COMFORIA RESIDENTIAL REIT

Sustainability Report 2025

About this Report

Comforia Residential REIT, Inc ("CRR") and TLC REIT Management Inc. ("TRM") to which CRR entrusts its asset management, are making the best effort to disclose information related to the sustainability initiatives to the investors and other stakeholders. Within this scope, this report is issued to illustrate the ESG (E: Environment, S: Society, G: Governance) initiatives at CRR and TRM which are essential to contribute to a sustainable society.

Coverage on this report	
Period	From August 2024 to July 2025 (excl. some data)
Entities	CRR and TRM
Issued date	November 11, 2025

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We communicate also using the Global Reporting Initiative (GRI) Sustainability Reporting Standards, an international sustainability framework for ESG-related reporting. About the GRI Standards, please refer to HP.
URL：https://www.comforia-reit.co.jp/en/sustainability/disclosure.html

Disclaimer

CRR and TRM do not guarantee or warrant the accuracy and safety of the information provided in this document and shall not be liable for updating the information provided.
Please be advised that forward-looking statements provided herein may be subject to change or deletion without prior notice.

Contents

Introduction
- Top Messages 3
- About CRR 4

Sustainability Policy / Structure for Promotion
- Sustainability Policy 10
- Promotion System 11
- Materiality 13
- SDGs with close relevance to the Materiality 14
- CRR's initiatives towards to each Materiality 15
- Relevance of the Materiality of CRR and TRM to that of TFHD Group 18
- Topics 19
- External Certifications / International Initiatives 20

Environment
- Overall Targets 23
- Addressing Climate Change 24
- Greenhouse Gas (GHG) Emissions Reduction 36
- Energy Consumption Reduction 44
- Water Consumption Reduction 45
- Waste Reduction 46
- Greening and Biodiversity 47
- Investment Criteria and Environmental Certifications 48
- Sustainable Finance 52

Society
- Stakeholder Engagement 57
- Employee Engagement 58
- Initiatives to Local Communities 69
- Initiatives to Tenants 70
- Initiatives to Suppliers 72
- Investor Relations 75

Governance
- CRR's Corporate Governance 78
- TRM's Corporate Governance 82
- Initiatives for Governance Emphasizing Unitholders' Value 87

Independent Assurance Statement 89

Top Messages

From Executive Director of CRR

Since our establishment, under the basic policies of “investments in residential properties with stable earnings and high growth potential” and “utilization of the Tokyu Fudosan Holdings (“TFHD”) Group”, CRR has achieved internal and external growth by focusing our investment in assets located in the 23 wards of Tokyo where has a strong demand for rental residences.

In the meantime, we have witnessed changes in social structure and lifestyle in Japan, such as decrease in population caused by declining birthrate and aging population; migration of younger generations to metropolitan areas; change in residential preference from ownership to renting; and the government-led workstyle reform.

In recent years, demand for corporations to respond to such social issues has increased, considering that these issues and changes may become a risk factor for corporate business continuity. Triggered by the adoption of Sustainable Development Goals (SDGs) by the United Nations, the recognition that management focus on ESG (Environment, Society and Governance) will contribute to the enhancement of the corporate value, has been widespread.

In light of this trend, our asset management company TRM established their Sustainability Policy in April 2019 as their basic approach towards contributing to the development of sustainable society. We have created and issued this report for the purpose of providing a comprehensive tool that may be used to gain more in-depth knowledge of CRR and TRM’s aforementioned Sustainability Policy and ESG-related initiatives. We hope that it will help our unitholders and other stakeholders understand our efforts.

CRR and TRM will continue fulfilling our social responsibilities by improving our sustainability initiatives, which we hope will strengthen the relationship of mutual trust that we have built with our stakeholders.

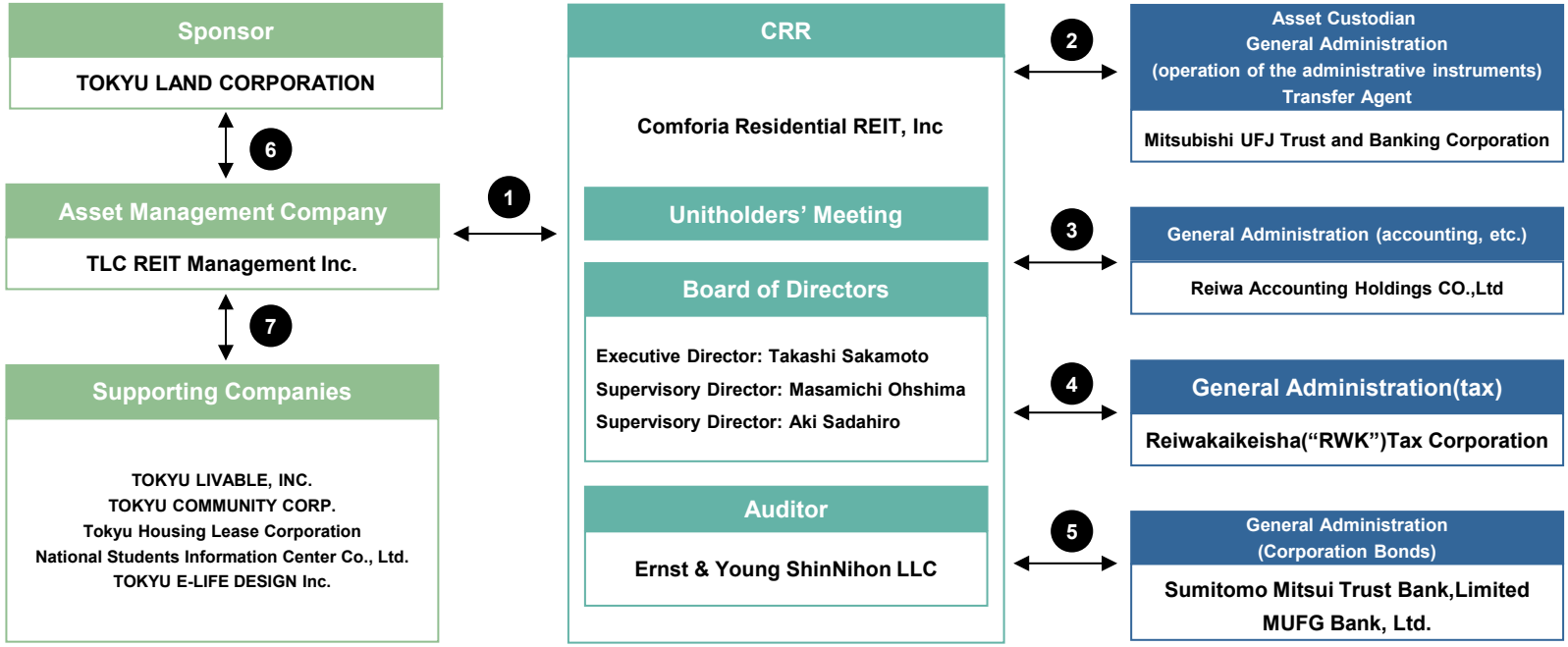
Takashi Sakamoto
Executive Director
Comforia Residential REIT, Inc

Overview

Based on the Investment Trust and Investment Corporation Act (Act no. 198 of 1951 and subsequent revisions; hereinafter referred to as the "Investment Trust Act"), CRR was established on June 8, 2010, as an investment corporation that mainly invests in real estate provided for residential use. We completed registration by the prime minister of Japan under Article 187 of the Investment Trust Act on June 30, 2010 (registration number: Director of Kanto Finance Bureau no. 71) and started operation in August 2010. Subsequently, CRR issued new investment units based on a public offering on February 6, 2013, and was listed on the Tokyo Stock Exchange's Real Estate Investment Trust Securities Market (security code: 3282). When we began operation, CRR's assets under management were 11 properties with a total acquisition price of 15.5 billion yen; since then, as a result of steadily acquiring and selling properties based on the basic policy concerning assets under management stipulated in our articles of incorporation (i.e., to manage assets with the aim of securing stable income and achieving steady growth of assets under management in the medium to long term in order to maximize unitholder value), the number of assets we owned had reached 175 properties by the end of July 2025, with a total acquisition price of 339.1 billion yen.

Name	Comforia Residential REIT, Inc (TSE Code:3282)	**Address**	21-1 Dogenzaka 1-chome, Shibuya-ku, Tokyo
Representative	Executive Director, Takashi Sakamoto	**Fiscal Period**	Six-month period from Feb.1 to Jul.31, and Aug.1 to Jan.31

Structure



❶Asset Management Agreement ❷Asset Custody Agreement / Administrative Service Agreement / Transfer Agency Agreement ❸Accounting Service Agreement
❹Tax Administrative Agreement ❺Fiscal, Issuing and Payment Agency Agreement ❻Sponsor Support Agreement ❼Support Agreement

Basic Policies

We invest intensively in rental residences for singles and small families, mainly in the Tokyo metropolitan area, based on our basic policies of “investments in residential properties with stable earnings and high growth potential” and “utilization of TFHD Group,” with the aim of ensuring stable earnings over the medium- to long-term and maximizing our unitholders’ value.

COMFORIA Series

We will invest in and manage rental residences, fully utilizing the concept and expertise of the rental residence COMFORIA series, which are produced by Tokyu Land Corporation.

Concept of the "Comforia" Series

Lifestyles, living spaces and environments—a step ahead

Timeless homes cherished for generations.

As priorities, lifestyles, and surroundings evolve, we remain committed to providing rental residences that offer the best solutions for the future.

An ideal location, a secure space, and a focus on sustainability taken into consideration—all these are essential elements for a comfortable living space. At Comforia Residential, our dedication to these values remains unwavering.

(Reference) Concept of the "Comforia" Series
Concept of the "Comforia" Series | Feature & Strategy | Comforia Residential Reit

Three promises Comforia Residential makes

ACTIVE

Experience an active lifestyle in a prime location.

We prioritize convenient and fulfilling daily lives by selecting easily accessible locations that allow for a broad range of activities.

COMFORT

Property designed to bring safety and comfort, providing a delightful living space.

Our state-of-the-art living spaces ensure daily life is supported through various means such as security, disaster prevention measures, around-the-clock call centers, and other meticulously tailored assistance.

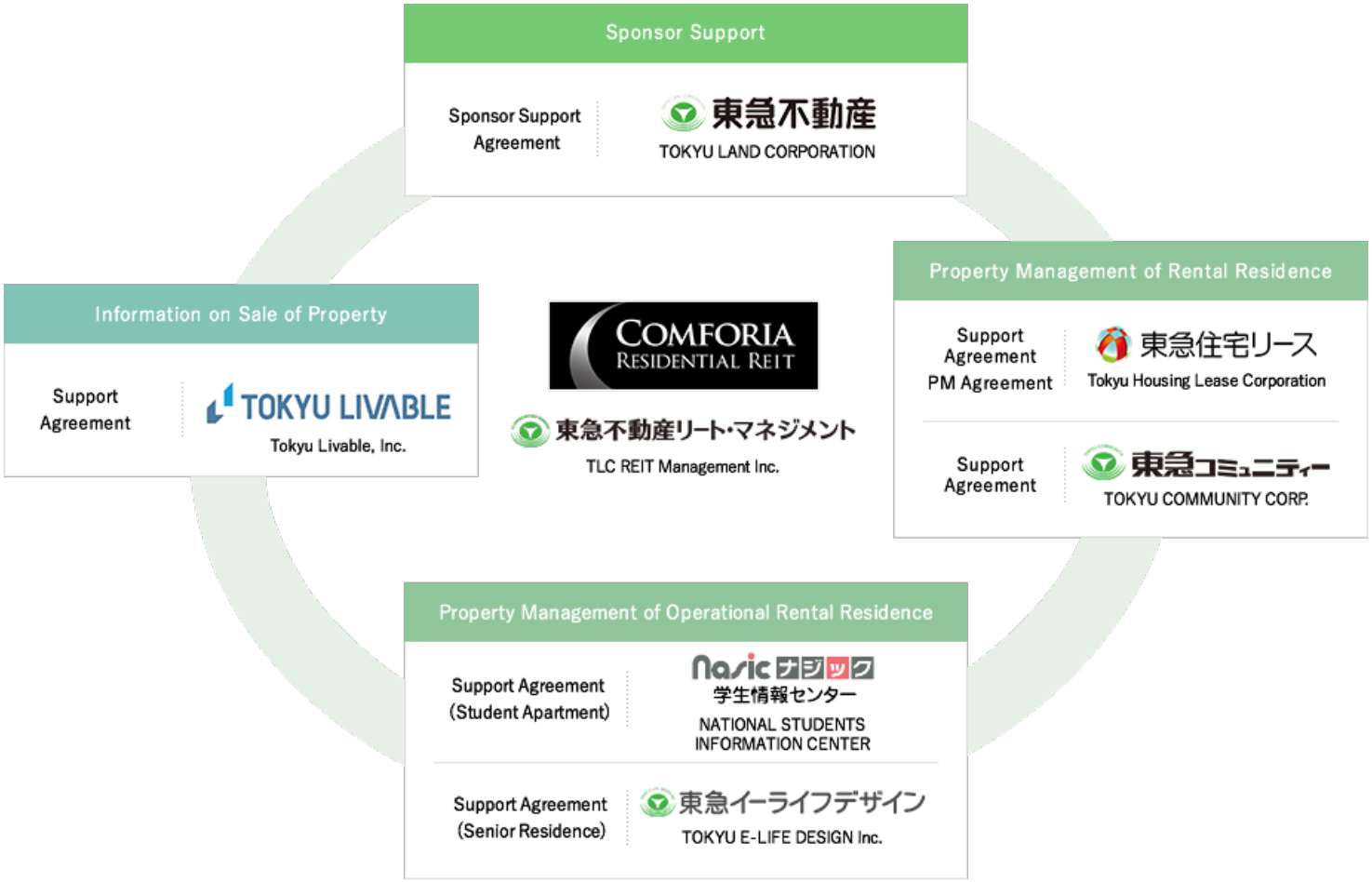
SUSTAINABLE

Creating sustainable environments that consider towns and residents.

We actively work on introducing renewable energy and utilizing sustainable materials to build timeless homes that will be cherished for generations.

Value Chain of TFHD Group

We have concluded sponsor support agreements, support agreements and property management agreements for managed assets with TRM and TFHD Group companies to fully utilize the value chain and expertise of TFHD Group. With the support of TFHD Group companies through such agreements, we aim to expand our asset size (external growth), and maintain and increase asset value (internal growth).



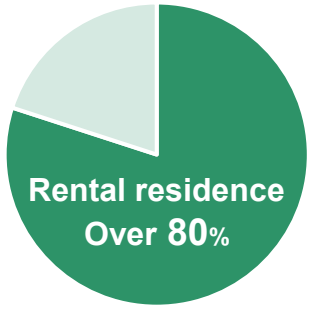
Portfolio Management Policy

Investment Target

- Primary target: Maintain over 80% investment ratio of “Rental Residence” generating stable earnings.
- Sub-target: Operational Rental Residence with services of increasing demands (i.e., senior residences, serviced apartments and student apartments.)

Asset Type	Investment Target	Investment ratio (acquisition price base)	As of Jul.31,2025
Residential property	Rental residence	80%～100%	89.4%
	Operational rental residence	0%～20%	10.6%

(Note) Investment ratio is based on acquisition price. In terms of land, the asset type is based on the property built on it.

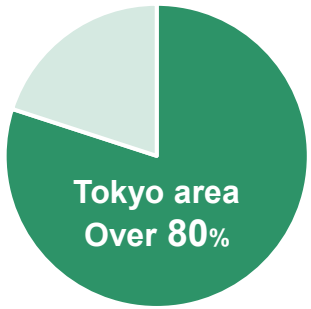


Investment Area

- Maintain investment ratio over 80% for assets in “Central Tokyo”, “Sub-central Tokyo” and “Tokyo Metropolitan areas with strong potential demands for rental residences.

Category	Investment Area		Investment ratio (acquisition price base)	As of Jul.31,2025
Central Tokyo	5 major wards	Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, and Shibuya-ku	80%～100%	93.7%
Sub-central Tokyo	Dense residential districts outside of the 5 major wards	Other Tokyo wards (excluding above)		
Tokyo Metropolitan area	Dense residential districts in all other Tokyo Metropolitan areas	All other areas within Tokyo Metropolitan boundaries expecting strong demand		
Other major cities	Dense residential districts in ordinance-designated cities		0%～20%	6.3%

(Note) Investment ratio is based on acquisition price. In terms of land, the asset type is based on the property built on it.



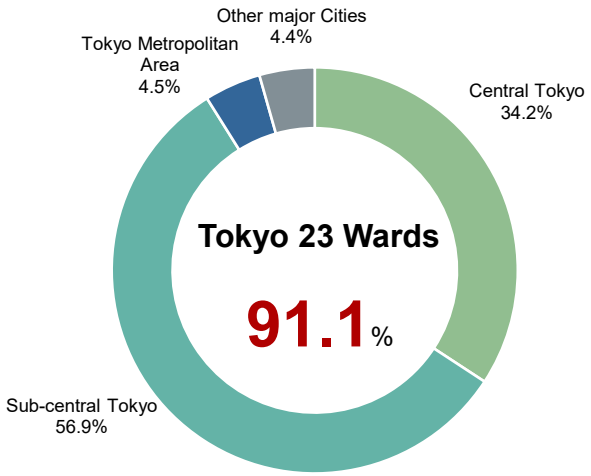
Features and Strengths

Portfolio focusing on “Tokyo 23 Wards” and “Near Stations”

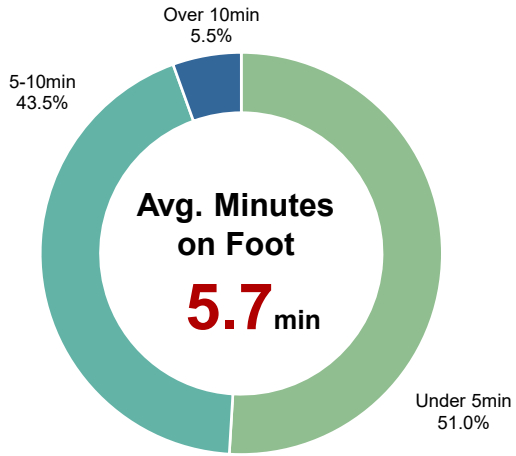
When investing in properties, CRR selects them carefully, based especially on our location strategy for rental residences, with a focus on Tokyo’s 23 wards where there are strong rental needs. Moreover, we have strategically built up our portfolio by continuing to emphasize properties located near stations, with the closest station just a few minutes away on foot. As a result, 91.1% of the rental residences in our portfolio were located in Tokyo’s 23 wards as of the end of July 2025, and the average time on foot from rental residences to the nearest station was 5.7 minutes.

Tokyo 23 Wards × **Near Stations**

Investment area (Rental Residence)



Average walking distance from the nearest stations (Rental Residence)



Utilizing Support from TFHD Group

CRR aims to steadily increase our asset size and maintain and improve our asset value by using the support of the TFHD Group. The proportion of our properties acquired from the TFHD Group as of the end of July 2025 was 70.8% (based on the acquisition price). In addition, the average occupancy rate since our listing is 96.1% (as of the end of July 2025).

Ratio of acquisition from the sponsor group (as of the end of Jul. 2025)	70.8%

Average occupancy rate since listing (as of the end of Jul. 2025)	96.1%

Continuous expansion in asset size and sustainability initiatives

CRR aims to steadily increase our asset size and maintain and improve our asset value by using the support of the TFHD Group. Furthermore, we have positioned sustainability initiatives as one of our priority strategies and are pursuing various environmental and social initiatives.

2013 Listing

AUM ¥71.2 Billion

CRR

Jul 2016 First DBJ Green Building Certification

2018 ¥200 Billion exceeded

FP ended July 2018 ¥202.1 Billion

CRR

Sep 2018 First GRESB REAL ESTATE Assessment

Apr 2019 Materiality Identification

Jul 2020 First Green Bond Issued

Aug 2020 Asset Management Fee Structure Change

TRM

Feb 2019 GRESB Membership Participation

Apr 2019 Sustainability Policy Establishment

Apr 2019 Materiality Identification

2023 ¥300 Billion exceeded

FP ended Jan 2024 ¥307.3 Billion

CRR

Jan 2023 First BELS Certification

Apr 2023 Materiality Expansion

Jul 2023 TCFD Disclosure Expansion

TRM

Feb 2023 Signing of Principles for Financial Action for the 21st Century

Apr 2023 Climate Action Standards Revised

2025 ¥340.1 Billion

Until Sep 2025 COMFORIA TOGOSHI-KOEN Acquired

CRR

Jun 2024 Conclusion of Comprehensive Cooperation Agreement with Luup, Inc

Sep 2024 Net-zero policy

Jan 2025 Acquisition of SBT Certification

Apr 2025 Participation in the Japan Climate Initiative (JCI)

Sep 2025 Introduction of the “Smart Okihai - Unattended delivery solution” Service

TRM

Apr 2024 Formulation of Basic Policy on Sustainable Procurement

Jul 2024 Introduction of an internal carbon tax

Sep 2024 Sign the investor agenda

Nov 2024 Registered as a “Tokyo Sustainable Work Companies”
PRI annual assessment Achieved ★5 in two categories

Apr 2025 Reception of Kurumin certification

Sustainability Policy

TRM recognizes the issues of environmental and social considerations, and that of strong governance, and as a member of TFHD Group, shares TFHD Group's Sustainability Vision. TRM believes that tackling these issues is a social responsibility, realizes our management philosophy, and contributes to the development of a sustainable society. The Sustainability Policies are established hereunder to implement the beliefs of TRM.

Sustainability Policies

Established April 1, 2019

1. Environmental Considerations

TRM will consider energy efficiency, decarbonization, water efficiency, and waste reduction as four major items in the operation of each investment corporation, and promote our initiatives by applying these items to each environmental policy.

2. Efforts for Employees

（1） TRM will improve employees' sustainability knowledge, promote enlightenment activities for that purpose, implement capacity building to allow personnel to act professionally and become more productive, provide training for human resource development, and support the acquisition of qualifications.

（2） TRM will promote efforts to improve the way employees work in light of the policies and practices of the entire Group and by closely sharing information in TRM.

3. Collaboration with External Stakeholders

（1） As a member of the local community, TRM will enhance relationships with customers, such as tenants and facility users, and the local community through improvements in disaster prevention and BCP measures, contributing to safety and security.

（2） TRM will promote programs and procurement with environmental and social considerations through engagement with tenants and suppliers, including property management companies.

（3） By means of the effective use of the expertise in real estate and other fields owned by TFHD Group's affiliates, TRM will be committed to improving customer satisfaction while continuing to create value through each investment corporation.

