1,190	38	4.0%	3.9%	▲0.1%	The Tanizawa Sōgō Appraisal Co., Ltd.
EMBL Aile Kusanagi Ekimae	2,000	6.0%	2,200	2,200	-	2,102	97	5.0%	5.0%	-	Daiwa Real Estate Appraisal Co., Ltd.
EMBL Aile Kusanagi	750	6.7%	972	973	1	797	175	5.0%	5.0%	-	JLL Morii Valuation & Advisory K.K.
Hamamatsu Plaza (land)	11,950	5.0%	12,500	12,600	100	12,056	543	4.7%	4.7%	-	Daiwa Real Estate Appraisal Co., Ltd.
Total (percentages are simple averages)	30,930	5.6%	33,679	33,725	46	31,586	2,138	4.9%	4.9%		

(Note 1) "Acquisition price" for each real estate or trust beneficiary right shall be the purchase price stated in the purchase and sale agreement for each asset (excluding consumption tax, local consumption tax, and various expenses such as transaction fees). Figures are rounded down to the nearest ten thousand yen.

(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.

(Note 3) Book value and unrealized gain figures are for the end of the 2nd fiscal period and have been rounded down to the nearest million yen.

(Note 4) Discount rate used in capitalization method (Inwood method) is indicated.

(Note 5) Discount rate used in direct capitalization method (adjusted Inwood method) is indicated.

Supplementary Materials

List of income/expenses by property



	Property name Inabe Logistics Center		Mid Building Yokkaichi	Aoi Tower	Shizuoka Machine Yard (land)	Royal Parks Chikusa
Exterior photo					109-520 88 80 808-80 80 80	
	Location	Inabe-shi, Mie	Yokkaichi-shi, Mie	Aoi-ku, Shizuoka-shi, Shizuoka	Suruga-ku, Shizuoka-shi, Shizuoka	Nagoya-shi, Aichi
	Site area (m ²)	102,038.46m	1,025.94m	4,923.89m	6,219.80m	6,905.70m
	Total floor area (m²)	104,224.73m (Warehouse 1, Office) 7,061.60m (Warehouse 2)	5,165.48m	42,532.27㎡ (2,858.50㎡) (Note 3)	-	17,469.21m
	Construction date	September 28, 1995 (Warehouse 1, Office) September 6, 2004 (Warehouse 2)	February 14, 1991	March 31, 2010	-	November 29, 2007
	Period-end occupancy rate (%) 100.		98.7%	100.0%	100.0%	95.2%
	Acquisition price (million yen) 6,230		1,620	2,300	600	4,400
	FP appraisal value (million yen)	6,780	1,800	2,580	722	4,840
P	Property management company (Note 1)	CBRE	Tokyo Capital Management	Yoshicon	Yoshicon	Rio Consulting
	PML (%)	2.4	7.4	10.2		4.0
Deele	Days of asset management	181	181	181	181	181
(1,000	state leasing revenue) yen)					
	Lease/common service fees		67,994	88,198		183,614
	Other revenue		4,755	-		11,584
Total I	easing business revenue		72,750	88,198		195,198
	Management commissions		7,679	14,980		15,728
	Taxes and public dues		4,002	8,246		12,192
	Utilities expenses	Undisclosed (Note 2)	7,418	135	Undisclosed (Note 2)	1,871
	Repair expenses		60	-	·	13,830
	Insurance premiums		503	394		1,054
	Trust fees		325			400
	Other leasing business expenses		94	431		44,638
Total I	easing business expenses		20,084	24,188		89,716
NOI		202,602	52,665	64,009	· · · · · · · · · · · · · · · · · · ·	105,481
Depre	ciation	29,742	10,810	4,989		33,411
Leasin	ig business P/L	172,860	41,855	59,020	19,805	72,070

(Note 1) Some parts of the official names of the property management companies are omitted. (Note 2) These figures have not been disclosed because permission for disclosure was not obtained from tenants. (Note 3) The area of the one entire building. The area of the exclusive portion under sectional ownership acquired by Tokaido REIT is 2,858.50 m².

Supplementary Materials

List of income/expenses by property



Exterior photo	
Location Nagoya-shi, Shimizu-ku, Shizuoka-shi, Suruga-ku, Shizuoka-shi, Hamamatsu-shi, Aichi Shizuoka Shizuoka Shizuoka Shizuoka	
Site area (m²) 396.68m² 3,070.99m² 1,641.26m² 135,838.91m²	
11,070.81md (Akachan Honpo Building, Xebio عنائی کی	
158.98m (Administrative Building)	
Construction dateMarch 4, 2016February 22, 2021March 10, 2019Nov. 9, 2000 (Akachan Honpo Building, Xebio Building)	
Nov. 7, 2000 (Administrative Building)	
Period-end occupancy rate (%) 93.8% 100.0% 100.0%	
Acquisition price (million yen) 1,080 2,000 750 11,950	
2nd FP appraisal value (million yen) 1,230 2,200 973 12,600	
Property management company (Note 1) Rio Consulting Yoshicon Yoshicon Xymax	Portfolio PML
PML (%) 3.0 10.5 14.9 12.1	2.8
Days of asset management 181 181 181	
Real estate leasing revenue (1,000 yen)	
Lease/common service fees 31,548 65,599 33,966 353,999	
Other revenue 339 - - 4	
Total leasing business revenue 31,887 65,599 33,966 354,003	
Management commissions 2,150 - 4,836 18,237	
Taxes and public dues 2,958 7,714 3,260 29,694	
Utilities expenses 490 720 578 979	
Repair expenses 397 - - 25	
Insurance premiums 213 475 207 493	
Trust fees - 275 275 1,300	
Other leasing business expenses41057249	
	otal for 2nd fiscal period
NOI 25,267 56,407 24,801 303,024	854,061
Depreciation 9,006 16,619 6,737 5,370	116,684
Leasing business P/L 16,260 39,788 18,064 297,654	737,376

(Note 1) Some parts of the official names of the property management companies are omitted.



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