SEKISUI HOUSE REIT, INC.

ESG Report 2025



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■ Editorial Policy

This document is issued to engage with stakeholders and have readers understand the efforts made by Sekisui House Reit, Inc. (hereinafter referred to as the "SHR") and Sekisui House Asset Management, Ltd. (hereinafter referred to as the "SHA") toward realizing a sustainable society. The GRI Standards (2021) and SASB Standards were referenced in editing of this document.

■ Reporting Coverage

Sekisui House Reit, Inc. and Sekisui House Asset Management, Ltd.

■ Reporting Period

Sekisui House Reit Inc.
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Sekisui House Asset Management, Ltd.
February 1, 2024 to January 31, 2025 (Some details include information before and after the relevant period.)

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■ Contact Information

Sekisui House Asset Management, Ltd.
Investor Relations Department and ESG Promotion Department
TEL: +81 3-6447-4870 (Main)

〈Disclaimer〉

The forward-looking statements in this document, including earnings forecasts, are based on the judgment of SHA in light of the information available at the time of preparation and are subject to potential risks, uncertainties and other factors. Therefore, actual results may differ significantly from the forecasts due to changes in various factors.

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Sustainability Policy / Sustainability Promotion System

Message from Senior Management

Message from Senior Management

We would like to take this opportunity to thank you for your exceptional support of Sekisui House Reit, Inc. (SHR)

In recent years, international perspectives on sustainability have diversified, and the environment surrounding us has undergone significant changes. In order for SHR to aim for stable, medium to long term growth, we believe that the underlying aspiration for a sustainable society remains unwavering, and that efforts to achieve it are still extremely important.

What SHR is Aiming for

SHR has set a vision of “managing assets to better provide for people, society and the future”. This represents our vision: to provide high-quality real estate for “people” and “society” by pursuing enhanced building value alongside our sponsor, Sekisui House; to maximize unitholder value through SHR's sustainable growth by developing together with our stakeholders; and to continue contributing to the creation of a prosperous future by addressing social issues through our ESG (Environmental, Social, and Governance) strategy.

Recent Initiatives

Based on this idea, SHR has identified materiality (important issues), set KPIs (targets) and is actively pursuing initiatives to resolve the issues.
In our efforts to reduce GHG emissions, to reduce GHG emissions from not only SHR but also our supply chain including business partners, we have expanded our near-term 2030 target beyond Scope 3 emissions limited to those from tenants occupying our owned properties (Category 13) to encompass reductions across the entire Scope 3 emissions. In addition, we have obtained Science Based Targets initiative (SBTi) Validation alongside this change and our 2050 net-zero target.
Furthermore, to extend sustainability initiatives across the entire supply chain, we have established the “Sustainability Guidelines for the Supply Chain” and are engaging with suppliers by requesting their understanding and cooperation with these objectives.

In terms of governance, to strengthen the supervisory function in the management of SHR, we have set a target (KPI) requiring that at least 75% of SHR's Board of Directors be composed of independent non-interested parties, thereby enhancing our corporate governance system.
Sekisui House Asset Management, Ltd. (SHA) recognizes that an organizational culture where each employee can work authentically, healthily and energetically is essential for SHR's sustainable growth. Accordingly, SHA is working to enhance employee engagement, including identifying organizational challenges through biannual surveys. Furthermore, we position the promotion of diversity as a key material issue. We have revised our target (KPI) for the percentage of female managers upward from 7% or more to 10% or more, setting a target achievement date of 2030. Additionally, we have newly established a KPI to achieve a female employee percentage of 35% or more and are working to create a workplace environment where women can thrive.
These ESG initiatives have been highly evaluated externally, and we were selected the “A List” in the 2025 CDP Climate Change program (Note 1) for the second consecutive years and has chosen for the “Supplier Engagement Leaderboard” in the 2024 Supplier Engagement Assessment (SEA) (Note 2). We intend to continue focusing on enhancing the sustainability of both society and SHR, while periodically reviewing our materiality and targets (KPIs) in response to changes in environmental, social, and economic conditions.

Toward the Realization of a Sustainable Society

SHR will continue to strive unceasingly to maximize unitholder value by providing high-quality real estate that serves as social capital for a new era — one that is safe, secure, comfortable, and environmentally conscious. As a REIT leading the era of 100-year lifespans, we will contribute to creating a prosperous future.

We would like to ask the continued support and encouragement of our stakeholders in the years ahead.

(Note 1) A program for companies and cities to disclose information on climate change risks, and CDP is an organization that scores the level of environmental measures taken by companies and cities.

(Note 2) A system for evaluating how effectively companies collaborate with suppliers on climate change issues

Sekisui House Reit, Inc.
Atsuhiro Kida
Executive Director (Left)

Sekisui House Asset Management, Ltd.
Toshimitsu Fujiwara
President & Chief Executive Officer (Right)



Sustainability Policy / Sustainability Promotion System

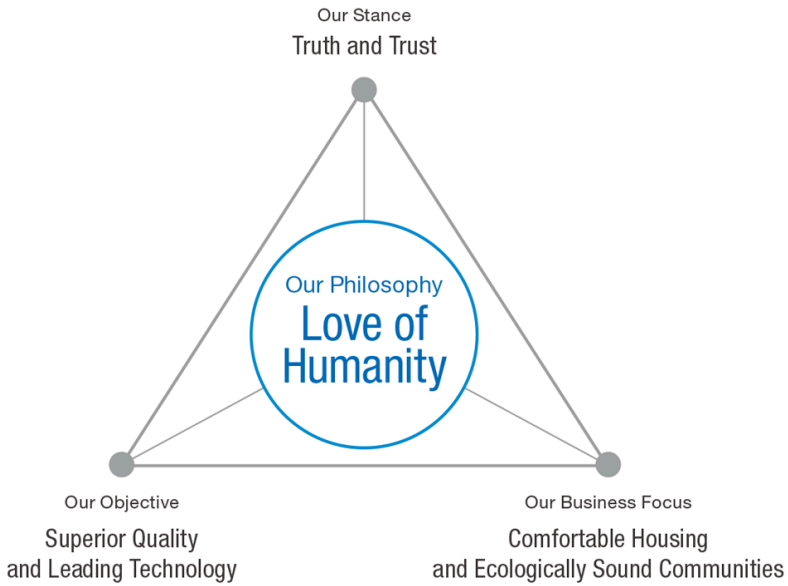
SHR's Sustainability

Vision of Sekisui House Reit

Managing assets to better provide for people, society and the future

Maximize unitholder value	Aim to maximize unitholder value by achieving sustainable growth together with stakeholders
Provide high-quality social capital	Provide high-quality social capital by pursuing the enhancement of the overall asset value of the community
A REIT that leads the way into an era of the 100-year lifespan	Promote ESG strategies and become a REIT that leads the way into an era of the 100-year lifespan

Corporate Philosophy of Sekisui House Group



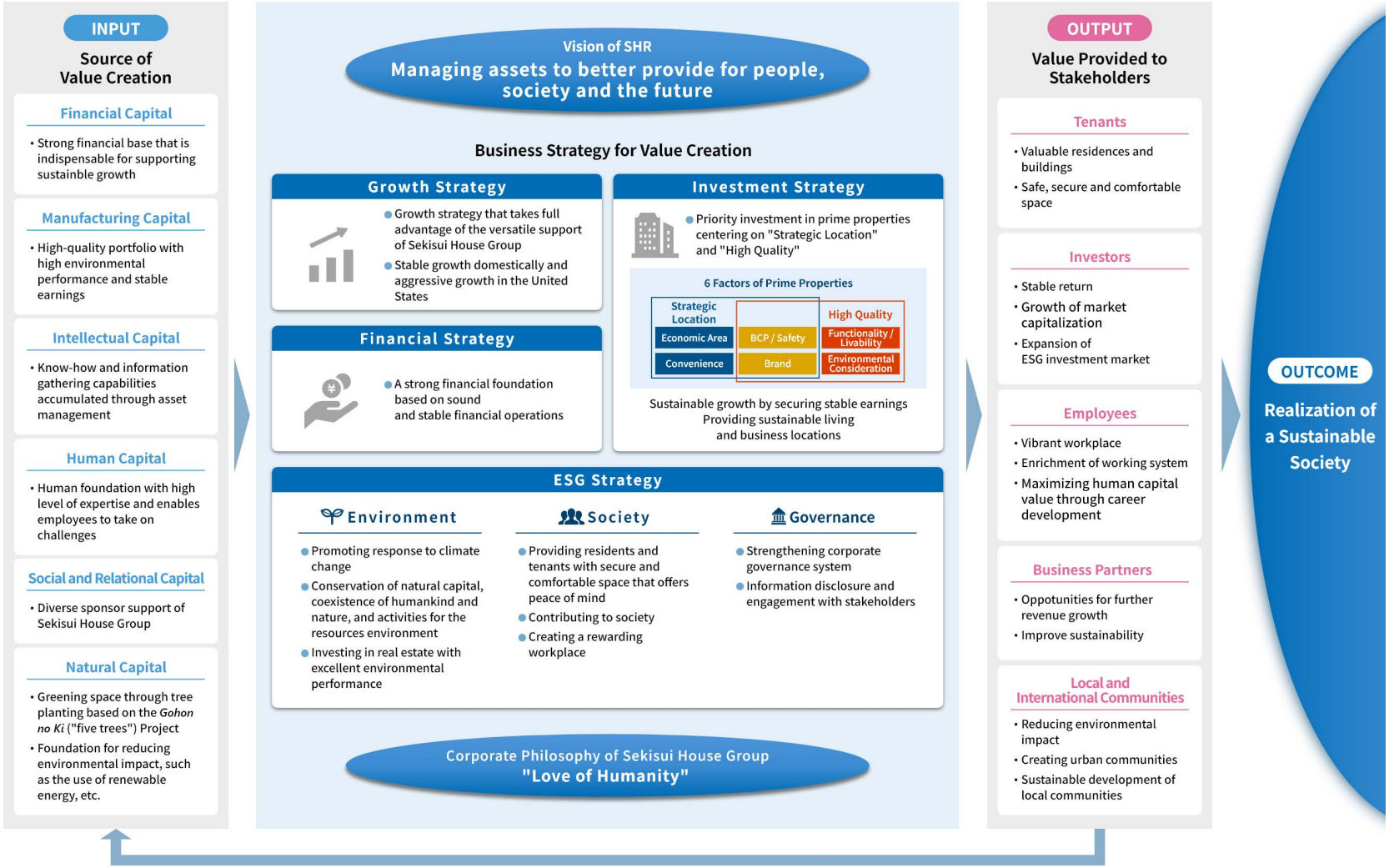
Business Environment Surrounding SHR

As the business environment changes rapidly, new issues that need to be addressed are emerging. To realize our vision of "managing assets to better provide for people, society and the future", SHR will analyze issues that have an impact on value creation, and identify risks and work to reduce them. At the same time, we will position the issues as business opportunities for sustainable growth, and accelerate our efforts.

Environmental Changes	Risks	Opportunities/Countermeasures
The Increasing Seriousness of Climate Change Accelerated trends toward decarbonization Global warming Intensification of natural disasters	● Impact of regulatory tightening, such as the introduction of a carbon tax, etc. ● Impact of natural disasters such as floods, etc. (Decrease in asset value, increase in countermeasure and maintenance costs) ● Requests for action on biodiversity conservation	● Creation of tenant demand by building a portfolio with high environmental performance ● Improvement of asset value through enhancement of BCP measures
Changes in the Economic and Financial Environment Rise in interest rates Changes in J-REIT market Changes in international conditions, economic fluctuations	● Impact of increasing funding costs due to rising interest rates ● Impact of external growth due to deterioration in financial environment ● Impact on earnings due to reductions in rent or tenants moving out as a result of worsening business performance of tenants	● Diversification of funding methods ● Acquiring high-quality properties utilizing sponsor pipelines and a strong financial base ● Attracting quality tenants with a stable financial base
Demographic Changes Decline in working population Low birthrate and increasing longevity	● Impact on earnings due to higher vacancy rates and lower rents ● Impact on office demand due to declining workforce	● Investment in properties that meet new needs associated with demographic changes ● Investment in housing for the elderly and properties compatible with universal design ● Investment in overseas properties (multi-family housing) with potential for growth
Social Changes Ongoing urbanization Advances in IT and AI Rise in health awareness / Diverse work styles	● Securing tenants in cities, intensifying competition for property acquisition ● Impact of information leakage, operation shutdown caused by cyber attacks, and other risks ● Market segmentation due to the shrinking middle class ● Intensifying competition for human resource ● Impact of decreasing office demand due to the diffusion of telework	● Investment in high value-added properties ● Enhancement of measures for information security ● Responding to regional revitalization demand ● Investment in healthcare and well-being conscious properties ● Creating innovation through diverse human resources

Value Creation Model Through Asset Management

SHR is working to create new value by leveraging the strengths of SHR based on Corporate Philosophy of Sekisui House Group, “Love of Humanity”. SHR will accurately identify social issues that change with the times and contribute to the realization of a sustainable society as a REIT that leads the way into an era of the 100-year lifespan.



Sustainability Policy / Sustainability Promotion System

Sustainability Management

In society that is becoming increasingly diverse and complex,SHR and SHA have a responsibility to contribute to the resolution of social issues through business activities. We believe that fulfilling this responsibility not only enhances the sustainability of the society and SHR, but also ultimately maximizes unitholder value.

SHR has a vision, “managing assets to better provide for people, society and the future” and conducts business activities from a medium to long term perspective. Based on the Sustainability Policy established by SHA, we will strive to contribute to the realization of a sustainable society and increase corporate value by complying with and implementing this policy.

Sustainability Policy

1. Enhancement of Governance System

In addition to complying with laws, regulations, and other rules, we ensure appropriate management to prevent conflicts of interest and work to enhance our governance system. We also conduct education / training and awareness-raising activities for directors, and employees to ensure thorough compliance.

2. Responding to Climate Change

We actively and continuously promote the efficient use of energy and aim to achieve net zero greenhouse gas (GHG) emissions, toward the creation of a decarbonized society.
As part of our response to climate change, SHR will also implement measures to raise the awareness of both internal and external stakeholders.

3. Water and Resource Saving Measures

We will actively contribute to the creation of a recycling-based society by promoting measures and public awareness activities for reducing water use and implementing the three Rs (reduce, reuse and recycle) in relation to resources.

4. Biodiversity Conservation

In accordance with the *Gohon no Ki* (“five trees”) Project promoted by Sekisui House, we aim to realize harmony with nature and the surrounding environment by conducting maintenance and management of planting and other greenery measures, centering on tree species with consideration given to the ecosystem matters.

5. Providing Comfort and Safety

We will provide high-quality housing where residents can lead their lives in comfort and safety. We will also provide convenient, safe, and comfortable spaces that contribute to enhancing the productivity of tenant companies.

6. Contributing to Regions and Communities

We will create liveliness in the region and work to coexist with and revitalize the region and community.

7. Practicing Human Capital Management in Action

By respecting diversity, personality and individuality, and promoting work-life balance, we aim to create an organizational culture in which each employee can work in a healthy and lively manner. We also encourage the autonomy of our employees, and work to improve the value of our human resource value based on their happiness.

8. Cooperating with Stakeholders

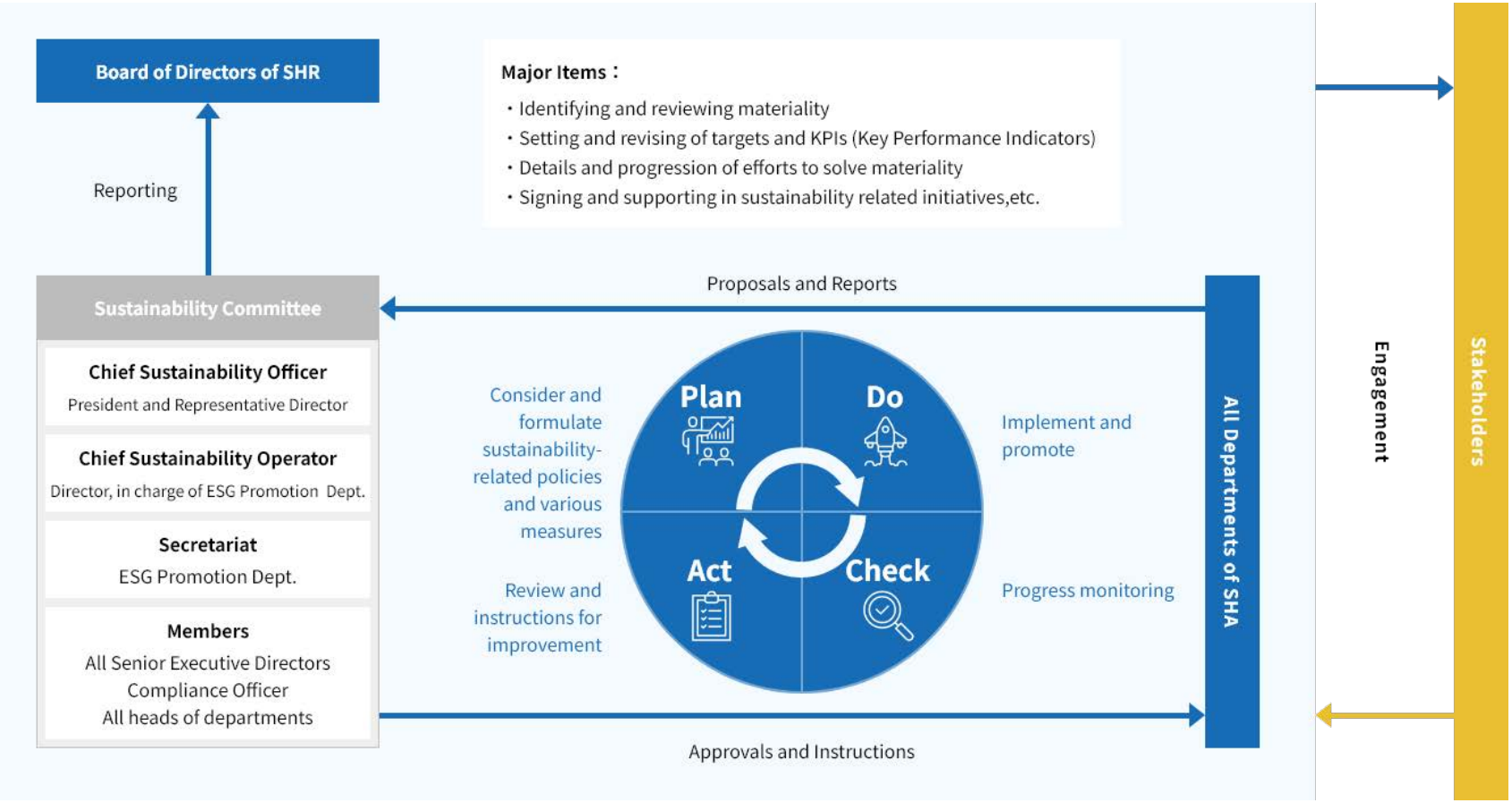
In order to promote environmental and social considerations throughout the supply chain, we seek the understanding and cooperation of property management companies, other business partners, residents, tenant companies and facility users.

9. Disclosing Information and Acquiring External Certifications

We will proactively disclose ESG-related information to our stakeholders.
We will also continue to acquire environmental certification and assessment from external evaluation organizations.

Sustainability Promotion System

SHA has established the Sustainability Committee for the purpose of continuous and organizational implementation of ESG initiatives. With the aim of strengthening the sustainability promotion system, the Committee is composed of the President & Chief Executive Officer as Chief Sustainability Officer, the Director in charge of ESG promotion Department as Chief Sustainability Operator, all Senior Executive Directors, the compliance officer, and all heads of departments of SHA. This Committee sets materiality and target (KPI) and reviews them at least once a year, and develops the system to promote sustainability. Matters deliberated by the Committee are approved and/or instructed, and various actions are taken based on them. The progress of initiatives and the status of engagement with stakeholders are reported regularly to the Committee, and reports are also made to the Board of Directors of SHR as appropriate. The Committee will meet at least once every three months in principle (held nine times in fiscal year 2024.) With the Committee at the core, SHA will work to implement sustainability initiatives across the organization and contribute to the resolution of social issues.

