

Translation of Japanese Original

August 15, 2019

For Immediate Release

REIT Issuer:

Takara Leben Real Estate Investment Corporation
Representative: Masayuki Ishihara, Executive Director
(Securities Code:3492)

Asset Manager:

Takara PAG Real Estate Advisory Limited
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and President
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Notice Concerning Issuance of New Investment Units
and Secondary Distribution of Investment Units

Takara Leben Real Estate Investment Corporation (the “Investment Corporation”) announces that a resolution was passed at the Board of Directors meeting held on August 15, 2019, regarding the issuance of new investment units and the secondary distribution of investment units as follows.

1. Issuance of new Investment Units through Public Offering (the “Primary Offering”)

- (1) Number of Investment Units to be offered
117,000 units
- (2) Amount to be paid (issue amount)
To be determined
The amount to be paid (issue amount) shall be determined at the Board of Directors meeting to be held on any day from August 26, 2019 (Monday) to August 28, 2019 (Wednesday) (“Issue Price Determination Date”).
- (3) Total amount to be paid (total issue amount)
To be determined
- (4) Issue price (offer price)
To be determined
The issue price (offer price) shall be determined on the Issue Price Determination Date, taking into consideration status of investor demand and other factors, based on the provisional condition of the price obtained by multiplying the closing price of regular transactions for the investment units at the Tokyo Stock Exchange, Inc.(the “TSE”) on the Issue Price Determination Date (if such closing price is not quoted on the said date, the closing price on the date immediately preceding the said date) after subtracting the forecasted distribution per unit of 4,600 yen by a number from 0.90 to 1.00 (any fractions below 1 yen shall be round down).
- (5) Total amount of issue price (total offer price)
To be determined
- (6) Offering method
The method shall be the Primary Offering in which all investment units subject to the Primary

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Offering shall be purchased and underwritten by the underwriters. A part of the investment units through the Primary Offering shall be purchased by overseas investors in international markets mainly in Europe and Asia (excluding the U.S. and Canada).

- (7) Details of underwriting agreement
The underwriters shall pay to the Investment Corporation the total amount to be paid (total issue amount) for the Primary Offering on the payment date stated below under (10), and the difference between the total amount to be paid (total issue amount) and the total amount of issue price (total offer price) shall be retained by the underwriters. The Investment Corporation shall not pay any underwriting fee to the underwriters.
- (8) Units for application
One unit or more in multiples of one
- (9) Application period
From the following business day of the Issue Price Determination Date to two business days following the Issue Price Determination Date
- (10) Payment date
Any day from September 2, 2019 (Monday) to September 4, 2019 (Wednesday) that shall be the fifth business day after the Issue Price Determination Date
- (11) Delivery date
The business day immediately after the payment date stated in (10) above
- (12) The amount to be paid (issue amount), the issue price (offer price) and other matters necessary for the issuance of new investment units will be determined at a future Board of Directors meeting of the Investment Corporation.
- (13) Each of the provisions above is subject to the effectiveness of the Securities Registration Statement filed in accordance with the Financial Instruments and Exchange Act of Japan.

2. Secondary Distribution of Investment Units (“Secondary Distribution through Over-Allotment”) (Please see [Reference] below)

- (1) Number of units in the Secondary Distribution through Over-Allotment
5,850 units
The number of investment units in the Secondary Distribution through Over-Allotment shown above is the maximum number of investment units to be distributed in the Secondary Distribution through Over-Allotment by the underwriter. It is possible that this number may decrease or the Secondary Distribution through Over-Allotment itself may not take place, depending on demand and other factors in the Primary Offering. The number of investment units in the Secondary Distribution through Over-Allotment will be determined at the Investment Corporation’s Board of Directors meeting to be held on the Issue Price Determination Date, taking into consideration status of investor demand and other factors in the Primary Offering.
- (2) Distributor
The underwriter
- (3) Distribution price
To be determined
The distribution price shall be determined on the Issue Price Determination Date. The distribution price shall be the same as the issue price (offer price) in the Primary Offering.
- (4) Total amount of distribution price
To be determined

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- (5) Distribution method
The underwriter shall conduct secondary distribution of investment units to be borrowed from Takara Leben Co., Ltd. and PAG Investment Management Limited with 5,850 units as the maximum, taking into consideration status of investor demand and other factors.
- (6) Units for application
One unit or more in multiples of one
- (7) Application period
Application period shall be the same as that for the Primary Offering.
- (8) Delivery date
Delivery date shall be the same as that for the Primary Offering.
- (9) In the event that the Primary Offering is suspended, the Secondary Distribution through Over-Allotment will also be suspended.
- (10) The distribution price and other matters necessary for the secondary distribution of investment units will be determined at future Board of Directors meeting of the Investment Corporation.
- (11) Each provision above is subject to the effectiveness of the Securities Registration Statement filed in accordance with the Financial Instruments and Exchange Act of Japan.

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[Reference]

About the Secondary Distribution through Over-Allotment, etc.

The Secondary Distribution through Over-Allotment is a secondary distribution in which the underwriter will conduct a distribution for the investment units, which it will borrow from Takara Leben Co., Ltd. and PAG Investment Management Limited up to a maximum of 5,850 units, taking into consideration status of investor demand and other factors in the Primary Offering. The number of investment units allocated for the Secondary Distribution through Over-Allotment will be 5,850 units. This is the maximum number of units to be allocated, and there are cases where the number may decrease or the Secondary Distribution through Over-Allotment itself may not take place at all, depending on the status of investor demand and other factors of the Primary Offering.