4. Legal Compliance and Risk Management

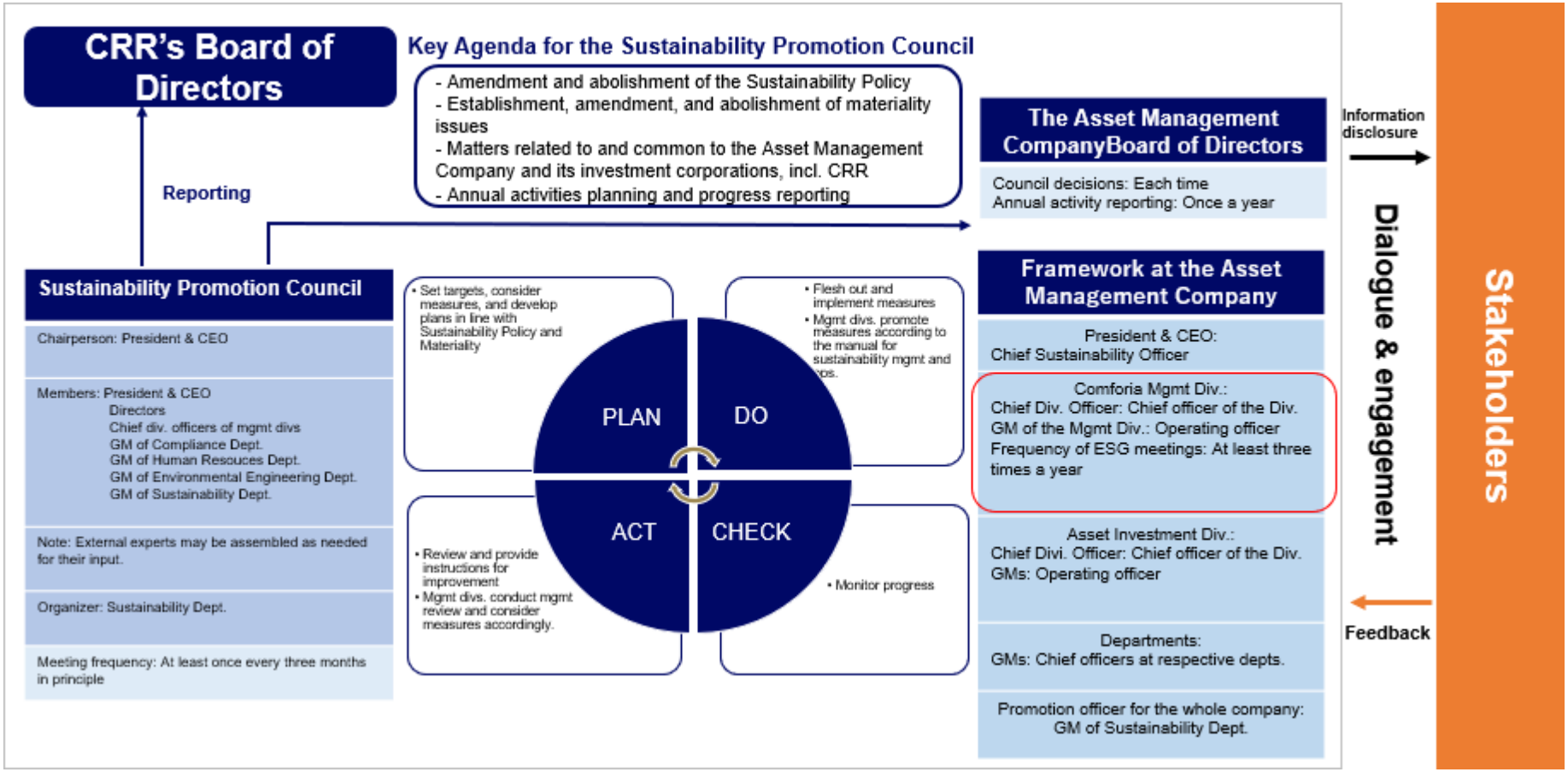
TRM will comply with environmental, social, and governance laws and regulations as well as pay close attention to and appropriately respond to legislative changes. For risk assessment upon real estate acquisition, TRM will work on risk management in an appropriate manner, taking into account environmental and social impacts.

5. Information Disclosure

TRM will strive to disclose information on our sustainability efforts to investors and other stakeholders.

Promotion System

To enhance TRM's efforts towards the issues related to environmental or societal consideration, etc. based on its Sustainability Policy, the rules on the Sustainability Promotion System require that the President & CEO to be the Chief Sustainability Officer and each department appoint one responsible person from the department. The Sustainability Promotion Council is to be held with the President & CEO as chairperson.
Sustainability Department was established as of April 1, 2021 to expand the functionality of the Sustainability Promotion System. The Sustainability Department succeeds the ESG-related missions from the Environmental Engineering Department, and we will further promote our sustainability program.
Furthermore, in April 2024, in order to strengthen strategic ESG promotion and accelerate decision-making, the Sustainability Promotion Department was made an independent organization under the direct control of the President&CEO.



Sustainability Promotion Council

The Sustainability Promotion Council meets regularly with President & CEO as the Chief Sustainability Officer who assumes the ultimate responsibility, and other members from across the organization of company and among members, we share relevant information and examine and promote the efforts. External experts are invited to the Council to consult opinions when needed.
Important Agenda discussed at the Sustainability Promotion Council are regularly reported to the Asset Management Company's Board of Directors and as needed, to CRR's Board of Directors as well.

Members of the Sustainability Promotion Council	Chairperson	President & CEO
	Regular members	Director, Chief Division Officers of the Comforia Management Division, Activia Management Division, and Broadia Management Division, Compliance Officer, General Managers of Human Resources Department, Environmental Engineering Department, and Sustainability Department
	Organizer	Sustainability Department
Meeting frequency	Every quarter in principle	
Main issues to be discussed	・Amendment and abolishment of the Sustainability Policy ・Amendment and abolishment of the Materiality ・Matters related to, and common to TRM and CRR ・Annual activities planning, report on status	

Materiality

As a member of TFHD Group, TRM recognizes the key issues (the “Materiality”) identified by TFHD Group and has identified its own materiality by extracting significant medium- to long-term societal issues based on the tasks which CRR has been working on such as environmental issues. The Materiality has been shared with CRR.

Identification process

Materiality was identified by select cross-divisional members of TRM.

Step1 Awareness and organization of societal issues

In preparing discussions for Materiality, societal issues related to CRR and TRM were extracted by referencing TFHD Group Integrated Report; materiality; GRI Standards; relevant SDGs; ESG assessments for the real estate sector; and issues recognized by the industry association.

Step2 Integration and consolidation of issues

With respect to the above stated societal issues, a materiality short list was created after summarizing the tasks which CRR and TRM has been working on, and discussing topics that should be given higher significance, with additional consideration to risks and opportunities regarding each issue.

Step3 Reflection of opinions from officers and employees

All officers and employees were asked to offer opinions as stakeholders of TRM, and preliminary interview was conducted with executive officer and supervisory directors of CRR.

Step4 Identification of materiality

Based on the interview results, significance of each issue to be addressed by CRR and TRM was reviewed for appropriateness.
Materiality was identified by the Sustainability Promotion Council and reported to the board of directors of TRM and CRR.

SDGs with close relevance to the Materiality

The Materiality, which is shared between CRR and TRM, is identified by considering the impact from a view of risks and opportunities, and the significance for us to address. Our aim is to contribute to the SDGs (Sustainable Development Goals) through our commitment to the Materiality.

Materiality	Risks （Impact of not addressing materiality）	Opportunities （Business opportunities expected by addressing materiality）	Relevant SDGs
Reducing environmental impact	Increased physical risk from escalation of climate change (human damage, property damage, economic damage), risks associated with a transition to a decarbonized society	• Share clear commitment to ESG investment with officers and employees, providing opportunity for implementation and incorporation in our business strategy • Increased demand for leasing properties focused on environmental performance	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Human capital development as a group of professionals	Failure to implement a human resources strategy that is based on respect for human rights and that takes into account the perspectives of diversity, equity, and inclusion, or lack of sufficient skilled resources may hinder business operation, leading to stagnant or lower unitholder value	Each employee's effort to further realize their abilities and maintain mental health and stable living while fulfilling the fiduciary duty required of asset management business and working towards our goal of maximizing unitholder value and enhancing our presence , as we implement human capital management, will create a positive cycle and improve our performance.	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Contribution to the region	• Breakdown of communication with local community at times of emergency such as disaster may cause reputational risk • Risk of loss of liveliness due to the image of the invested region becoming obsolete or due to population decrease	Show presence by contributing to the safety and security of the region and vitalization of local economy as a member of a corporate group committed to urban development	3 GOOD HEALTH AND WELL-BEING 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Health and well-being of tenants	Facilities with inferior ESG considerations may risk losing support from tenants	Contract renewal and repeated selection for relocation by tenants can be expected by creating safe, comfortable and pleasant space for tenants	3 GOOD HEALTH AND WELL-BEING 11 SUSTAINABLE CITIES AND COMMUNITIES
Supplier engagement	Impact on management operation and deteriorated credit in case significant violation against sustainable procurement such as discrimination, exploitation, destruction of nature, contamination and violation of laws by suppliers are recognized	Collaborate with suppliers to make transactions that take into consideration human rights and satisfy fiduciary duty required of asset management business and contribute to becoming the REIT of choice by the investors	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Management framework corresponding to multifaceted social demand towards sustainable society	Inappropriate response to multifaceted social demands may risk fall in trust concerning sound and effective management business and affect market development	Enhanced commitment from the perspective of respecting human rights to environmental issues including climate change and social issues such as human capital management and supply chain management will further promote establishment of medium- to long-term business platform, and improvement in financial value can be expected	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

CRR's initiatives towards to each Materiality

Environment (E)

Materiality	Policy	Status/Initiatives
Reducing environmental impact	1.Energy use: Medium- to long-term target of 1% average annual reduction in energy use intensity. 2.Energy-related CO2 emissions: by 2030, 40% reduction in greenhouse gas emissions intensity (vs.2020). 3.Disclosure of information pertaining to climate change response and initiatives	• Implementation of energy efficiency retrofits • Acquisition of environmental certifications/assessments, etc. • Efforts to improve waste management • Introduction of green leases • Monitoring by Sustainability Promotion Council •Promotion of environment-friendly procurement through "The Basic Policy on Sustainable Procurement" and "Green Procurement Standards" • Supporting initiatives that are in line with TCFD recommendations through climate action standards
Relevant SDG Targets	7.3 By 2030, double the global rate of improvement in energy efficiency 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.	

CRR's initiatives towards to each Materiality

Society(S)

Materiality	Policy	Status/Initiatives
Human capital development as a group of professionals	■Eco Test certification as a mandatory qualification To enhance ESG knowledge, awareness, and literacy among our officers and employees, we have designated the Certification Test for Environmental Specialists (Eco Test) as a mandatory qualification. This initiative could contribute to strengthening ESG talents and promoting sustainable ESG development. *As of December 31, 2024, 72 employees（64%） have passed the Eco Test. For further details on other policies and initiatives, refer to the "Our Commitment" by the Asset Management Company for the policy and details of the initiatives.	
Contribution to the region	1. Further improvement in disaster prevention functions 2. Prompt recovery of assets under management 3. Educational activities on fire and disaster prevention and disaster response 4. Enhanced cooperation with local community	• Capital expenditure from disaster prevention perspective • Public disclosure of evacuation sites/emergency reserves, etc. • Relationship with local community （Corporation with local events, local disaster prevention, disaster response and infectious disease prevention etc.）
Health and well-being of tenants	• Improve tenant satisfaction	• Check satisfaction via tenant survey and respond to comments by tenants • Distribute guide map on managed facilities • Deploy tenant service leveraging on group resources • Hold tenant participation events
Supplier engagement	• Aim for smooth property management by utilizing expert know-how of Tokyu Housing Lease, Tokyu Community, and other support agreement counterparties in TFHD Group. Share information and actively work on environmentally friendly procurement with PM/BM	• Build and promote collaborative structure through periodic monitoring • Promote collaboration with all stakeholders through "The Basic Policy on Sustainable Procurement" and "Green Procurement Standards"
Relevant SDG Targets	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	

CRR's initiatives towards to each Materiality

Governance(G)

Materiality	Policy	Status/Initiatives
Management framework corresponding to multifaceted social demand towards sustainable society	1. Express statement on governance of the investment corporation 2. Express statement on investment decision making body and the risk management system for investment 3. Establish framework for promoting implementation of the Sustainability Policy 4. Implement human capital management and maintain a resilient management framework	• Governance of the investment corporation • Investment decision making body and the risk management system for investment • Establishment of Sustainability Promotion Council for TRM • Promotion based on various rules, etc. as well as training which attempt to respond to multifaceted issues including respect for human rights • Establishment of a framework for management of the overall supply chain (Business activities in accordance with the Basic Policy on Sustainable Procurement)
Relevant SDG Targets	12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels	

Relevance of the Materiality of CRR and TRM to that of TFHD Group

TFHD Group

Step1 Determination and organization of social issues
Generated a list of 470 items with reference to TFHD Group's management plans, the GRI Guidelines, ISO26000, the SDGs

Step2 Integration and consolidation of issues
Selected 31 material issues with consideration of relevancy to TFHD Group's activities

Step3 Interview of management staff and experts
Gather opinions from management staff and experts in specialized fields

Step4 Identification of Materiality
Verified the appropriateness of the importance of each issue and categorized into seven

Materiality	Relevant SDGs
Economic, political, and regulatory changes	8
Diversification and globalization of lifestyles	5, 10
Safety and security in local communities and urban areas	11, 17
Progression of a low birth rate and aging society	3, 4
IOT / Innovation	9
Changes in the natural environment	7, 13, 15
More stringent social demands	12, 16

(Note)TFHD Group's Materiality is those at the time of identification of Materiality for CRR and TRM

Extraction of items

Information sharing

CRR・TRM

Step1 Awareness and organization of societal issues

Step2 Integration and consolidation of issues

Step3 Reflection of opinions from officers and employees

Step4 Identification of materiality

Materiality	Relevant SDGs
Reducing environmental impact	7, 11, 12, 13
Human capital development as a group of professionals	3, 4, 5, 8
Contribution to the region	3, 9, 11
Health and well-being of tenants	3, 11
Supplier engagement	11, 12
Management framework corresponding to multifaceted social demand towards sustainable society	12, 16

TFHD Group's Code of Conduct, etc. that TRM shares as a member of TFHD Group

As a member of TFHD Group, TRM does not only leverage TFHD Group's comprehensive value-chain and expertise, but also shares the Code of Conduct and other policies of TFHD Group.

Topics

SBT Certification

The SBT (Science Based Targets) are specific goals set by companies to reduce greenhouse gas emissions in line with the Paris Agreement goals.
CRR has set GHG emission reduction targets by 2030 and acquired SBT certification in January 2025. The targets set by CRR are as follows.

Base Year	Target Year	Target GHG	GHG emission reduction targets
2022	2030	Scope 1 and Scope 2	42% reduction
		Scope 3	25% reduction

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Participation in the Japan Climate Initiative (JCI)

The Japan Climate Initiative (JCI) is a network established in Japan by a wide range of non-state organizations, including Japanese companies, municipalities, and NGOs that are working actively to tackle climate change.
JCI has declared its commitment to working toward the realization of a decarbonized society under the Paris Agreement by increasing energy efficiency and use of renewable energy in its own activities, deepening cooperation among domestic and international non-state organizations, and stepping up efforts to help achieve net-zero emissions by 2050.
CRR became a member of JCI in April 2025, expressing our approval of its active effort to realize a decarbonized society.

JAPAN CLIMATE INITIATIVE

"Tokyo Sustainable Work Company" Registration Certificate

The Tokyo Sustainable Work Company Registration Program is a program under which companies committed to realizing sustainable styles of working are registered as "Tokyo Sustainable Work Companies" based on the standards set out in "Tokyo's future working style promotion project."
As a company that has declared its commitment to "working styles of the future," we were registered as a Tokyo Sustainable Work Company (Mira Waka) in November 2024.

"Smart Okihai - Unattended Delivery Solution" Service

CRR decided to introduce the "Smart Okihai - Unattended delivery solution" service provided by Linough Inc. to all its properties (excluding certain properties such as sectional ownership and operational rental residences) by March 2026.

Linough

Additional Investment Units Acquisition by the Sponsor

CRR's sponsor acquired additional investment units of CRR during April 1 to July 18,.2025.
Going forward, we expect to receive strong Sponsor support through the further aligning of our interests.

	Before the Acquisition	the Acquisition	After the Acquisition
Number of units issued and outstanding	780,342	-	780,342
Number of units held by Sponsor	71,110	7,081	78,191
Percentage of units held by Sponsor	9.1%	0.9%	10.0%

Note: Calculated based on the number of investment units issued as of the end of July 2025.

Kurumin Certification

Kurumin certification is offered to companies that have achieved objectives set out in their General Employers Action Plan under the Act on Advancement of Measures to Support Raising Next-Generation Children and have satisfied certain standards.
Applicant companies meeting these requirements are certified as "companies with childcare support" (Kurumin certified companies) by the Minister of Health, Labour and Welfare.
The Company applied for and obtained Kurumin certification (as of 2025) from the Tokyo Labor Bureau.

2025年認定 くるみん 子育てサポートしています

External Certifications / International Initiatives

Signatory to PRI(Principles for Responsible Investment)

PRI(Principles for Responsible Investment) started in 2006, advocated by former United Nations Secretary-General to join a process to develop the following 6 Principles for Responsible Investment for financial industry, and has been developed as an international investor network by UNEP (FIUN Environment Programme Finance Initiative) and UNGC (UN Global Impact) to put these principles into practice. PRI works to understand the investment implications of environmental, social and governance (ESG) factors, and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The asset management company announced support for these principles and joined signatory in December 2021.

＜Six Principles for Responsible Investment＞
Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
Principle 6: We will each report on our activities and progress towards implementing the Principles.

Signatory of: PRI Principles for Responsible Investment

Participate in GRESB Membership＆GRESB Real Estate Assessment

The asset management company has well recognized the importance of environmental, social and governance (ESG) factors in investment and asset management, joined GRESB membership(GRESB Real Estate/ Company & Fund Manager Member) in February 2019.
As an International Initiative member, the asset management company has been conducting sustainability initiatives through network with pioneer company, related information collection and GRESB Real Estate rating, etc.

CRR has been participated in the GRESB Real Estate Assessment since 2018.
We will continue to promote sustainability initiatives through the participation and aim to further improve its rating in the assessment.

GRESB REAL ESTATE Member

GRESB REAL ESTATE ★★☆☆☆ 2025

GRESB Public Disclosure 2025

Support for TCFD (Task Force on Climate-related Financial Disclosures)

TCFD refers to the Task Force on Climate-related Financial Disclosures, established by the Financial Stability Board (FSB) at the request of G20, to examine how climate-related information should be disclosed, and how should financial institutions respond.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Asset Management Company has announced support for the recommendations of TCFD in January 2021, and joined the TCFD Consortium, an organization established by domestic companies supporting TCFD.

TCFD Consortium

Signatory to UNGC (UN Global Impact)

UNGC (UN Global Impact) is a voluntary global corporate sustainability initiative joined by corporate and bodies taking responsible and innovative leadership to seek sustainable growth.
UNGC advocates corporate participant to align strategies and operations with 10 universal principles on human rights, labor, environment and anti-corruption and take actions that advance societal goals through active engagement.

TFHD has been a signatory to the United Nations Global Compact since December 2016 and TRM supports the UNGC's 10 principles as a member of TFHD Group.（For the UNGC 10 principles, please refer to page 84.)

TRM shares the Human Rights Policy of TFHD Group announced in January 2020 (Page 65) and conducts business in belief that the respect for the human rights of all its stakeholders is essential.
We also believe that all the companies should hold such respect.

Signatory of Principles for Financial Action for the 21st Century

The Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century) were established in October 2011, on formulating principles for financial institutions that are willing to take responsibility and play a necessary role in building a sustainable society. TRM has become a signatory of the Principles for Financial Action for the 21st Century (PFA21) in February 2023.

Acquisition of SBT Certification

CRR has set GHG emission reduction targets by 2030 and acquired SBT* certification in January 2025.
*SBT (Science Based Targets) are GHG emission reduction targets set by companies that are consistent with the levels required by the Paris Agreement, which aims to limit the global temperature increase to 1.5℃, well below the 2℃ limit relative to pre-industrial level.
SBT certification is certified by the SBTi (SBT initiative), an international initiative established on May 13, 2021 by four organizations: UNGC (the United Nations Global Compact), CDP, WRI (the World Resources Institute), and WWF (the World Wide Fund for Nature).

Signing of The Investor Agenda

The "2024 Global Investor Statement to Governments on the Climate Crisis" issued by The Investor Agenda, an institutional investor organization aimed at achieving a net-zero economy, pushed the development of a decarbonized society. In agreement with the Principles of Responsible Investment (PRI), which it has endorsed and signed, TRM supports the statement and signed it in September 2024.

Participation in the Japan Climate Initiative (JCI)

CRR participates in JCI in support of JCI's declaration, "Joining the front line of global trend for decarbonization from Japan."

Environment

Our View on Environment

We implement sustainable property management through various initiatives, including reducing energy consumption and greenhouse gas emissions, and obtaining environmental certifications.

Relevant SDG Targets	7.3	By 2030, double the global rate of improvement in energy efficiency
	12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
	12.8	By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

Environmental Overall Targets

CRR identifies climate change as the major risk among environmental challenges and has specified “reducing environmental impact” as a materiality.

Regarding energy consumption, our medium to long-term target is to reduce energy consumption intensity by an average of 1% annually over the medium to long term.

For greenhouse gas emissions, having achieved our previous medium-term target of “reducing CO2 emissions intensity by 40.0% compared to FY2020 levels by 2030” ahead of schedule in January 2025, we have established a new medium-term target and obtained Science Based Targets (SBT) certification.

Furthermore, we have also set “net zero” as a long-term target (reducing greenhouse gas emissions to as close to zero as possible by 2050 and offsetting residual emissions through measures such as carbon offsets to achieve effectively zero emissions).

Recognizing that reducing our environmental footprint and contributing to the mitigation of medium-to long-term climate change risks, such as extreme weather and sea level rise, is important to maximizing medium-to long-term investor value, we will pursue sustainable growth through obtaining environmental certifications for our assets and advancing initiatives for a recycling-oriented society.

Item	Targets (Intensity basis)
① Energy consumption per year	1% annually on average over medium to long term
② GHG emissions per year	Net Zero by 2050
③ Water consumption per year	Not exceeding previous FY
④ Waste generation per year	Not exceeding previous FY
⑤ Environmental certifications	40% of the portfolio by 2030 (Gross Floor area basis)

Achievement of previous targets ahead of schedule & Setting of New Target P.36

How We Look at and Approach Climate Change

① Our Perception of and Basic Approach to Climate Change

We are well aware that climate change is a critical issue that has a great impact on our business activities.
The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), published in 2021, firmly concludes that humans have warmed the atmosphere, ocean, and land. The report attributes increases in greenhouse gas (GHG) concentrations including carbon dioxide since around 1750 to human activities such as heavy consumption of fossil fuels. At the 26th United Nations Climate Change conference (COP26) also held in 2021, participating countries formally agreed that they will pursue efforts to limit temperature increase to 1.5℃. This agreement came amid growing awareness that limiting the increase in the global temperature to 2℃ above levels in the Industrial Revolution--the maximum allowable level under the Paris Agreement of 2015--will not preclude tremendous negative impacts. Given the global temperature has already risen by more than 1℃, however, we believe that achieving this target requires bold actions, including social and structural changes.