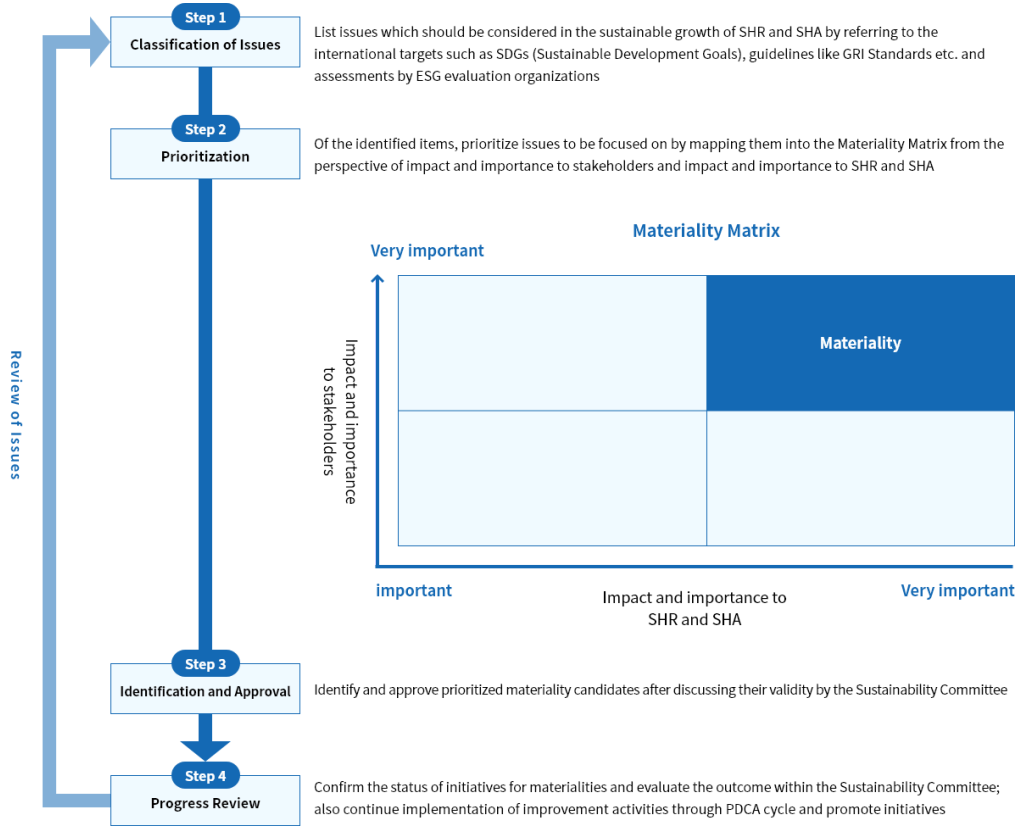


Sustainability Policy / Sustainability Promotion System

Materiality (Important Issues)

Materiality Identification Process

In 2020, SHR has identified our materiality in accordance with the following process, with the aim of promoting more concrete initiatives for sustainability through our business activities. As the environment surrounding stakeholders and SHR is changing, the Sustainability Committee will review the materiality at least once a year even after it has been identified. By pursuing the sustainability of SHR in a manner that meets the demands of society, we will fulfill our responsibilities towards the sustainable growth of both society and SHR.



Materiality

SHR believes that sustainable growth in our business activities is built on a solid foundation of a sustainable society, and recognizes that in order to continue providing "Prime Properties", which SHR focuses on as an investment strategy, it is necessary to carry out initiatives based on the guidelines of solving issues to build a sustainable society through business activities. Based on this recognition, SHR has identified eight materialities (important issues) and set targets (KPIs) as indicators to resolve each of them. In light of the SDGs adopted by the United Nations in 2015, we will pursue mutual sustainability of both society and SHR by promoting efforts to resolve these material issues.

Materiality of SHR

	Materiality and Target（KPI）			Related SDGs
Environment	Promoting Response to Climate Change			7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
	Target (KPI)	Reduce absolute emissions compared to 2023 • Medium term target: Reduce 42% of Scope 1 and Scope 2 emissions by 2030 Reduce 25% of Scope 3 emissions by 2030 • Long term target: Achieve net zero by 2050 Reduce 90% or more of Scope 1, Scope 2, and Scope 3 and neutralize residual emissions	Page linked	
		Reduce 10% energy consumption intensity by 2028 compared to 2018		
		Achieve 70% or more of the portfolio with green lease agreement by 2030	Page linked	
	Conservation of Natural Capital, Coexistence of Humankind and Nature, and Activities for the Resources Environment			15 LIFE ON LAND
	Target (KPI)	Promote greening and manage planting meant to respect biodiversity Obtaining certifications related to biodiversity	Page linked	
		No increasing waste emission intensity compared to 2018	Page linked	
		Reduce 5% water use intensity by 2030 compared to 2018		
	Investing in Real Estate with Excellent Environmental Performance			7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
	Target (KPI)	Maintain 70% or more of the portfolio with green certification	Page linked	
		Acquire and keep owning 10 ZEH properties or more by 2030	Page linked	
		Achieve 50% or more of sustainability finance in interest-bearing debt by 2030	Page linked	

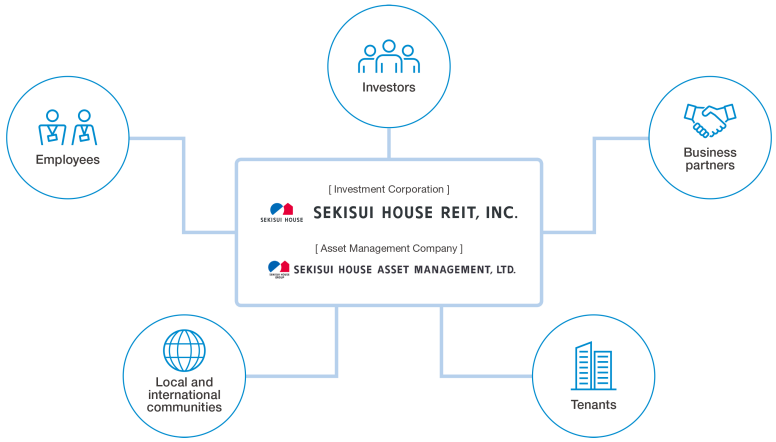
	Materiality and Target（KPI）			Related SDGs
Social	Providing Residents and Tenants with Secure and Comfortable Space that Offers Peace of Mind			
	Target (KPI)	Periodic surveys on resident and tenant satisfaction and promote initiatives to improve satisfaction	Page linked	3 GOOD HEALTH AND WELL-BEING 11 SUSTAINABLE CITIES AND COMMUNITIES
		Promote the ownership of properties that excel in comfort and healthiness, and acquisition of Wellness certifications	Page linked	
		Monitor periodically earthquake and flood damage risks (twice/ year), and promote initiatives to reduce the identified risks	Page linked	
		Monitor periodically ESG initiatives of the supply chain including property management company and promote collaborative initiatives	Page linked	
	Contributing to Society			11 SUSTAINABLE CITIES AND COMMUNITIES 17 PARTNERSHIPS FOR THE GOALS
	Target (KPI)	As a member of society, contributing to greater vitality in the community and countermeasures aimed at preventing damage from natural and other disasters	Page linked	
	Creating a Rewarding Workplace			5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
	Target (KPI)	Percentage of female managers: 10% or more by 2030 Percentage of female employees: 35% or more Average monthly work hours per person: 162 hours or less Take-up rate for male childcare leave: 100% Annual paid leave take-up rate: 70% or more	Page linked	
		Number of annual external training courses attended per person: 3 times or more	Page linked	
		Annual internal training participation rate: 100%		
		Practicing Sekisui House Group Human Rights Policy	Page linked	

	Materiality and Target（KPI）			Related SDGs
Governance	Strengthening Corporate Governance System			
	Target (KPI)	Enhance effectiveness of board of directors of SHR and SHA	Page linked	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
		Secure the independence of the Board of Directors of SHR Percentage of non-interested parties at the Board of Directors of SHR: 75% or more	Page linked	
		Penetration of compliance Conducting compliance training by external experts, etc.（four times/year）participation rate: 100%	Page linked	
		Strengthening internal controls structure Conducting internal audit（twice/year）	Page linked	
		Strengthen risk management system Conducting risk management meeting（twice/year）	Page linked	
	Information Disclosure and Engagement with Stakeholders			17 PARTNERSHIPS FOR THE GOALS
	Target (KPI)	Timely and appropriate disclosure of information and enhanced utility of disclosures	Page linked	
		Building relationships of trust with stakeholders		

Sustainability Policy / Sustainability Promotion System

Stakeholder Engagement

SHR conducts its business activities in the context of its ties with stakeholders. In order to continue as an investment corporation that contributes to society, it is important to accurately understand the demands and expectations of its stakeholders and society, and to respond to them through its business activities. For these reasons, SHR actively discloses ESG-related information in order to gain a better understanding of its initiatives. At the same time, SHR strives to strengthen engagement by utilizing the demands and expectations gained through communication with stakeholders in its business activities.



	Engagement with Stakeholders	Related Links
Investors	• Proactive Information Disclosure and Creation of Communication Tools • Holding Financial Results Briefings and Setting Up IR Meetings with Institutional Investors • Participation in IR Events and Online Seminars	IR Library Engagement with Institutional Investors Engagement with Individual Investors
Business partners	• Supply Chain Management • Monitoring through External Evaluation Organizations	Supply Chain Management Selection and Evaluation of Property Management Companies
Tenants	• Communication through Tenant Satisfaction Surveys • Collaboration Based on Green Lease Agreements	Conducting Tenant Satisfaction Surveys Promotion of Green Leasing
Employees	• Improvement in Human Resource Value • Promoting Human Rights Policies • Promoting Diversity	Practicing Human Capital Management Promoting Human Rights Policies Diversity & Inclusion
Local and international communities	• Contributing to Local Communities • Supporting Initiatives	Contributing to Local Communities Supporting Initiatives / External Evaluations

Sustainability Policy / Sustainability Promotion System

Supporting Initiatives / External Evaluations

SHR and SHA have expressed their commitment to promote ESG initiatives through the signing or supporting of each initiative. In addition, we will analyze the strengths and weaknesses of SHR and SHA through the acquisition of sustainability assessments from external organizations, which will lead to further strengthening of our initiatives.

Signing of the PRI (Principles for Responsible Investment)

Since SHR and SHA have conducted investment management taking ESG into consideration to realize a sustainable society and believe that such management policies share objectives with the PRI (Principles for Responsible Investment) advocating incorporation of ESG issues into investment analysis and decision-making processes, SHA decided to support the basic approaches of the PRI and became a signatory in March 2019.

The Six Principles

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

Signatory of: PRI Principles for Responsible Investment

Assessment result in 2025

In 2025 reporting, SHA acquired "5 stars“ in two categories , the highest rating, on PRI's annual assessment.

Policy Governance and Strategy	★★★★★
Direct - Real estate	★★★★★
Confidence building measures	★★★★☆

(Note) An assessment result is given on a 5-star scale from 1 to 5 stars per module.

Click here for ASSESSMENT REPORT.

Click here PUBLIC TRANSPARENCY REPORT.

Overview of the PRI

The PRI is a set of six principles listed above, established for the financial industry in 2006 under the leadership of the former United Nations Secretary-General, Kofi Annan, together with an international network of investors working to realize said principles.
Signatories to the PRI pursue improvement of investment performance from the long-term perspective for their beneficiaries to further fulfill their fiduciary responsibilities by incorporating ESG issues into investment analysis and decision-making processes.

For details of the PRI, please click here.

Endorsement of Advance

SHA is committed to ensuring that all directors and employees fulfill their responsibilities to respect human rights in accordance with the “Sekisui House Group Human Rights Policy” formulated by Sekisui House. Believing that the objectives of Advance, an initiative that calls for action on human rights and social issues, are in line with the “Sekisui House Group Human Rights Policy”, SHA has signed on as an endorser (Note) in March 2023.

(Note) Endorsers are PRI signatory institutions that publicly endorse Advance by signing the Advance investor statement.



Overview of Advance

Advance is a stewardship initiative where institutional investors work together to take action on human rights and social issues. Investors use their collective influence with companies and other decision makers to drive positive outcomes for workers, communities and the society.

For details on Advance, please click here.

Endorsement of Spring

SHA is striving to conserve biodiversity based on SHR’s Sustainability Policy. Spring is an initiative calling for action to work together to halt and restore the loss of the world’s biodiversity by 2030, and its goal aligns with SHR's and SHA's policy. In December 2024, SHA signed up as an endorser as we believe that the fact of becoming the endorser would further promote SHR and SHA's efforts to conserve biodiversity and contribute to the realization of a sustainable society (Note).

(Note) Endorsers are PRI signatory institutions that publicly endorse Spring by signing the Spring investor statement.

Overview of Spring

Spring is a collaborative stewardship initiative for nature established by PRI and to achieve its goal to bring the positive impacts on nature through investors requesting the companies to act on issues related to natural capital, such as loss of forests and biodiversity and land degradation.

For details on Spring, please click here.

Investor Agenda　Signing of the 2024 Global Investor Statement

SHA has endorsed and signed the Investor Agenda 2024 Global Investor Statement, which encourages governments to implement the policies necessary to limit global temperature rise to 1.5℃ and transition to net zero by 2050 or sooner, as set out in the Investor Agenda.



Click here for the 2024 Global Investor Statement.

Overview of the Investor Agenda

Investor Agenda is an initiative launched by seven major groups working with investors (AIGCC, CDP, Ceres, IGCC, IIGCC, PRI and UNEP FI) to compile investor guidance on tackling the climate crisis and jointly advocate for public policies to accelerate the transition to net zero public policy initiatives.
The 2024 Global Investor Statement was signed by more than 650 investors with assets under management (AUM) of over US$33 trillion, calling for greater action on the climate crisis.

Supporting the Recommendations of the TCFD (Task Force on Climate-related Financial Disclosures)

SHR and SHA recognize that efforts to tackle environmental issues, such as climate change, are one of the key issues in investment management that take into account ESG, and SHA, in July 2020, has declared support for the Recommendations of TCFD, and joined the Japan TCFD Consortium, a body of TCFD supporters in Japan. Based on the TCFD's recommendations, SHA analyzes the risks and opportunities posed by climate change and promotes actions that are consistent with the TCFD framework.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

TCFD Consortium

Overview of TCFD

TCFD refers to the Task Force on Climate-related Financial Disclosures, which was established by the Financial Stability Board at the request of the G20 to consider how to disclose climate-related information and respond to financial institutions. TCFD published its final report in June 2017 to encourage companies to disclose climate-related risks and opportunities.

For details of the TCFD, please click here.
Recommendations of the Task Force on Climate-related Financial Disclosures

Acquisition of Science Based Targets initiative (SBTi) Validation

SHR has obtained SBTi validation for the GHG emissions reduction target which we have set as being a science-based target from SBTi which is an international joint initiative.
The approved GHG emission reduction targets are as follows.

Overall Net-zero Targets Reach net zero by 2050
Near-term Targets : Reduce 42% of Scope 1 and Scope 2 GHG emissions by 2030 from a 2023 base year
Reduce 25% of Scope 3 GHG emissions by 2030 from a 2023 base year
Long-term Targets : Reach net zero GHG emissions across the value chain by 2050
Reduce 90% or more of Scope 1, Scope 2, and Scope 3

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Overview of SBT

SBT is a Science-based target for reducing GHG emissions that is certified by the SBTi, an international joint initiative established in 2015 by CDP, the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). SBT is necessary to align GHG emission reduction targets with the levels required by the Paris Agreement (reduce the increase of global average temperature to 2 ℃ or less and make an effort to keep it to 1.5℃ compared to before the Industrial Revolution).

For details of the SBTi, please click here.

Expressed Support for the UN Global Compact

Sekisui House Group, to which SHA belongs, has clearly stated its commitment to respect human rights in the Sekisui House Group Corporate Code of Conduct and Corporate Ethics Guidelines, which are the foundations of its corporate activities. Further, Sekisui House Group has expressed support for the 10 principles of the UN Global Compact.

WE SUPPORT
UN GLOBAL COMPACT

Joining in 30by30 Alliance for Biodiversity

SHA has supported the aims of the 30by30 Alliance, which was established to achieve the '30by30 Target', one of the global targets for 2030, and has participated in the 30by30 Alliance.

30by30

Overview of 30by30 Alliance for Biodiversity

The '30by30 Target' is one of the global targets for 2030 included in the 'Kunming Montreal Global Biodiversity Framework' adopted at COP15 in December 2022. The target aims to effectively conserve or protect at least 30% of their land and sea as healthy ecosystems by 2030. The 30by30 Alliance is a platform established by companies, local governments and organizations including the Ministry of the Environment in Japan to promote the expansion of protected areas and the certification of areas that have been conserved by business corporations, local governments, citizens and others as OECMs (Note) in order to achieve the '30by30 Target'.

(Note) OECMs (Other Effective area-based Conservation Measures) refer to land where biodiversity is being conserved by local communities, companies and organizations outside of protected areas such as national parks, OECMs are registered in an international database.

For details of the 30by30 Alliance, please click here.

Participation in GRESB Assessment

GRESB Assessment of SHR

In the 2025 GRESB Real Estate Assessment, SHR has received "3 Stars" in "GRESB Rating", which is based on GRESB Overall Score and its quintile position relative to global participants. SHR also has received "Green Star" designation for the ninth consecutive year by achieving high performance both in "Management Component" that evaluates policies and organizational structure for ESG promotion, and "Performance Component" that assesses environmental performance and tenant engagement of owned properties.
Moreover, in the GRESB Public Disclosure (five-level rating from "A" to "E"), which assess the width of ESG information disclosure, SHR has received the highest "A" rating for the sixth consecutive year in recognition of our ESG information disclosure efforts.

GRESB REAL ESTATE ★★★☆☆ 2025

GRESB Public Disclosure 2025

Overview of GRESB

GRESB is an annual benchmark to evaluate environmental, social and governance considerations in the global real estate sector, which was established in 2009 primarily by major European pension fund groups which led the PRI (Principles for Responsible Investment). The characteristic of the GRESB Assessment is that it evaluates sustainability efforts by real estate companies, REITs and funds, not of individual properties.

For details of GRESB Assessment, please click here.

Participation in CDP Climate Change Assessment

CDP Assessment of SHR

SHR participated in the 2025 CDP Climate Change Program and received an "A" score, the highest evaluation, and was selected for the CDP Climate Change "A List" for the second consecutive years.
CDP scores are assigned at eight levels: Leadership (A/A- score), Management(B/B- score), Awareness (C/C score) and Disclosure (D/D- score).
In addition, SHR has been awarded the highest score “A” in the 2024 Supplier Engagement Assessment (SEA), which recognizes companies that have demonstrated outstanding efforts in climate change measures across their entire supply chain, and has been selected on the Supplier Engagement Leaderboard.

Climate CDP A List 2025

Supplier Engagement Leader CDP 2024

Overview of the CDP

CDP is an international environmental NGO founded in the UK in 2000, which operates a global disclosure system for managing environmental impacts. The questionnaire is fully compliant with IFRS S2 standards, and CDP's scores are widely used by domestic and international investors, companies and policy makers in investment and procurement decisions as the global standard for environmental reporting and the largest data set in the world.

For details of the CDP, please click here.

MSCI ESG Rating /Inclusion in the MSCI Japan ESG Select Leaders Index

MSCI ESG Ratings investigate, analyze, and rate the extent to which companies are appropriately managing the risks and opportunities related to ESG and provides a comprehensive corporate ESG rating of seven levels, ranging from “AAA“ to “CCC”. SHR acquired "A" in the rating. In addition, SHR has been included in the "MSCI Japan ESG Select Leaders Index" in 2022. The Index is composed of select companies with high ESG performance from among the companies in the MSCI Japan IMI Index.

MSCI ESG RATINGS A
CCC B BB BBB A AA AAA

2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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Selection as a Constituent of the “Dow Jones Best-in-Class Asia Pacific Index”

Dow Jones Best-in-Class Indices, the index developed by S&P Dow Jones Indices in the US, evaluates company’s corporate sustainability performance from the aspects of “Governance & Economic, Environmental and Social” and selects the leading sustainability-driven companies as the constituent of the indices. Since 2023, SHR has been selected as the constituent of the Dow Jones Best-in-Class Asia Pacific index that is composed of the top 20% from approximately 600 major companies in the Asia-Pacific region.

(Note) In February 2025, the Dow Jones Sustainability Asia Pacific Index has changed its name to the Dow Jones Best-in-Class Asia Pacific Index.

Selection as a Constituent of the “FTSE4Good Index Series”

FTSE4Good Index Series is an index series provided by FTSE Russell, a global index provider designed to measure the performance of companies that demonstrate strong ESG practices, the constituents are regularly reviewed based on highly transparent management methods and clearly defined ESG criteria.
SHR has been selected as a constituent of the Index Series since the 2022 review.

FTSE4Good

For details of FTSE4Good Index Series, please click here.