In connection with the Secondary Distribution through Over-Allotment, the underwriter is granted by Takara Leben Co., Ltd. and PAG Investment Management Limited a right to purchase additional investment units at the same price as the issue amount up to the number of units for the Secondary Distribution through Over-Allotment (the “Greenshoe Option”), with an exercise period from the date following the last day of Application period of the Primary Offering and the Secondary Distribution through Over-Allotment, to September 27, 2019 (Friday), in order for the underwriter to purchase up the investment units necessary for return of the investment units it borrowed.

During the period from the date following the last day of Application period of the Primary Offering and the Secondary Distribution through Over-Allotment, to September 27, 2019 (Friday) (the “Syndicate Cover Transaction Period”), the underwriter may purchase the investment units on the TSE up to the number in the Secondary Distribution through Over-Allotment (the “Syndicate Cover Transaction”) in order to return the borrowed investment units. All investment units purchased by the underwriter through the Syndicate Cover Transaction will be allocated to return the borrowed investment units. During the Syndicate Cover Transaction Period, the underwriter may determine that it will not execute the Syndicate Cover Transaction or that it will end the Syndicate Cover Transaction at a number of units that is less than the number of units offered in the Secondary Distribution through Over-Allotment.

Furthermore, the underwriter may conduct stabilizing transactions in connection with the Primary Offering and the Secondary Distribution through Over-Allotment, and all or part of the investment units purchased through such stabilizing transactions may be appropriated for the return of the borrowed investment units.

Any borrowed investment units remaining after allocation of investment units purchased through the stabilizing transactions and the Syndicate Cover Transaction as described above shall be returned by exercise of the Greenshoe Option by the underwriter.

Whether or not the Secondary Distribution through Over-Allotment is conducted, and the number of units in the secondary distribution if the Secondary Distribution through Over-Allotment is conducted, shall be determined on the Issue Price Determination Date. When the Secondary Distribution through Over-Allotment is not conducted, neither the borrowing of the investment units from Takara Leben Co., Ltd. and PAG Investment Management Limited, nor granting of the Greenshoe Option to the underwriter by Takara Leben Co., Ltd. and PAG Investment Management Limited nor the Syndicate Cover Transaction at the TSE shall be conducted.

The transaction described above will be conducted by the underwriter after the consultation with the other joint lead manager.

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3. Change in the number of Investment Units issued and outstanding as a result of the issuance of new investment units

Total number of investment units issued and outstanding at present:	345,500 units
Increase in number of investment units due to the issuance of new investment units through the Primary Offering:	117,000 units
Total number of investment units issued and outstanding after the issuance of new investment units through the Primary Offering:	462,500 units

4. Purposes and reasons for the Issuance

Investment Corporation has decided to issue new investment units and conduct the equity finance to acquire anticipated assets, in order to maximize of the investor interest, improve the quality of the portfolio, secure the mid-and-long-term stable revenue, and provide the steady growth of the asset size, paying attention to the market trends, financial soundness, and the levels of distributions per unit.

5. Amount, use and schedule of expenditure of proceeds

(1) Amount of proceeds (estimated net proceeds)

12,020,000,000 yen

(Note) The amounts above are the anticipated amounts based on the closing price of regular transactions for the investment units at the TSE as of July 18, 2019 (Thursday).

(2) Use and schedule of expenditure of proceeds

The proceeds from the Primary Offering will be allocated partially to fund the acquisition of anticipated assets described in the “Notice Concerning Acquisition and Leasing of Trust Beneficiary Interests in Domestic Real Estate”. The remainder of the proceeds will be allocated partially to repayment of borrowings.

6. Allocation to designated purchasers

None.

7. Restriction for sales, follow-on offerings and others (Lock-up)

(1) In connection with the Primary Offering, Takara Leben Co., Ltd. and PAG Investment Management Limited has entered into an agreement with the joint lead managers to the effect that, without the prior written consent of the joint lead managers, no sale of the investment units (other than lending of the investment units in connection with the Secondary Distribution through Over-Allotment or sales of the investment units in connection with the exercise of the Greenshoe Option by the underwriter) shall be conducted during the period beginning on the Issue Price Determination Date and ending on the date 180 days after the delivery date of the Primary Offering.

The joint lead managers will have the authority to cancel the agreement, in whole or in part, or shorten the lock-up period at their discretion.

(2) In connection with the Primary Offering, PAG JREIT Co-Invest Limited, Leben Community Co., LTD. and Yamada Denki Co., Ltd. have entered into an agreement with the joint lead managers to the effect that, without the prior written consent of the joint lead managers, no sale of the investment units shall be conducted during the period beginning on the Issue Price Determination Date and ending on the date 180 days after the delivery date of the Primary Offering.

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lock-up period at their discretion.

- (3) In connection with the Primary Offering, the Investment Corporation has entered into an agreement with the joint lead managers to the effect that, without the prior written consent of the joint lead managers, no issuance of the investment units (other than the Primary Offering and new investment units issued through splits of investment units) shall be conducted during the period beginning on the Issue Price Determination Date and ending on the date 90 days after the delivery date of the Primary Offering.

The joint lead managers will have the authority to cancel the agreement, in whole or in part, or shorten the lock-up period at their discretion.

This notice is the English translation of the Japanese announcement on August 15, 2019. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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