Given such circumstances, we recognize the importance of efforts to achieve the Japanese government's goal of attaining net zero GHG emissions by 2050. ("Net zero" refers to a balance between anthropogenic emissions and their removals. The same applies hereinafter.)
We need to adapt to emerging waves of change generated by these increasing impacts of climate change, more solid global frameworks for climate change, and transition to a decarbonized society. We also need to secure both stable earnings and steady growth in assets under management over a medium to long term. To these ends, it is important for us to predict risks and opportunities that climate change may present to our business, to work with our unitholders and other stakeholders, and to reflect such risks and opportunities in our investment strategies and property management.

TRM, the asset management company to which CRR entrusts the management of its assets, is mindful of the need for environmental and social considerations and strong governance. And, as a member of the Tokyu Fudosan Holdings Group, the asset management company shares the Group's Sustainability Vision. The Group has a goal of net zero carbon dioxide emissions by 2050 (hereinafter referred to as "net zero policy") for itself and its supply chains as one of its climate targets.

The asset management company believes that addressing these needs constitutes part of its social responsibilities and is also an avenue to practice its management philosophy. It also believes that doing so will contribute to development of a sustainable society. To put this belief into practice, the asset management company has identified materiality under its Sustainability Policy and shares them with CRR. For more information on the Sustainability Policy and the materiality, please refer to the asset management company's Sustainability Initiatives.
The escalation of climate change has a huge impact on our efforts toward "reducing environmental impact," one of our materiality. For this reason, we demonstrate to our suppliers our commitment to environmentally preferable purchasing with our Green Procurement Standards(established in September 2020)and the Basic Policy on Sustainable Procurement(established in April 2024). We join hands with our suppliers in taking action based on mutual understanding.

To redouble its efforts to address these issues, the asset management company has signed on to the Principles for Responsible Investment (PRI), joined GRESB as a member, and embraced the UN Global Compact (UNGC) in conducting business activities.

How We Look at and Approach Climate Change

② Support for the TCFD Recommendation

Asset Management Company has announced support for the recommendations of TCFD in January 2021, and joined the TCFD Consortium, established by domestic companies supporting TCFD.

CRR obtained SBT certification in January 2025. Furthermore, in April 2025, CRR joined the Japan Climate Initiative (JCI)*. Through these activities, CRR is working more proactively toward realizing a decarbonized society.

*The Japan Climate Initiative (JIC), which launched in Tokyo on July 6, 2018, is a network of diverse non-governmental entities—including companies, local governments, organizations, and NGOs—actively engaged in climate change countermeasures.

Organizational Governance for Addressing Climate Change

① **Promotion System**

For information on the implementation setup at the asset management company (including responses to climate change; hereinafter the same), please refer to “Promotion System” (Page 11).

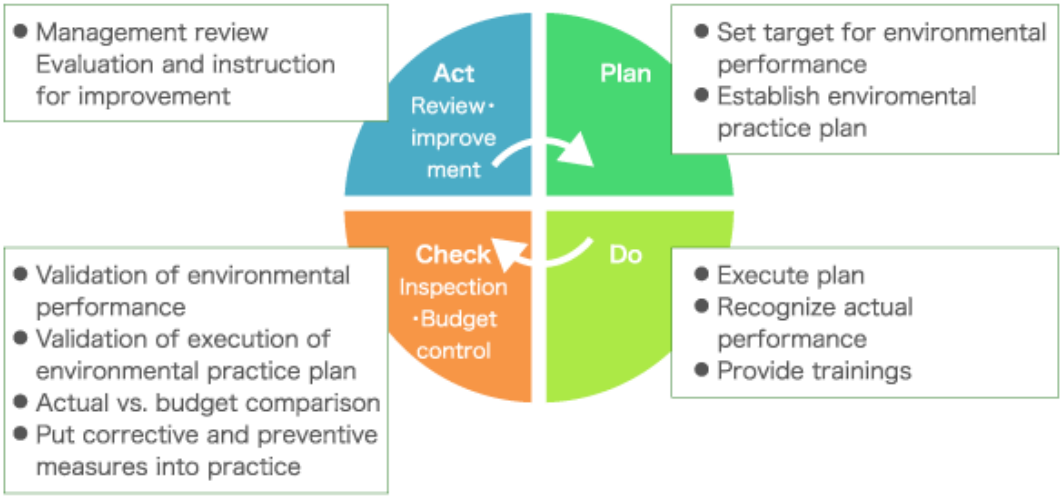
② **Sustainability Promotion Council**

As part of its efforts to address sustainability issues, the asset management company convenes the Sustainability Promotion Council regularly to share sustainability-related information (including responses to climate change) and discuss measures to take on these challenges and implement them. The Council also monitors progress in our sustainability efforts regularly and continuously. For more information about the Council, please refer to “Sustainability Promotion Council” (Page 12).

③ **Environment Management System**

The Asset Management Company established a unique environment management system (EMS) which applies PDCA cycle to continuously approach to environmental challenges. We are working to continuously reduce environmental impacts in the management operation for CRR, through the cycle of four steps; set targets (Plan), assess performance (Do), analyze budget vs. actual (Check), and implement countermeasures for a better performance (Act).
The Asset Management Department of Comforia Management Division reviews actual performances regularly, reports review findings to the management at least once a year and receives both feedbacks for the fiscal year under review and directions for further improvement for the next fiscal year from the management.

PDCA cycle applied EMS



Organizational Governance for Addressing Climate Change

④ Climate Action Standards

For matters related to addressing climate change, the Asset Management Company has in place a set of climate action standards, under which it has built its structure to promote sustainability and established an action policy that builds on the TCFD framework. To reduce the impact of GHG emissions on climate change, the asset management company, as a member of the Group, sets climate indicators and targets under the net zero policy. For information on the management of risks and opportunities related to climate change, see “Managing Risks and Opportunities Related to Climate Change” (Page 33).

⑤ Reporting on Performance

For information on the Asset Management Company’s structure for reporting and monitoring related to sustainability, please refer to “Promotion System” (Page 11).

Meeting entity	Convening entity	Meeting frequency
ESG meeting at Comforia Management Division	TRM	Three times or more a year
Sustainability Promotion Council	TRM	Four times a year
TRM’s Board of Directors meeting	TRM	Once a year (reporting)
CRR’s Board of Directors meeting	CRR	As needed (reporting)

Strategy That Factors in Risks and Opportunities Related to Climate Change

In developing a strategy that factors in risks and opportunities related to climate change, CRR has conducted the following scenario analyses under the net zero policy, which builds on the climate action standards.

① Scenario Analysis Assumptions

Climate change risks can be largely divided into transition risks and physical risks. CRR has analyzed two scenarios--1.5℃, and 4℃ scenarios--using future climate predictions announced by two international organizations*. These scenario analyses have used two timeframes during which we will continue to be affected: mid-term (2030) and long-term (2050).

*International Energy Agency (IEA), World Energy Outlook 2023
UN Intergovernmental Panel on Climate Change (IPCC), The Sixth Assessment Report (AR6)

Global outlook under 4℃ scenario

In this scenario, GHG emissions remain high due to a lack of progress in decarbonization action, resulting in more frequent natural disasters. Actions need to be taken to address physical risks rather transition risks, which are outweighed by the former.

Climate, Natural Environment

- More than 4°C rise in annual mean temperature from the 20th to 21st centuries
- More frequent violent typhoons toward the end of the 21st century
- About a fourfold increase in flooding frequency in Japan by the end of the 21st century compared with the 20th century
- More frequent storm surges due to a sea level rise on global average caused by global warming

Policies, Laws & Regulations

- No progress in decarbonization policy from the present
- No strengthening of such systems as carbon taxes and emissions trading as well as of energy efficiency standards for buildings
- Tighter laws and regulations on disaster prevention and reduction
- Mild improvement in energy efficiency of existing properties

Investors, Financial Institutions

- The established practice of factoring in physical risks in making investment decisions despite a measure of increase in ESG investment
- Integrated or standards criteria not available despite more diversity in green finance mechanisms

CRR

- Rising costs of addressing floods and localized torrential rains
- Operating losses due to cessation of operations resulting from damage to properties caused by natural disasters
- No notable increase in construction and refurbishment costs as demand for constructing ZEBs and converting to ZEBs remains low
- More burden on PM, BM, and AM companies due to the need to procure emergency supplies, implement BCP, and conduct disaster response drills

Tenants, Customers, Local Communities

- More considerations paid to the health, comfort, and safety of tenants and customers (measures to prevent heat stroke, BCP, etc.)
- More increase in the per capita cost of air conditioning from the current level due to rising mean temperatures
- Closer cooperation with local communities in times of disaster

Strategy That Factors in Risks and Opportunities Related to Climate Change

Global outlook under 1.5℃ scenario	In these scenarios, GHG emissions are curbed thanks to various environmental regulations, and there are more ZEBs. Actions need to be taken to address transition risks rather than physical risks.

Climate, Natural Environment

- A rise of approximately 1.5°C in annual mean temperature from the 20th to 21st centuries
- The frequency and intensity of typhoons, flood frequency, and sea level rise caused by global warming all being low when compared with the 4°C scenario

Policies, Laws & Regulations

- ZEBs being the standard for new constructions
- Tighter emission control with the introduction of a carbon tax and emissions trading
- Scale-up of environmental standards and disclosure policies associated with improved environmental literacy

Investors, Financial Institutions

- More emphasis on regulatory compliance and environmental certification
- Higher procurement costs for properties with low environmental or disaster prevention performance as investors consider ESG in making decisions and environmentally certified properties constitute a larger percentage of the investment portfolio
- Performance in addressing environmental impacts required as an essential appraisal criterion with green finance mechanisms in place

CRR

- ZEBs accounting for increasing proportions of new constructions and existing properties; the resultant increase in capital investment being reflected in acquisition costs
- Reductions in energy use and utilities expenses due to more ZEBs
- Additional operating expenses for complying with stricter laws and regulations, demonstrating environmental actions to stakeholders, and improving disclosures
- Lower income from rentals of properties with low environmental or disaster prevention performance
- More work to comply with stricter laws and regulations at PM, BM, and AM companies

Tenants, Customers, Local Communities

- Tenants' preference for properties with high environmental or disaster prevention performance; lower demand for those with low environmental or disaster prevention performance
- A low increase in air conditioning costs when compared with the 4°C scenario despite rising mean temperatures
- Communication with local communities about disaster response playing a key role

Strategy That Factors in Risks and Opportunities Related to Climate Change

② Analytical Procedure

The analysis of the 4℃ scenario, which assumes a world in which physical risks need to be addressed more than transition risks, has involved identifying and analyzing long-term (2050) risks, which outweigh mid-term (2030) risks. The analysis of the 1.5℃ scenario, which assumes a world in which transition risks need to be addressed more than physical risks, has involved identifying and analyzing both mid-term (2030) and long-term (2050) risks and opportunities. In both analyses, financial impacts have been analyzed and assessed both quantitatively and qualitatively.
The analyses, both qualitative and quantitative in nature, have been conducted in light of the status of CRR's asset holdings, with reference made to currently available scenarios as published by the IEA and the IPCC and to objective projections published by other third-party specialized institutions. The impact assessments thus made assume some risk factors and their uncertainties; therefore, they do not guarantee their accuracy or safety that they may suggest.

(million yen)

Risk Category	Type	Item	Description of risks and opportunities	Category	Financial Impact			CRR's initiatives / resilience
					4℃	1.5℃		
					2050	2030	2050	
Transition Risks	Policies, Laws & Regulations	Increased pricing of GHG emissions	Cost arising from carbon tax levy	Risk		55/year	98/year	・Promotion of planned construction works for energy-saving purposes ・Adoption of renewable energy
		Mandates on and regulation of existing products and services	Increased construction costs arising from compliance with ZEB-related and other environmental regulations	Risk		287 (Cumulative)	5,906 (Cumulative)	・Promotion of planned construction works for energy-saving purposes ・Planned acquisition of environmental certifications and energy-saving ratings
			Increased verification costs arising from compliance with ZEB-related and other environmental regulations	Risk		30/year	149/year	
	Technology	Substitution of existing products and services with lower emissions options	Higher efficiency due to shift to properties with higher eco performance	Opportunity		27–137 /year	68–137 /year	・Reduction of utility costs through the planned acquisition of environmental certifications and energy-saving ratings
	Market & Reputation	Changing customer behavior	Higher vacancy of properties with lower environmental performance	Risk		458/year	458/year	・Promotion of planned construction works for energy-saving purposes ・Adoption of renewable energy ・Planned acquisition of environmental certifications and energy-saving ratings
			Lower demand due to little shift to properties with higher disaster prevention performance	Risk		360/year	360/year	
		Shift to high-efficiency properties	Securing competitive edge by shifting to properties with higher environmental performance	Opportunity		3,820–4,302 (Cumulative)	3,820–4,302 (Cumulative)	・Increase of asset values through the planned acquisition of environmental certifications and energy-saving ratings ・Use of sustainable financing

(Continued)

Strategy That Factors in Risks and Opportunities Related to Climate Change

(million yen)

Risk Category	Type	Item	Description of risks and opportunities	Category	Financial Impact			CRR's initiatives / resilience
					4℃	1.5℃		
					2050	2030	2050	
Physical Risks	Acute	Increased severity of extreme weather events	Costs incurred from the need to address torrential rain disasters, etc.	Risk	324–813 (Cumulative)			・Implementation of ESG DD in the process of property acquisition ・Periodical review of fire insurance policies ・Implementation of planned anti-inundation measures (installation of watertight barriers, and other devices)
			Loss of sales opportunities due to torrential rain disasters, etc.	Risk	3–8 (Cumulative)			
	Chronic	Rising mean temperatures and sea levels	Increased costs of air conditioning due to rising temperatures	Risk	0.6/year			・Efforts to increase the efficiency of air-conditioning equipment ・Promotion of planned construction work for energy-saving purposes
			Inundation due to sea level rise	Risk	1–220 (Cumulative)			・Implementation of ESG DD in the process of property acquisition ・Periodical review of fire insurance policies ・Implementation of planned anti-inundation measures (installation of watertight barriers, and other devices)

Note: Disclosed in September 2025

③ Analysis Findings

The 1.5℃ scenario entails substantial transition risks. In this two scenarios, the introduction of a high carbon tax designed to curb CO2 emissions in Japan is likely to mean higher operational costs stemming from, for example, a heavier tax burden on CO2 emissions from proprietary properties. Stricter environmental regulations with regard to ZEBs, energy saving standards, and the like are likely to translate into additional costs of refurbishments needed to comply with them.
Tighter regulations will have a tremendous impact on tenants' choice of properties. It is expected that in comparing properties of different real estate agencies, demand for properties with lower energy efficiency will decline.
With an eye on a transition to a decarbonized society under the scenario of 1.5℃, CRR is committed to addressing these risks and maintaining its competitive edge. To these ends, CRR will take a number of actions. These include introducing renewable energy to common area in a planned way; implementing energy efficiency retrofits, a typical example of which is a systematic switch-over to LED lighting in the communal areas; increasing the proportion of environmentally certified properties; and incorporating green-lease provisions in contracts with new tenants.

Under the 4℃ scenario in which little progress will be made in decarbonization, CRR expects damage to its proprietary properties due to increased severity of extreme weather events and resultant increases in repair expenses. With regard to chronic changes such as rising mean temperatures, CRR is committed to reducing CO2 emissions by, for example, considering and replacing existing key equipment such as electric and air conditioning equipment with more energy-efficient equipment wherever possible when it reaches its end of life.

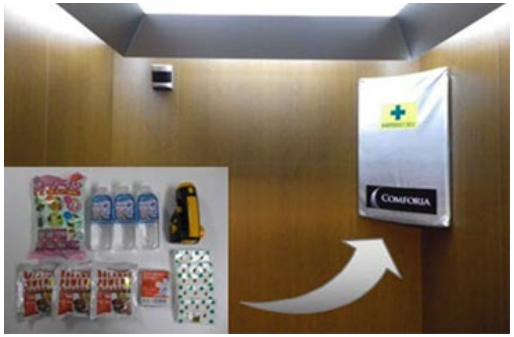
Managing Risks and Opportunities Related to Climate Change

Matters related to materialities regarding climate-related risks and opportunities and adaptation and resilience to climate change are regarded by the Asset Management Company as matters related to climate action in accordance with its climate action standards. They also constitute specific sustainability initiatives and are therefore part of the matters related to promoting sustainability.
In January 2022, we announced our support for the TCFD Recommendations, which prompted us to conduct scenario analyses described above. The analyses were aimed at identifying risks and opportunities arising from the impact climate change may have on CRR, assessing the impacts of these risks and opportunities on our business, and making changes to our future strategies as needed. Risks of particular importance were singled out in light of how likely they emerge, when they emerge if ever, and how they may impact our finances.
Based on the analysis findings, we will review and further improve our initiatives. To this end, we will execute function management with the help the EMS and monitor CRR's actions and their progress through the Sustainability Promotion Council.

Addressing Physical Risk

Japan is prone to natural disasters. Its geographical factors expose it to inundation and other damage due to typhoons and torrential rains. Earthquakes are frequent as well. CRR has in place a structure that minimizes such damage and enhance resiliency to intensifying disasters to reduce the risk that disasters will erode portfolio profitability. TRM has a business continuity management (BCM) policy on crisis response and business continuity planning (BCP) under its basic policy on risk management.
Progress in global climate change may make natural disasters more frequent and destructive. CRR regards an increasing financial impact of such disasters as a major physical risk of climate change. Please refer to the following part of “Supply of emergency kits and evacuation map” for our preparedness for disasters.

Supply of emergency kits and evacuation map



＜Emergency Kits＞

＜Evacuation Map＞

After the Great East Japan Earthquake, to enhance the safety and the sense of security of our residents, we provide emergency kits (emergency food and goods) in the elevators of every property.

Additionally, we post evacuation maps in common space of all properties to inform residents of area for evacuation in preparation for an earthquake or other disaster.

Managing Risks and Opportunities Related to Climate Change

Predicting flood risks

CRR keeps abreast of possible flood damage to its portfolio with the help of hazard maps prepared by the Ministry of Land, Infrastructure, Transport and Tourism and local governments. (CRR uses information on flood and inundation hazard areas as well as storm surge and inundation hazard areas.)
To minimize economic losses, CRR makes necessary Preparation for Disasters for its properties and has a fire insurance that covers flood losses in place for each of them.
Please check earthquake PML in Financial Statements.

Flood Depth (m)	Central Tokyo	Sub-central Tokyo	Tokyo Metropolitan Area	Other Major Cities	Total (building)	Rentable Units (units)
Over 5.0	0	7	2	0	9	794
3.0 to 5.0	0	21	2	2	25	1,631
0.5 to 3.0	20	26	1	9	56	4,101
0 to 0.5	9	11	0	2	22	2,134
No damage expected	20	32	5	0	57	3,704
Total	49	97	10	13	169	12,364

Note: The table above shows the numbers of properties we owned as of the end of January 2025 (excluding those that had been sold by the end of August 2025).

Installation of Waterproof Doors and Removable Flood Panels

＜Waterproof Doors＞

＜Removable Flood Panels＞

To mitigate the risk of flooding caused by typhoons, heavy rain, and river overflow, waterproof doors and removable flood panels have been installed—or are planned to be installed—in the ground floors of certain properties (particularly those located near rivers).

The removable flood panels are made of durable materials and are designed to withstand water pressure. They can be installed within minutes and easily removed when not in use.

Setting Metrics and Targets Related to Climate Change

① Metrics and Targets

CRR has identified its metrics and targets related to climate change under the category of "reducing environmental impact," one of the materialities it shares with the Asset Management Company.

For the purposes of identification, CRR assessed risks and opportunities presented by the impacts of climate change as well as the importance of specific actions aimed at addressing these impacts. CRR has also set out a policy for reducing environmental impact. The policy covers four key areas: energy use, energy-related CO2 emissions, water conservation, and waste generation. Additionally, CRR has set the following targets in line with the net-zero policy based on the Asset Management Company's climate action standards to improve energy efficiency. Specific actions to this end include implementing energy efficiency retrofits and incorporating green-lease provisions in tenant contracts.

① **Energy use: Medium- to long-term target of 1% average annual reduction in energy use intensity**

② **GHG emissions: by 2030, 42% reduction in Scope 1 and Scope 2, 25% reduction in Scope 3 (vs.2022)**

③ **Proportion of our portfolio properties with environmental certifications: 40% by 2030**

② Progress toward Targets as Well as Practices

CRR regularly discloses information on environmental performance with regard to energy consumption, CO2 emissions, and water consumption, as well as Environmental Certification and environmental impact reducing works. It also provides relevant information on the annual Sustainability Report and financial statements as part of ESG-related information.

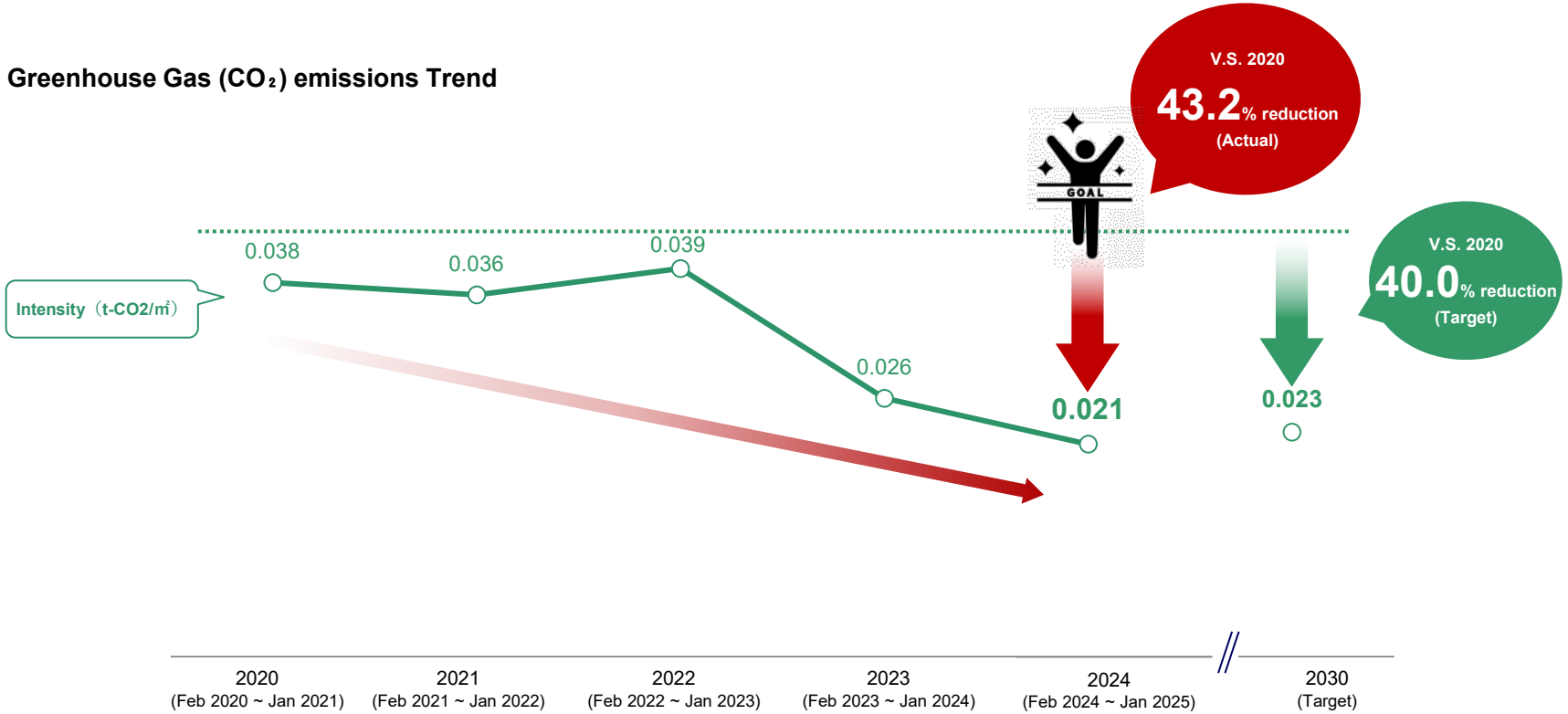
The Asset Management Company uses internal carbon pricing (ICP) for repair projects intended to reduce environmental impact when their electricity consumption (CO2 emissions) can be measured. For these projects, we calculate (visualize) the monetary values of CO2 emissions and use them as an indicator that guides our decision-making process.