Sustainalytics ESG Risk Ratings

Sustainalytics ESG Risk Ratings is an ESG Risk Rating provided by Morningstar Sustainalytics to institutional investors to measure a company’s exposure to industry-specific material ESG risks and how well a company is managing those risks. In 2025, SHR was assessed to be at Negligible Risk.

Rated MORNINGSTAR | SUSTAINALYTICS

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Environmental Initiatives

Our Approach to Environmental Considerations, Environmental Performance

Our Approach to Environmental Considerations

In accordance with the following Sustainability Policy, SHR and SHA promote initiatives to address environmental issues and work with stakeholders to reduce environmental impact through business activities.

Sustainability Policy (excerpt)

Responding to Climate Change

We actively and continuously promote the efficient use of energy and aim to achieve net zero greenhouse gas (GHG) emissions, toward the creation of a decarbonized society.
As part of our response to climate change, SHR will also implement measures to raise the awareness of both internal and external stakeholders.

Water and Resource Saving Measures

We will actively contribute to the creation of a recycling-based society by promoting measures and public awareness activities for reducing water use and implementing the three Rs (reduce, reuse and recycle) in relation to resources.

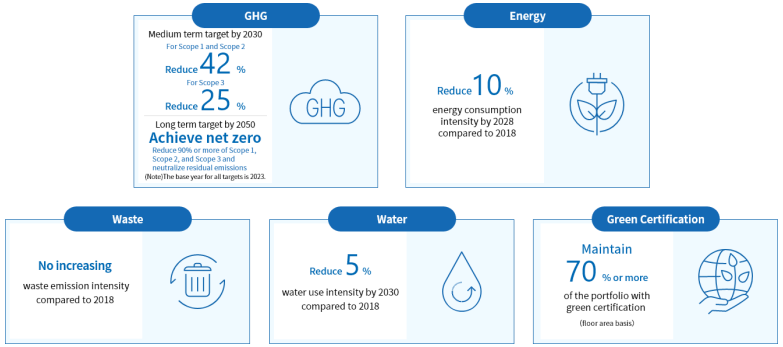
Biodiversity Conservation

In accordance with the *Gohon no Ki* ("five trees") Project promoted by Sekisui House, we aim to realize harmony with nature and the surrounding environment by conducting maintenance and management of planting and other greenery measures, centering on tree species with consideration given to the ecosystem matters.

Click here for the full Sustainability Policy.

Environmental Targets

SHR has set the following environmental targets to resolve materiality. While implementing various measures to achieve the targets and reviewing them as appropriate in consideration of environmental, social, and economic changes, we will contribute to the realization of a sustainable society.



Environmental Management System (EMS)

SHA has established an Environmental Management System (EMS) to address environmental issues specified in the Sustainability Policy. In this system, based on environmental performance data such as CO_2 emissions, energy consumption, water use, and waste emissions, we set environmental targets (Plan), track achievements (Do), budget management and progress reporting (Check), and plan and implement improvement measures (Act). Furthermore, the Sustainability Committee deliberates and provides reports on the contents of each item, and we work to continuously strengthen our initiatives.

Environmental Performance Data

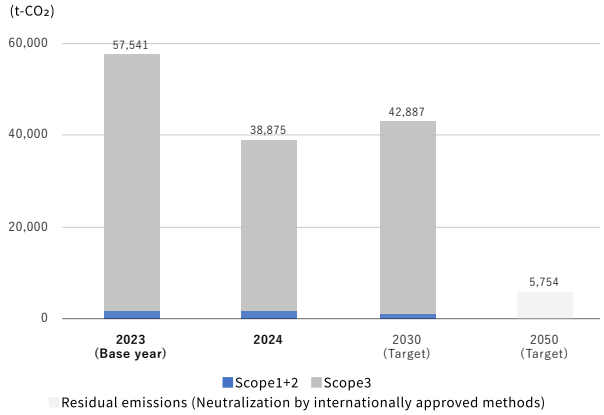
SHR has received third-party assurance for environmental performance data since 2020, and is committed to managing accurate and transparent data.
Click here for detailed data by asset type, other environment-related data, basis of calculation, etc.

GHG Emissions

KPI: By 2030, Reduce 42% of Scope 1 and Scope 2 emissions
Reduce 25% of Scope 3 emissions
By 2050, Achieve net zero
Reduce 90% or more of Scope 1, Scope 2, and Scope 3 and neutralize residual emissions

(Note) The base year for all targets is 2023.

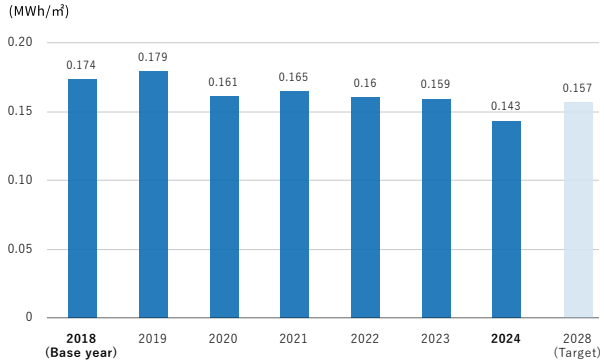
2024 Result
(Scope1+2+3)
vs. base year
-32.4%



Energy Consumption

KPI: Reduce 10% by 2028 compared to 2018

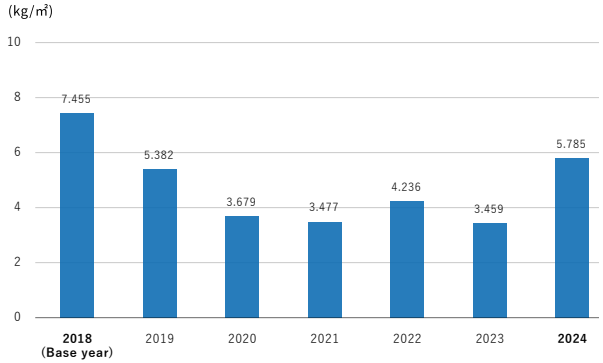
2024 Result
vs. base year
-17.8%



Waste Emission

KPI: No increasing waste emission intensity compared to 2018

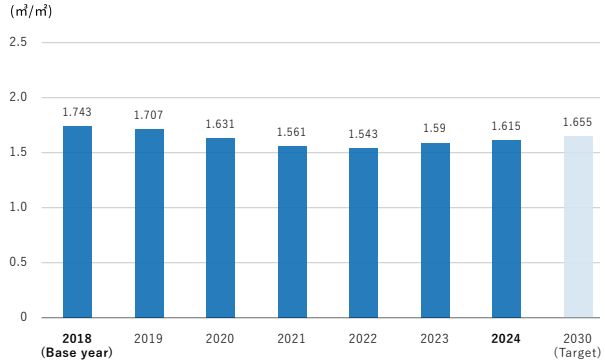
2024 Result
vs. base year
-22.4%



Water Use

KPI: Reduce 5% water use intensity by 2030 compared to 2018

2024 Result
vs. base year
-7.3%



Environmental Initiatives

Measures for Addressing Climate Change

Disclosure Based on TCFD Recommendation

In recent years, the environment, society and corporate activities have been exposed to major risks due to climate change such as global warming. SHR recognizes that resolving environmental issues such as climate change is one of the key issues for us, which aims to provide "bases for sustainable living" and "sustainable bases of operation for business" through ESG-conscious investment management.

Based on the TCFD recommendations, SHA identified and disclosed the risks and the opportunities posed by climate change to the business in 2020, and further analyzed and conducted a scenario analysis in 2021, using future climate projections published by international organizations and other sources as the main source of information. Since 2022, in addition to analyzing the financial impact of the identified risks and opportunities, SHA conducted an analysis using CRREM (Carbon Risk Real Estate Monitor). We will continue to enhance our resilience by enhancing information disclosure and by appropriately identifying and responding to transition and physical risks related to climate change through our initiatives in accordance with the TCFD recommendations, while simultaneously working strategically to create business opportunities.

Governance

SHA has established a Sustainability Committee as the decision-making body for sustainability issues. It meets at least once every three months to define policies, targets, and various measures related to sustainability and to discuss climate change risks (transition risks and physical risks) and material issues in relation to mitigation of and adaptation to climate change.

In 2020, in addition to defining the basic approach and organizational structure for addressing climate change-related issues, the Chief Sustainability Operator was appointed as the Director in charge of climate change, with the President & Chief Executive Officer as the Chief Sustainability Officer, in order to strengthen the promotion of climate change initiatives and clarify its responsibilities. These activities aimed at mitigating and adapting to climate change are reported as appropriate to the President & Chief Executive Officer, the Board of Directors of SHA, and the Board of Directors of SHR.
In 2021, the Sustainability Committee expanded its membership to include the heads of all departments in an effort to raise awareness of sustainability and strengthen the organizational structure for promoting awareness. And in 2022, the “ESG Promotion Department” was established as a department dedicated to overseeing and managing ESG-related operations to strengthen the promotion system for addressing climate change.

Click here for Sustainability Promotion System.

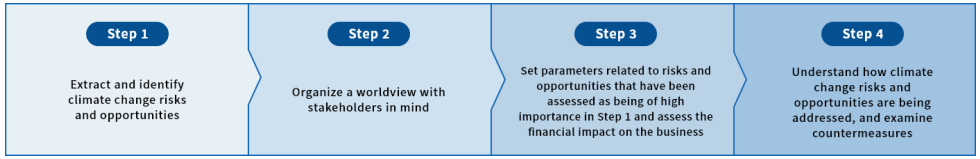
Strategy

Based on the recognition that climate change is an important issue that will have a significant impact on business activities, SHA has set “Promoting Our Response to Climate Change” as a materiality of SHR, and views the various risks and opportunities associated with climate change as one of the key points in its business strategy.

Scenario Analysis

In order to assume various possible future events that could be caused by climate change and to understand the risks and opportunities for the business activities of SHR and assess the financial impact, SHA used scenarios from international organizations and industry groups such as the IPCC (Intergovernmental Panel on Climate Change) and the IEA (International Energy Agency) to conduct an analysis for a world in which temperatures have increased by 4℃ and 1.5℃, respectively. Scenario analysis is conducted using the following process.

The Process for Conducting a Scenario Analysis



Risks and Opportunities Related to Climate Change

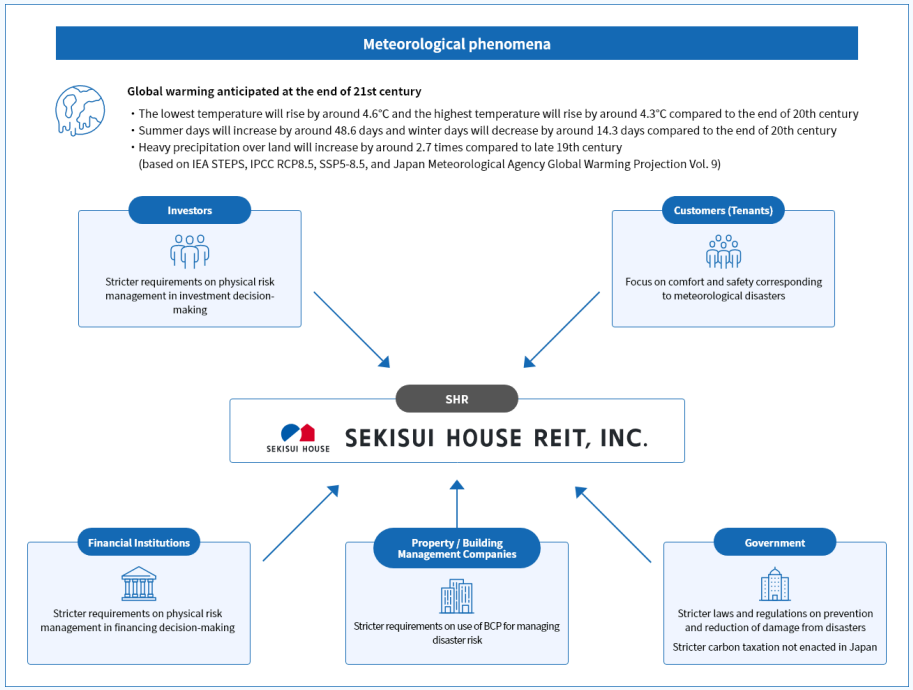
Risks related to climate change include risks associated with the transition to a decarbonized society ("transition risk"), such as tightening of regulations such as carbon tax, falling demand for companies that cannot respond to decarbonization, and a decline in reputation, and risks associated with the physical damage ("physical risk") caused by an increase in natural disasters and extreme weather events due to climate change. At the same time, we can also make assumptions regarding opportunities created by climate change.

Category		Changes in the World due to Climate Change
Transition risks	Policy, and laws and Regulations	Introduction of carbon taxes and emissions trading scheme Tighter energy regulations
	Technology	Innovation and further adoption of renewable energy and energy-saving technologies
	Market	Changes in tenant requirements for the environmental performance of buildings
	Reputation	Changes in evaluation and social values of climate change response
Physical risks	Acute	Intensification of natural disasters such as typhoons, torrential rains, and storm surges
	Chronic	Rise in sea level Changes in cooling equipment demand due to rising temperatures Increase in non-life insurance premiums due to frequent natural disasters
Opportunities	Technology	Innovation of renewable energy and energy-saving technology
	Market	Changes in tenant requirements for the environmental performance of buildings

A Worldview with Stakeholders in Mind by Scenarios

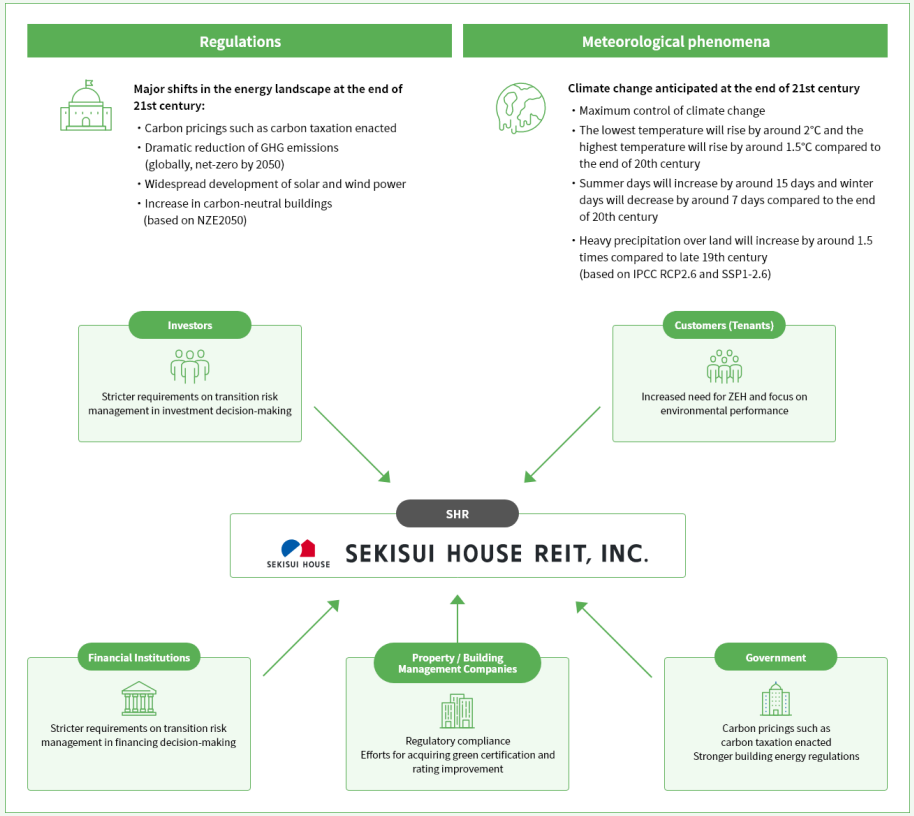
4°C Scenario

The 4°C scenario is a future view that assumes no strict regulations or tax reform aimed at decarbonizing society will be enacted and that GHG emissions will continue to rise. This is a scenario in which the physical risk is relatively high and the transition risk is relatively low.



1.5°C Scenario

The 1.5°C scenario is a future view that assumes regulations and tax policies aimed at decarbonizing society will be enacted. This scenario is characterized by relatively low physical risk and relatively high transition risk.



Assessment of Financial Impact

Under the following assumptions, we set parameters to evaluate the financial impact of risks and opportunities that SHR is expected to face, and calculate the impact by taking into account differences in parameters under each scenario. Furthermore, climate change risks are highly uncertain with respect to the timing and the scale of the risks that materialize, and it is extremely difficult to predict their financial impact. The analysis places certain assumptions on the subject of the analysis, socioeconomic changes, and anticipated natural disasters, and does not take into account the probability that the identified risks/opportunities will be realized. Therefore, analysis methods will continue to be reviewed in the future in light of changes in the external environment.

Subject of Analysis	General business in real estate investment management and funding (Note) Overseas properties are excluded from the calculation of the financial impact amount.	
Anticipated Periods	Medium term : Until 2030 Long term : Until 2050	
Category	Transition risks	Physical risks
Referenced Scenarios	4°C scenario : IEA World Energy Outlook 2020 STEPS 1.5°C scenario : NZE2050	4°C scenario : IPCC RCP8.5 1.5°C scenario : IPCC RCP2.6

4°C Scenario

Classification		Risk and opportunity factors, and potential financial impact	Period anticipated	Financial implications	Amount of financial implications(Note)	Countermeasures	
Physical risks	Acute	Reduced rents due to inability to operate businesses due to flooding damage caused by typhoons, torrential rains, etc.	Medium and long term	M	(0.4) billion yen	Appropriate response based on monitoring of flooding risk Implement measures such as stocking emergency power supplies and install tide and water gate barriers Take out insurance	Identify high-risk properties by quantitively identifying physical risks and dispose of such properties as needed Incorporate quantitative physical-risk information into pre-acquisition property evaluations
		Increase in repair costs due to flooding damage	Medium and long term	M	(0.4) billion yen		
	Chronic	Increase in electricity costs due to increased air conditioning operation as a result of chronically rising temperatures	Medium and long term	S	(0.01) billion yen	Monitor changes in usage associated with weather and temperature change Optimize HVAC operation through high-efficiency air-conditioning equipment and building automation systems (BAS), etc. Thorough inspection of HVAC equipment for deterioration due to increased operation	
Opportunities	Technology	Reduction in electricity charges by improving the environmental performance of owned properties	Medium and long term	S	0.1 billion yen	Collect information on new technologies and services and install them to portfolio Convert owned properties to ZEH properties	

1.5℃ Scenario

Classification		Risk and opportunity factors, and potential financial impact	Period anticipated	Financial implications	Amount of financial implications(Note)	Countermeasures	
Transition Risks	Policies, laws and regulations	Increase in operational costs due to the introduction of a carbon tax and expansion of emissions trading	Medium and long term	S	(0.1) billion yen	Set reduction targets for GHG emissions and disclose progress against targets Renovate owned properties for improved energy-saving performance Procure renewable energy Increase in investment ratio in owned properties with outstanding environmental performance by reallocating portfolio Acquire ZEH properties	
		Increase in property renovation costs or fines as energy regulations are tightened	Medium and long term	M	(0.7) billion yen		
	Technology	Increase in the cost of introducing renewable energy and energy-saving technologies	Medium and long term	S	(0.05) billion yen	Collect information on new technologies and services and install them to portfolio Convert owned properties to ZEH properties	
	Market	Rising financing costs due to perceived inadequacy of response to climate change	Medium and long term	S	(0.05) billion yen	Improve investor valuations by strengthening information disclosure Acquire green certifications Promote green financing	
	Reputation	Decreased competitiveness and rent income due to poor environmental performance of owned properties	Medium to long term	L	(1.2 to 1.4) billion yen	Identify needs through tenant satisfaction surveys, etc., and conduct energy-saving renovations Acquire ZEH properties Acquire green certifications	
Physical risks	Acute	Reduced rents due to inability to operate businesses due to flooding damage caused by typhoons, torrential rains, etc.	Medium and long term	M	(0.2) billion yen	Appropriate response based on monitoring of flooding risk Implement measures such as stocking emergency power supplies and install tide and water gate barriers Take out insurance	Identify high-risk properties by quantitively identifying physical risks and dispose of such properties as needed Incorporate quantitative physical-risk information into pre-acquisition property evaluations
		Increase in repair costs due to flooding damage	Medium and long term	M	(0.2) billion yen		
	Chronic	Increase in electricity costs due to increased air conditioning operation as a result of chronically rising temperatures	Medium and long term	S	(0.01) billion yen	Monitor changes in usage associated with weather and temperature change Optimize HVAC operation through high-efficiency air-conditioning equipment and building automation systems (BAS), etc. Thorough inspection of HVAC equipment for deterioration due to increased operation	

Classification		Risk and opportunity factors, and potential financial impact	Period anticipated	Financial implications	Amount of financial implications(Note)	Countermeasures
Opportunities	Technology	Reduction in electricity charges by improving the environmental performance of owned properties	Medium to long term	M	0.15 to 0.2 billion yen	Collect information on new technologies and services and install them to portfolio Convert owned properties to ZEH properties
	Market	Rise in occupancy rates and rents of owned properties with outstanding environmental performance	Medium to long term	L	1.2 to 1.4 billion yen	Identify needs through tenant satisfaction surveys, etc., and conduct energy-saving renovations Acquire ZEH properties Acquire green certifications

(Note) The amount of financial implications is the annual implications estimated by SHA based on the actual performance of SHR and other factors, and with reference to various parameters based on scenarios presented by international organizations, etc. The accuracy of the figures is not guaranteed.

Analysis Results

Under the 4℃ scenario, no strict regulations or tax reform aimed at shifting to a decarbonized society are enacted, causing GHG emissions to continue rising. Physical risks due to changes in weather patterns such as intensifying weather disasters and chronic temperature increases are unavoidable. As a result, rent for owned properties are expected to decrease, while repair costs and electricity charges increase. SHA is aware of the risk that flooding damage to owned properties due to typhoons and heavy torrential rain, etc., could affect earnings. SHR owns 124 properties in Japan (as of March 2024), of which 58 properties are recognized as being at risk of flooding damage due to river flooding, etc., based on hazard maps and other survey data. Properties that are expected to suffer large amounts of damage are covered by insurance for more than the estimated amount. In such cases, there is also a risk that continuation of business operations will become impossible due to flooding damage, and rent income will decline. We are therefore seeking to reduce risks by taking out insurance to compensate for lost profits (indirect damage), the financial impact of which is calculated to be around 400 million yen. While these damages are calculated based on the assumption that similar damage occurs simultaneously in all areas where owned properties are located, we believe that the risk of such damage occurring simultaneously is low due to the dispersed location of properties owned by SHR.

Under the 1.5℃ scenario, we expect to be affected by transition risks, such as tightening of regulations aimed at curbing GHG emissions toward the realization of a decarbonized society, and changes in property selection preferences due to increased environmental awareness among tenants. To respond to these risks, SHA calculates the impact of the introduction of a carbon tax on operating costs, and the impact is 100 million yen. SHR is also working to reduce GHG emissions in its portfolio and obtain green certification for owned properties. We have calculated the impact of the response to these restrictions at around 700 million yen, in anticipation of further tightening of environmental regulations such as energy-saving standards. With regard to the impact of changes in preference of properties by tenants, we have calculated that the impact on rent income if the acquisition of these properties does not proceed will be a decrease of up to 1.4 billion yen, while the effect on rent income if the acquisition proceeds will be an increase of up to 1.4 billion yen, assuming that the demand for properties with high environmental performance - such as ZEH - will increase.

SHA also conducted an assessment of financial impact in 2025 for overseas real estate located in the United States. Risks specific to the United States include regulatory risks such as BEPS (Building Energy/Emissions Performance Standard) and physical risks like wildfires and hurricanes. Regarding regulations, building owners are required to report GHG emissions from buildings. The risks include potential fines if standards are not met and increased costs for energy-saving renovations to comply with the standards. For the two properties SHR owns in the United States, we assessed the likelihood of exceeding these standards as low, and the financial impact as small.
Regarding physical risks, we also assessed the financial impact as small, as the properties are not located near large forest areas and are not in hurricane-prone zones.

In anticipation of the intensification of weather disasters indicated by the 4℃ scenario, SHR invests mainly in properties that are resistant to risks such as flooding in terms of location and specifications, and with high environmental performance. Additionally, in order to respond to transition risks and maintain a competitive advantage in anticipation of the transition to a low-carbon society indicated by the 1.5℃ scenario, we will work to address individual risks, by working to further reduce GHG emissions in our portfolio, acquire green certification, and actively investing in ZEH properties developed by Sekisui House. In this way, SHR is engaged in active efforts to respond to individual risks. As a result of these efforts, we believe that the impact of these risks on our business will be limited, and that these initiatives will lead to business opportunities for value creation.

As part of our further responses, since 2022, we have also been conducting transition risk assessment analysis using CRREM (Carbon Risk Real Estate Monitor). Going forward, SHR will continue to strategically address climate change, and work to reduce climate change risks and maximize opportunities.

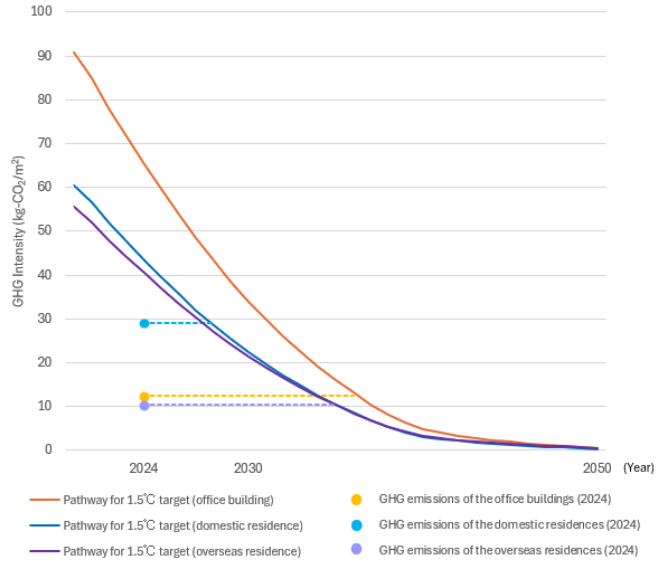
Analysis According to CRREM

Overview of CRREM

CRREM (Carbon Risk Real Estate Monitor) calculates and publishes GHG emissions pathways (carbon reduction pathways) up to 2050 consistent with the 2°C and 1.5°C targets of the Paris Agreement for each use of real estate in a total of 44 countries (as of November 2025) in Europe, North America and the Asia-Pacific region including Japan. This tool is expected to be utilized for operational improvement by comparing the property data analyzed and pathways to calculate misalignment year and carbon costs for each property, and to grasp the scale of renovation required to address these issues.

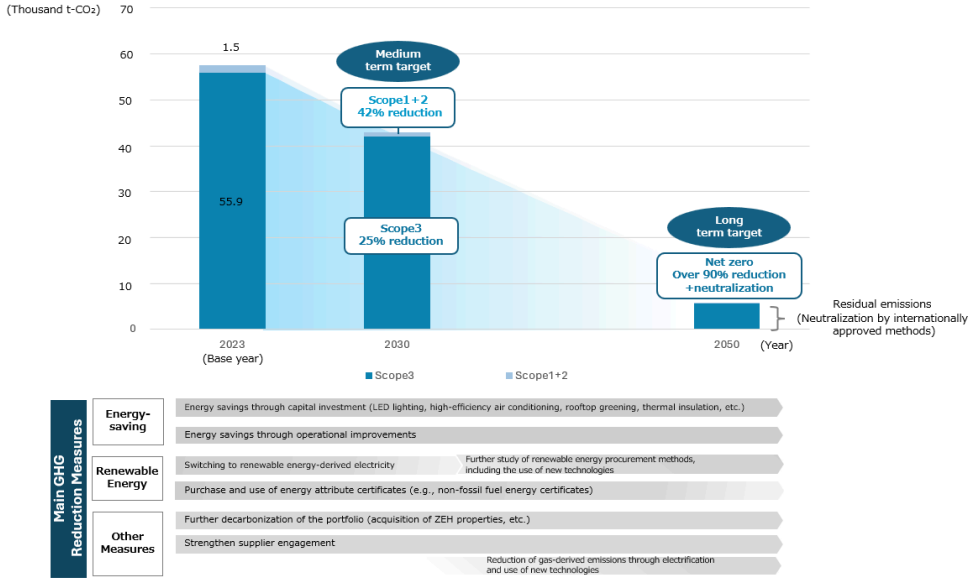
CRREM Pathway Transition

SHA analyzes the potential transition risk in the portfolio by comparing the 1.5℃ pathway (Global Pathways v2.04) for each use of real estate with the actual GHG emissions (2024) in SHR.



Roadmap to Achieve Net Zero

Toward the long term target of "Achieve net zero by 2050", SHR will reduce Scope 1 and Scope 2 emissions from SHR's portfolio by 42% and Scope 3 by 25% based on absolute emissions by 2030 with measures such as energy savings through capital investment and operational improvements etc.
Furthermore, toward 2050, we aim to reduce 90% or more of GHG emissions by strengthening engagement with suppliers and promoting measures to reduce GHG emissions through the use of new technologies, etc. We will also neutralize residual emissions to achieve net zero emissions.

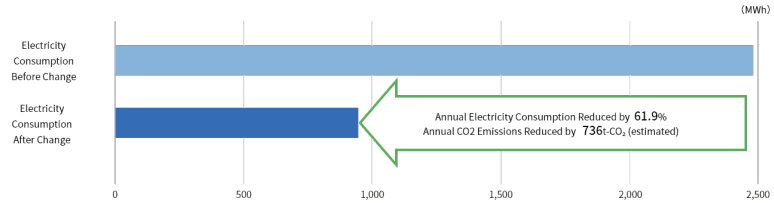


Initiatives to Achieve Net Zero

Introduction of Environmentally Friendly Facilities

SHR promotes the changeover to LED lighting in common areas of residences. As of the end of October 2025, changes have been made to 71 of owned properties, and it is expected that the annual electricity usage will be reduced by 61.9% and the annual CO_2 emissions will be reduced by 736 tons with the changes thus far.

Effect of the Change to LED Lighting (Note1) (Note2)



(Note 1) The figures are based on the owned properties as of the time of aggregation and the properties that have already been disposed are excluded.

(Note 2) The figures for expected reduction are estimated by SHA based on materials provided by the replacement contractor etc. There is no guarantee that the expected reductions will be realized.

In addition to reducing emissions from owned properties, such as by installing solar panels and Low-e double glazing with thermal shielding and thermal insulation capabilities and energy-saving operation through installation of remote control system in snow melting equipment, we also strive to reduce our environmental impact by installing electric vehicle chargers etc.

Solar Power Generation Panels



Prime Maison EGOTANOMORI

Solar Power Generation Panels



Prime Maison Gotenyama East

Low-e Double Grazed Windows



Hommachi Minami Garden City

Electric Vehicle Chargers

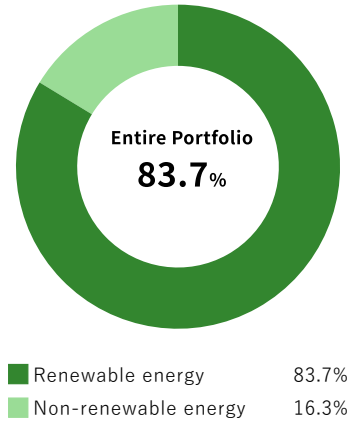


Prime Maison EGOTANOMORI

Introduction of Renewable Energy-Derived Electricity

SHR promotes the introduction of renewable energy-derived electricity in owned properties by switching the contracts for power supply to electricity plans that eliminate CO_2 emissions to virtually zero. SHR has switched the contract for power supply to “Sekisui House Owner Denki (Note) " for "Hirokoji Garden Avenue", resulting in CO_2 emissions from electricity to be virtually zero. SHR introduced virtual renewable energy through the purchase of FIT non-fossil fuel energy certificates with tracking at the Non-fossil Fuel Energy Value Trading Market of the Japan Electric Power Exchange via a broker.

Percentage of Renewable Energy-Derived Electricity (Note 2)
(As of December 31, 2024)



(Note 1) "Sekisui House Owner Denki" is a service in which the power supply company purchases surplus electricity from solar power generation from owners of houses built by Sekisui House. This surplus electricity is purchased at a stable price even after the expiration of the feed-in tariff (FIT) system and sold to Sekisui House and others.

(Note 2) This figure is the percentage of renewable energy-derived electricity consumption in the common areas of properties in SHR's portfolio over which SHR has energy management authority. The calculation includes the amount of electricity used that is virtually renewable energy-derived due to the purchase of FIT non-fossil fuel energy certificates with tracking.

Implementation of Rooftop Insulation

SHR has implemented rooftop insulation work using thermal barrier sheets and heat insulating paints, etc. during large-scale repair work to achieve heat shielding effects, etc.

Acquisition of ZEH Properties

To promote the decarbonization of the portfolio, SHR has set a KPI "Acquire and keep owning 10 ZEH properties or more by 2030" and is promoting the acquisition of ZEH properties.
For details, Please click here.

Introduction of Internal Carbon Pricing

SHR has introduced the internal carbon price with the aim of further promoting investment in decarbonization. The price is set at 10,000 yen/t-CO_2. When GHG emission reductions are expected through the implementation of energy-saving renovation work, the internal carbon price is applied to the investment amount, and this is used as one of the investment decision indicators.

Grasping Environmental Data of Exclusive Areas

The majority of GHG emissions from SHR's properties are from the exclusive areas (Scope 3). In general, each resident in residential properties have a direct contract with the electricity and gas companies to receive their own supply, making it difficult for the owner to grasp the data for the exclusive areas. However, with the recognition that it is essential to grasp the GHG emissions from the exclusive areas in order to achieve net zero, SHR is working to grasp the data by installing clamp meters that can measure the electricity usage in the tenants' exclusive areas and purchasing data from gas companies, and as a result, the data coverage for GHG has greatly improved.

Clamp Meters



Strengthening Relations with Property Management Companies

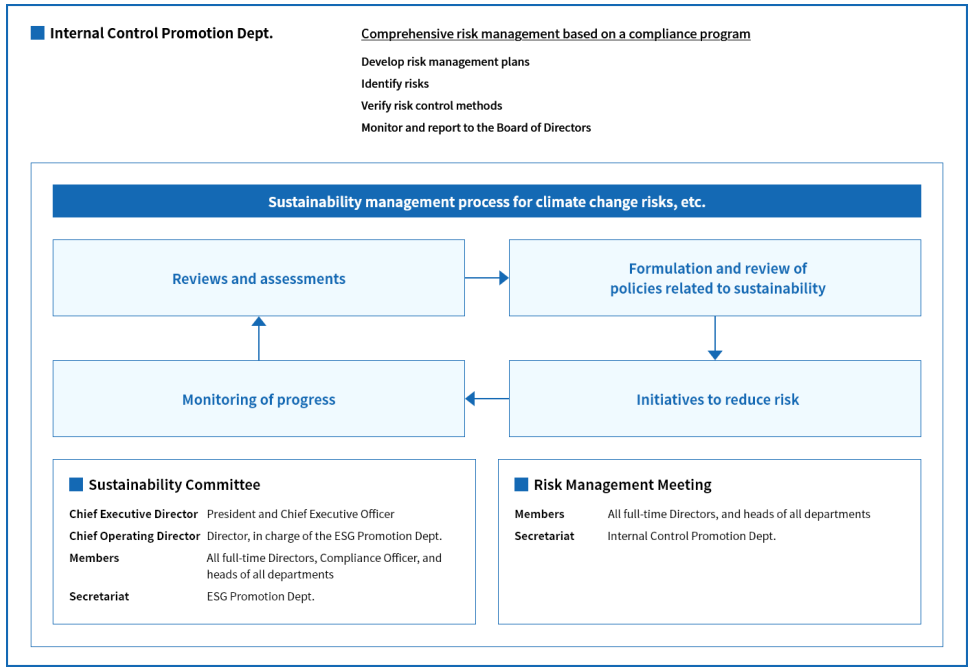
SHR is strengthening its relationship with property management companies and sharing ideas on energy-saving plans for owned properties. For office buildings, we also share the results of the CO_2 emissions reduction potential diagnoses conducted by SHR with property management companies and work together to reduce environmental impact through measures such as operational improvements based on discussions.

Promoting Green Finance

SHR procures funds through green finance in order to further promote investment management with considerations given to ESG and strengthen its financial base.
For details, Please click here.

Risk Management

SHA has established an integrated risk management system for the purpose of accurately identifying various risks inherent in the execution of our operations, managing such risks appropriately, preventing risks from materializing, and minimizing losses when risks occur. In order to properly carry out organizational risk management, the Chief Manager of the Internal Control Promotion Department takes care of risk management as the chief supervisor, the head of each department is its own department's responsible for each risk management, and the Internal Control Promotion Department is in charge of promoting risk management. Every business year, the Internal Control Promotion Department formulates a risk management plan for the following fiscal year, consisting of annual policies, priority management risks, and receives approval from the Board of Directors. The Internal Control Promotion Department also holds risk management meetings every six months, monitors the progress of the risk management plan, including climate-related risks, and reports the details to the Board of Directors. Under such risk management system, with respect to climate change, the Sustainability Committee of SHA continuously identifies and assesses climate change risks and opportunities that may affect SHR's operations, and updates its measures as deemed necessary by the President & Chief Executive Officer, who is also the Chief Executive Director of the Sustainability Committee. We clarify the methods for managing climate change risks and opportunities, and as part of our integrated risk management process, promote management of climate change risks/opportunities and initiatives related to resilience.



Click here for Risk Management System.

Indicators and Targets

SHR recognizes that solving environmental challenges, such as climate change, is one of the key issues for the sustainable growth of our business. We have identified “Promoting response to climate change” and “Investing in real estate with excellent environmental performance” as materialities and have established the following metrics and targets for use in identifying, evaluating, and managing climate change risks and opportunities. In addition, we have obtained the SBTi validation for GHG emission reduction target.
For details of the targets that have obtained SBTi validation, please click here.

■ GHG Emissions Reduction Target

Reduce absolute emissions compared to 2023

- Medium term target: Reduce 42% of Scope 1 and Scope 2 emissions by 2030
  Reduce 25% of Scope 3 emissions by 2030
- Long term target: Achieve net zero by 2050
  Reduce 90% or more of Scope 1, Scope 2, and Scope 3 and neutralize residual emissions

■ Energy Consumption Reduction Target

- Reduce 10% energy consumption intensity by 2028 compared to 2018

■ Green Certification Target

- Maintain 70% or more of the portfolio with green certification

Environmental Initiatives

Conservation of Natural Capital, Coexistence of Humankind and Nature, and Initiatives for Environmental Resources

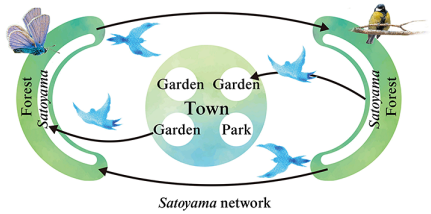
Biodiversity Conservation

Our Approach to Biodiversity

SHR and SHA have committed to "Biodiversity Conservation" in Sustainability Policy, and are working with the sponsor, Sekisui House, and property management companies to promote initiatives. SHA has signed up as an endorser of Spring and also participated in the 30by30 Alliance for Biodiversity. We will continue to actively promote initiatives for the coexistence of humankind and nature etc.
For details of Spring, please click here.
For details of the 30by30 Alliance for Biodiversity, please click here.

The *Gohon no Ki* ("five trees") Project

In accordance with the *Gohon no Ki* ("five trees") Project promoted by Sekisui House, SHR carries out maintenance and management of planting, etc. based on tree species that take the ecosystem into consideration.

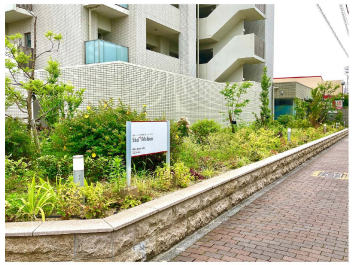


Satoyama network

The *Gohon no Ki* Project is based on the approach that "three trees are for birds, two trees are for butterflies, and all are local native tree species." The project proposes the use of native tree species that are beneficial to birds and butterflies in gardens. In addition to biodiversity conservation, we are making proposals that encompass the benefits to residents of garden visits by fauna and the other effects of garden trees. We seek to maintain and revive the ecosystem network (nature positive) by increasing the amount of richly green space in urban areas and by leveraging residential gardens, created under the *Gohon no Ki* Project, to support the habitat and activities of the fauna. Ecosystem networks enrich biodiversity at the regional and national levels, creating places where both wildlife and residents can simultaneously enjoy the richness of nature.

Examples of implementation

We are considering the biodiversity conservation, and are implementing tree planting and replanting programs for some residences. When replanting at some properties, in collaboration with Sekisui House, we planted trees in accordance with the *Gohon no Ki* ("five trees") Project after confirming the details of the replanting, such as the selection of native tree species and whether there are non-native species that fall under the non-native species that require comprehensive measures. And the tree plates installed have QR codes on them, allowing visitors to check detailed information about the tree species.