◆ Achievement of previous targets ahead of schedule

In the Sustainability Report 2022, CRR established and disclosed its greenhouse gas (CO_2) emissions reduction targets. Based on the belief that mitigating climate-related risks contributes to the long-term maximization of unitholder value, we have set a goal to reduce CO_2 emissions intensity by 40.0% by 2030 compared to the 2020 level.

Through initiatives such as the installation of LED lighting in common areas and the purchase of non-fossil certificates in 2023 and 2024, the CO_2 emissions intensity was reduced by 43.2% compared to the 2020 level as of January 2025.This enabled us to achieve our reduction target ahead of schedule.

Greenhouse Gas (CO_2) emissions Trend



New Target Setting and SBT Certification

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

CRR has re-formulated the greenhouse gas emissions reduction targets with target year of 2030 and obtained SBT certification from the Science Based Targets initiative (SBTi) in January 2025.

Obtaining SBT certification through the application process for the “SBT Standard” rather than the “SBT for SMEs” represents one of the few examples within the J-REIT at the time of certification.

(Note) At the time of certification application, CRR did not qualify as an SME under the corporate classification defined by SBTi. Therefore, it formulated and applied for GHG emission reduction targets in accordance with the certification criteria of the “SBT Standard” and obtained certification.

Greenhouse Gas Emissions Reduction Targets

Base Year	Target Year	Target GHG	Reduction Targets
2022	2030	Scope 1、2	42%
		Scope 3	25%

Jan SBT certification

Aug Commitment Letter

2024 → 2025 → 2030 → 2050

Sep Submission Form

Aiming to achieve “Net-Zero”

※SBT (Science Based Targets) are GHG emission reduction targets set by companies that are consistent with the levels required by the Paris Agreement, which aims to limit the global temperature increase to 1.5 ℃, well below the 2 ℃ limit relative to pre-industrial level. SBT certification is certified by the SBTi (SBT initiative), an international initiative established on May 13, 2021 by four organizations: UNGC (the United Nations Global Compact), CDP, WRI (the World Resources Institute), and WWF (the World Wide Fund for Nature)。

Toward Achieving SBT

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

GHG Emissions Performance

			2022 (base year)	2023	2024	Rate of Change (V.S. 2022)
GHG Emissions	Scope 1 (tCO2e)		330	315	300	**-9.1%**
	Scope 2 (tCO2)		(Market-based Approach) 3,460	2,313	1,927	**-44.3%**
			(Location-based Approach) 3,256	3,366	3,317	+1.9%
	Scope 3 (tCO2e)		51,191	53,045	53,370	**+4.3%**
		1. Purchased Goods and Services	6,702	7,179	7,503	—
		2. Capital Goods	32,039	32,315	25,907	—
		3. Fuel and Energy Related Activities not included in Scope 1 or 2	582	589	598	—
		4. Upstream Transportation and Distribution	—	—	—	—
		5. Waste Generated in Operations	—	—	—	—
		6. Business Travel	—	—	—	—
		7. Employee Commuting	—	—	—	—
		8. Upstream Leased Assets	—	—	—	—
		9. Downstream Transportation and Distribution	—	—	—	—
		10. Processing of Sold Products	—	—	—	—
		11. Use of Sold Products	868	903	4,669	—
		12. End-of-Life Treatment of Sold Products	17	20	85	—
		13. Downstream Leased Assets	10,983	12,039	14,607	—
		14. Franchises	—	—	—	—
		15. Investments	—	—	—	—
	In Total (tCO2e)		(Market-based Approach) 54,981	55,673	55,597	**+1.1%**
			(Location-based Approach) 54,777	56,727	56,987	+4.0%

While reductions are achieved in Scope 1 and 2 emissions, Scope 3 are trending upward due to property acquisitions.
At present, we are focusing on understanding our primary emissions and disclosing information. We would work toward our goals through trial and error to identify reduction methods and their effectiveness.

Note 1: Calculated based on the GHG Protocol and "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain" by the Ministry of the Environment.
Note 2: Emission factors are primarily referenced from the following sources published by Japan's Ministry of the Environment: "List of Calculation Methods and Emission Factors under the Calculation, Reporting and Publication System"; "Emission Factors by Electric Power Company"; and "Emission Intensity Database for Calculating GHG Emissions through Supply Chains".
Note 3: Under the market-based approach, emissions are calculated using emission factors associated with the contracted electricity menu; under the location-based approach, emissions are calculated using the average emission factors of the regional power grid.
Note 4: Past actual values may be retroactively revised due to changes in calculation methods or other factors.

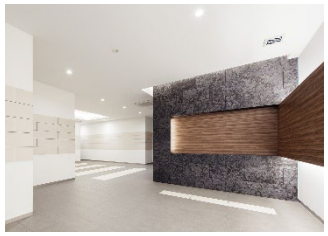
Toward Achieving SBT

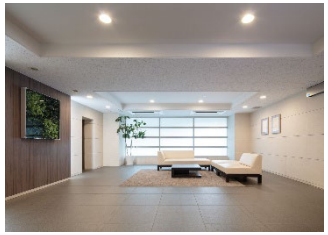
SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

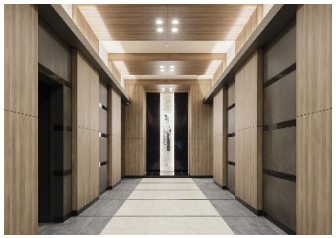
Initiatives to Reduce GHG Emissions in Scope 1 and Scope 2

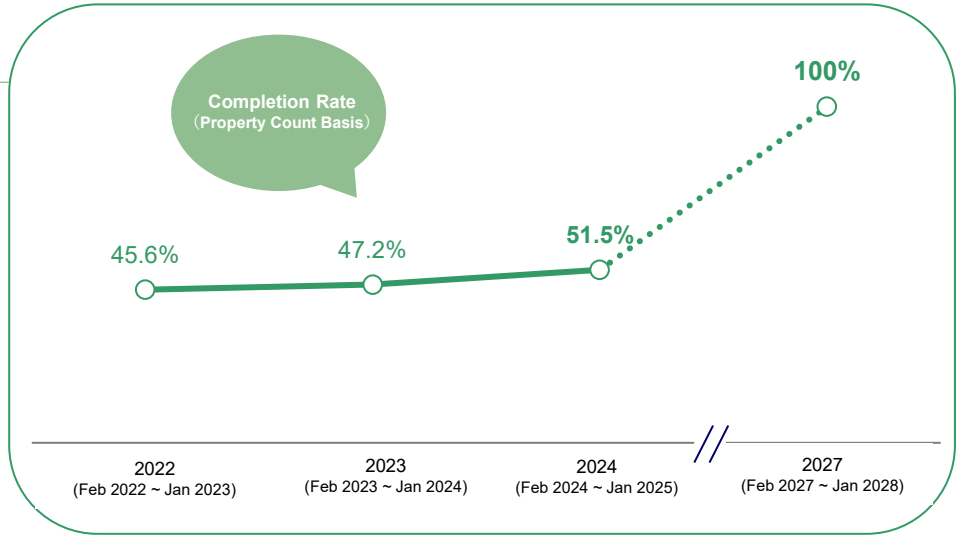
① LED Retrofit of Common Area Lighting

From an environmental perspective, CRR has been replacing lighting in the common areas of its rental residences and a portion of operational rental residences with LED lighting. LED lights consume less electricity and have a longer lifespan, making them effective in both reducing environmental impact and lowering operational costs.









② Upgrade to Motion-Sensor Lighting

CRR has been replacing lighting in waste collection areas and storage rooms with motion-sensor lighting. As of the end of July 2025, this replacement has been completed for 81.8% of the portfolio.

By reducing electricity consumption in common areas, this initiative contributes to the reduction GHG emissions, particularly with expected impact on Scope 2 emissions (indirect emissions from energy use).

Toward Achieving SBT

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Initiatives to Reduce GHG Emissions in Scope 1 and Scope 2

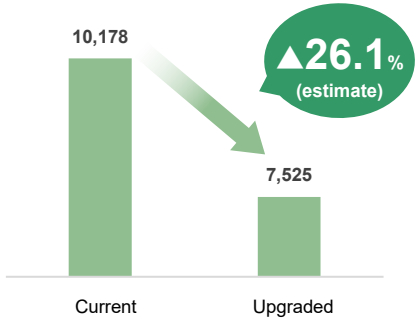
③ Air Conditioner Upgrade in Common Areas

Through the replacement of air conditioners in common areas, CRR is working to improve energy efficiency and reduce electricity consumption. By upgrading to the latest high-efficiency equipment, this initiative is expected to contribute to the reduction of GHG emissions, particularly Scope 2 emissions (indirect emissions from energy use).

In addition, by optimizing heating and cooling performance, the initiative helps maintain comfort while also reducing environmental impact and operational costs.

Case: Air conditioners Upgrade in COMFORIA HARAJUKU

Annual CO_2 Emissions(kg-CO2)



Note: The annual CO_2 emissions are calculated by the air conditioner manufacturer based on the actual emission factors by electric power company for FY2022, as published by the Ministry of Economy, Trade and Industry and the Ministry of the Environment in December 2023.

④ Large-Scale Repair Work with Thermal Barrier Coatings

In large-scale repair works, CRR has implemented the adoption of high-adhesion construction methods and the application of protective coatings with high solar reflectance for the replacement of exterior wall tiles and the recoating of rooftop waterproofing layers. By effectively reflecting sunlight—particularly infrared rays—these measures help suppress surface temperature increases, thereby reducing electricity consumption in both common and private areas. This contributes to the reduction of GHG emissions associated with power generation and electricity procurement.

Furthermore, by extending the service life of buildings, the frequency of large-scale repair works can be reduced, which in turn helps lower GHG emissions and waste generation.

Case: Large-Scale Repair Work in GRANCREER CENTER-MINAMI

In the large-scale repair work carried out in 2025, we utilized modified asphalt waterproofing (multi-layer cold insulation method) and applied the high-reflectivity protective coating “SP Thermal Coat.”

◎Solar Reflectance rate of Protective Coatings

色	名称【色番号】	日射反射率(%) 近赤外領域 (780~2500nm)	日射反射率(%) 全波長領域 (300~2500nm)
	サーモホワイト【TH-1000】(SPスーパーサーモコート)	80.0	81.0
	サーモグレー 【TH-109】	77.5	61.8
	サーモアイボリー【TH-69】	76.9	69.8
	サーモグリーン 【TH-29】	75.9	64.5

◎Volume (/m²) and Additional Service Life

保護塗料	SPサーモコート
塗布量	0.8~1.2kg (2回塗り合計)
断熱 (既存/新規)	プラス5年
非断熱 (既存/新規)	プラス2年

Note: the solar reflectance rate, the volume and additional service life of protective coating “SP Thermal Coat” is quoted from Product Catalog of TAJIMA ROOFING INC.

Toward Achieving SBT

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

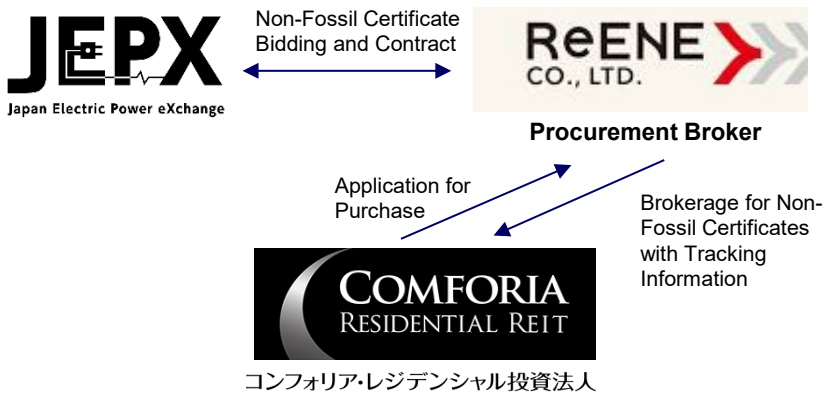
Initiatives to Reduce GHG Emissions in Scope 1 and Scope 2

⑤ FIT Non-Fossil Certificates

CRR is working to reduce greenhouse gas emissions originated from electricity consumption by purchasing FIT Non-Fossil Certificates, which certify the environmental value of electricity generated from renewable energy sources. As of FY 2024, CRR has purchased certificates equivalent to the electricity consumption of common areas in 16 properties.

By purchasing FIT Non-Fossil certificates, the corresponding amount of electricity is deemed to have zero CO_2 emissions. This approach yields an effect equivalent to the actual introduction of renewable energy, thereby contributing to the reduction of environmental impact and supporting the realization of a decarbonized society.

Mechanism for Purchasing FIT Non-Fossil Certificates



Note: ReENE Co., Ltd. is a wholly owned subsidiary of Tokyu Land Corporation, the sponsor of CRR, dedicated to realizing the philosophy of its renewable energy brand “ReENE”.

⑥ Unattended Delivery System

CRR has adopted unattended delivery system addition to delivery boxes in rental residence properties. These initiatives not only enhance convenience for residents but also contribute to solving environmental issues by reducing the rate of redelivery and lowering CO_2 emissions.
As of the end of July 2025, the implementation rate based on the number of properties stands at approximately 44.0%. CRR plans to introduce the system in all applicable properties ((excluding certain properties such as sectional ownership and operational rental residences) by the end of 2026.

⑦ Effective Utilization of Vacant Parking Spaces

To align with the shift from “car ownership” to “car sharing”, CRR is utilizing vacant parking spaces in rental residence properties for car-sharing services and coin-operated parking.

This initiative not only promotes effective land use and enhances resident satisfaction, but also contributes to reducing the number of vehicles and improving traffic efficiency, thereby helping to curb GHG emissions.

Toward Achieving SBT

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Initiatives to Reduce GHG Emissions in Scope 3

① Air Conditioner Upgrade in Private Areas

CRR is progressively updating air conditioners in private residential units where a certain period has passed since installation. By promoting the replacement of older equipment with energy-efficient models, this initiative contributes to reducing electricity consumption by tenants. As a result, it supports the reduction of GHG emissions in Scope 3 (indirect emissions not included in Scope 1 or 2), contributing to broader decarbonization efforts.

② Electricity Consumption Monitoring Systems

To improve the coverage rate of actual electricity consumption data, CRR has installed electricity monitoring systems in 43 properties as of the end of July 2025.These systems enable the measurement of electricity usage within private units.

By utilizing data based on actual consumption, CRR can implement more effective energy-saving measures and make informed decisions regarding equipment upgrades, thereby contributing to improved energy efficiency and reduced environmental impact.

③ Green-Lease Provisions

CRR includes specific clauses in lease agreements with tenants regarding the appropriate use of energy and waste management. Through these provisions, CRR works collaboratively with tenants to reduce environmental impact.

In addition, CRR conducts awareness-raising activities related to energy conservation to encourage sustainable practices among tenants.

④ Establishment and Management of Sustainable Procurement Policy

TRM demonstrate to our suppliers our commitment to environmentally preferable purchasing with our “Green Procurement Standards” (established in September 2020, “The Basic Policy on Sustainable Procurement” (established in April 2024) and conducted “ESG Monitoring Evaluations” for all key suppliers, including property management companies.

We join hands with our suppliers in taking action based on mutual understanding. (Page 73)

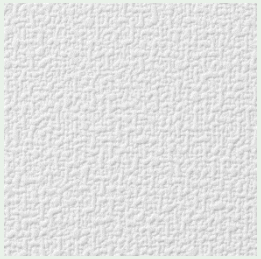
Toward Achieving SBT

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Initiatives to Reduce GHG Emissions in Scope 3

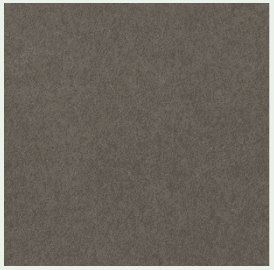
⑤ Eco-Friendly Restoration and Renovation Projects

Eco-friendly products are actively utilized in restoration work following tenant move-outs, as well as in renovation projects. These efforts aim to reduce the volume of materials used and minimize waste generation. By doing so, CRR contributes to the reduction of Scope 3 emissions, which include indirect emissions from raw material procurement, energy consumption during construction, and waste disposal.



Functional Wallpaper

Since the wallpaper's light reflection effect could brighten the room, energy-saving effects can be expected such as electricity consumption reduction, by turning off lights during the day.



Recyclable Wallpaper

To reuse the resources that would be generally discarded as wallpaper material, we are contributing to the reduction of environmental impact.

Environment-friendly Floor

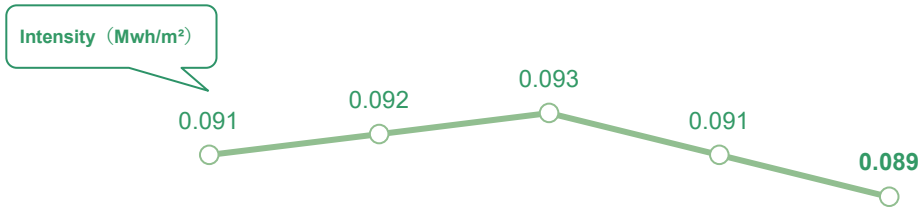
To utilize the environmental-friendly materials produced from renewable forests, we are contributing to the reduction of environmental impact.

Overlay Flooring Renovation

To utilize existing floor structures and materials helps reduce new materials usage and construction waste.
It also contributes to lower energy consumption during renovation work.

Energy Consumption Performance and Reduction Initiatives

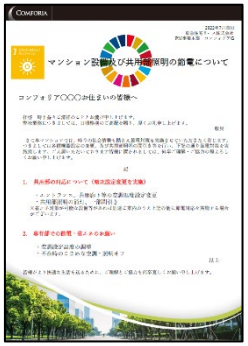
Energy Consumption Performance



	2020	2021	2022	2023	2024
Total Amount（Mwh）	8,420	8,917	9,148	9,257	9,280
Intensity（Mwh/m²）	0.091	0.092	0.093	0.091	0.089

Note: Actual consumption figures for fuel (gas and kerosene) and electricity used in common areas.

Electricity Saving Actions in Common Area & Facilities



In order to save common area's electricity consumption, we have cooperated with property management company to conduct air-conditioner temperature adjustment and turned down the common area's lights in some of the properties during daytime.

We have been making efforts to advocate energy efficiency to our tenants .

Utilization of Renewable Energy

CRR utilizes renewable energy from solar power

Annual power generation of the solar power facilities in COMFORIA NAKAOCHIAI

4,196kwh
（Feb.2024～Jan.2025）

Sponsor's Renewable Energy Business

Our Sponsor Tokyu Land Corporation started environment-friendly renewable energy business in 2014 by utilizing long-amassed expertise in community planning and partner co-creation as a comprehensive developer. Participating in RE100(note) as the first real estate company in 2019, in December 2022, it switched to renewable energy-based power at a total of 204 facilities, including offices, retail facilities, and hotels, and following an official review by CDP, which manages RE100, it was recognized as the first domestic business corporation to achieve this in April 2024.

Note: RE100 is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity.

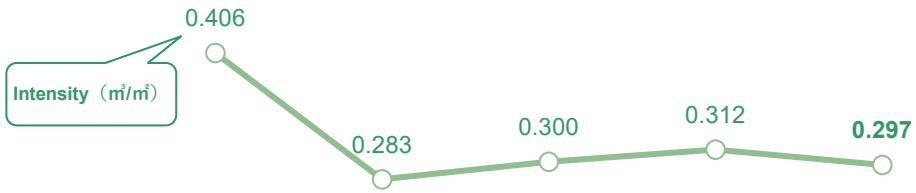
ReENE
東急不動産の再生可能エネルギー事業［リエネ］

ReENE Matsumae Wind Power Plant

ReENE Namegata Solar Power Plant

Water Consumption Performance and Reduction Initiatives

Water Consumption Performance



	2020	2021	2022	2023	2024
Total Amount（㎥）	40,122	29,160	29,471	31,643	31,047
Intensity（㎥/㎡）	0.406	0.283	0.300	0.312	0.297

Utilization of Rainwater

CRR has introduced rainwater utilization machines in selected properties. Rainwater is used for toilet flushing in common areas and for watering plants, contributing to the reduction of tap water consumption.

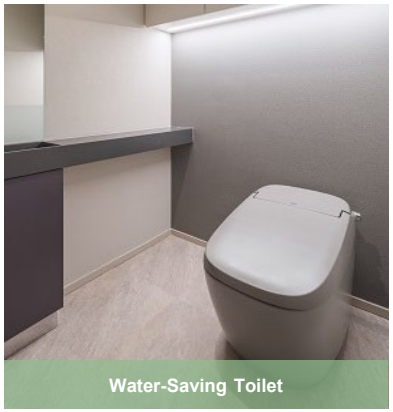
This initiative promotes the effective use of water resources and helps reduce the environmental impact associated with facility operations.

Water-Saving Devices and Equipment

CRR promotes the installation of water-saving devices and equipment in the restoration and renovation works in its owned properties.
These efforts aim to reduce water consumption and contribute to more sustainable building operations.

Water-Saving Faucet

By introducing water-saving faucets, CRR is working to reduce overall water consumption and improve the efficiency of energy used for hot water supply.



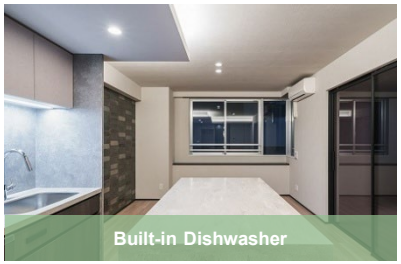
Water-Saving Toilet

Approximately 49% water savings annually compared to products released between 2002 and 2006.

Source: LIXIL Corporation website

Water-Saving Shower Set

Water-saving showerheads and automatic faucets help prevent unnecessary water and hot water usage by controlling flow amount and avoiding continuous discharge.



Built-in Dishwasher

Approximately 66.0 liters of water can be saved per use compared to hand washing.

Source: Panasonic product Catalog

Waste Management and Reduction Initiatives

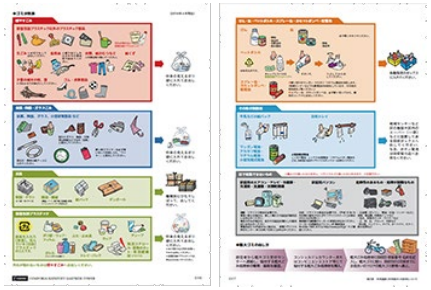
Separate Management of Waste

CRR reduces environmental impact at properties through separate disposal of waste in cooperation with the property management company.
We have also been making effort to improve resident satisfaction by taking measures to reduce odor at garbage collection points.

Utilization of Recyclable Materials

CRR actively utilizes recycled materials in large-scale renovation work when replacing carpets in common areas. Additionally, in restoration work for private units, flooring materials that can be installed without removing existing surfaces are adopted. These practices contribute to the reduction of industrial waste and promote resource circulation, supporting environmentally responsible construction and maintenance.

Garbage Disposal Guides

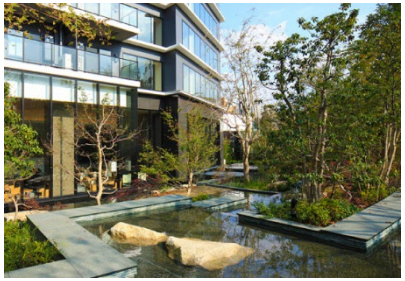


For environmental conservation, COMFORIA SHINJUKU EASTSIDE TOWER offers guidance on separate disposal of garbage in the user guides for residents to raise environmental awareness.

Reuse Event

Asset management Company puts the 3R(Reduce, Reuse, Recycle) principles based on Green Procurement Standards into practice such as the reuse event, in which the employee voluntarily share the unused or low usage frequency goods with each other. A chance to advocate environmental-friendly actions and internal communications between employees.

Initiatives for the Conservation of the Natural Environment



With a site area of more than 1,000 square meters, COMFORIA SHINJUKU EASTSIDE TOWER has developed a greening plan in accordance with the Ordinance for the Conservation and Restoration of Nature in Tokyo, based on which it offers a lush space filled with natural features.

Roof garden is built in GRANCREER CENTER-MINAMI, with the psychological healing effects provided by natural greenery, it also contributes to promoting biodiversity, purifying the air, and reducing CO_2 emissions—delivering a range of environmental benefits.

At Comforia Shinjuku Eastside Tower, CRR has adopted locally rooted plant species for its green spaces, contributing to the conservation and restoration of biodiversity. In addition, environmentally conscious landscaping practices—such as maintaining the natural shape of trees—are implemented to support the creation of a sustainable green environment.

At COMFORIA KINSHICHO DEUX, we have made efforts to alleviate the heat island effect and implemented energy-saving measures by planting vegetation on the rooftop.

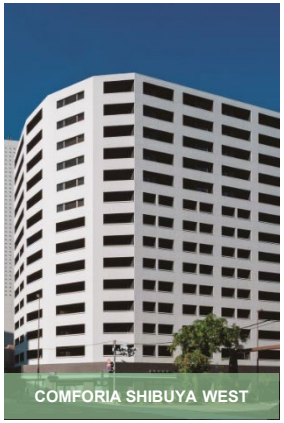
Urban Site Investment Criteria

Undeveloped Sites Commitment

CRR aims to secure stable income and achieve steady growth of our assets under management from a medium-to long-term perspective. When acquiring assets developed on undeveloped sites, we give ample, rigorous consideration to the impact that development activities have on the natural environment and ecosystems, as well as considering compliance with environmental laws, the acquisition of environmental certifications, etc. before investing in them.

Investments in Flexible / Mixed Use Properties

CRR owns a number of mixed-use properties. By investing in mixed-use properties that house facilities such as convenience stories and clinics, we contribute to improving the convenience of daily living for tenants and nearby residents, reducing the environmental footprint by reducing the travel distance between various facilities, and the revitalization of communities.


COMFORIA SHIBUYA WEST

COMFORIA SETAGAYAKAMIUMA

COMFORIA HIGASHISHINJUKU STATION FRONT

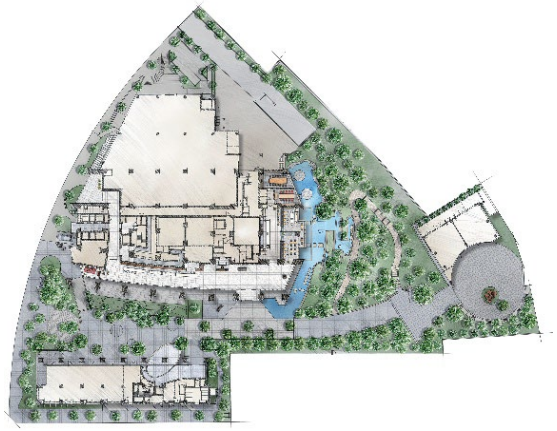
Environment Risk Assessment for New Acquisition

CRR makes investment decisions based on its investment strategies and the results of due diligence, including onsite investigation, property materials scrutinization, valuation appraisal report, engineering report, land contamination investigation report, etc.

Investments Towards Urban Revitalization and Redevelopment Properties

As a rule, CRR does not invest in unoccupied properties that have not been completed yet, such as new development projects, but we actively invest in properties developed based on redevelopment projects. Through the acquisition of such properties, we contribute to the revitalization of communities by improving convenience for local residents.

COMFORIA SHINJUKU EASTSIDE TOWER



Investments Towards Existing Urban Brownfield Redevelopment

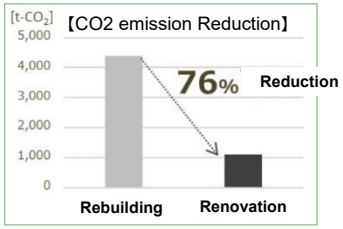
Through investing in existing development areas, especially in Tokyo's 23 wards, CRR invests in properties that utilize existing infrastructure, such as roads, water and sewer lines, schools, and hospitals.
By making use of existing infrastructure, we are engaged in investment that prevents urban sprawl and leads to a decrease in energy consumption associated with shipping/traffic and the loss of green areas, which causes the heat island effect.

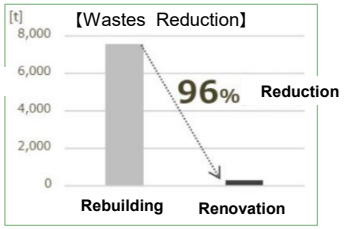
Reducing Environmental Impact through the Acquisition of Renovated Properties

Case: COMFORIA TAKASHIMADAIRA (acquired in Dec 2023)

1 Environmental impact reduction Effect

In contrast to rebuilding, renovation is expected to largely reduce environmental burdens such as cut down CO2 emission by up to 76% & wastes generation by up to 96%.





2 Co-living with Pets

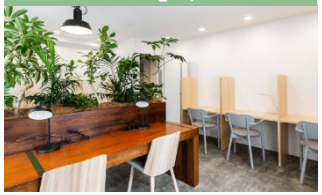
All units are pet-friendly, and dog-run area is also provided. Units specialized for pets have deodorizing wall tiles, pet-friendly flooring materials that resist stains and scratching, and catwalks on the living room walls that allow cats to roam freely, all to make life more comfortable for dogs and cats.

Dog-Run Area

3 Utilizing Thinned Timber

TFHD Group's "Connecting with Green" Project protects forests by utilizing the thinned timer from Nishiawakura Village in Okayama Prefecture.

Working Space



Playing Room

4 Garden Sharing

Compost bags will be given to the tenants who want to have a try, compost their kitchen waste for use in the shared vegetable garden.

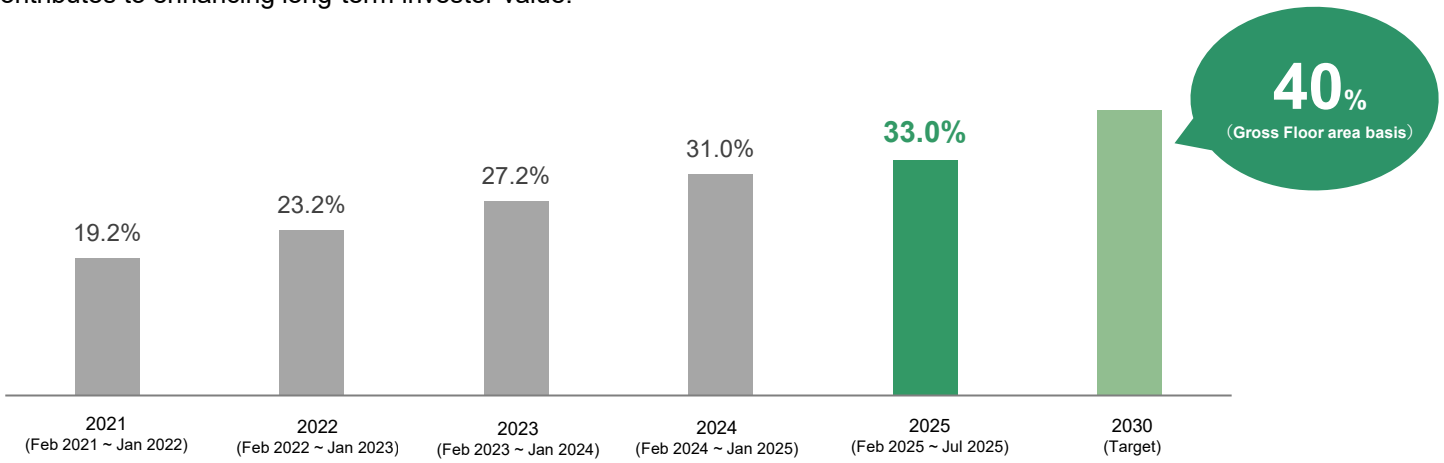
Garden Sharing

Compost Bag

Note: based on "Impact of Renovation on Reducing CO2 Emissions and Waste Generation." released by Renoveru,Inc.

Overview of Environmental Certification

CRR has set a target to achieve an environmental certification rate of 40% by fiscal year 2030, considering that constructing a portfolio with a lower environmental impact contributes to enhancing long-term investor value.



DBJ Green Building Certification

DBJ Green Building Certification Program was launched by Development Bank of Japan Inc. for the purpose of supporting the properties which give proper care to environment and society (“Green Building”).
The program comprehensively evaluates, certifies and supports properties which are required by society and economy, assessing various factors ranging from properties' environmental features to their communication with stakeholders, disaster prevention and proper care for communities.
Furthermore, there are 5 levels, "five stars", "four stars", "three stars", "two stars", "one star" as the certification ranks.

CASBEE Certification for Real Estate

CASBEE is an evaluation system for rating the environmental performance of buildings, developed under the auspices of the Ministry of Land, Infrastructure, Transport and Tourism. The system rates the overall environmental performance of buildings from the following perspectives: the evaluation of the environmental quality and performance of buildings themselves and the external environmental load of buildings.
Certification for CASBEE for Real Estate is rated in four scales: rank S, rank A, rank B+ and rank B for buildings with 1 or more years old after completion.

BELS

BELS assessment is provided under a public evaluation system, which evaluates the energy conservation performance of houses and buildings, established by the Ministry of Land, Infrastructure, Transport and Tourism. Third parties evaluate the performance of buildings based on the primary energy consumption defined in energy saving act(Note), regardless of whether a building is new or not, and the evaluation result is represented by a number of stars (from one "★" to five stars "★★★★★").

(Note) Act on the Rational Use of Energy

Properties with Environmental Certification Ratings

DBJ Green Building Certification

3 properties

COMFORIA SHINJUKU EASTSIDE TOWER

5 Stars

DBJ Green Building 2024

COMFORIA SHIBUYA WEST

4 Stars

DBJ Green Building 2022

COMFORIA KAMATA

3 Stars

DBJ Green Building 2022

CASBEE Certification for Real Estate

14 properties

COMFORIA SHINJUKU EASTSIDE TOWER

rank S

COMFORIA OMIYA

rank S

COMFORIA MINAMISUNAMACHI

rank S

COMFORIA HIGASHISHINJUKU STATION FRONT

rank S

COMFORIA ITABASHINAKAJUKU

rank S

COMFORIA TOYOCHO

rank S

COMFORIA KITASANDO

rank S

COMFORIA HIGASHIIKEBUKURO WEST

rank A

COMFORIA KOMABA

rank A

COMFORIA GINZA EAST

rank A

COMFORIA HARAJUKU

rank A

COMFORIA SHIMOKITAZAWA

rank A

COMFORIA TAMACHI

rank A

COMFORIA AKABANE IWABUCHI

rank A

BELS

4 properties

COMFORIA KITAZAWA

COMFORIA TAKASHIMADAIRA

GRANCREER TACHIKAWA

COMFORIA UENOIRIYA

Green Bonds

As part of its efforts to contribute to the development of sustainable society, CRR has issued the Green Bonds. CRR aims to further promote its sustainability initiatives through issuance of the green bonds and invite new investors to its investment corporation bonds by stimulating their demand who have interest in ESG investment.

Green bond Framework

1. Use of Proceeds

The proceeds of the green bond will be allocated to acquire the existing or new buildings that meet the following Eligibility Criteria A ('Eligible Green Projects'), or refurbishments that meet the following Eligibility Criteria B or to refinance the existing loan/investment corporation bonds which have been allocated to Eligible Green Projects or refurbishments.

2. Eligibility Criteria

CRR shall apply one or more of the following criteria to allocate the proceeds into Eligible Projects:

A. Eligible Green Projects

Buildings that have achieved the following top three levels of third-party green building certification/recertification within 36 months prior to the payment date of green bonds or will achieve:

① B+, A or S Rank under CASBEE

② 3, 4 or 5 Stars under DBJ Green Building Certification Program

③ 3, 4 or 5 Stars under BELS

B. Refurbishments

Refurbishments with a primary purpose of achieving one of the following criteria and are completed within 36 months prior to the payment date of green bond or will be completed:

① Refurbishments with more than 20% reduction in energy consumption and water consumption

② Newly achieve the top three levels of green building certifications listed above Eligibility Criteria A or more than one level of star/rank improvement in the green building certification

3. Management of Proceeds

CRR extracts the Eligible Green Projects out of CRR's portfolio and uses the calculable total book value of the Eligible Green Projects as of the end of the latest fiscal period prior to the date of each bond issuance (note 1) as the Debts of Eligible Green Projects. As long as the Green Bond is outstanding, we will monitor once a year, to ensure that the total amount of outstanding green bonds does not exceed the sum of Debts of Eligible Green Projects and green bond proceeds allocated to refurbishments.

As of July 31, 2025

(Note1) "Eligible Green Projects as of the end of the latest fiscal period to the date of each bond issuance" refers to the buildings that have achieved the top three levels of one or more of the third-party green building certifications/recertifications within 36 months prior to the end of the financial period immediately preceding each date of bond issuance.

(Note2)The amount of Eligible Green Projects is calculated based on the book value as of July 31, 2025.

(Note3)Outstanding amount of the green bonds is calculated as of July 31, 2025.

Green bond Framework

4. Reporting

CRR will disclose on its website the amount of Eligible Green Projects and/or refurbishments financed/refinanced, allocation status, including the amount of unallocated proceeds, schedule of allocation and managing method, of the net proceeds of green bonds as of end of every January until the proceeds are fully allocated. In the event of major change in situation, such as the accrual of unallocated funds as a result of the sale of relevant assets, such facts will be disclosed in a timely manner. CRR will also disclose that the total amount of outstanding green bonds does not exceed the sum of Debts of Eligible Green Projects and green bond proceeds allocated to refurbishments. Furthermore, after issuance, for as long as the green bonds are outstanding, it will annually report on the book value of all the Eligible Green Projects and the total amount of outstanding amount of the green bonds as of the last day of January in each year.

5. Impact Reporting

As long as there is an unredeemed balance of the relevant green bonds, CRR will annually disclose on its website summary and the progress and levels of certifications of Eligible Green Projects. Additionally, CRR will annually disclose the following indicators of Eligible Green Projects where CRR has energy control authority:

① Energy consumption
② Water consumption

As for the refurbishments that have been funded by the green bonds, the environmental benefits brought by each project will be disclosed. CRR will indicate an estimated rate of reduction (%) of energy consumption and water usage before and after the refurbishment.

Green Bond Summary

	Total issue amount (million yen)	Interest rate	Offering date	Redemption date	Description
The 8th unsecured investment corporation bonds (green bonds)	1,500	0.550%	July 30, 2020	July 30, 2030	Unsecured non-guaranteed
The 10th unsecured investment corporation bonds (green bonds)	3,000	0.460%	July 8, 2021	July 8, 2031	Unsecured non-guaranteed
Total	4,500	–	–	–	–

Impact Reporting (Note 1)(Note 2)(Note 3)

	Energy consumption per year (kWh/㎡)	Water consumption per year (㎥/㎡)
FY2019	134.79	0.810
FY2020	130.24	0.737
FY2021	132.40	0.744
FY2022	123.21	0.707
FY2023	82.85	0.682
FY2024	79.06	0.556

Note1: Results in the table are actual figures for the common areas in the Eligible Green Projects of CRR. Energy consumption per year through FY2022 includes usage at some stores.
Note 2: The reporting period is from February 1 to January 31 of the next year.
Note 3: Past actual values may be retroactively revised due to changes in calculation methods or other factors.

Green Eligible Projects

Property No.	Property Name	Ranks			Book Value at the end of the period (million yen)
		DBJ Green Building Certification	CASBEE Certification for Real Estate	BELS	
9	COMFORIA SHIMOKITAZAWA	–	Rank A	–	2,341
14	COMFORIA GINZA EAST	–	Rank A	–	2,803
26	COMFORIA HARAJUKU	–	Rank A	–	3,451
41	COMFORIA HIGASHIIKEBUKURO WEST	–	Rank A	–	3,486
69	COMFORIA KITASANDO	–	Rank S	–	4,120
82	COMFORIA KOMABA	–	Rank A	–	5,096
85	COMFORIA TAMACHI	–	Rank A	–	3,351
88	COMFORIA MINAMISUNAMACHI	–	Rank S	–	4,423
94	COMFORIA ITABASHINAKAJUKU	–	Rank S	–	3,175
98	COMFORIA SHINJUKU EASTSIDE TOWER	★★★★★	Rank S	–	11,017
107	COMFORIA KAMATA	★★★	–	–	5,551
108	COMFORIA AKABANE IWABUCHI	–	Rank A	–	2,768
125	COMFORIA SHIBUYA WEST	★★★★	–	–	5,371
135	COMFORIA HIGASHISHINJUKU STATION FRONT	–	Rank S	–	5,550
145	COMFORIA TOYOCHO	–	Rank S	–	3,676
150	COMFORIA OMIYA	–	Rank S	–	4,535
157	COMFORIA KITAZAWA	–	–	★★★★★	4,022
171	COMFORIA TAKASHIMADAIRA	–	–	★★★	3,947
	Total Eligible Green Projects				79,223

Note 1: Listed are the buildings that have achieved the top three levels of one or more of the third-party green building certifications/recertifications within 36 months prior to July 31, 2025.
Note2：“Book value at the end of the period” is calculated based on the book value as of July 31, 2025. The book value of COMFORIA SHINJUKU EASTSIDE TOWER is calculated based on the Green-qualified portion of the total assets.

Sustainability-Linked Loans

As part of its efforts to further expand its sustainability initiatives, CRR has also implemented financing through Sustainability-Linked Loans (hereinafter referred to as “SLL”).
An SLL is a loan structure designed to support the realization of a sustainable society by setting Sustainability Performance Targets (hereinafter referred to as “SPTs”) aligned with the borrower’s management strategy, and linking loan terms to the achievement status of the SPTs. This mechanism encourages the borrower to enhance its sustainability strategies and initiatives toward achieving the defined goals.

Track Record of Sustainability-Linked Loans

	Loan ①	Loan ②
SPTs①	CO2 Emissions Intensity by FY2030 (Scope 1 + 2) Reduction Rate：-40.0% (relative to FY2020)	CO2 Emissions Intensity by FY2030 (Scope 1 + 2) Reduction Rate：-42.0% (relative to FY2022)
SPTs②	—	CO2 Emissions Intensity by FY2030 (Scope3) Reduction Rate：-25.0% (relative to FY2022)
Amount (million yen)	500	1,500
Borrowing Date	Jan. 31, 2024	Apr. 7, 2025
Repayment Date	Jan. 31, 2031	Apr. 7, 2034

Society

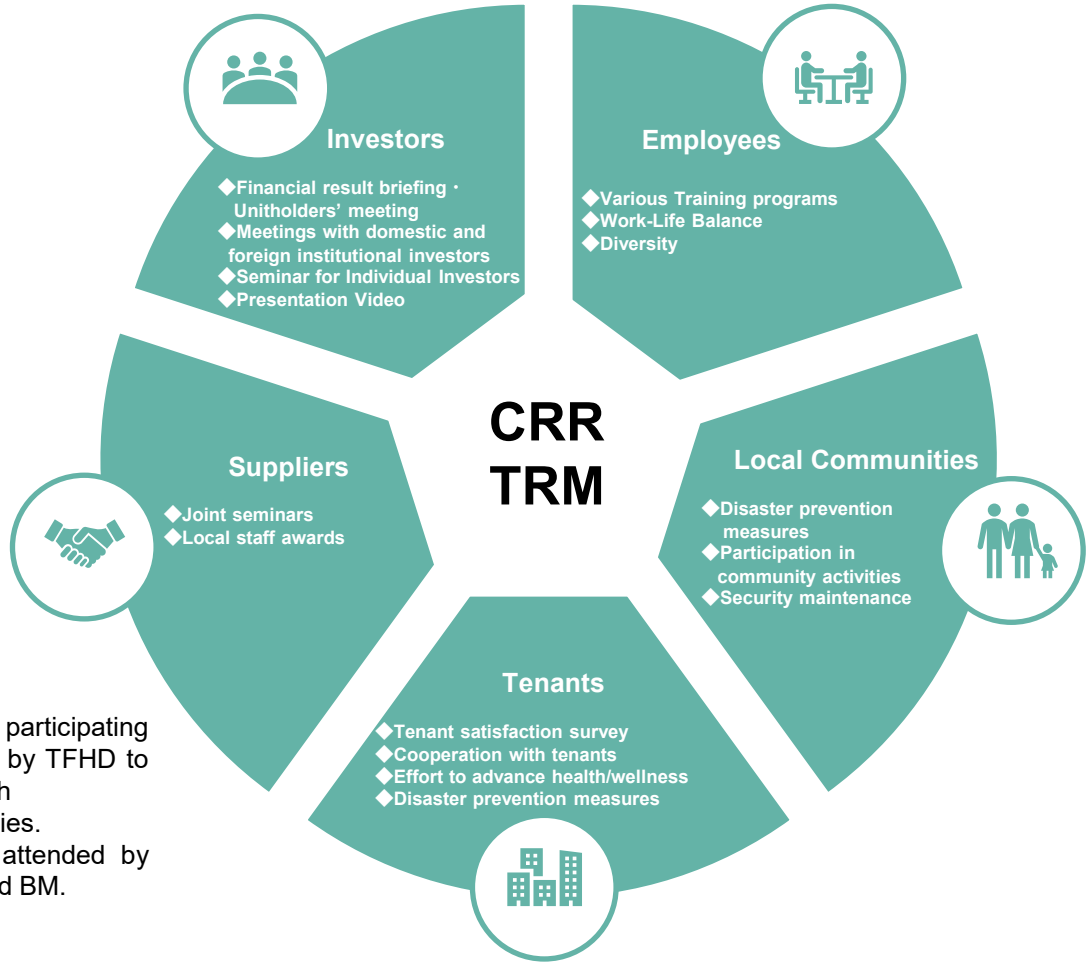
Our View on Society

We are continuously maximizing unitholder value and fulfilling our social responsibilities through efforts to build favorable relationships between CRR and its stakeholders.