Esty Maison Kayaba (Example of replanting)


Tree Plate

Prevention of Pollution Risks

Upon acquiring the properties, SHA establishes investigation items such as the use history, use status and storage status of asbestos, PCBs, and other hazardous substances, geological status, land use history, and soil contamination status in the due diligence standards, sufficiently conducts investigations to examine the appropriateness of the investment targets. While investment opportunities are limited, we conduct surveys of properties developed on brownfield and greenfield sites in accordance with the same criteria, and will not invest in properties developed on such sites if there is a risk of significant impact on the natural environment. Even after the acquisition of properties, we maintain legal compliance by investigating whether there are any violations of environmental laws and regulations in owned properties through continuous acquisition of engineering reports and other means.

Water Conservation Initiatives

In domestic and overseas residences, we have installed flow control valves to prevent excessive water flow and shower heads, toilets, etc. equipped with water-saving functions.



Flow Control Valve and Water-Saving Kitchen Faucet



Water-Saving Shower

In addition, we utilize stored rainwater for watering plants and irrigation through sprinkler faucets and planters, as well as for flushing toilets in office buildings. We are promoting water conservation and the effective use of water resources.

Sprinkler Faucet



Prime Maison Asakusa EAST

Planter



The Ivey on Boren

Appropriate Waste Management

The Sekisui House Group utilizes the Resource Recycling Centers as part of its initiatives to realize a circular economy. The Resource Recycling Centers have been in operation at the production facilities across Japan since 2003, serve as the heart of Sekisui House's zero emissions efforts. The centers manage processes from allocating waste collection vehicles to supervising outsourced recycling companies. Also at SHR, in part of residences managed by Sekisui House Sha Maison PM Companies, waste materials, which are generated during repair work when vacanting, are transported to the centers for recycling.



Sekisui House's Resource Recycling Centers

In office buildings, the Osaka City Environment Bureau awarded Hommachi Minami Garden City a "Mark of Excellent Building for Waste Reduction" and HK Yodoyabashi Garden Avenue a "Mark of Excellence for Waste Reduction" in recognition of our excellent performance in promoting the reduction and proper disposal of commercial waste.
Furthermore, in order to further reduce waste emissions, we have posted awareness-raising posters for the three Rs (Reduce, Reuse, Recycle) aimed at reducing waste emissions. We will continue to strive for proper waste management through the operation of owned properties.



Excellent building mark for waste reduction
Hommachi Minami Garden City



Mark of excellence for waste reduction
HK Yodoyabashi Garden Avenue

Urban Revitalization / Urban Redevelopment

Leveraging our decades of expertise in housing construction, Sekisui House is implementing urban redevelopment that goes beyond mere scrap-and-build. Through the urban redevelopment of rental and for-sale condominiums, offices, hotels, commercial facilities, and complexes incorporating these property types, Sekisui House aims to realize buildings that are accommodating to all and will be passed on to subsequent generations, thereby creating value for society as a whole with focus on people, communities and the future. When planning urban redevelopment projects, Sekisui House always considers the impact of their operations on the environment and community, referencing relevant laws, regulations and internal rules. SHR, in cooperation with Sekisui House, aims to provide high-quality social capital and to create a sustainable city through the acquisition of environmentally friendly properties developed by Sekisui House.

”City Ridge”, a Redevelopment Project by Sekisui House

City Ridge, which SHR has owned through overseas SPCs, is a project in Washington, D.C., in which Sekisui House redeveloped a historic building while preserving it as listed on the United States’ National Register of Historic Places. It was built in 1956 as the head office of the Equitable Life Insurance Company, and is one of the masterpieces of Leon Chatelain, a former president of the American Institute of Architects. Since 1977, it has served as the headquarters of Fannie Mae (the Federal National Mortgage Association).
The project includes a 690-unit apartment complex, a supermarket, a fitness club and a kinder care center that serve local residents and provide a rich streetscape in harmony with the historic community landscape. It is also the first property in Washington, D.C. to receive LEED-ND Gold Certification, a green certification that certifies neighborhood development, for an entire community.



For overview of the property, please click here.

“Gotenyama Project”, a Large-Scale Complex Development by Sekisui House

“Prime Maison Gotenyama East”, “Prime Maison Gotenyama West”, and “Gotenyama SH Building” owned by SHR are properties planned and developed under Sekisui House’s large-scale complex development “Gotenyama Project”. It is not just a large-scale development that advocates only a sense of scale, but is based on the revitalization of the original landscape of "Gotenyama", which is rich in nature, and creating an expressive and intimate human-scale townscape. In addition, the project focuses on environmental considerations and actively uses natural energy and adopts advanced energy-saving technologies.
In the “Gotenyama Project”, more than 40% of the total development area is greened through exterior planting and rooftop greening. Based on Sekisui House’s proprietary *Gohon no Ki* Project, which takes into account the ecosystem of Japan’s original “Satoyama” landscape, a green network that is integrated with the greenery in the surrounding area is created through preservation of existing trees and planting over 26.4 thousand trees, mainly indigenous species.





＜“Gotenyama Project” Overview＞

Location	6-7-29 Kitashinagawa, Shinagawa-ku, Tokyo
Site area	Approx. 28,000㎡ (Total of four sites)
Overview of the buildings	For details of each property, please refer to the following.

Prime Maison Gotenyama East
Prime Maison Gotenyama West
Gotenyama SH Building

＜Major Awards Granted to the Project＞

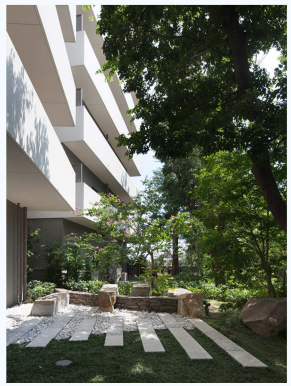
February 2012
Sponsored by Shinagawa Ward, Tokyo
Greening Grand Prize at the Green Honoring System

September 2012
Sponsored by Organization for Landscape and Urban Green Infrastructure
Minister of Land, Infrastructure, Transport and Tourism Award in the Rooftop Greening Category at the “Rooftop / Wall / Special Greening Technology Contest”

October 2012
Sponsored by Organization for Landscape and Urban Green Infrastructure
Urban Greenery Organization Chairman’s Award in the Green Community Development Category at the Urban Green City Award

"*EGOTANOMORI* Project", a large-Scale Town Development

"Prime Maison *EGOTANOMORI*" owned by SHR is a property planned and developed by Sekisui House through the "*EGOTANOMORI* Project", a large-scale urban development project carried out on land owned by the Urban Renaissance Agency. The property consists of five different buildings: Prime Maison EGOTANOMORI EAST/WEST (rental condominiums for families), MAST ONE EGOTANOMORI (a rental condominium for students and single-persons), GRAND MAST EGOTANOMORI (serviced housing for the elderly), and NICHII HOME Egotanomori (a paid nursing home with long term care). The area where this property is located is blessed with a rich natural environment and has been designated as a wide-area evacuation site in the Tokyo Metropolis. In the Nakano City urban planning master plan, the area is considered to have sufficient evacuation routes and an environment that is harmonious with the abundant greenery in the surrounding area, and is positioned to promote the supply of good housing complexes, etc. In addition, the community was developed under the concept of creating a sustainable community nurtured by multiple generations in order to take advantage of the many schools, medical facilities, and facilities for the elderly in the area. We aim to develop a community that regenerates as an area where diverse generations live together, including students, young family households starting to raise children, and elderly people who want a safe and comfortable life.







＜"*EGOTANOMORI* Project" Overview＞

Location	3-14-1~5 Egota, Nakano-ku, Tokyo
Site area	Approx. 39,500㎡
Overview of the buildings	For details of the property, please refer to the following.

Prime Maison EGOTANOMORI

＜Major Awards Granted to the Project＞

May 2019

Urban Landscape Award sponsored by the "Urban Landscape Day" Executive Committee
Awarded the "Urban Landscape Day" Executive Committee Chairman's Award in the Urban Space category

October 2019

Green City Award sponsored by the Organization for Landscape and Urban Green Infrastructure

Awarded the Minister of Land, Infrastructure, Transport and Tourism Award in the Green Business Activities category

街に、ルネッサンス UR UR都市機構

The land for this project was provided by the Urban Renaissance Agency as a site for rental condominiums and other facilities, taking advantage of the "rich natural environment" and developing roads and parks with the aim of "ensuring disaster prevention functions", "creating a community with excellent health and medical care", and "creating a community where a variety of households, mainly families, can continue to live".

Environmental Initiatives

Investing in Real Estate with Excellent Environmental Performance

Approach to the Acquisition of Green Certifications

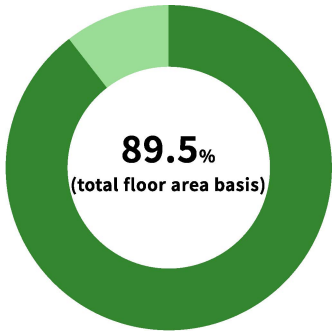
SHR invests and manages real estate with excellent environmental performance, and is actively acquiring green certification to evaluate the environmental performance of its properties. Through these certifications, SHR objectively assesses the environmental performance and refers to such assessment for improvement.

In addition, SHR has set a target (KPI) for the percentage of green certifications obtained.

Green Certification

KPI: Percentage of portfolio with green certification Maintain 70% or more

Percentage of certified assets (As of December 15, 2025)



(Note 1) Green certifications refer to Certification for CASBEE for Real Estate, LEED and BELS.

(Note 2) In case the property contains multiple uses and only a specific use is certified, the percentage of portfolio with green certification is calculated based on the total floor area of the entire property, in principle.

(Note 3) The property acquired multiple certifications is calculated as one property.

Status of Acquisition of Green Certifications

(As of December 15, 2025)

	Number of Certified Properties	Number of Properties by Certification Rank	
Certification for CASBEE for Real Estate	108	S	35
		A	71
		B+	2
LEED	2	GOLD	2
BELS	3	★★★★★	2
		★★	1

Click here for status of acquisition of green certifications by property.

Overview of Green Certifications

Certification for CASBEE for Real Estate

CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a system that comprehensively assesses the quality of a building, evaluating features such as interior comfort and consideration for the surrounding scenery, as well as its environmental friendliness such as its use of materials and equipment that save energy or achieve low environmental impact. CASBEE for Real Estate Certification was developed with the aim of making use of the results of the environmental assessment of buildings in real estate evaluation. It scores buildings under each of the evaluation items in five categories, comprising 1. Energy & Greenhouse Gases, 2. Water, 3. Use of Resources & Safety, 4. Biodiversity & Sustainable Site, and 5. Indoor Environment. Based on the scores, the evaluation results are given one of four ranks: Rank S, Rank A, Rank B+, and Rank B.

For details of Certification for CASBEE for Real Estate, please click here.

LEED

LEED (Leadership in Energy & Environmental Design) is a system for evaluating the overall environmental performance of buildings, developed and operated by the USGBC (U.S. Green Building Council), a US non-profit organisation, and examined by the GBCI (Green Business Certification Inc.). For each of the five certification systems, there are four levels of assessment: PLATINUM, GOLD, SILVER and CERTIFIED (standard certification).

For details of LEED, please click here.

BELS

BELS(Building-Housing Energy-efficiency Labeling System) is a system whereby third-party organisations assess and indicate the energy-saving performance of buildings, based on the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act) . Residential and non-residential buildings with energy-saving equipment are rated on a seven scale from zero to six stars. Until March 2024, the evaluations are carried out at five levels from one to five stars.

For details of BELS (Building-Housing Energy-efficiency Labeling System), please click here (Japanese only).

ZEH (Net Zero Energy House)

Acquisition of ZEH Property

SHR has set a KPI "Acquire and keep owning 10 ZEH properties or more by 2030" and is promoting the acquisition of ZEH properties.
"ZEH-M Oriented Certification", which Prime Maison Asakusa EAST and Prime Maison Morishita WEST have acquired, refers to multi-unit housing complexes that aim to achieve significant energy savings while maintaining the quality of the indoor environment by significantly improving thermal insulation performance etc. and introducing high-efficiency equipment systems, as well as reducing primary energy consumption in the entire building including common areas by 20% or more.



Prime Maison Asakusa EAST



Prime Maison Morishita WEST

Sekisui House's ZEH Initiatives

Sekisui House is working to promote ZEH not only in detached houses, but also in rental housing, condominiums, and all multi-unit housing complexes.
The rental housing brand "Sha Maison" is promoting the increased adoption of "Sha Maison ZEH", which is the ZEH of this brand. There are two types of ZEH: ZEH-M (ZEH Mansion), which aims for net zero energy consumption for the entire building, including common areas, and ZEH, which aims for net zero energy consumption in individual housing units. By primarily promoting ZEH for individual housing units where residents can enjoy benefits such as increased comfort, reduced utility costs, etc. Sekisui House is working to increase the adoption of rental housing that also meets ZEH-M standards. In addition, for the "Grande Maison" condominiums, Sekisui House is promoting ZEH in each residential unit.
SHR will contribute to decarbonization by actively investing in ZEH properties developed by Sekisui House.

Environmental Initiatives

Collaboration with Tenants

Promotion of Green Leasing

Green leasing refers to the establishment and implementation of environmental provisions in lease agreements with tenants of owned properties. SHR promotes the conclusion of green lease agreements with tenants, and accelerates environmental efforts by establishing a system for mutual cooperation to share ideas on maintaining and improving the comfort and productivity of owned properties with the tenants from the perspective of energy conservation and environmental consideration. SHR has set a target (KPI) for the percentage of introduction of green lease agreements, and the result are as follows.

Green Lease Agreement
KPI: Achieve 70% or more of the portfolio with green lease agreement by 2030

Result as of October 31, 2025 **55.5%**

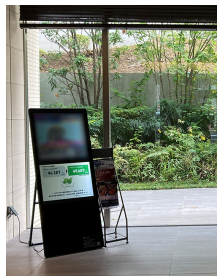
(Note) The percentage of portfolio with green lease agreement is calculated as the ratio of the area under green lease agreements to the leasable area.



Encouragement for Residents and Tenants

SHR utilizes bulletin boards and digital signage at owned properties to distribute and share information on electricity usage and various environmental issues with residents and tenants. We also encourage cooperation in energy conservation, waste separation etc.
For overseas residences, we distribute a “Sustainability Guide” to residents, providing information on easy-to-implement energy saving, water conservation, and recycling practices in daily life.

Degital signage



Examples of Content



Prime Maison Shirokane-takanawa

In addition, we have installed used item collection boxes in some residences. This system creates a reuse and recycling cycle by collecting clothing and miscellaneous goods no longer used by residents. We will work together with residents to reduce waste disposal and promote resource circulation.

Used Item Collection Boxes



Esty Maison Toyosu Residence and others

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Social Responsibility

Initiatives for Residents and Tenants, and Supply Chain Management

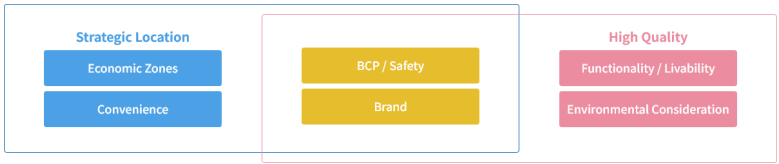
Role of SHR with Respect to Residents and Tenants

In recent years, the significance of SHR's efforts to provide resilient buildings that can withstand disasters, etc., and to minimize damage in the event of a crisis has become greater. We believe that our role is to make the properties owned by SHR a place that provides safety and peace of mind, and to make it a comfortable place that improves the quality of life on a daily basis.

SHR seeks properties that are located in suitable locations to provide a "sustainable base for living" for residents and a "sustainable base for business operation" for tenant companies. Based on the recognition that the need for real estates that have high residential functionalities including comfort and safety or the components desired by tenant companies is increasing, SHR designates "high quality" residential and commercial properties, etc. located at "strategic locations" as "Prime Properties" and prioritizes investments in such properties.

Through investments in properties that qualify as "Prime Properties", SHR will pursue both sustainable lifestyles and business activities for its residents and tenants, and the sustainable asset management of SHR.

Six Factors of Prime Property



Focus Points for Residences

Element	Focus Points
Economic Zones	• Areas where stable rental demand can be expected in terms of commuting distance, residential population, number of passengers who use nearby stations, etc.
Convenience	• Good access to major transport routes and major terminals, and adjacent to commercial stores, etc.
Livability	• Designed to be comfortable as a living space and installed with functional equipment • Installation of comfortable common spaces and functional equipment, and provision of services
Environmental Consideration	• Environmental performance is ensured by energy-saving equipment, etc. in common areas and exclusive areas • Biodiversity-friendly planting and landscape design
Safety	• Buildings with risk management considerations for disasters • Location with high safety, earthquake resistance of buildings, and disaster resilience
Brand	• Popularity as an area and recognition of properties • High quality in terms of building grade, design, etc.

Focus Points on Office Building

Element	Focus Points
Economic Zones	• Population of the commercial area, residential population, number of passengers who use nearby stations, and thickness as an economic zone
Convenience	• Good access from major transport routes • Convenience, commercial concentration, and prosperity that contribute to commuting and attracting customers
Functionality	• Functional design with comfort that leads to increased productivity for tenant companies • Sufficient standard floor space and comfortable spacious design, etc.
Environmental Consideration	• Environmental performance is ensured by energy saving, rooftop greening, etc.
BCP	• Provide important facilities as a foundation for “business continuity” • Resilience to disasters, in terms of both location and specifications
Brand	• Dignity of the area, sense of luxury and cleanliness of the building

Safety, Security, and Comfortability for Tenants

Measures against Earthquakes

SHR's investment criteria require that the company's domestic portfolio has a seismic PML (probable maximum loss) of 10% or less in principle and that the addition of earthquake insurance is considered for an individual property with a PML of 20% or more. The seismic PML of SHR's domestic portfolio as of October 31, 2025, was 2.6%; there were no individual properties with a PML exceeding 20%.
For overseas real estate, SHR makes comprehensive judgments based on compliance with the seismic resistance standards mandated by the laws and regulations of the relevant country or region, while also considering the feasibility of obtaining PML locally, the availability of earthquake insurance, and local practices.

Seismic PML of Top Five Properties in Japan Based on Investment Ratio

(As of October 31, 2025)

Property Name	Investment Ratio (Acquisition Price Basis)	Seismic PML
Hommachi Minami Garden City	10.6%	1.0%
Gotenyama SH Building (Note 1)	6.2%	1.2%
Prime Maison EGOTANOMORI	2.5%	4.5%
Prime Maison Nakameguro	2.4%	3.4%
Prime Maison Yushima	2.4%	2.0%

(Note 1) The disposition of Gotenyama SH Building is carried out in installments until April 2028.

Measures against Flooding

SHR has a system for minimizing damage from natural disasters by investigating the risks of inland flooding, river flooding and storm surge for our owned properties in Japan to assess domestic flood risks and use the findings to improve our business continuity plan (BCP).
The percentage of our domestically owned properties with a flood depth of 0.5 meters or more account for 49.3% (As of October 31, 2025).

Flood Depth Classification of Owned Properties (Acquisition Price Basis)

(As of October 31, 2025)

	Flood Depth		Total
	<0.5m	≥0.5m	
Residence	43.3%	36.1%	79.4%
Greater Tokyo	35.6%	30.2%	65.9%
Osaka Area	0.6%	1.4%	2.0%
Nagoya Area	4.0%	1.0%	4.9%
Others	3.1%	3.6%	6.7%
Office Building	7.4%	13.2%	20.6%
Greater Tokyo	7.4%	-	7.4%
Osaka Area	-	11.6%	11.6%
Nagoya Area	-	1.5%	1.5%
Total	50.7%	49.3%	100.0%

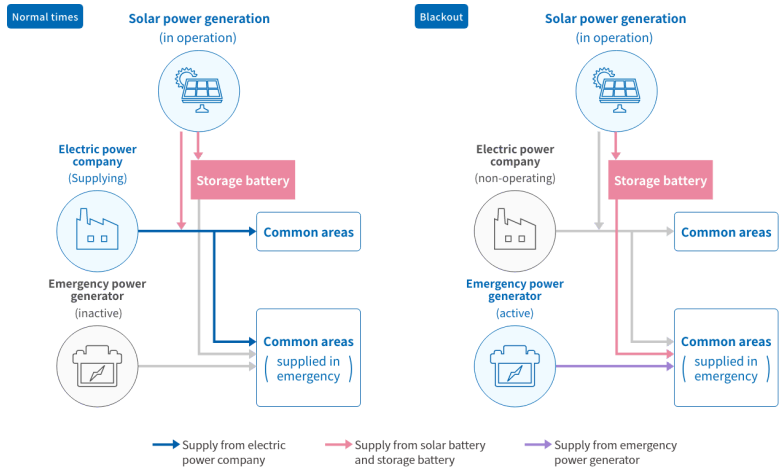
Residence in Preparation for Disasters

Prime Maison Shinagawa is a rental condominium developed by Sekisui House in response to rising concerns about power conservation and disaster prevention performance following the Great East Japan Earthquake, in addition to climate change. This property has an emergency power generator that was introduced to ensure a higher level of safety and security in the event of an emergency. The generator is connected to solar batteries and storage batteries, ready to serve as an emergency power supply system for use in the event of a blackout.