Relevant SDG Targets	11.3	By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
	12.8	By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

Stakeholder Engagement

In the pursuit of CRR's and TRM's business, our relationships with investors and various other stakeholders, including employees, local communities, tenants, and suppliers, are absolutely vital. We also recognize that building favorable relations with these stakeholders in the medium-to long-term is an essential factor in our aim of maximizing unitholder value, which is CRR's priority. We will continue to pursue our business as a member of society and work to further strengthen our relationships of trust with all stakeholders involved with CRR's and TRM's activities.



TFHD Group's Consultative meeting

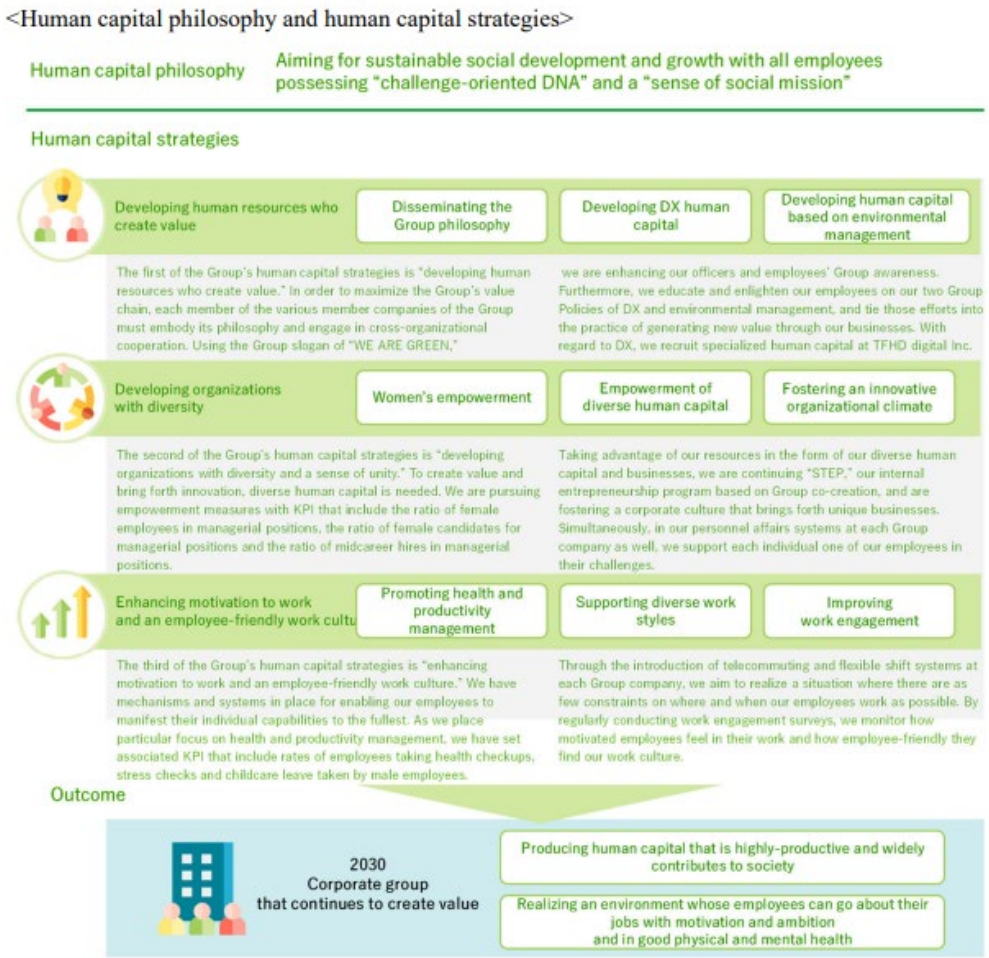
Since July 2023, TRM has also been participating in the Sustainability Council organized by TFHD to build a system to resolve issues through collaboration with TFHD group companies.
This council meets regularly and is attended by CRR's sponsor, TLC, as well as PM and BM.

Employee Engagement

CRR, as a J-REIT, cannot have employees as stipulated under the Act on Investment Trusts and Investment Corporation of Japan. Therefore, the figures and descriptions provided herein refer to those of TRM, the asset manager. As a group of experts in real estate management, TRM provides high-quality asset management services with objective to maximize the value of its shareholders, and to that ends, we promote our own human-capital strategy in view of the importance of human capital development. TRM is making continuous effort to have various systems to form a working environment and organization enabling to realize and promote the health and comfort of employees.

Our policy on human capital management

"Human capital management" in the TFHD Group refers to the act of working towards the sustained improvement of value by formulating and executing human capital strategies linked to management strategies. The Group aims to "become a corporate group that continues to create value" and "realize a future where everyone can be themselves and shine vigorously" by making aggressive investments based on the perception that the knowledge, skills and ambition of its approximately 30,000 employees spread over 100 companies constitute "human capital."
With view towards realizing our ideal vision, the Group has espoused "aiming to achieve sustainable social development and growth with all of its employees possessing a challenge-oriented DNA and sense of purpose in engaging society" as its human capital philosophy. Based on that, the Group is pursuing the following three human capital strategies: "developing human resources who create value," "developing organizations with diversity and a sense of unity" and "enhancing motivation to work and ease of working." The first of these strategies, "developing human capitals who create value," constitutes the Group's policy on human capital development based on the Group philosophy and its management strategies. While sharing the sponsor group's basic policy on human resources, TRM as a professional group in real estate management, recognizes the importance of developing and nurturing human resources in order to provide high quality real estate investment management services and maximize unitholder value. Based on such recognition, we will promote human capital management with the goal of becoming the "Company of Choice No.1".



Strategy of Human capital development & retention

■ Employee skill development（Utilization of external training institutions）

As a professional group involved in real estate management, TRM aims to maintain the quality of its services and further develop its operations. We promote and support the acquisition of specialized qualifications by our employees, and throughout the year, on a voluntary and planned basis, We hold training and seminars to share practical knowledge and industry trends or adapt to laws and regulations and implements a range of position-based training programs and personal development activities.

» Training program examples（Representative efforts）

Position-based trainings	Examples include orientation training for mid-career hires on wide range of knowledge on asset management business and understanding of regulatory compliance; management training for senior management and medium level employees; business skills training and anti-harassment seminar for all employees with utilizing of external training institutions.
ESG training	As part of awareness program on ESG investment, we invite external experts to provide employees with periodic training for their deeper understanding of ESG and introduction to new trends.

Courses to improve computer skill, English conversation and other lessons are also provided.

» Examples of FY2024 Training Program Results

Examples of Training	Program Name	Frequency	Subject	FY 2024 Content	External use
Compliance training	Compliance (Fundamentals/Applied)	Four times a year	All Officers	Case studies of administrative sanctions, Financial Instruments and Exchange Act, Foreign Exchange and Foreign Trade Act, Insider Trading Management, etc.	●
	Risk Management	Once a year		On risk management	●
	e-Learning	Twice a year		Compliance management, human rights, harassment prevention, subcontracting law, personal data protection, information security, etc.	●
	Compliance for Group Officers	Once a year	Directors	On confidential information management, etc.	●
	Compliance for Group Employees	Once a year	Optional	Harassment Prevention Training	●
ESG training	Sustainability Management and Concept, Our Initiatives	Once a year or more	All Officers	Mandatory training	●
	Sustainability Management and Concept, Our Initiatives			Mandatory training	●
HR training	Manager (Evaluator) Training	Once a year or more	Department head and higher	Mandatory training conducted 3 times	●
	Manager Development Training	Once a year or more	Management	Online format	●
	Next-Generation Manager Development Training	Once a year or more	Pre-management layer	E-learning format	●
	Communication Training	Once a year	All Officers	Mandatory training (topic: "Emotional Boundaries")	●
IT/DX training	Information Security	Once a year	All Officers	Group-sponsored training	●
	Confidential Information Management	Once a year or more	All Officers	Checking responses with case examples	●
	DX Training	Once a year or more	All Officers	For those who have not acquired the IT Passport	●
	Targeted Attack Email Training	Twice a year	All Officers	Handling suspicious emails	●
New employee training	Compliance, HR Systems, and IT/DX Topics	As needed	Newly appointed	General compliance, crisis management, information management, HR systems/organization, IT equipment usage, etc.	●

» Support for acquiring business related qualifications

We support acquisition of necessary qualifications by employees in various measures including financial aid for examination fees and class fees. We also hand in monetary reward once employees pass specified examinations.

Status of employee qualification（As of June 30, 2025）

Qualification	Number of employees	Use of Qualification Support System (FY2025)
Real Estate Broker	97	13
ARES Certified Master	62	19
Certified Tax Accountant	1	0
Certified Building Administrator	13	0
Certified Property Manager	13	3
Chartered Member of the Securities Analysts Association of Japan	1	0
Real Estate Consulting Master	3	0
Real Estate Appraiser	3	0
First-Class Architect	8	0
Licensed Representative of Condominium Management Company	3	0
Certification Test for Environmental Specialists [Eco Test]	65	56

Mandatory acquisition of the Eco-Test certification

TRM is working to enhance its human resources in ESG and promote sustainable ESG development by making the Eco-Test a mandatory qualification to raise the knowledge, awareness, and literacy of its officers and employees regarding ESG. Furthermore, TRM has been listed on the Tokyo Chamber of Commerce and Industry's website as an 'Eco-Test Promoting Company.
In the Eco-Test (Certification Test for Environmental Specialists) conducted in the 2024 fiscal year, TRM secured second place in the ranking of successful candidates (in the category of companies with 300 or fewer employees).

2 東急不動産リート・マネジメント株式会社
東京都 渋谷区　　業種：投資運用業
東急不動産リート・マネジメント
59名

※The Certification Test for Environmental Specialists (E-co Test)® is a registered trademark of the Tokyo Chamber of Commerce and Industry.

Training programs of Sponsor

The Sponsor offers HR training programs that enable each employee to exercise and develop their skills.

Desired human resources image		Position-based trainings	
Staff Level (1~9 years of new hires)	・Self-management ・Enhancement of organizational strength ・Expansion of self-capacity	New employee	・Training of New employee introduction ・Joint training of TFHD Group New employees ・Training of Accounting ・Follow-up training for new employees
		Second year employee	・Training of Critical Thinking
		Third year employee	・Training of Communication ・Training of Facilitation
		Fourth year employee	・Training of Legal/Compliance
Leader Level	・Leadership skill ・Management skill ・Expansion of self-capacity	・Training of Management	
Management Level		・Training of New Group-leader	
		・New Group-Leader Line Staff Care	
		・Employment Training for staff with Disabilities	
		・Training of Digital Transformation	

Note: Employees temporarily assigned to TRM from the Sponsor are included in the above training.

Personnel System

The asset management company conduct regular communication with employees by one-on-one meeting between employees and their direct supervisors and performance review based on individual career development objective setting and realization conditions. Each personnel is encouraged to have their own career plan and to acquire skills that are competitive both inside and outside of the company. ESG-related target are also required to be set in the annual targets.

Human Resource Exchange

The asset company takes staff seconded from the sponsor group companies and dispatcher its employees to the sponsor group to provide the employees with various professional experiences. As the number of employees increased to a certain size, partly due to the merger in 2017, employees shuffling among different divisions are also allowed for the purpose of career development. And when such position relocation happened, we pay close attention to the information firewall between different business divisions.

Recruitment website

In December 2021, asset management company launched a career page to attract potential candidates by comprehensively presenting the company's business, characteristics, and cultures, etc. The website contents include interviews with current employees, round-table talk, career path possibly realized in the company. (Recruitment page: https://www.tokyu-trm.co.jp/recruitinformation/)

For work-life balance & health of employees

Working-style reform

Recently, under the working-style reform trend including rectifying the practice of working long hours, TRM actively takes approaches to introduce more flexible working style of employees with objective to improve their work-life balance.

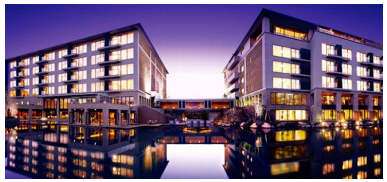
Paid-leave usage encouragement	Every year, employees are required to set up so-called “commitment holidays”, a seven-day paid leave (five days in a row + two days immediately before or after that week) and to share such committed calendar within the teams they belong to. TRM is also creating business environment for the employees to digest their allocated paid leaves, by proactively setting up recommended days to use paid leaves.
Flex-time work system	We have introduced a flex time working system for all employees. Core time is set between 11:00 and 15:00, and employees are free to set start and finish of their work hours around the core time to support more flexible working style considering the wide variety of living environment of each individual.
Work-from-home system	The Covid-19 outbreak pulled the need for introduction of work-from-home, and we are working to improve productivity with reducing commuting time to workplace. Use of serviced office space is also allowed under preset rules.
Effort to reduce overtime	In order to prevent excessive long working hours, TRM is taking necessary measures. The employees are required to set an upper limit of overtime working hours at the beginning of the fiscal year, and such objectives are regularly monitored and reminded. In certain cases, we intentionally raise them as a meeting agenda if the working hours are excessively long.

Welfare programs

TRM values its employees, their well-beings, and healthy performance in work, and provides all staff with various welfare programs to improve their satisfaction as below.
（Excludes contract/dispatched employees for some Welfare programs）

Cafeteria plan	To support self-support and independence of permanent employees, we provide them with financial aid for medical fees, subsidies for use of sports facilities, studying, volunteer activities, employee shareholding program, and use of the facilities Tokyu group companies operate.
Welfare programs	Various systems are in place to provide support for employees at each stage of life, such as maternity leaves, childcare leaves, child medical leave, nursing-care leave.
	We support asset formation by permanent employees, by inviting external financial planners to offer introductory sessions on topics including defined contribution pension matching program which TRM offers and the insurance system by the Tokyu group.
	Through our employee stock ownership plan and cumulative REIT investment program, we provide financial incentives for purchasing fixed amounts of TFHDs stock, Comforia Residential REIT investment units, and Activia Properties investment units.
	We increased the number of available facilities to enable more employees to use the popular exclusive resort membership “Tokyu Harvest Club.”

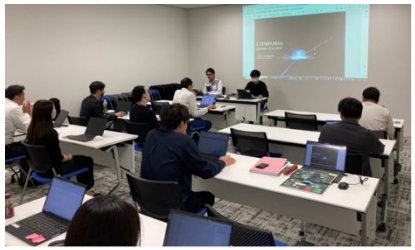
TOKYU Harvest Club



Internal communication

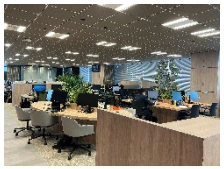
TRM periodically organizes employee satisfaction surveys and explanatory sessions on the corporate annual objective and medium- to long-term vision, for a more profound understanding between the company and employees, expecting to develop the productivity of our organization where employees can deliver their best performance.

Employee study groups	Younger employees have led voluntary organization of cross-divisional study groups to share information on businesses unique to each division, and on necessary knowledge/skills.
Support for company circle activities	Financial support is provided to employees for company club activities.
Luncheon	To enhance communication among employees, regular luncheons by groups of a small number of staff have been organized.



Employee health & comfort

TRM is making effort to maintain the workplace healthy and comfortable, encouraging employees to show the best performance.

Working environment	Workplace of TRM is in Shibuya, an exciting and innovative city where the areas people live and play are closely connected. Employees can take beverages for free and use individual spaces, and a space for refreshment is created with green on the terrace of the building where TRM is located, Shibuya SOLASTA. In the spring of 2023, the working place of TRM was renovated in response to one of the proposals from New work style Project by the in-house volunteers. The office was designed to be a place where employees can see each other's faces and exchange words, and where communication is more active, with a group address system (free working space for each department) being introduced while still utilizing remote work. The renovated office also installs coffee machines supervised by a famous chain and provides bread supply in the lounge area. In a posterior survey, 83% of the respondents answered that they were “very satisfied" or "somewhat satisfied" with the new layout, and 99% of the employees answered that they were satisfied with the new free beverage facilities. On the other hand, based on the results of the questionnaire and free opinions about individual measures, there is room for improvement, and we will continue to work to realize a more comfortable working environment.The building earned the CASBEE Wellness Office, a recognition of the building’s ability to promote health and comfort of people work in the building. 
Healthcare	Employees are obliged to take annual medical checkups. There is also a mental health consultation desk.
Health Committee	Health Committee is established to improve employees’ occupational health. The Committee examines labor-related problems occurred in the company, reports the results of investigation on comfort and safety in the workspace, and takes measures to increase awareness for mental and physical health by poster, etc. Lectures by industrial physicians on related themes are held.
One-on-one session with HR	Once a year, employees have one-on-one session with HR department, where they can discuss and share their career development plan and explain their troubles and expectations related to the relationship with supervisors and colleagues. The confidentiality of employee information is guaranteed.
Whistleblower system	TRM established the Compliance Helpline Counter as a contact point to report and consult on compliance matters including when harassment and bullying is experienced or observed, enabling all officers and employees to directly report to the Compliance Officer of TRM, General Manager of Legal Affairs Department of TLC, General Manager of Group Legal Affairs Department of TFHD, or external attorneys. Moreover, we pledge to maintain the confidentiality of personal information or investigation-related information about the individual who reported or consulted on the matter and the subject of the report or consultation, which shall not be disclosed internally or externally without good reason.

Employee satisfaction survey（Survey with a third-party）

Every year, TRM conducts an employee satisfaction survey with a third-party partner. Based upon the results of the survey, we are taking variety of means to improve employee satisfaction level.

Item	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Employee engagement level	60.8(Note)	62.8	58.4	67.4	63.7	66.7
Nb. of responses / Nb. of eligible employees	96 / 98	100/100	99 / 100	97/ 97	106/106	112/112
Participation rate	98%	100%	99％	100％	100％	100%

(Note) The objective is to quantify the attachment and trust between a company with its employees. The figures are in high level among Japanese companies, and the engagement status is overall good.

“Tokyo Sustainable Work Company” Registration Certificate

The Tokyo Sustainable Work Company Registration System is a framework under which companies engaged in sustainable work practices are registered as "Tokyo Sustainable Work Companies" based on the standards set forth by the "Tokyo Future Work Promotion Project“. TRM submitted a "Declaration of Initiatives for Future Work Styles" and was registered as a "Tokyo Sustainable Work Company" (known locally as "Mira Waka") in November 2024.

Kurumin Certification

The Kurumin Certification is a system based on the Act on Advancement of Measures to Support Raising Next-Generation Children. Under this system, companies that formulate a General Employer Action Plan, achieve the goals set forth in the plan, and meet certain criteria can apply for and receive certification from the Minister of Health, Labour and Welfare as a "Childcare Support Company" (known as Kurumin Certification).TRM applied for this certification and was awarded the Kurumin Certification (2025 Certification) by the Tokyo Labour Bureau.

Diversity

TFHD Group accepts the difference in a variety of attributes such as gender, age, nationality and handicap and brings about innovation by showing individual ability to the maximum and continues to create value through its business activities. TRM is working to make a workplace without any discriminatory treatment and compensation due to different attributes, where all employees can rely on.

Human Right Policy

TRM shares the Human Right Policy published in January 2020 by TFHD Group and carries out its business in belief that respect the human rights of stakeholders of the group including employees is essential and it is what all companies are expected to do.

TFHD Group Human Rights Policy

Tokyu Fudosan Holdings Group Human Rights Policy

Tokyu Fudosan Holdings Group (hereinafter, "the Group") solves social issues through our business activities and works with stakeholders to realize a sustainable society and growth. The Group recognizes that respecting the human rights of employees and all stakeholders involved in its businesses is an essential requirement of a company with global operations.

1. Adherence to International Human Rights Standards

The Group upholds and respects human rights as outlined in the International Bill of Human Rights (Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) and the ILO Declaration on Fundamental Principles and Rights at Work. It promotes responsible management according to the UN Guiding Principles on Business and Human Rights, as well as the principles of the UN Global Compact. Whenever there is a conflict between internationally recognized human rights standards and the laws of a country in which it operates, the Group seeks ways to uphold global human rights principles.

2. Importance of this Policy

The Group states "Respect human rights" in its Code of Conduct and encourages individual employees to give due consideration to human rights in their activities. In addition to respecting basic human rights in compliance with the local laws and regulations implemented in the regions where it has bases, it takes steps to prevent discriminatory behavior and speech, sexual harassment and power abuse while making efforts to respect the diverse values, individuality, and privacy of individuals. The Tokyu Fudosan Holdings Group Human Rights Policy (hereinafter, "this Policy") serves as a detailed explanation concerning the requirement to respect human rights in the Group Code of Conduct.

3. Scope

This Policy applies to all Group officers and employees, and the necessary education and training is provided. The operating officer in charge of human resources is responsible for the application of this Policy. Business partners of the Group are expected to support this Policy and to work with the Group to protect human rights.

4. Human Rights Due Diligence and Remedies

The Group carries out human rights due diligence to identify any actual or potential impacts that business activities may have on human rights, and the Group then prevents or mitigates them. Whenever it is discovered that the Group's activities have caused or contributed to adverse impacts on human rights, the Group will work to remedy the situation. The Group will make efforts to rectify any business or service that may be linked to adverse impacts on human rights through the actions of business partners or other relevant parties. A mechanism will also be established that allows internal and external stakeholders to report and consult on Group activities that may affect human rights.

5. Stakeholder Dialogue

As the Group's wide-ranging business areas, including real estate, largely affect communities and society, it is essential to work closely with a variety of stakeholders. With this in mind, the Group engages in dialogue with its stakeholders, including employees, local communities, business partners, and customers. It also shares the progress of its efforts on its website and in its integrated reports.

6. Priority Human Rights Issues

In order to avoid any infringement of human rights as a result of business activities, the Group will maintain a close dialogue with stakeholders and external experts concerning social and environmental changes and its business direction, and it will identify priority human rights issues as they arise.

December 25, 2019

Yuji Okuma
President & Chief Executive Officer (CEO)

大隈郁仁

Respecting basic labor rights and aiming at coexistence and co-prosperity with employees, TFHD Group supports and respects the OECD Guidelines for Multinational Enterprises, international labor standards and Guiding Principles on Business and Human Rights. In December 2016, the Group stated its support for the UN Global Compact. In accordance with the ten principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption, we promote responsible management and contribute to a sustainable society. TFHD Group's support for UN Global Compact shall apply to all group companies including TRM

Fundamental rights in hiring and employment of TFHD Group

TFHD Group will respect the following matters as a set of fundamental rights in hiring and employment in order to achieve co-existence and co-prosperity with employees

1. Prohibition of discrimination: We will eliminate all discriminatory actions based on nationality, race, religion, beliefs, gender, age, sexual orientation and/or disability and will strive to maintain equal opportunity and treatment in hiring and employment.
2. Prohibition of harassment: We will never engage in sexual harassment, power harassment, or any other form of harassment toward people in the workplace. We will also never tolerate language or actions related to harassment.
3. Prevention of forced labor: We will strive to eliminate and prevent all forms of forced labor.
4. Curtailment of overwork and reduction of overtime: We will establish a fundamental policy on work management to curtail overwork and reduce overtime work giving consideration to employees' work-life balance and their health maintenance/improvement. In Japan, we will comply with the "Article 36 Agreement."
5. Prevention of child labor: We will support and practice the effective abolishment of child labor.
6. Respect for freedom of association and the right to collective bargaining: In recognizing that the freedom of association and the right to collective bargaining are fundamental human rights that must be respected by a company, in countries and regions where the formation of labor unions is allowed we fully recognize employees' right to organize, right to collective bargaining and right to strike in labor agreements. In addition, even in countries and regions that do not allow the formation of labor unions due to laws or practice, we will effectively promote conflict resolution through dialogue involving management and labor with the purpose of securing the freedom of association and the right to collective bargaining.
7. Payment of wages above and beyond the minimum wage: We will comply with labor laws and regulations and adopt a fundamental policy on labor management in which we will pay wages to employees above and beyond the minimum wage for acceptable living conditions.

The 10 Principles of the UN Global Compact

Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining Principle 4: the elimination of all forms of forced and compulsory labour: Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies
Anti-corruption	Principle 10: Businesses should work against all forms of corruption, including extortion and bribery

Key Employee Data

Item	The end of April 2021	The end of April 2022	The end of April 2023	The end of April 2024	The end of April 2025	KPI target for FY2030	TFHD Group FY2030 KPI (Note7)
Number of Employees (Note1)	106	103	105	109	112	–	–
Female	47	43	44	47	51	–	–
Male	59	60	61	62	61	–	–
Of which full-time	53	56	68	72	78	–	–
Female	23	24	30	30	34	–	–
Male	30	32	38	42	44	–	–
Of which contract employees	14	13	9	10	10	–	–
Female	13	12	8	9	8	–	–
Male	1	1	1	1	2	–	–
Of which contract employees from convert temporary employees	1	1	2	2	1	–	–
Of which seconded (Note2)	39	34	28	27	24	–	–
Female	11	7	6	8	9	–	–
Male	28	27	22	19	15	–	–
Ratio of female employees	44.3%	42.0%	41.9%	43.1%	45.5%	40.0%	–
(Reference)Temporary employees	8	9	7	6	8	–	–
Female	6	6	3	2	4	–	–
Male	2	3	4	4	4	–	–
New Hire (Note3)	6	6	13	7	8	–	–
Female	1	1	5	1	2	–	–
Male	5	5	8	6	6	–	–
Of which full-time employees from contract employees (Note4)	0	1	4	0	2	–	–
Number of Directors (Note5)	4	4	4	4	4	–	–
Of which female directors	0	2	2	1	0	–	–
Ratio of female directors	0%	50.0%	50%	25%	0.0%	50.0%	–
Number of senior management (Senior Manager or above)	31	32	33	32	28	–	–
Of which female senior management	5	5	5	4	4	–	–
Ratio of female senior management	16.1%	15.6%	15.2%	12.5%	14.3%	30.0%	over20%
Turnover ratio (Note6)	0.0%	4.7%	4.9%	1.9%	4.6%	1.0%	–

Note 1:Full-time, contract and seconded employees Note 2: Tokyu Land Corp. and Tokyu Community Corp. Note 3: Full-time employee
Note 4: Implemented from FY2018 Note 5: Including part-time staff Note 6: Full-time Note 7: Shared Group-wide criteria for TFHD Group FY2030 KPI

Status of Work-Style Reform and Diversity Promotion

Item	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	KPI target for 2030	TFHD Group FY2030 KPI (Note2)
Health check participation	96%	94.7%	100%	100%	100%	100%	100%	100%
Stress check participation	100.0%	98.9%	100%	99%	100%	100%	100%	–
Annual paid leave per person	11.5days	9.9days	11.1	12.8	12.4	12.0	–	–
Ratio of disabled employees	1.2%	1.0%	1.0%	1.7%	1.6%	2.4%	–	–
Number of employees aged 60 or above	1	3	2	3	3	4	–	–
Foreign employees	0	1 (Note3)	1	1	1	3	–	–
Monthly average overtime	21.2hours	19.4hours	24.0hours	24.4hours	23.3hours	21.7hours	–	–
Number of workers' injuries/death incident	0	0	0	0	0	0	–	–
Absentee rate	0.5%	0.4%	0.3%	0%	0.3%	0.0%	–	–
Ratio of employees on leave	0.0%	0.0%	1.0%	1.1%	1.1%	1.1%	–	–
Childcare leave users	0	3	6	10	8	10	Ratio of male childcare leave 100%	Ratio of male childcare leave 100%
Childcare short working hour/childcare off-peak commuting users (Note1)	1	0	5	5	7	10	Reinstatement Rate after Childcare Leave 100%	–
Nursing-care leave users	0	0	0	0	0	0	–	–
Home Office utilization rate	100%	100%	100%	100%	100%	100%	–	–

Note 1: A system that allows flexible work hours corresponding to lifestyle (example: 8:00-16:30 work)
Note2: Shared Group-wide criteria for TFHD Group FY2030 KPI Note 3: Only this item shows the figures as of June 2021.

Initiatives to Local Communities

CRR and TRM believe that contribution to local communities lead to the improvement in value of the CRR's owned properties and ultimately by the unitholder value. We make a variety of efforts in the owned properties to enhance communication with the local communities with an expectation that our business operation is to serve an important role for the society.

Security of the local community

There is a police box on the premises of COMFORIA SHINJUKU EASTSIDE TOWER, contributing to the security of the local community.

Contribution to the region

TFHD group periodically participate in "town cleaning" sponsored by green bird (specified non-profit corporation).

Bicycle/Scooter Sharing services

We concluded a comprehensive cooperation agreement with Luup, Inc. in 2024. Through this agreement, we aim to further revitalize local communities. Until the end of July 2025, we have introduced bicycle sharing space at 16 properties .

Installation of donation-type vending machines

To enhance the safety and security of both tenants and local communities, CRR has installed disaster-response vending machines at some of its properties.These vending machines are capable of providing beverage products as emergency supplies to victims in the event of major disasters such as large earthquakes or typhoons.

Corporate version Hometown Tax Payment

TRM continually utilizes the Regional Revitalization Support Tax System (Corporate Hometown Tax Donation) for contributions in regions where CRR owns properties.In FY2024, we donated to:
Hokkaido's "Zero Carbon Hokkaido" initiative (2nd time)
Kyoto City's program aimed at "Net-Zero CO_2 Emissions by 2050" (3rd time)
These donations align with the Materiality of "Contribution to Local Communities."
*Note: Previous donations (FY2020-2022) were made to the "Sending Cheers to the Medical Field in the North!" initiative.

Disaster provision warehouse and manhole toilets

At COMFORIA SHINJUKU EASTSIDE TOWER, we have established a disaster provision warehouse designated by the Shinjuku ward and manhole toilets for neighboring residents and workers in preparation for a disaster. We have also entered into an emergency mutual assistance agreement with three neighboring town councils to strengthen partnerships.

Initiatives to Tenants

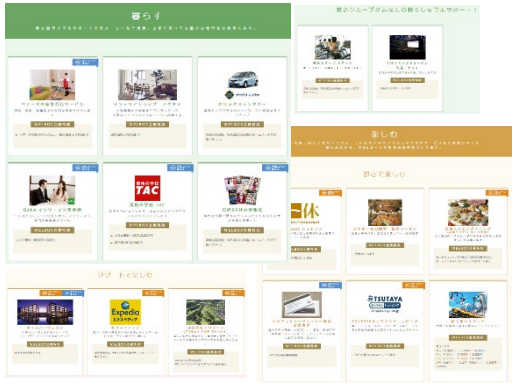
CRR believes that its owned properties should always meet tenant preferences to enhance the medium- to long-term value of our unitholders, and therefore tenant satisfaction serves an essential role for that. To that end, we consistently communicate with them to understand their needs and reflect them for our asset management operation.

Conduct Tenant satisfaction survey

Every year we carry out a questionnaire survey of the residents of the Comforia series, which are operated by CRR, on the Comforia brand as well as residents' satisfaction and requests regarding management and operation. Based on the opinions and requests of residents, we take actions with the aim of providing better services. An example of how we have improved tenant satisfaction is the increase in the number of delivery lockers in response to the opinion that there were not enough lockers due to the recent rise of e-commerce.

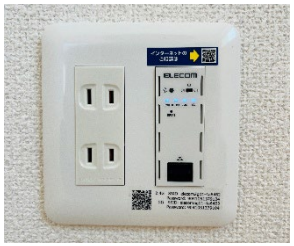
Survey		2020	2021	2022	2023	2024
Building Cleaning (Common Areas)	Satisfied	73%	74%	74%	73%	70%
	Neutral	13%	12%	13%	12%	15%
	Unsatisfied	14%	14%	13%	15%	15%
Building Management & Service	Satisfied	68%	69%	72%	71%	69%
	Neutral	24%	21%	20%	21%	20%
	Unsatisfied	8%	10%	8%	8%	11%

COMFORIA WELBOX



COMFORIA WELBOX provides a wide range of services to the residents of the COMFORIA series, which are operated by CRR. In addition to various discounts using the Group's resources, we offer preferential rates for moving to another property in the COMFORIA series and we carry out resident satisfaction surveys using the COMFORIA WELBOX platform in an effort to improve resident satisfaction with the aim of encouraging longer periods of residence.

Introduction of Free Internet Equipment



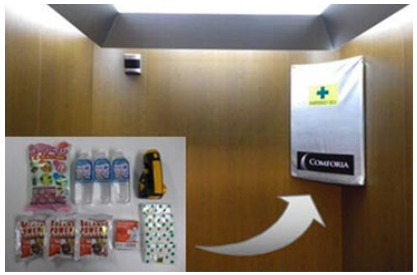
With the spread of work-from-home, the importance of a home internet environment is rapidly increasing.
In light of this, CRR is gradually introducing free internet equipment at properties it owns, aiming for a penetration rate of 80% by 2030 (Note). Through this initiative, we aim to improve tenant satisfaction and increase the duration of their stay.

Note: The penetration rate is calculated based on the number of rental properties in each period.

Supply of emergency kits and evacuation map

After the Great East Japan Earthquake, to enhance the safety and the sense of security of our residents, we provide emergency kits (emergency food and goods) in the elevators of every property.

Additionally, we post evacuation maps in common space of all properties to inform residents of area for evacuation in preparation for an earthquake or other disaster.



Predicting flood risks

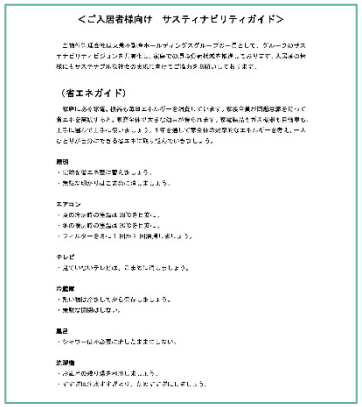
CRR keeps abreast of possible flood damage to its portfolio with the help of hazard maps prepared by the Ministry of Land, Infrastructure, Transport and Tourism and local governments. (CRR uses information on flood and inundation hazard areas as well as storm surge and inundation hazard areas.) To minimize economic losses, CRR makes necessary Preparation for Disasters for its properties and has a fire insurance that covers flood losses in place for each of them. Please check earthquake PML in Financial Statements.

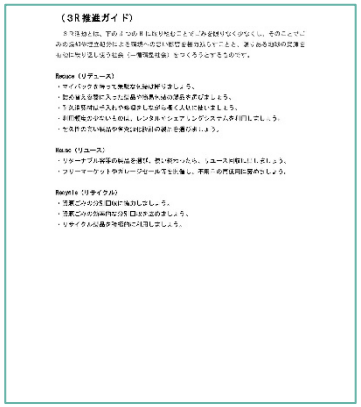
Flood Depth (m)	Central Tokyo	Sub-central Tokyo	Tokyo Metropolitan Area	Other Major Cities	Total (building)	Rentable Units (units)
Over 5.0	0	7	2	0	9	794
3.0 to 5.0	0	21	2	2	25	1,631
0.5 to 3.0	20	26	1	9	56	4,101
0 to 0.5	9	11	0	2	22	2,134
No damage expected	20	32	5	0	57	3,704
Total	49	97	10	13	169	12,364

Note: The table above shows the numbers of properties we owned as of the end of January 2025 (excluding those that had been sold by the end of August 2025).

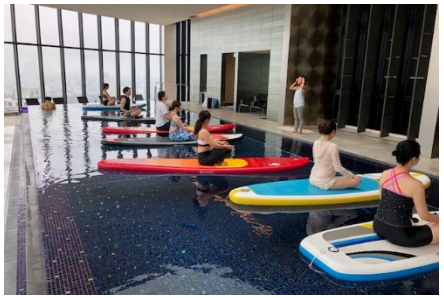
Cooperation with tenants

As part of our initiatives in collaboration with tenants, we created and distributed a Sustainability Guide. This guide promotes reduction of households' environmental footprint, primarily through the perspectives of "Energy Saving" and the "3 Rs "
We have also established lease agreement clauses with tenants concerning appropriate usage of energy consumption and waste disposal. We will continue various efforts in collaboration with tenants toward the realization of a sustainable society.





Effort to advance health / wellness



Monthly pool events (SUP YOGA, swimming clinic, water aerobics, etc.) are held exclusively for residents of COMFORIA SHINJUKU EASTSIDE TOWER.

Initiatives to Suppliers

TRM recognizes the importance of cooperation with its suppliers, as stated in the Sustainability Policy, that it provides initiatives and procurement with consideration to the environment and society, through engagement to suppliers such as PM , BM , Appraisal companies and Engineering Report companies etc. As part of the initiatives, TRM established the Green Procurement Standard and monitors ESG consideration in the operation of its important suppliers including PM and other companies.

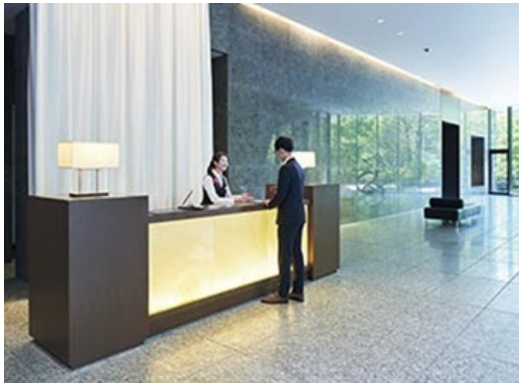
Joint seminars

We work to foster a culture that ESG initiatives are to be taken by our entire supply chain, not limited to the officer and employees of TRM. To that end, ESG training sessions are co-organized by TRM and PMs.
In FY2022, TRM also organized virtual seminars themed ESG overview and trend, how to approach to ESG issues of the Green Procurement Standards.

Label-free Drink

Since April 2022, TRM has introduced label-free pet bottle drinks to reduce usage of plastic and simplify waste sorting. The label free drinks are provided to visitors and employees, procured from suppliers who are committed to work for sustainable society and environment, for the purpose of enhancing the environment protection consciousness.

Local staff awards



At COMFORIA SHINJUKU EASTSIDE TOWER, we provide awards for concierge staff.
In addition to increasing the motivation of these staff members, we believe this helps to establish an operating structure with a feeling of togetherness between asset management and building management personnel.
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The Basic Policy on Sustainable Procurement

TRM established "Green Procurement Standards" in September 2020 and the "Basic Policy on Sustainable Procurement" in April 2024, and we also conducted an ESG monitoring evaluation for key suppliers (all PM companies) in FY2025. TRM communicate our commitment to environmentally and socially conscious procurement to suppliers and promote mutual collaboration to reduce environmental impact.

The Basic Policy on Sustainable Procurement

TRM established “The Basic Policy on Sustainable Procurement” (hereinafter referred to as “this Policy”) on April 2024, and works on challenges to environmental crisis such as response to climate change. This Policy adds items that take TRM's business characteristics into account to the "Sustainable Procurement Policy" set by the TFHD Group, and its objective is to work on this goal, together with all the stakeholders including our suppliers, with their understanding and cooperation.
In line with this Policy, TRM established the “Green Procurement Standard” to translate the policy into practical measures. This standard broadly states to suppliers that environment-friendly procurement is to be carried out, and together with them, TRM works to promote more sophisticated efforts based on the Policy. The scope of application of this standard includes direct or indirect transactions related to products, services, raw materials, and design/construction procured by TRM and CRR.

TFHD Group Sustainable Procurement Policy

1)Legal compliance	1)-1 Total compliance with relevant laws and regulations	**4)Ensuring proper business ethics**	4)-1 Preventing corruption 4)-2 Preventing contact with organized crime 4)-3 Ensuring fair trade practices 4)-4 Appropriate response to conflicts of interest 4)-5 Responsible political involvement 4)-6 Prohibition of Insider Trading 4)-7 Protection of intellectual property rights 4)-8 Maintaining confidential information and disclosure 4)-9 Compliance hotline and whistleblower protection
2)Respect for human rights	2)-1 Compliance with and respect for international human rights and labor standards 2)-2 No tolerance of discrimination 2)-3 No tolerance of harassment 2)-4 Respect for local residents 2)-5 Respect for minority rights 2)-6 Protection of Migrant Workers' Rights		
3)Ensuring a work environment based on safety, health and well-being	3)-1 Freedom of association, collective bargaining rights 3)-2 No tolerance of forced labor 3)-3 No tolerance of child labor 3)-4 Fair wages 3)-5 Elimination of excessive working hours 3)-6 Workplace health and safety measures 3)-7 Emergency preparedness 3)-8 Prevention of occupational accidents and illness 3)-9 Industrial Hygiene measures 3)-10 Measures for physically demanding work 3)-11 Proper sanitary facilities, meals and housing	**5)Environmental measures**	5)-1 Combatting climate change 5)-2 Biodiversity protection 5)-3 Protection of pollution 5)-4 Effective use of resources 5)-5 Proper water use 5)-6 Protection of Forests and Natural Ecosystems 5)-7 Establishment of an Environmental Management System
		6)Improving service and quality	6)-1 Ensuring safety 6)-2 Quality control and quality assurance systems 6)-3 Proper information disclosure for products and services
		7)Proper information management	7)-1 Proper information management
		8)Business Continuity Planning	8)-1 Business Continuity Planning
		9)Contributing to local communities	9)-1 Contributing to local communities
		10)Extension of the Sustainable Procurement Policy	10)-1 Extension to business partners 10)-2 Cooperation for monitoring

TRM Sustainable Procurement Policy Articles (This policy incorporates the following additions to the TFHD Group's "Sustainable Procurement Policy")

2)Respect for human rights	**2)-7 Consideration of DE&I** We conduct business activities considering perspectives such as DE&I (Diversity, Equity & Inclusion).	10)Extension of the Sustainable Procurement Policy	**10)-3 Active participation in training sessions and explanatory meetings held by the Company to improve literacy** The Company provides sustainability-focused training (for property managers) and information dissemination (for office tenants and residential occupants) at least once a year, aiming to improve the literacy of the supply chain through these awareness activities.
5)Environmental measures	**5)-8 Activities Based on the "Green Procurement Standard"** We conduct environment-friendly procurement based on the "Green Procurement Standard," which is separately stipulated by the Company. **5)-9 Understanding Environmental Targets and Implementing Measures of Investment Corporations under Management** We engage in business activities that align with the environmental targets and other measures publicly disclosed by the investment corporations under our management on their respective websites. **5)-10 Establishment of Policies and Systems for Addressing Environmental and Social Issues** We strive to establish a resilient management structure that responds to multifaceted social demands by clearly stating our action policies and setting up an implementation framework.		

Initiatives Complying with Green Procurement Standards

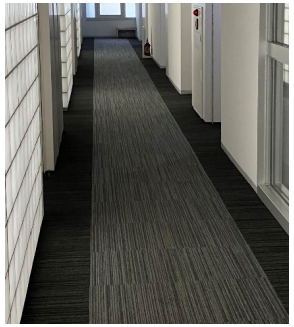
Environment-friendly/Energy-efficiency construction materials/facilities Lists have been made and used as attachments in bid specifications for Large-scale repair work.

サステナビリティへの取り組みについて

1. サステナビリティ方針について
2. グリーン調達基準について
3. 人権とコミュニティについて

Recyclable Tile Carpet adopted to enhance resource efficiency

COMFORIA NAKAOCHIAI



Investor Relations（Domestic）

CRR and TRM regard appropriate information disclosure and active dialogue with unitholders as one of the important tasks.
Based on this policy, TRM holds meetings with domestic institutional investors, as well as giving presentations for the individual investors in Japan and participating in events and online seminars for individual investors, and release releasing videos of financial results briefings, to discloses information proactively.
Besides, with COVID-19 settled down, we actively participate in onsite and in-person interviews and events.