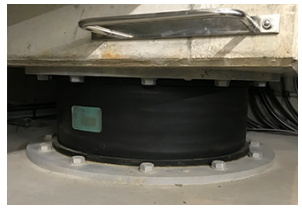
Conceptual Diagram of Emergency Power Supply System



When power is cut due to a natural disaster or similar event, the emergency power generator is activated and supplies power to common areas for approximately 19 hours. It can continue to supply power even longer when connected with solar batteries and storage batteries. As a result, some lights for common corridors and the entrance are illuminated, securing passageways and providing a sense of security even at night. In addition, the generator also supplies power to the electrical outlets in the entrance, where residents would gather, allowing them to charge mobile phones and other devices. The generator also permits the collection of information via the monitor in the control room. Power is also supplied to the feed-water pump. This means that water will be supplied to common areas and dwelling units as long as the water supply has not been cut off.

Esty Maison Nishitemma adopts a seismic isolation structure compliant with the new seismic design code. By installing seismic isolators between the building and the ground, the structure minimizes the transmission of seismic vibrations to the building during earthquakes.

Seismic Isolator



Esty Maison Nishitemma

Examples of Disaster Prevention Equipment for Residences

Emergency cabinet for elevators



Prime Maison Gotenyama East and others

Distribution of stockpiled emergency supplies to tenants



Esty Maison Ojima and others

Stockpile of emergency toilets



Prime Maison Shinagawa

First Aid Kit



The Ivey on Boren

Bench with oven function



Prime Maison Musashinonomori and others

AED (Automated External Defibrillator)



Prime Maison Yokohama Nihon-odori and others

Disaster relief vending machines



Prime Maison Ginza East and others

Emergency Phone

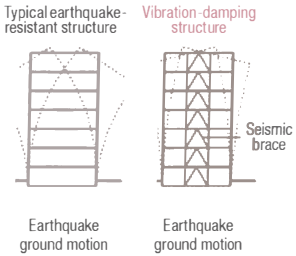


The Ivey on Boren

Disaster-Resilient Office Buildings

Hommachi Minami Garden City takes business continuity into account by installing seismic braces on each floor to absorb the forces that would act on the building in a major earthquake, and by situating its mechanical room on the 3rd floor, above flood level. Despite these features, it still offers over 1,300 square meters of column-less spaces and a ceiling height of 2.8 meters on standard floors.



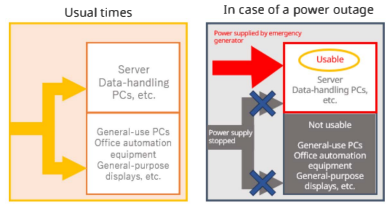


At HK Yodoyabashi Garden Avenue, the floor level of the first floor has been raised by 0.5 m from the front road on the north side to prevent flooding into the building, in readiness for flooding damage due to torrential rain, etc. Flooding countermeasures have also been implemented in the B1F parking lot, which is susceptible to damage due to rainwater flowing in from the road. Electrically operated waterproof panels that activate automatically when a sensor detects a certain amount of flowing water are installed at the entrances and exits of the roadway ramp to prevent possible flooding damage. We have also installed emergency generators for buildings that can supply power to both common and exclusive areas, and are able to supply power for up to 48 hours even when the supply of power from the power company is stopped, ensuring business continuity.

Electrically operated waterproof panel



Power supplied by emergency generators for buildings



Conducting Tenant Satisfaction Surveys

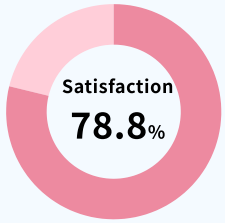
SHR regularly conducts tenant satisfaction surveys with the aim not only to improve and stabilize leasing operations, but also to communicate with residents and tenants and build reliable relationships.
For the surveys conducted in fiscal year 2023, we incorporated questions asking about their initiative status of implementation and in-house discussions related to ESG and well-being into the survey items.
The survey results are shared with property management companies, building management companies and others, and measures will be developed to further improve services.

Summary of Survey

Survey period	July to August 2023	
Respondents	Residence	8,857 residents
	Office building	62 tenants
Survey items	Residence	Items regarding rooms and common area's satisfaction, residents needs, management conditions, interest in environmental issues, etc.
	Office building	Overall satisfaction, items regarding ESG, well-being, etc.
Response rate	Residence	27.5%
	Office building	79.0%

Fiscal Year 2023 Survey Results

Residence
A total of 78.8% responded that they were "satisfied" or "highly satisfied".



Acclaimed Points

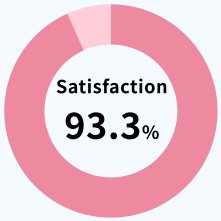
- Convenient location
- Good surrounding environment and security
- Well-equipped facilities (home delivery boxes and parking spaces)
- Design and atmosphere of rooms, water facilities
- Clean and tidy rooms and spaces
- High soundproofing performance
- Environmental friendliness through installing LED lightings in common areas, etc.
- Many pleasant greenery-plantings
- Internet connection

Points to be improved

- Introduction of free internet service
- Introduction of car sharing
- Maintenance of car and bicycle parking
- Installing delivery box (package drop service)

Office buildings

A total of 93.3% responded that they were "satisfied" or "highly satisfied".



Acclaimed Points

- Convenient location
- Building grade, specifications, exterior and interior design of entrances
- Security and disaster resilience
- Responsiveness and quality of building management companies
- Comfortability and safety

Points to be improved

- Offering common spaces such as café lounges and rental conference rooms
- Holding the tours of disaster prevention facilities and explanatory meetings regarding the use of disaster prevention equipment, etc for tenants

Based on the results of tenant satisfaction surveys, SHR implemented the various measures aimed at improving safety, security and comfortability for residents and tenants.

Major cases

At residences

- Introduction of free internet service in all units (Esty Maison Kameido)
- Introduction of car shearing (Esty Maison Kitashinjuku、Prime Maison Momochihama、Esty Maison Sasazuka)
- Large-scale renovation of the entrance lobby (Esty Maison Toyosu Residence)
- Renovation of intercom equipment to enable "drop delivery" via auto-unlocking by authentication (Sha Maison Stage Hakata and others)

At office building

- As part of the fire drill, training regarding the use of fire extinguishers and a rescue drill in case of an emergency stop of the elevator were conducted for tenants (Hommachi Minami Garden City)

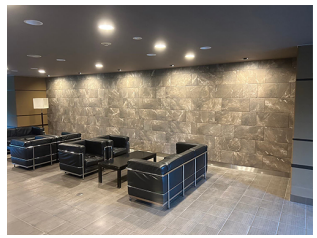
Fire extinguishing training (Hommachi Minami Garden City)



Large-scale renovation of the entrance lobby (Esty Maison Toyosu Residence)



Before renovation



After renovation

Approach to Wellness

Initiatives in residences

At Prime Maison Nishiwaseda, a book cafe has been set up with coffee machine in the common space to provide a place that encourages residents to communicate with each other. At Esty Maison Toyosu Residence, a walking path has been laid out in the patio aiming to offer residents a peaceful space surrounded by abundant greeneries.

Book Cafe



Prime Maison Nishiwaseda

Walking path laid out in the patio



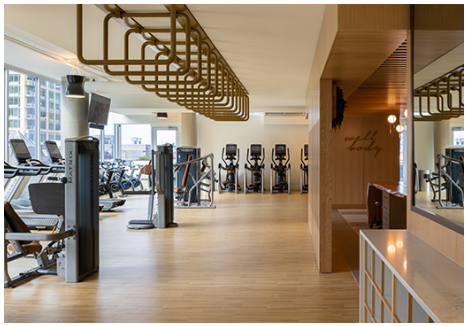
Esty Maison Toyosu Residence

At the Ivey on Boren and City Ridge, we are working to create a living environment where residents can live a vibrant life by opening the pool and training gym to offer them the opportunities to improve their health, greening the both buildings and enhancing the common facilities such as co-working space and pet's washing station.

Swimming pool



Training gym



The Ivey on Boren

Greening the building



Pet's washing station



City Ridge

Initiatives in office buildings

Hommachi Minami Garden City was designed based on the Building Movement Facilitation Guidance Standard required by the Act on Promotion of Smooth Transportation, etc. of Elderly Persons, Disabled Persons, etc. (known as Barrier-Free Act) and is the first office building in Osaka City to be designated as barrier-free under the law.

Key Features

- Two multipurpose restrooms accessible to ostomates and wheelchair users on each office floor
- Wheelchair-accessible elevators
- Wide hallways that allow two wheelchairs to pass
- Three wheelchair-accessible parking spaces in the parking garage





Acquisition of Wellness Certification

Acquisition of Fitwel Certification

The Ivey on Boren acquired “★(1 star)” in Fitwel Certification.

Main Assessment Points

- Providing residents with opportunities to exercise in the gym and swimming pool
- Providing residents with greened spaces
- Implementing acoustic control measures to minimize internal and external noises
- Establishing and implementing a policy making all indoor areas non-smoking
- Taking management measures to properly remove asbestos and other noxious materials

＜Overview of Fitwel Certification＞

Fitwel Certification is a building performance rating system which was originally created by the U.S. Centers for Disease Control (CDC) and Prevention and U.S. General Services Administration in 2017. Fitwel Certification focuses on the health and wellbeing (being in physically, mentally and socially healthy) of people using a building and evaluates whether a building has elements that help people live healthier and more fulfilling lives. A building is scored on 12 criteria across seven health impact categories and certified with a three-star scale from 1 Star to 3 Stars.

Click here for Fitwel Certification

Acquisition of Certification for CASBEE Wellness Office

“Hommachi Minami Garden City” received the Certification for CASBEE Wellness Office, and is certified as "Rank A". Furthermore, it has received "Rank S" of the Certification for CASBEE for Real Estate so far, it has been authorized "Rank A" of the Certification for CASBEE Smart Wellness Office which can be received by combining each certification.

Main Assessment Points

- Measures for resilience to disasters have been implemented, including the installment of high seismic braces and emergency power facilities and sufficient fuel stockpiles, as well as adequate security measures such as the systems of security gates using key cards
- Many efforts are taken to revitalize communications, such as consideration for Barrier-Free and installment of benches, etc.
- Many efforts are taken to improve comfort, such as the introduction of high performance materials and items for both design and facilities, especially the introduction of air conditioning units with simultaneous heating and cooling capabilities
- Making efforts to improve satisfaction by conducting surveys for tenants



＜Overview of the Certification for CASBEE Wellness Office＞

Certification for CASBEE Wellness Office is a tool to evaluate the specifications, performance, and efforts of buildings that support the maintenance and promotion of the health and comfort for building users.
In addition to factors that directly affect the health and comfort for the workers working in the building, factors that contribute to the improvement of intellectual productivity and performance related to safety and security are also evaluated. They are scored on the following five categories of evaluation items: "1. Health and Comfort", "2. Improved Convenience", "3. Security and Safety", "4. Operation and Management" and "5. Programs", and are then given ratings from "Rank S", "Rank A", "Rank B+", "Rank B-", or "Rank C".

Click here for the Certification for CASBEE Wellness Office (Japanese Only).

Supply Chain Management

SHA has established “Sustainability Guidelines for the Supply Chain” to contribute to the realization of a sustainable society through the supply chain. We will encourage our SHR and SHA business partners to understand and cooperate the purpose and content of the guidelines, and will promote sustainability initiatives in collaboration with them.

Click here for the Sustainability Guidelines for the Supply Chain.

Selection and Evaluation of Property Management Companies

In order to secure stable earnings and maintain and improve the value of assets, SHR has established criteria for selecting property management companies to which such management may be entrusted. In principle, SHR monitors and evaluates the performance of property management companies' management operations once a year through external evaluation organizations, and verifies their appropriateness.
In addition to the company's property management capabilities and operational systems, its organizational structure for promoting corporate sustainability and the energy conservation promotion system for managed properties are also subject to evaluation. For property management companies that receive relatively low ratings on sustainability-related items as a result of the monitoring, SHR interviews them to share details of SHR's approach to sustainability and strengthens our relationship in promoting initiatives as one.

Social Responsibility

Contributing to Society

Sekisui House Group Philosophy and Guidelines for Contributing to Society

The Sekisui House Group proactively works to resolve social issues through both business activities and social contribution activities. By collaborating with regional communities, we aim to contribute to their development and the revitalization of their economies. SHR and SHA also aim to realize a sustainable society through initiatives that involve collaboration with local stakeholders such as tenants, local communities in which owned properties are located, industrial groups, and NPOs, as well as environmentally friendly activities.

Contribution to Local Communities

SHR takes initiatives to harmoniously co-exist with local communities by introducing equipment available to anyone, in addition to deepening communication with local residents through participation in events of local communities in which its owned properties are located.
Not only for tenants but residents of neighboring community, in some of our properties, SHR has implemented illumination decorations and introduced electric kickboards, electric assit bycycle and car sharing as a sharing service in addition to opening up kid's room and dining lounge.

Opening Kid's Room



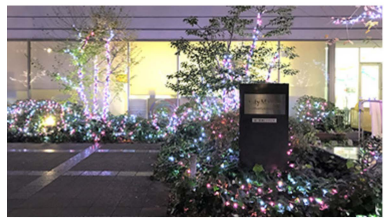
Prime Maison EGOTANOMORI

Opening Dining Lounge (Egotaie)



Prime Maison EGOTANOMORI

Participation in Toyosu Area Christmas Illumination Event



Esty Maison Toyosu Residence

Introduction of Sharing Electric Assist bicycles



Prime Maison Nakameguro and others

In the development area around Prime Maison EGOTANOMORI, the Livinlabo Council has been organized with the aim of preserving the area's pleasant environment and creating a vibrant and open community with the local residents and the surrounding area. Through this, some events are held throughout the year where multiple generations can interact.

Seasonal Events



Music Concert



At City Ridge, to foster communication among residents, monthly events tailored to the season are held such as Halloween movie screenings, including yoga classes, cooking workshops and concerts.

Block Party event on Ridge Square Party

Bouncy house for kids



Food truck for dogs



Mini-concert



Participation in the Minato-ku Adopt Program

SHA has agreed with Minato-ku, Tokyo, where the office is located, and regularly conducts cleanup activities in the vicinity of the office through participation in the Minato-ku Adopt Program.

The Adopt Program refers to a series of activities involving the "adoption" of local roads, parks, etc. by deeming them as "foster children", and groups or citizens, etc. consisting of ward residents, etc. as "foster parents". The "foster parents" engage in beautification and cleaning activities of their "foster children". We will contribute to our cooperation with tenants and local communities through cleanup activities.



Activities along with the Government and Industrial Groups

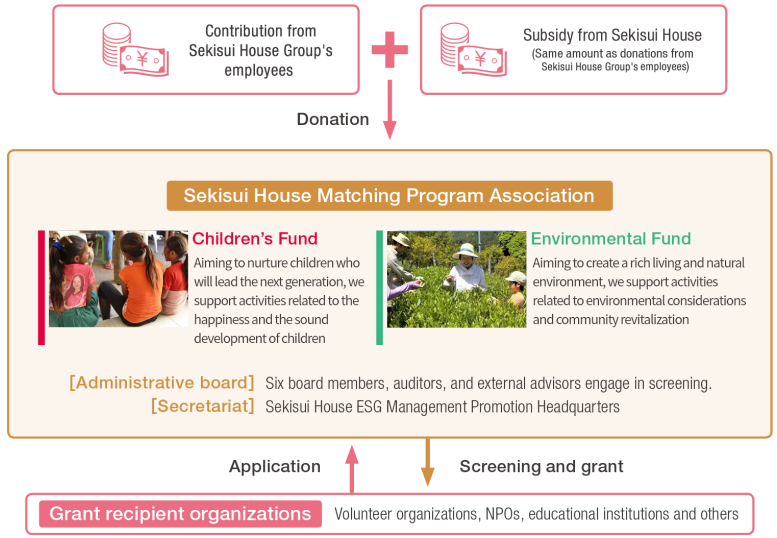
Sekisui House believes that the Sekisui House Group has a large role and responsibility in improving housing and living conditions, and participates in the initiatives of many industry groups. As a full-member of The Investment Trusts Association, Japan as well as a regular member of The Association for Real Estate Securitization (ARES), SHA takes action to further develop the industry.

Participation in “Sekisui House Matching Program”

The “Sekisui House Matching Program” is an employee-driven donation program that has been implemented by Sekisui House Group since fiscal year 2006 to support NPOs and other organizations. Under this system, the Group's employees set aside the amount they wish to donate, in units of 100 yen, and Sekisui House adds an equal amount as subsidies to make donations. The “Children's Fund” and the “Environmental Fund” have been established, and employees can freely choose which one to donate to. In fiscal year 2024, 56 projects were launched based on employee ideas and a total of approximately 53.02 million yen was donated with the company and employees.

SEKISUI HOUSE MATCHING PROGRAM

Structure of Sekisui House Matching Program



Other Donations

SHA makes donations through activities, such as collecting plastic bottle caps and used stamps, giving out unused calendars and notebooks for recycling.
Since 2019, through donating plastic bottle caps to a NPO, we have participated in activities to deliver vaccines to children around the world through UNICEF.

Relief Donation

When large-scale natural disasters occur inside or outside Japan, SHA offers relief donations to be used for rescue and restoration activities in the affected areas.

SHA's Initiatives for Environmental Considerations

SHA takes the following initiatives as environmental measures.

- Adopting business casual and maintaining moderete temperature settings on air conditioners
- Promoting paperless operation by digitizing internal documents
- Avoid using plastic bottles in the office, making it a rule for indiviuals to use their own bottles or cups

Social Responsibility

Respect for Human Rights

Respect for Human Rights

At the core of the Sekisui House Group's corporate philosophy is "love of humanity," and the principle of valuing human beings is the foundation of the Group's corporate management. In accordance with the "Sekisui House Group Human Rights Policy", established by Sekisui House in April, 2020, SHA strives to ensure that there are no infringements of human rights, including harassment, to contribute to the creation of a workplace environment where all employees can work enthusiastically and lead to growth.
The policy clearly states our commitment to prohibiting all forms of discrimination and harassment, as well as forced labor and child labor. All Sekisui House Group officers and employees (including part-time and fixed-term employees) must comply with this policy, and the Sekisui House Group promotes awareness of the policy through training and other measures.
In addition, to disclose information as stated in the Human Rights Policy, Sekisui House publishes a human rights report.

Sekisui House Group Human Rights Policy (excerpt)

We are committed to respecting human rights as stipulated in the International Bill of Human Rights and the ILO (International Labour Organization) Declaration on Fundamental Principles and Rights at Work. We are a signatory of the United Nations Global Compact and we support its ten principles.

We strictly prohibit any form of forced labor and child labor.

We shall continue to promote the creation of a corporate structure with zero tolerance for any discrimination or harassment based on birth, nationality, race, ethnicity, beliefs, religion, gender, sexual orientation, gender identity, age, disabilities, preference, educational background, family or any other ground. We also strive to maintain a healthy working environment without discrimination in employment or treatment of employees.

We respect the freedom of association and the right to collective bargaining. We comply with labor-related laws and regulations and observe labor-management agreements. We are committed to engaging in employees or their representatives in good faith through dialogue and consultations and continuously work to build constructive relations.

We comply with national and regional laws and regulations in countries and regions where we operate. Where national and regional laws and regulations conflict with international human rights standards, we seek ways to honor the principles of internationally recognized human rights while complying with national and regional laws and regulations.

Click here for all of Sekisui House Group Human Rights Policy.
Click here for Sekisui House Group Human Right Report.

Promoting Human Rights Policies

To raise awareness of human rights issues and foster a work environment in which employees can work comfortably, human rights and compliance training is held for all Group employees every year. This training is designed to improve employees' awareness around human rights and provides an opportunity for them to think about human rights as their own issues in their everyday work. The training style emphasizes dialogue among employees with the head of each organization acting as facilitator.
In addition, we solicit human rights slogans from all Group employees and their families for Human Rights Week, from December 4th to 10th every year. The slogans selected as outstanding works are printed on posters and displayed not only at Sekisui House's offices nationwide but also SHA's office.

Human Rights Reporting System

The Sekisui House Group has established several reporting systems, including the Compliance Helpline, to identify concerns and potential negative human rights impacts associated with its business activities, and is working to enhance its consultation services through the appropriate operation of these systems. The "Sexual Harassment and Power Harassment Hotline" has been established as a consultation desk system for all human rights issues, including various types of harassment or any consultation for creating a comfortable working environment for employees with disabilities. Furthermore, inquiries regarding human rights may be made through our public website as well.
SHA also has one male and one female personnel in charge of the consultation desk.

Social Responsibility

Practicing Human Capital Management

Fundamental Policy for Human Resource Development

To achieve the Sekisui House Group's global vision, "Make Home the Happiest Place in the World", Sekisui House formulated the Group's fundamental policy as "maximize the value of human capital and drive business growth through diversity & inclusion of knowledge and experience", and promotes initiatives for human resource development. Under the policy, SHA, as a member of Sekisui House Group, works to improve our personnel system to maximize the value of human capital through employee autonomy and alignment of efforts. If employees utilize company resources to independently shape their own career paths while aligning their efforts with the Company's vision and business strategy, the value will improve.

Securing Talented Personnel

SHA strategically works to recruit and secure great talent in line with changes in the business environment and the organization. In addition, by accepting specialized seconded personnel from the Sekisui House Group who have a wide range of experience and know-how in real estate investment and management, SHA aims to utilize their capabilities to achieve advanced asset management.

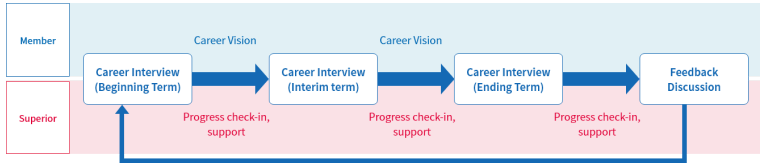
Click here for Status of directors and employees.

Strategy for Developing Human Resources

Being a part of this philosophy as a Sekisui House Group member, SHA supports our employees to think about their own careers and to proactively take on challenges to realize them.

Conducting Career Interviews

SHA conducts career interviews to support self-directed career development. In the career interviews, members regularly communicate with their manager to review their work experiences and gain new insights about themselves. By learning from these insights and actively taking challenges, members are encouraged to improve themselves and realize their career visions. In addition, we have an in-house career consultant and a business coach to support employees with career planning, encourage self-motivation, and help them achieve their goals and solve problems.

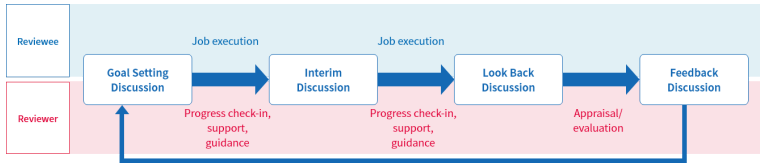


Job Rotation System

SHA has introduced a job rotation system that allows employees to move to different positions if they wish, and by creating an environment where they can gain a diverse range of experience, we are working to develop human resources and ensure that they are assigned to the right positions.

Performance Review Process Using Discussions

Regarding the Performance Review which also evaluates the status of ESG initiative and compliance, SHA aims to improve our employee's satisfaction and motivation by operating our interview system and implementing the PDCA cycle（Goal Setting Discussion → Job execution → Interim Discussion → Job execution → Look Back Discussion → Evaluation → Feedback Discussion）on yearly basis.



Support for Acquiring and Retaining Qualifications

SHA helps and encourages employees to enhance their expertise by acquiring qualifications such as the "Association for Real Estate Securitization (ARES) Certified Master", an educational program that provides systematic study in the fields of real estate and finance. SHA aims to improve the professional abilities of employees by covering the cost of training, examinations, continuing education, and seminars for these qualifications.

Click here for the status of qualification holders.

Training System

SHA offers a comprehensive training program for all directors and employees to develop their skills. In addition, to develop human resources with expertise as real estate investment and management professionals with a broader perspective and insight, SHA also offers free voluntary training opportunities such as seminars. Furthermore, to bring more comfort and ease to the workplace, a human rights and compliance training is conducted every year.

In addition, SHA has set the target (KPI) for the training system. The result is as follows.

KPI: Number of annual external training courses attended per person 3 times or more

Result for FY 2024 **4.2 courses**

KPI: Annual internal training participation rate 100%

Result for FY 2024 **100%**

Click here for details on training attendance results.

Training System



General Training

This training is aimed at improving company-wide engagement and raising the level of business skills, human skills, and specialized skills for all directors and employees (including part-time employees, and other non-regular employees). Themes are selected with reference to the results of governance awareness surveys conducted by the Sekisui House Group, and in principle, once every two to three years, using an external organization.

Sekisui House Group's Human Rights and Compliance Training

This training is common to the Sekisui House Group and conducted every year for all employees of the Group, with one of the purposes being to raise awareness of human rights issues and foster a comfortable working environment. The training includes "promotion committee training" for managers and "all employees training" for all employees, including managers, and is conducted annually to deepen understanding of human rights.

Compliance Training

This training is designed for all directors and employees (including part-time employees, etc.) to improve their knowledge and ability in compliance, which is fundamental to conducting the investment management business as a member of society.

ESG Training

This training is meant to deepen the understanding of the latest ESG information of the Sekisui House Group and topics related to ESG in order for all directors and employees (including part-time employees, etc.) to share their awareness and knowledge.

Tiered Training

This training utilizes external organizations and aims to improve various abilities (job posture, advanced expertise, collaboration ability, etc.) based on the skills and requirements required for each job level. It is intended for all directors and employees (including part-time employees, etc.)

Multi-faceted Observational Survey

The multi-faceted observational survey is an initiative that provides feedback to the subject of the survey on the results of observations of their day-to-day behaviour from various perspectives, including not only their superiors, but also their subordinates and colleagues. In addition to self-assessment, the aim is to develop and strengthen leadership and management skills by objectively identifying their strengths and challenges, and the survey is conducted every year for managers using an external organization.

Cafeteria Plan Training

From the perspective of personal activity planning and self-development, each employee is able to freely select and attend seminars by field, rank business skills, IT, etc. We recommend that all directors and employees (including part-time employees, etc.) attend at least one seminar per year.

Social Responsibility

Creating a Rewarding Workplace

Diversity & Inclusion

The Sekisui House Group positions "Diversity and Inclusion" (D&I) as an important aspect of our business strategy. We consider D&I to be the practice of embracing diversity and inclusion. This practice brings together diverse viewpoints and ideas, generating new concepts and approaches that lead to value creation. And also, creating an inclusive environment that respects individual identities enables our employees to work with peace of mind, leading to increased engagement and performance. Therefore, we promote the creation of workplaces where individual employees with different attributes, backgrounds, experiences, and abilities can bring out their diverse strengths in psychologically safe workplaces.

Furthermore, the Sekisui House Group strives to be an organization with happy employees who work enthusiastically to achieve goals. In order to realize this, Sekisui House announced its "Commitment to Human Resource Sustainability". We are working to promote diversity through three main pillars: promoting the advancement of women, empowering diverse talent, and promoting diverse workstyles. These efforts aim to maximize the performance of our diverse workforce and support the sustainable growth of the organization. As a member of the Sekisui House Group, SHA is also implementing a variety of initiatives.

Click here for more information on the Sekisui House Group's promotion of diversity & inclusion.

Promoting of Active Participation by Women

The Sekisui House Group has formulated the goals of the “Sekisui House’s Action Plan for the Promotion of Active Participation by Women”, and is promoting the active participation of women across the entire Group. SHA has also set targets (KPIs), and not only promotes the active participation of female employees, but also supports diverse human resources so that they can receive fair opportunities.

KPI：Percentage of female managers 10% or more by 2030

Result for FY 2024 **6.9%**

Supporting Active Participation of the Senior Employees

SHA has introduced an age 65 mandatory retirement rule so that all individual employees can work more enthusiastically, capably and energetically for a longer period. In addition, in April 2021, we introduced a post-retirement re-employment system for employees aged 65 through 70 to support their active participation.

Supporting Active Participation of Persons with Disabilities

SHA promotes the employment of persons with disabilities based on the Act to Facilitate the Employment of Persons with Disabilities. We support their activities by creating opportunities for conversation so that employees with disabilities, their supervisors and department members can communicate and consult with each other. In addition, a company-employed job coach provides support to employees with disabilities to help them work smoothly in the workplace, etc., and we aim to create a workplace where every employee, with or without disabilities, can work for a long time.

Promoting Diverse Workstyles

SHA aims to revitalize communication by reforming its work environment, upgrading the ICT infrastructure, and optimizing systems and rules. To ensure that each person can work to their fullest potential, we promote diverse working styles that allow for flexibility and autonomy, free from constraints of time and place. In promoting diverse workstyles, it is crucial to eliminate long working hours and create an environment where everyone can work enthusiastically. Thus, setting the KPI, and we are working reduce total working hours and promote annual paid leave take-up. Furthermore, utilizing telecommuting, staggered working hours, etc., to establish work styles that are compatible with changes in employee's live, SHA will continue to emphasize the importance of work-life balance and make our employees feel fulfilled and happy.

KPI: Average monthly work hours per person 162 hours or less

Result for FY 2024 **159.2 hours**

KPI: Annual paid leave take-up rate 70% or more

Result for FY 2024 **82.1%**

Monitoring of working hours

To reduce exceed working hours, when monthly overtime hours exceed 45 hours for more than three months throughout the year, notification to the supervisor and hearings with employees are conducted. When the working hours subject to health management exceed 60 hours, a warning notification is sent to the supervisor and the person in question. Furthermore, SHA has set a KPI of 162 hours or less for the average monthly working hours per person, and is working to reduce overtime work throughout the company.

Encouragement of planned use of annual paid leave

SHA has set a KPI of an annual paid leave take-up rate of 70% or more and encourages all employees to take their leave in a planned manner.

Encouraging Male Employees to Take Childcare Leave

SHA encourages male employees who have a child under three years of age to take at least one month of childcare leave. SHA began its childcare leave system for working fathers in September 2018. The first month is paid, and leave can be taken in as many as four segments based on their respective situations. In April 2021, SHA expanded the system into an eight-week postpartum benefit that can be used in one-day increments, to enable more choices and flexibility. SHA has raised awareness of the importance of the father's presence during this period when new mothers are physically and emotionally taxed and at higher risk of postpartum depression.

KPI: Take-up rate for male childcare leave 100%

Result for FY 2024 **100%**

Initiatives for Health Management

SHA has committed to "Practicing Human Capital Management in Action" in the Sustainability Policy and recognized that our employees are an extremely important management resource. We have established a health declaration to ensure that all employees are physically and mentally healthy, happy, and able to lead fulfilling lives every day, and we are committed to maintaining and promoting the health of our employees.

Health Declaration

SHA aims to create a workplace environment where all employees can work happily and energetically while maintaining physical and mental health, and strives to achieve the following:

- Promoting work-life balance
- Creating workplace culture that ensures psychological safety
- Improving dietary habits
- Providing opportunities for physical activity
- Maintaining 100% health check-up participation rate and encouraging follow-up examinations for those requiring treatments

Commitment to Well-being

Initiatives for Health and Safety

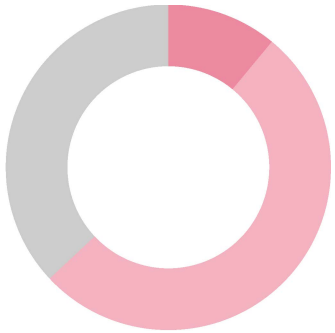
SHA has formulated the Rules of the Health Committee and established the Health Committee to promote the safety and health management activities of employees. The committee includes an occupational physician and meets monthly to discuss the workplace environment and gain insights for preventing health issues in the workplace and promoting improvements in employee health. The committee also set up working groups to discuss healthcare and hygiene management, held walking events to create opportunities for employees to communicate with each other and to eliminate lack of exercise brought by teleworking, as well as to inform employees about influenza vaccination.
SHA also conducts stress checks for all employees to prevent the occurrence of any mental health issues. We encourage each employee to be aware of stress and provide consultation desk system from specialists (counselors). In this way, we provide support in dealing with stress and strive to improve the workplace environment.

Conducting employee satisfaction surveys

SHA gauges employee satisfaction using an annual governance awareness survey of all Sekisui House Group employees. Utilizing the survey, the company provides opportunities for all employees to share thoughts on topics such as corporate ethics and the workplace environment, encouraging more-active communication in the workplace.
Furthermore, as a member of the Sekisui House Group, we conduct a “Well-Being Survey” for all employees to analyze the correlation between individual and workplace happiness, as well as a group dialogue held at least once a year. Through the dialogue, we also strive to create a workplace culture that ensures psychological safety for every employee, providing a calm atmosphere that enables them to feel confident in expressing what they really feel, irrespective of job rank or employment type.

Additionally, SHA has newly introduced a "Engagement Survey” starting in the second half of fiscal year 2025. This survey is conducted twice a year to quantitatively measure employee engagement, trust in the workplace, and sense of growth, and is used to develop initiatives aimed at revitalizing the organization. We have also introduced the eNPS (Employee Net Promoter Score), a metric measuring whether employees would recommend our company to friends or acquaintances, to visualize the organization's recommendation level.
We will continue to measure and disclose eNPS going forward, striving to build a better workplace environment by reflecting employee voices in management decisions.

eNPS in the second half of FY 2025



Promotors (score 9-10) High enthusiasm for their workplace	11%
Passives (score 7-8) Generally satisfaction but lacking strong enthusiasm	52%
Detractors (score 0-6) Unhappiness and reluctance to recommend the organization	37%

Labor Relations

SHA does not have a labor union, but respects “the freedom of association and the right to collective bargaining” as stated in the Sekisui House Group Human Rights Policy.
In addition, SHA complies with labor-related laws and regulations and labor-management agreements, and works to build constructive relationships through sincere dialogue and negotiation with employees (including workers with shorter working hours) or employee representatives, and our labor-management relations have been amicable.

Wage System and Compliance with Equal Pay for Equal Work

SHA complies with the minimum wage provisions of labor-related laws and regulations for all employees, including part-time employees, etc., and pays wages that lead to maintaining and improving living standards, taking prices into consideration. In addition, we apply a remuneration system that complies with equal pay for equal work, and do not have any unreasonable treatment disparities.

In addition, SHA conducts evaluations for each evaluation item in personnel evaluations, and the results of the evaluations are appropriately reflected in employee promotions, salary increases, and bonuses. Bonuses are paid three times a year - June, December and March - of which the amount paid for June and December is determined according to attendance rate and individual performance, while the amount paid for March is determined by overall company performance along with individual performance.

Labor-Related Violations and Accidents

There have been no serious labor-related violations of laws and regulations or accidents during the period from January 1 to December 31, 2024.

Click here for labor-related data.

Improvement of Employees' Benefits

SHA strives to provide a workplace environment where employees can enhance their motivation to work and demonstrate their skills through various welfare programs for all employees.

Key Benefit Systems

System Name	Subject scope	Description
Childcare leave	All employees	Paid leave for raising children under three years of age (includes children of legal guardians, opposite-sex common-law spouses, and same-sex domestic partners)
Family-care leave	All employees	Paid leave for providing nursing care to a family member
Sick childcare etc. leave	All employees	Paid leave for nursing a sick or injured child or taking them to receive medical services (vaccinations, checkups, etc.)
Child-support leave	All employees except part-time workers	Allows employees who are supporting children under eighteen years of age (Includes children of legal guardians, opposite-sex common-law spouses and same-sex domestic partners) to take leave
Short working hours	All employees	System for working shorter hours to raise a child
Congratulatory or condolence payment	All directors and employees except contract/part-time workers	One-time payment granted in the event of a marriage, childbirth, death, injury, illness, or damaging event experienced by employee or their family
Staggered working hours	All employees	Permits employees to move their daily start and finish times forward or back following designated patterns
By-the-hour annual leave	All employees except contract/ part-time workers	Allows up to five days of annual paid leave to be taken in hourly units
Accumulated annual leave	All employees who work without a fixed term *Including contract employees who work for more than 3 years	Allows recipients to accumulate annual leave past the legal two-year limit and take as many as 100 days off in combination with standard annual leave
Qualification reward	All employees except temporary and part-time workers	Supporting funds granted to those who pass a national certifying exam or other eligible credentialing exam
Credentialing stipend	All employees except temporary, contract, and part-time workers	Payment granted to those who pass a national certifying exam or other eligible credentialing exam
Self-directed career development leave	All employees except temporary and part-time workers	Allows employees who are studying at their own expense to take leave for a certain period of time and provides them with a loan to support their studies
Advanced study support systems	All employees except temporary and part-time workers	Supports employees financially to acquire specialized knowledge at graduate schools, etc.

System Name	Subject scope	Description
Employee stock ownership plan	All employees except temporary, contract, and part-time workers	Allows Sekisui House Group company employees to purchase Sekisui House, Ltd. Stock through payroll deductions and provides an incentive of 10% of the purchase price
Defined-contribution pension plan	All employees except temporary, contract, and part-time workers	Corporate pension plan in which future benefits are determined based on the total of contributed sum and investment earnings

Social Responsibility

Engagement with Investors

SHR strives to disclose information that is appropriate and easy to understand for all investors through the enhancement of timely disclosure, its website, and the issuance of ESG reports, etc. In 2025, our information disclosure was rated highly according to the GRESB disclosure evaluation (five-level evaluation from A to E), which evaluates the degree of fulfillment of ESG information disclosure, and obtained the highest “A” rating for six consecutive years. In addition, we place importance on dialogue with investors, and are implementing the following initiatives.

Engagement with Institutional Investors

	17th FP ended Apr. 2023 and 18th FP ended Oct. 2023	19th FP ended Apr. 2024 and 20th FP ended Oct. 2024
Financial results briefing for domestic institutional investors, analysts, etc.	2 times (June/December)	2 times (June/December)
IR meetings for domestic institutional investors, analysts, etc.	120 times	133 times
IR meetings for overseas institutional investors, etc.	55 times	67 times

Engagement with Individual Investors

	17th FP ended Apr. 2023 and 18th FP ended Oct. 2023	19th FP ended Apr. 2024 and 20th FP ended Oct. 2024
Events for individual investors	5 times	4 times

Click here for an archive of past events (Japanese only).

Click here for a special website for individual investors (Japanese only).

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Governance

Corporate Governance

Governance of SHR

SHR's governing bodies consist of a general meeting of unitholders, a board of directors with Executive Director, Supervisory Directors and Accounting Auditor.

The executive director oversees SHR's operations and, as SHR's representative, has the authority to act in and out of court with respect to any and all of SHR's affairs. The supervisory directors supervise the executive director's execution of duties. The Board of Directors is held at least once every three months and makes important decisions regarding SHR's operations, including approval of the execution of important duties by the executive directors and financial statements. The supervisory directors supervise the executive director's work by means of reports provided by the executive director on the status of the management of SHR's assets as needed and on investigations results and other tasks requested by the supervisory directors.

The accounting auditor audits SHR's financial statements and also serves legally mandated roles, such as reporting to the supervisory auditors in the event that, in its auditing process, it discovers an illegal action or serious violation of any law or regulation, or of SHR's Articles of Incorporation in connection with the executive director's execution of duties.

Executive Director and Supervisory Directors

Position	Name	Reasons for Appointment	Attendance Status	
			FP ended Oct. 2024 (20th FP)	FP ended Apr. 2025 (21st FP)
Executive Director	Atsuhiro Kida	We have appointed him as the Executive Director because it is expected that he will be able to accurately execute operations of SHR, taking into account comprehensively his expertise in real estate, financial accounting and extensive experience in REIT operations.	9 times/ 9 times (100%)	12 times/ 12 times (100%)
Supervisory Director (Note1)	Yu Yada	In addition to having his excellent character, insight, and ability, he is well versed in corporate management and other fields as an attorney-at-law. In light of his expertise and experience in each of these fields, we believe he is qualified to serve as a Supervisory Director of SHR, and have appointed him as a Supervisory Director.	9 times/ 9 times (100%)	12 times/ 12 times (100%)
	Rei Yamashita (Note2)	In addition to having her excellent character, insight, and ability, she is well versed in corporate management and other fields as a certified public accountant. In light of her expertise and experience in each of these fields, we believe she is qualified to serve as a Supervisory Director of SHR, and have appointed her as a Supervisory Director.	9 times/ 9 times (100%)	12 times/ 12 times (100%)

Position	Name	Reasons for Appointment	Attendance Status	
			FP ended Oct. 2024 (20th FP)	FP ended Apr. 2025 (21st FP)
Supervisory Director (Note1)	Ayako Sugiura	In addition to having her excellent character, insight, and ability, she has extensive expertise and experiences in real estate as a certified real estate appraiser. In light of her expertise and experience in each of these fields, we believe she is qualified to serve as a Supervisory Director of SHR, and have appointed her as a Supervisory Director.	9 times/ 9 times (100%)	12 times/ 12 times (100%)

(Note1) Supervisory Directors of SHR are independent officers who have no special interest with SHR based on Article 100 of the Act on Investment Trusts and Investment Corporations (Investment Trust Act) as well as Article 164 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations.