IR Activities for Domestic Institutional Investors

◆ Sep 19, 2024

Video of Financial Results Briefing (Japanese Version only)

Sep 2024～Dec 2024

◆ One on One MTG with domestic Investors 71

◆ Mar 18, 2024

Video of Financial Results Briefing (Japanese Version only)

Mar 2025～Jun 2025

◆ One on One MTG with domestic Investors 72

29th FP — 30th FP

Aug 2024 | Sep | Oct | Nov | Dec | Jan. 2025 | Feb | Mar | Apr | May | Jun | Jul

IR Activities for Domestic Individual Investors

◆ Sep 25, 2024

Radio NIKKEI's "REIT TODAY"

◆ Mar 29, 2025

J-REIT Fan in Kumamoto

◆ Apr 24, 2025

IR Seminar for Individual Investors, hosted by The Japan Securities Journal

◆ May 24, 2025

J-REIT Fan in Tokyo

Investor Relations（Overseas）

CRR and TRM regularly meet with institutional investors in Japan and also in countries in Asia, Europe, North America, etc..
Following the 28th fiscal period, we held onsite meetings during the 29th and 30th fiscal periods.
We shared the current operation situation and discussed management issues with investors and in the meantime, maintained relationships with existing investors and met with new investors developed during the COVID-19 pandemic, thereby fostering a feeling of trust with regard to CRR and TRM.

■ IR Activities for Overseas Institutional Investors (Visited Regions)

■ IR Activities for Overseas Institutional Investors (No. of Meetings)

» Asia

Onsite Meeting-------- 25

Online Meeting ------ 5

» Europe

Onsite Meeting-------- 3

Online Meeting ------ 13

» North America

Onsite Meeting-------- 16

Online Meeting ------ 5

» Pacific(Sydney)

Online Meeting-------- 3

Governance

Our View on Governance

We have established a comprehensive corporate governance and compliance management structure and conduct ourselves in a highly ethical manner in order to meet the expectations and earn the trust of society.

Relevant SDG targets	12.8	By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature
	16.7	Ensure responsive, inclusive, participatory and representative decision-making at all levels

CRR's Corporate Governance

Pursuant to the Act on Investment Trusts and Investment Corporations ("ITA"), CRR entrusts its asset management operations to TRM.

■ CRR's governance structure

CRR's organization comprises a unitholders' meeting, a board of directors currently comprised of executive director and supervisory director, and an independent auditor. It is stipulated that CRR shall have at least one executive director and at least two supervisory directors (however, the number of supervisory directors must be at least one more than the number of executive directors). As of the end of July 2025, there were one executive director and two supervisory directors.

■ Unitholders' meeting

Matters and issues on CRR, that are originally stipulated at ITA and other relevant laws & regulations, are to be resolved at unitholders' meeting.

Executive Director and Supervisory Directors

The term of office for directors and supervisory directors based on regulations are two years.

Position	Name	Number of Units Held
Executive Director	Takashi Sakamoto	–
Supervisory Directors	Masamichi Ohshima	–
	Aki Sadahiro	–

Eligibility requirements

Candidate for directors must not fall under any disqualification clause as defined in the ITA. Such candidates shall be examined and appointed at a unitholders' meeting.

Compensation

The maximum compensation amounts for the executive director and supervisory directors are stipulated in the articles of incorporation, and compensation is determined by the board of directors.

Position	Name	Concurrent positions	Compensation received (¥ thousand / fiscal period)
Executive Director	Takashi Sakamoto	Executive Director, Chief Division Officer of Comforia Management Division, TLC REIT Management Inc.	–
Supervisory Directors	Masamichi Ohshima	Kataoka & Kobayashi LPC	1,800
	Aki Sadahiro	Sadahiro CPA Office	1,800

Board of Directors

At the meeting of the board of directors, the executive director reports on the performance of its duties and the supervisory directors supervise to ensure that CRR operates the asset management in compliance with legal and regulatory requirements. The meeting frequency of the board should be at least once in three months as stipulated under internal regulations of CRR, actually the meetings are held more frequently-almost once or more every month. Between August 2024 and July 2025, a total of 12 board meetings were held, with a 100% attendance rate by board members.

Independent auditors

The independent auditor shall audit the financial statements of CRR and report to the supervisory directors any improper activity of the executive director. The term of office of the independent auditor comes to an end at the first unitholders' meeting held after the first financial period closed after one year or more from the appointment date. The auditor shall be reappointed except as otherwise resolved in a unitholders' meeting.

Excerpt from the semi-annual report for the fiscal period ended July 2025

Position	Name	Compensation（¥ thousand / period）
Independent auditor	Ernst & Young ShinNihon LLC	15,786

Skills Matrix of Directors

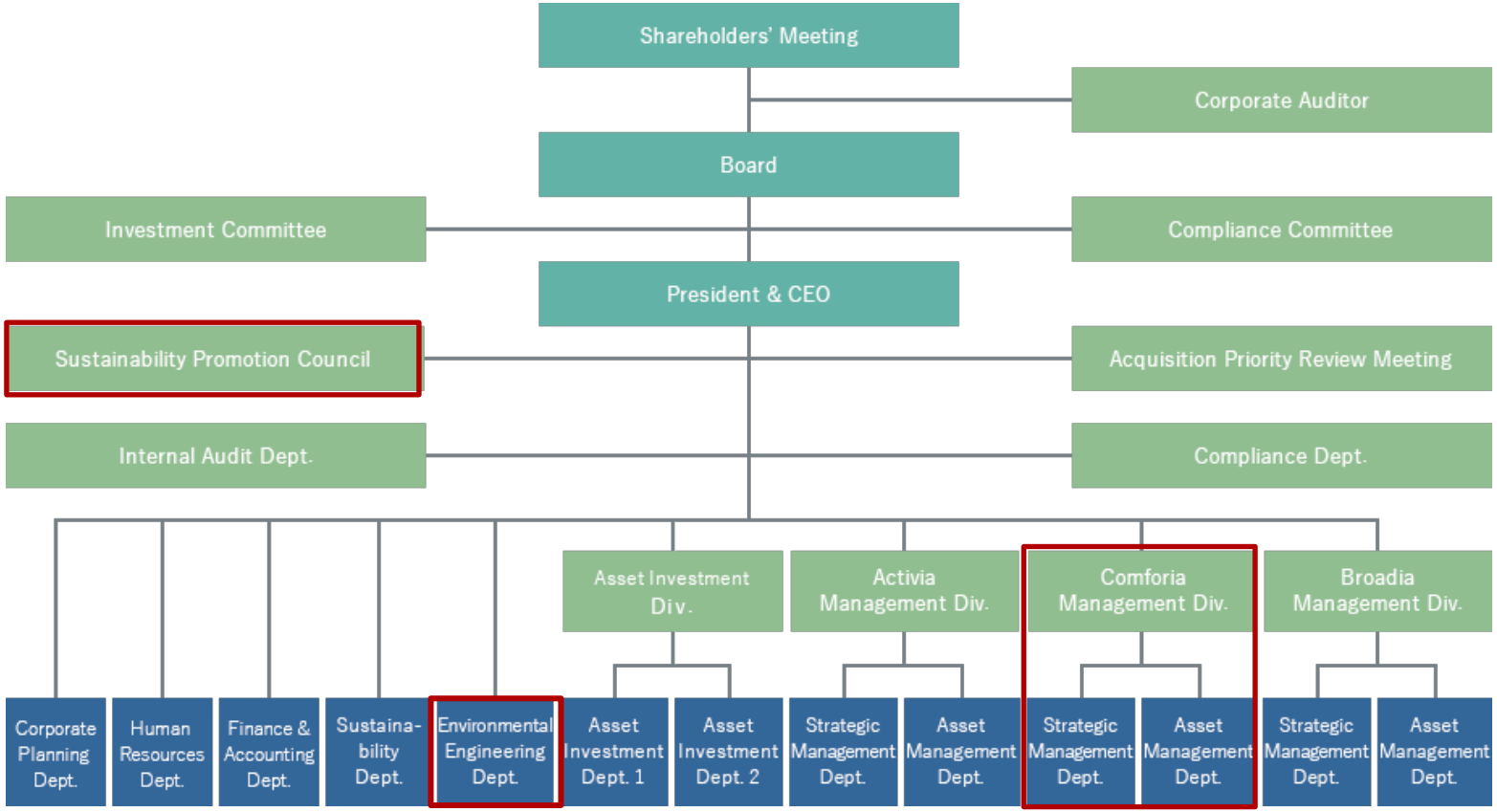
Position	Name	Real estate / Asset management	Finance / Accounting	Legal / Compliance	Sustainability / ESG	DX
Executive Director	Takashi Sakamoto	●	●		●	
Supervisor Director	Masamichi Ohshima			●	●	●
	Aki Sadahiro	●	●			

TRM's Corporate Governance

TRM works to enhance corporate governance to exercise a fiduciary duty and a duty of loyalty to CRR as stipulated in the asset management agreement.

■ TRM management organization

Under the management organization shown below, TRM exercises its asset management operation, and the Comforia Management Division undertakes the management of assets of CRR. TRM has established the Investment Committee and the Compliance Committee to deliberate matters related to asset management and compliance, and the Acquisition Priority Review Meeting to determine the order of priority for consideration. In April 2021, TRM established the rules on the Sustainability Promotion System to strengthen the system and expand the functionality of measures. Following this, the Sustainability Promotion Council obtained a more accurate position in the organization. The Sustainability Department succeeds the ESG-related missions from the Environmental Engineering Department, and we will further promote our sustainability program.
Furthermore, in April 2024, in order to strengthen strategic ESG promotion and accelerate decision-making, the Sustainability Promotion Department was made an independent organization under the direct control of the President & CEO.



Compliance

Compliance Policy	TRM has established a Compliance Department and Compliance Committee, which ensure that compliance checks are implemented. The Compliance Committee is a body that discusses and makes resolutions regarding conflicts of interest, transactions with related parties, internal compliance, and compliance readiness. Compliance management is implemented in adherence to the TFHD Group Code of Conduct. Key points of "TFHD Group Code of Conduct" 1.Ensure compliance with laws and regulations applicable to our business activities 2. As TFHD Group employee, treat our customers sincerely to maintain their trust 3. Generate a corporate culture that enables frank communication on difficult issues involving work 4. Enhance solidarity of TFHD Group and promote mutual understanding with stakeholders 5. Enforce proper management of information 6. All employees will understand and focus on ethical conducts and be a reasonable professional 7. Make efforts to create safe workplace and be considerate of the environmental conservation
Compliance Committee	（Members） General Manager of Compliance Department (Chair), representative directors, directors (if consecutively serving as General Manager of the Investment Management Division, cannot attend Council meetings concerning REITs that the director is not in charge of), and external expert (attorney) on compliance appointed by the board of directors. (Agenda) The Council shall resolve the following matters. With respect to 1 to 5 , agenda shall be restricted to transactions with related parties and matters deemed necessary by the General Manager of Compliance Department. 1. Establishment and amendment of basic investment policy concerning asset management by each REIT 2. Determination and change in acquisition or disposal of assets by each REIT and the terms and conditions thereof 3. Establishment and amendment of asset management plan by each REIT 4. Establishment and amendment of basic policy concerning asset management by each REIT 5. Establishment and amendment of basic policy concerning funding, cCRRtal policy and dividend policy for each REIT 6. Matters related to transactions with related parties (provided, however, excluding transactions defined as not requiring prior approval by the Compliance Council) 7. Preparation and amendment of the Compliance Manual and Compliance Program 8. Deliberation and resolution on improvement measures concerning inappropriate acts in terms of regulatory compliance and preventative measures, etc. 9. Matters for which the General Manager of Compliance Department deems deliberation by the Compliance Council is necessary （Date and place） As a general rule , the committee meets at the head office at least once every three months.

Measure taken to enhance compliance awareness

Divisional Compliance Staff	Each year, divisional compliance staff are appointed from each division to perform periodic monitoring on compliance matters. The officers report compliance status in his/her division and share related information.
Compliance training	In order to ensure compliance and increase awareness, we provide compliance trainings each year to all officers and employees focusing on the enforcement of the compliance basic policy and standards, and learning applicable laws and regulations, etc. Separately, we give such training as part of our orientation training as well.

Item	FY2020	FY2021	FY2022	FY2023	FY2024
Number of compliance training	2	4	4	4	4

Internal Auditing and Monitoring System

In its internal auditing regulations, TRM has formulated an internal auditing plan, which stipulates that internal auditing shall be conducted for all departments each fiscal year, with the exception of the Internal Audit Department. As an asset management company, with a view to investor protection and fair market formation, it audits whether tasks related to readiness in the areas of legal compliance, internal control, risk management, crisis management, etc. are being carried out appropriately and efficiently. Furthermore, with the support of external professionals, it audits a wide range of items for all departments, such as the appropriateness of information management, compliance with internal rules, and adherence to the Act on Prevention of Transfer of Criminal Proceeds and reports the audit results to TRM's representative directors and board of directors. Matters detected by an audit are communicated to the audited department via a "Directive for Improvement," and the head of the audited department that was notified implements improvement actions and reports on the status of the improvements to the representative directors and the head of the Internal Audit Department without delay. The department in charge of auditing also periodically verifies the status of improvements.

Prevention of Corruption

Corruption creates significant obstacles against sustainable development and corrodes the social structure. TRM recognizes that commitment to prevention of corruption is an important issue for the society and has established rules on identity confirmation for transaction with customers, etc. in accordance with the Act on Prevention of Transfer of Criminal Proceeds.
TFHD is a signatory to the United Nations Global Compact (UNGC), and as a Group member, TRM supports the ten principles of UNGC. (Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.)

Supporting International Initiatives

The TFHD Group supports and respects the OECD Guidelines for Multinational Enterprises, international labor standards, and the UN's Guiding Principles on Business and Human Rights. Moreover, it declared its support for the UN Global Compact in December 2016. It is pursuing responsible management based on the 10 principles of the UN Global Compact, which is composed of "human rights," "labor," "environment," and "anti-corruption," and contributing to the realization of a sustainable society.

The 10 Principles of the UN Global Compact

Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses
Labor	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining Principle 4: the elimination of all forms of forced and compulsory labor: Principle 5: the effective abolition of child labor; and Principle 6: the elimination of discrimination in respect of employment and occupation
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies
Anti-corruption	Principle 10: Businesses should work against all forms of corruption, including extortion and bribery

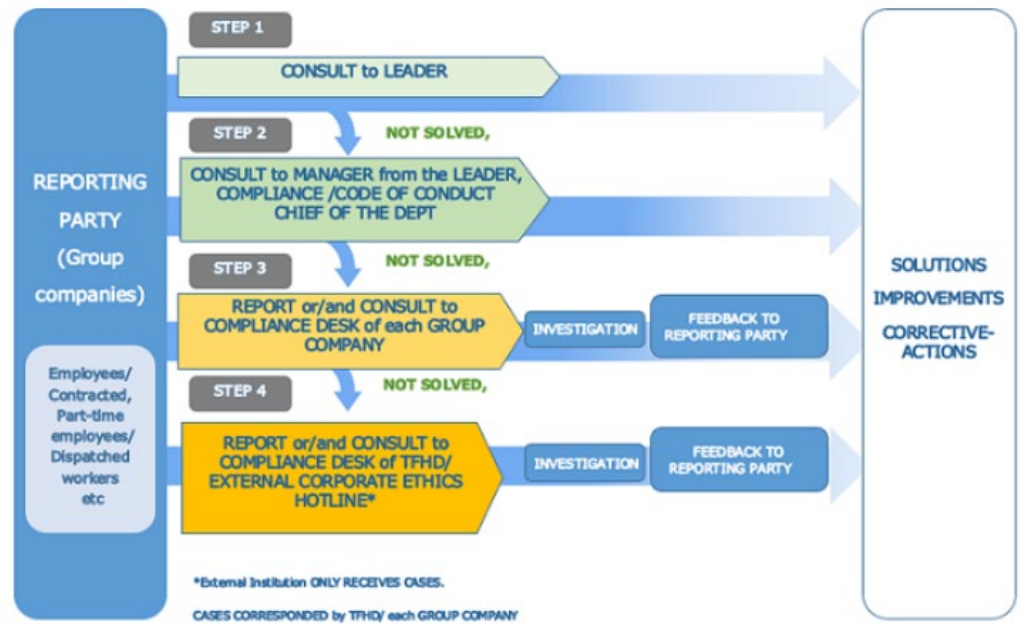
Official Policy Against Antisocial Forces

In order to safeguard the propriety of its business activities and ensure that we are able to meet our social responsibilities and fulfill our public mission, TRM abjures dealings of any kind with antisocial forces.
Working with legal and law enforcement bodies and other third parties, TRM is in a position to respond firmly to all improper demands. TRM's Compliance Manual and Rules for Responding to Antisocial Forces has established specific safeguards and procedures for responding to the actions of antisocial forces. TRM also promotes a thorough awareness of these issues among management, employees, and other pertinent parties and provides the training needed to ensure a specific and appropriate response.

Establishment of whistle-blowing system

TRM established the Compliance Helpline Counter as a contact point to report and consult on compliance matters including when harassment and bullying is experienced or observed, enabling all officers and employees to directly report to the Compliance Officer of TRM, General Manager of Legal Affairs Department of TLC, General Manager of Group Legal Affairs Department of TFHD, or external attorneys. Moreover, we pledge to maintain the confidentiality of personal information or investigation-related information about the individual who reported or consulted on the matter and the subject of the report or consultation, which shall not be disclosed internally or externally without good reason.

TFHD Group's Whistle-blowing System



Item	FY2020	FY2021	FY2022	FY2023	FY2024
Awareness of Compliance Helpline Counter	90%	88%	89%	93%	92%
Number of whistle-blowing (incidents)	0	0	0	0	0

Risk Management

Basic Policy on Risk Management	TRM established a basic policy on the strategic targets, as well as risk management rules to implement appropriate management of risks. (Basic Policy on Risk Management) 1. In accordance with our management principles, we aim to secure long-term stable revenue and maximize unitholder value by establishing a management system in accordance with these Rules and implementing appropriate risk management against various risks involved with engaging in investment management business. 2. Officers and employees, etc., shall recognize the importance of risk management, each be aware that they are the agent of risk management, understand these Rules and internal rules, etc., and strictly comply with the same . 3. Risk management shall be executed with necessary and appropriate rules, detailed rules and standards, etc., being established; organizational and resource measures implemented; and responsibilities clarified. 4. Necessary and appropriate management and supervision shall be implemented for business outsourcing partners as well as to officers and employees, etc. 5. Risk management training, etc., shall be conducted to promote thorough awareness by officers and employees, etc., and to maintain/improve effectiveness of the Basic Policy. 6. Basic Policy stated in this Article shall be reviewed periodically or as necessary such as when changes occur to strategic targets.
Risk management framework	TRM conducts sophistication of its risk management framework with a certain support from external experts. Risk management function falls under the responsibility of the Compliance Department supervised by the Compliance Officer. The Compliance Department is a stand-alone department, independent from business operating divisions. It performs a series of risk assessment including operational risk, etc.
Risk management training	TRM provides periodical risk management educational session with all officers and employees by external lecturers and works to improve risk management ability of each department's members.
Information security	In order to enhance security of information assets and appropriate use of them, TRM has set forth basic rules on information security management which stipulates principal matters related to information protection with clarifying the responsibility for information management. TRM has also established the rules on IT management to stipulate appropriate management of information asset by each officer and employee according to the level of their roles and responsibilities.
Business continuity planning	To strengthen its resilience, TRM sets a business continuity plan, related rules and manuals, and makes updates when necessary, in preparation for unexpected crisis such as disaster and social disruption. In accordance with these rules, we work to prevent and mitigate impact from crisis including recent natural disasters and COVID-19. We also pay close attention to the materials and equipment used in the properties of CRR and make every effort to prevent incident by staying well informed of defect products and carrying out research.

Initiatives for Governance Emphasizing Unitholders' Value

While leveraging the TFHD Group's value chain, CRR and TRM have developed a comprehensive governance structure aimed at maximizing CRR unitholders' value by ensuring objectivity in the asset management-related decision-making flow, aligning our interests with unitholders and sponsor, and implementing a management fee structure that includes management fees linked to the dividend per unit.

Securing objectivity in decision-making process

With a view to protecting the interests of unitholders, TRM has established a structure that ensures objectivity in the decision-making process for acquiring assets under management by including third-party real estate appraisers as members of the Investment Committee.

(Note1) If the candidate acquisition asset is a healthcare facility, advisory from external experts shall be sought.

(Note2) If the candidate acquisition asset is a healthcare facility, discussions shall be held upon receiving a report on the content of reports, etc. created by external experts and, if necessary, the Investment Committee shall be attended by the external experts as observers and their opinions shall be heard.

(Note3) The Head of the Compliance Department may order the suspension of discussions.

(Note4) The order with the resolution of the Investment Committee may vary.

Aligning Interests Between Unitholders and the Sponsor

In the Sponsor Support Agreement, TLC has made it clear that if and when CRR decides to issue additional units, a subscription of a part of such issuance shall be sincerely considered.
The sponsor acquired 7,081 units during April 1 to July 18, 2025, which is 0.9% of the total number of investment units issued as of the end of July 2025. Even in terms of capital relationship, CRR aims to make a strong relationship with the sponsor and to achieve mutual interests improvement by aligning the interests of unitholders to that of the sponsor.

Sponsor's investment ratio

10.0%

(as of July 31, 2025)

Change in Asset Management Fee System

Incentives have been introduced for further improvement of and growth of unitholder value and enhanced linkage with the interests of unitholders.

	Calculation method	
Management fee Ⅰ (fee linked to total assets)	Total assets at the end of previous fiscal period × 0.2% (annual rate)	**Enhancing the linkage between the interests of unitholders and asset management fees**
Management fee Ⅱ (fee linked to profit)	Ordinary CF × 5.4%	
Management fee Ⅲ (acquisition and disposition fee)	Property acquisition / disposition price × 1.0% (0.5% in the case of transactions with related parties (excluding warehousing))	**Strengthening incentives for growth of AUM and distributions**
Management fee Ⅴ (incentive)	Ordinary CF × growth rate of ordinary CF per unit × 10% However, no fee will occur when the value is negative	

SUSA
Sustainability Accounting Co.,Ltd.

Independent Assurance Statement

June 27, 2025

Mr. Takashi Sakamoto
Executive Director
Comforia Residential Reit, Inc.

1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by Comforia Residential Reit, Inc. ("the Investment Corporation ") to provide limited assurance on the Investment Corporation's following data of all properties owned from February, 2024 to January, 2025, 9.28 GWh for energy consumption, 0.28 kt-CO_2 for Scope1, 3.32 kt-CO_2 for location-based Scope2, 1.93 kt-CO_2 for market-based Scope2, and 31.0 thousand m^3 for water use (collectively, "the Environmental performance data"). The purpose of this process is to express our conclusion on whether the Environmental performance data were calculated in accordance with the Investment Corporation's standards. The Investment Corporation's management is responsible for calculating the Environmental performance data. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

2. Procedures Performed

We conducted our assurance engagement in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and International Standard on Assurance Engagement 3410 (ISAE 3410). The key procedures we carried out include:

- Interviewing the Investment Corporation's responsible personnel to understand the Investment Corporation's standards and reviewing the Investment Corporation's standards.
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the Environmental performance data were calculated in accordance with the Investment Corporation's standards.

3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Environmental performance data have not been calculated in all material respects in accordance with the Investment Corporation's standards.

We have no conflict of interest relationships with the Investment Corporation.

Takashi Fukushima
Representative Director
Sustainability Accounting Co., Ltd.