(Note2) Rei Yamashita, the supervisor director, is her maiden name and the name used for professional purposes. Her legal name is Rei Shizukuda.

Click here for biographies of current directors.

Gender Diversity Policy

In “Policy Concerning the Composition, etc. of the Board of Directors of SHR”, SHR stipulates that the composition of the board of directors shall be determined in consideration of diversity in terms of knowledge, experience, ability, length of tenure, and gender of the directors. Under this policy, SHR promotes gender diversity and the ratio of female directors has been 50.0% since February 2024.

Restrictions on the Sale and Purchase of Investment Units, etc. by Directors

From the viewpoint of preventing insider trading, SHR’s “Insider Trading Management Regulation” prohibits Directors of SHR from buying and selling investment units or investment corporation bonds issued by SHR. Thus, none of our Executive Director or Supervisory Directors holds the investment units or investment corporation bonds of SHR.

Director's Remuneration

The upper limit of remunerations for executive directors and supervisory directors is stipulated in the Articles of Incorporation and the amount is determined at the Board of Directors (however, the upper limit per person is 1,000,000 yen per month for an executive director, and 500,000 yen per month for a supervisory director).

Directors' compensation is as follows.

Position	Name	Remuneration Amount (Thousand yen)	
		FP ended Oct. 2024 (20th FP)	FP ended Apr. 2025 (21st FP)
Executive Director	Atsuhiro Kida	-	-
Supervisory Director	Yu Yada	1,800	1,800
	Rei Yamashita	1,800	1,800
	Ayako Sugiura	1,800	1,800

Accounting Auditor

Accounting Auditor

Name	Continuous Audit Period
Ernst & Young ShinNihon LLC (Note)	From September 2014 until present

(Note) The accounting auditor appointed by SHR is disclosed in this section.

Accounting Auditor's Compensation

The compensation for the accounting auditor is set by the Investment Corporation's Board of Directors at a maximum of 25 million yen for each fiscal period covered by the audit.

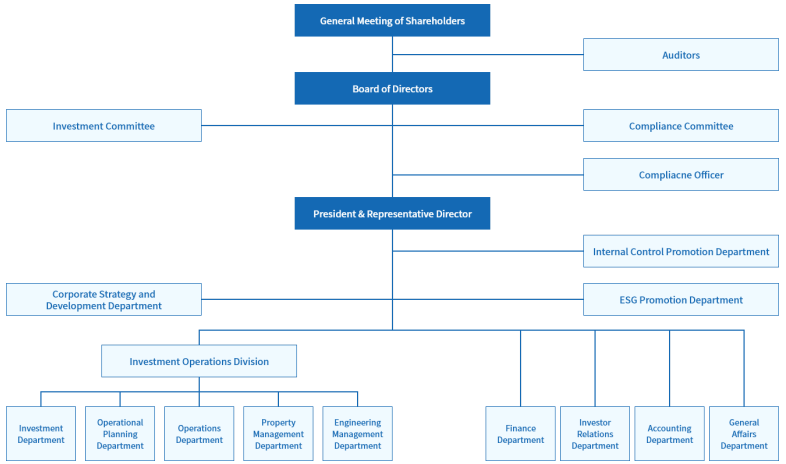
Accounting auditor	Compensation Details	Compensation Amount (Thousand yen)	
		FP ended Oct. 2024 (20th FP)	FP ended Apr. 2025 (21st FP)
Ernst & Young ShinNihon LLC	Compensation based on audit attestation services	20,100	20,100
	Compensation for non-audit services (Note)	-	2,700

(Note) The compensation amount for the services of preparing comfort letters is stated.

Organizational Structure

The organizational structure of SHA, to which SHR entrusts the management of its assets, is as below.

Organization Chart of SHA



< Overview of each organization >

Name	Overview
Board of Directors	**Composition** Chair: President & Chief Executive Officer Members: All Senior Executive Directors, Part-time Senior Executive Directors and Part-time Corporate Auditors **Frequency of Meetings** A meeting of the Board of Directors is held at least once every three months. An extraordinary meeting of the Board of Directors is called as needed **Requirements for Resolution** Resolutions shall be adopted by a majority of the Directors present at a meeting where a majority of the Directors who are entitled to participate in the voting are present. Also, Directors who have a special interest in the proceedings of the Board of Directors cannot participate in voting. **Resolutions** In addition to matters stipulated in laws and regulations or the Articles of Incorporation, the Board of Directors decides the following matters; • Matters relating to the general meeting of shareholders of SHA • Matters relating to Directors, employees, etc. of SHA • Matters relating to the assets or finances of SHA • Important matters relating to the business operations of SHA • Important matters relating to the asset management of SHR • Matters relating to compliance • Other important matters related to the execution of business operations
Investment Committee	**Composition** Committee Chairman: President & Chief Executive Officer Committee members: All Senior Executive Directors, the Compliance Officer, the Chief Manager of the ESG Promotion Dept., the Chief Manager of the Internal Control Promotion Dept., the Chief Manager of Corporate Strategy and Development Dept., the Chief Manager of the Investment Operations Div., the Chief Manager of the Investment Dept. of the Investment Operations Div., the Chief Managers of the Finance Dept., IR Dept., Accounting Dept., and General Affairs Dept., and external committee members **Frequency of Meetings** In principle, held at least once every three months, and as needed **Holding/Resolution Requirements** Established with the attendance of a majority of members of the committee who can participate in voting However, attendance of the following persons is required: the Committee Chairman, the Compliance Officer, the Chief Manager of the Investment Operations Div., and at least one of the external committee member with the qualification of a real estate appraiser In the case of matters related to overseas real estate, etc., the attendance of at least one external committee member with knowledge and experience in overseas real estate, etc. is required. Resolutions shall be adopted by all voting members present, including external committee members. **Contents of Deliberation** • Development and revision of the investment policy and investment plan of SHR • Development and revision of SHR's management policy and management plan • Development and revision of the basic policy relating to the financing of SHR • Decision to acquire and sell the assets of SHR • Decision to lease, outsource management, or carry out construction work of SHR's assets (limited to those stipulated in SHA's “Rules on Administrative Authorities”) • Development and revision of long-term repair plans • Determination of matters relating to the financing of SHR • Determination of other transactions between SHR or overseas real estate holding corporations and interested parties as stipulated in the “Rules for Transactions with Interested Parties” • Important matters relating to the investment policy of SHR • Matters for which each committee member requested deliberation and resolution • Matters deemed necessary by the Committee Chairman and matters separately stipulated by the internal regulations of SHA • Other incidental matters

Name	Overview
Compliance Committee	**Composition** Committee Chairman: Compliance Officer Committee members: All Senior Executive Directors, including the President & Chief Executive Officer, and an external committee member **Frequency of Meetings** In principle, held at least once every three months, and as needed **Holding/Resolution Requirements** Established with the attendance of a majority of members of the committee who can participate in voting However, attendance of the Committee Chairman and the external committee member is required Resolutions shall be adopted by the affirmative vote of the Committee Chairman and all voting members present, including the external committee member **Contents of Deliberation** • Determination of transactions between SHR and interested parties • Development and revision of compliance regulations, compliance manuals, and compliance programs • Development and revision of Internal Audit Regulations • Matters relating to the risk management of SHA • Matters for which the Committee Chairman requested deliberation and resolution • Matters deemed necessary by the Committee Chairman and matters separately stipulated by the internal regulations of SHA • Matters relating to the handling of complaints, etc. against SHA and other matters relating to acts that are inappropriate or suspected to be inappropriate in terms of compliance • Decision to acquire and sell the assets of SHR • Other incidental matters

Asset Management Fee

Concerning the asset management fee paid by SHR to SHA, the following management fee structure has been adopted from the viewpoint of emphasizing linkage with unitholder profits. Regarding the management fee ①, SHR introduced a mechanism of “fees linked to total assets and unit price performance”, in which the fee rate fluctuates by comparing the performance of the investment unit price of SHR with the performance of the Tokyo Stock Exchange REIT Index. Through this process, we are further strengthening the incentives to maximize the unitholder value of SHR by aligning the interests of SHA and, consequently, Sekisui House, as a stockholder of SHA, with the interests of unitholders of SHR.

Asset Management Fee	Compensation Amount (Thousand yen)	
	FP ended Oct. 2024 (20th FP)	FP ended Apr. 2025 (21st FP)
Management Fee ① **(Fees linked to total assets and unit price performance)** Total assets x (0.14% (annual rate) + Rates linked to the Tokyo Stock Exchange REIT Index) (Note2)	404,469	386,116
Management Fee ② **(Fees linked to DPU and operating income)** (Distributable amount per unit (Note3) × Operating income (Note4) × 0.002%) × 2 (Note5)	1,882,954	1,353,935
Management Fee ③ **(Acquisition fees)** Trading value related to the acquisition of real estate-related assets (Note6) × 0.3% (In the case of acquisition from interested parties, there is no acquisition fee)	10,830	-
Management Fee ④ **(Disposition fees)** Trading value related to the disposition of real estate-related assets (Note6) × 0.3% (Note7) (In the case of disposition from interested parties, there is no disposition fee)	107,775	67,725

Asset Management Fee	Compensation Amount (Thousand yen)	
	FP ended Oct. 2024 (20th FP)	FP ended Apr. 2025 (21st FP)
Management Fee ⑤ (Merger fees) Value of real estate-related assets held by the merger counterparty at the time of the merger x 0.4%	-	-

(Note1) With regard to rates, unless otherwise specified, applicable rates or expected rates are stated instead of maximum rates.

(Note2) The upper and lower limits of rates linked to the Tokyo Stock Exchange REIT Index performance are +0.02% and -0.02% respectively. The rate fluctuates depending on the performance of the investment unit price of SHR in comparison with the Tokyo Stock Exchange REIT Index.

(Note3) Calculated as the distributable amount before deduction of Management Fee ②divided by the total number of issued investment units.

(Note4) Operating Income of before deduction of Management Fee ②.

(Note5) As SHR implemented a 2-for-1 split of the investment units with May 1, 2018 as the effective date, Management Fee ② formula includes multiplication 2, which is the split ratio.

(Note6) The trading value does not include consumption tax, etc. and expenses, etc.

(Note7) In case of loss on disposition, the fee rate will be 0%.

Evaluation of the Effectiveness of SHR's Board of Directors and SHA's Board of Directors

SHR and SHA set "Enhancing the Effectiveness of SHR's Board of Directors and SHA's Board of Directors" as a target (KPI), and conducted self-evaluation. With this self-evaluation, we do not only confirm whether the respective Boards of Directors fulfill their roles responsibly, but also enhance the effectiveness of the respective Boards of Directors.

In the previous evaluation of the effectiveness, SHR's Board of Directors and SHA's Board of Directors confirmed that their effectiveness was sufficiently ensured in terms of member composition, frequency of meetings, number of agenda items, and the status of deliberation methods and discussions. On the other hand, it is recognized that clarifying the functions of each meeting and facilitating the management of meetings are issues to be addressed.
We will continue to strive to improve the effectiveness of SHR's Board of Directors and SHA's Board of Directors by responding sincerely to issues recognized from the results of the evaluation of the effectiveness.

Governance

Compliance

Compliance Policy

At SHA, compliance means that directors and employees accurately understand the purpose and contents of laws and regulations, comply with them, and execute sincere and fair corporate activities that do not conflict with social norms. SHA has established compliance rules to provide a system for directors and employees to comply with laws and regulations, properly manage the assets, and ensure proper business operations. Based on the basic policy described below, SHA is working to ensure thorough compliance.

Basic Policies

a. SHA is fully aware that lack of compliance could undermine SHA's management base, and has positioned thorough compliance as one of its most important management issues.

b. As a company that conducts financial instruments business and manages the assets of registered investment corporations, SHA recognizes its responsibility to strive to realize the value of the works of SHA, which is socially demanded. To increase the value of the work of SHA qualitatively and quantitatively, SHA will actively and constantly engage in compliance.

c. SHA aims to contribute to the development of the economy and society by developing the above-mentioned compliance activities, thereby enhancing the reputation from investors and establishing the trust of society at large.

Sekisui House Group (the Group), to which SHA belongs, regards compliance as a management issue that should be constantly addressed, and strives to ensure and promote thorough compliance. The Group operates the "Sekisui House Group Corporate Ethics Guidelines" as a set of matters concerning common corporate ethics observed by the company, directors, and employees. In addition, the Group distributes pamphlets containing the Corporate Philosophy and the Corporate Ethics Guidelines to all Group employees and conducts training sessions as part of thorough-going efforts to spread awareness. Furthermore, all directors and employees are obliged to submit "Written Pledge to Comply with the Corporate Ethics Principles" every year and strive to act in accordance with corporate ethics. The Group will continue to work together to thoroughly enforce corporate ethics.

Sekisui House Group Corporate Ethics Guidelines

Compliance System

SHA has established the following departments and institutions intending to ensure compliance.

Compliance Officer a nd Internal Control Promotion Department

SHA has established the Internal Control Promotion Department which conducts work related to SHA's risk management, monitors the status of compliance with legislation and regulations, and manages internal auditing. SHA has also appointed a Compliance Officer as the person responsible for overseeing the compliance of SHR and SHA in addition to the operations of the Internal Control Promotion Department. The Compliance Officer is appointed as personnel with sufficient screening and surveillance capabilities to observe compliance with legislation and norms, develop SHA's compliance regulations and cultivate compliance awareness among directors and employees of SHA.

Compliance Committee

SHA has established the Compliance Committee as a body to deliberate and decide on compliance matters in the management of SHR's assets.

Investment Committee

SHA has established the Investment Committee as an organization that deliberates and decides on the investment policy of SHR and other matters related to asset management. The Compliance Officer shall verify whether or not there is any problem from the perspective of compliance with laws, regulations, rules and other compliance issues. If Compliance Officer determines that there is a serious compliance problem, Compliance Officer shall order the Investment Committee to suspend its deliberations or return the proposal to the drafting department even during the deliberations of the Investment Committee.

Click here for the details of Compliance Committee and Investment Committee.

Compliance Training

SHA strives to foster compliance awareness among all directors and employees including part-time and fixed-term employees, and conducts the training every year centering on group discussions on a theme which is related to laws, regulations, risks and compliance violations including violations of corporate ethics. The Group provides employees with an opportunity to think and become aware of compliance on their own initiative through the training and continuously takes measures to foster a wide range of employees' compliance awareness that goes beyond laws and regulations.
SHA has established its compliance and internal control system in accordance with "the Financial Instruments and Exchange Act", "the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." and "the Findings from Inspections". To gain the trust of stakeholders, SHA recognizes that directors and employees must understand the importance of compliance and act in a compliant manner in their daily operations in addition to the establishment of the compliance system. Therefore, SHA has set "Conducting compliance training by external experts for all directors and employees four times a year, and achieving 100% participation rate" as a KPI, and is working to create the organizational culture that emphasizes compliance, creating opportunities for all directors and employees to deepen the understanding of compliance and raise the awareness of compliance through compliance training.

Click here for the implementation status of compliance training.

Efforts to Prevent Bribery, Corruption, etc.

In pursuing the ideal form of a healthy company, Sekisui House Group believes it is necessary to promote appropriate business activities eliminating inappropriate relationships with public servants and political organization. In order to realize fair business practices, "Sekisui House Group Corporate Ethics Guidelines" clearly prohibits having inappropriate relationships with public servants and political organization.
In addition, Sekisui House has established "Sekisui House Group Anti-Bribery and Corruption Policy" as a specific action guideline and is promoting group's employees' awareness to comprehensively prevent all forms of bribery and corruption.

Click here for Sekisui House Group Anti-Bribery and Corruption Policy.

SHA monitors the appropriateness of the selection of outsources and expenditures such as expenses in internal audit, and reports the results of internal audits to SHA's Board of Directors. In addition, compliance training is provided to all directors and employees to promote their understanding of the prevention of corruption by, for example, taking up topics related to anti-corruption.

Furthermore, SHA has formulated the "Compliance Manual" as a specific guide for directors and employees to implement compliance, and has stipulated the prohibition of fraudulent acts, such as money laundering, insider trading, bribery, embezzlement for self-interest, etc. Directors and employees who engage in improper conduct are subject to strict punishment/disciplinary action following internal regulations. In addition, SHA has set up a monitoring and consultation system, such as a whistleblower system, that allows directors and employees to anonymously consult or report, and by accepting consultations or reports on compliance issues such as acts that violate laws and corporate ethics, to minimize problems and prevent risks.

Through these initiatives, SHA is working to prevent bribery and corruption that violate laws and voluntary norms.
In FY 2024, no disciplinary action or dismissal took place against any employee, and no serious violations of laws and regulations, fines or penalties were applied.

Click here for the Status of Legal Compliance

Internal Reporting System

To prevent compliance risks from happening and minimize the impacts of noncompliance occurred, SHA established the system called "Compliance Hotline" (hereinafter referred to as the “Hotline”) which directors and employees can consult with or report to about compliance issues related to violations of laws, regulations, and corporate ethics. The Hotline accepts and appropriately handles consultation or reporting of organizational or individual violations of laws and regulations in accordance with the Whistleblower Protection Act.

The Compliance Officer is selected as the person in charge of the Hotline. The Compliance Officer or the Internal Control Promotion Dept. functions as the contact point while the contact point may be entrusted to an external party (such as a law office) to protect whistleblowers from being exposed. Reports or consultations are accepted face-to-face, in writing, by email, telephone, etc. from all directors and employees including contract employees, part-time employees, temporary employees, and retirees who were employed within one year before the reported date. Anonymous reporting is also accepted. Once a report is accepted from a whistleblower, a person of the contact point conducts necessary investigations to confirm facts and promptly notifies the Compliance Officer with summarized details of the incident. If violations of laws or regulations are revealed as a result of the investigation, SHA will promptly take corrective measures to prevent the same or similar incidents from happening, and carry out internal disciplinary actions to related parties as needed.

The protection of the privacy of whistleblowers and the prohibition of unfavorable treatments from a personnel, economic, daily life, or mental health standpoint, and other related matters are clearly stated on the “Compliance Hotline Rules”. Even after reports are closed, SHA continues to confirm that the whistleblowers are not being harassed but being protected.

Directors and employees of SHA have the access to the Sekisui House Group Compliance Helpline (hereinafter referred to as the “Helpline”) established by the Sekisui House Group. The helpline is available to all Group employees and includes an external point of contact managed by an independent law firm. In addition, the helpline accepts consultations and reports from officers and employees of partner building constructors and suppliers engaged in ongoing transactions with the Group. These reports may concern actual or potential violations of laws or corporate ethics in connection with business relationships.

Internal Audit System

SHA formulates an internal audit plan every business year based on the internal audit rules and conducts internal audits of all departments and their operations twice a year. Internal audits are conducted by the Compliance Officer and the Internal Control Promotion Department, headed by the Compliance Officer. For the implementation of internal audits, SHA will verify whether the business is being carried out appropriately and efficiently in line with laws, regulations, internal regulations in addition to verifying whether the corporate ethics standards (including corruption, bribery and fraud) are complied. The results are then reported to the Compliance Committee, President & Chief Executive Officer, and the Board of Directors, and a policy is in place to provide recommendations and instructions for improvement to the relevant organizations and departments as necessary.
SHA has also introduced an evaluation system from external perspectives by conducting audits by external specialist organizations as necessary.

Prevention Measures for Conflict-of-Interest Transactions

SHA has stipulated the Rules for Transactions with Interested Parties concerning transactions between the Interested Parties and SHR etc. as an internal rule to exclude the adverse effect of conflicts of interest. An overview of Rules for Transactions with Interested Parties is as follows:

Scope of Interested Parties

From the viewpoint of preventing conflict of interest transactions, the scope of "Interested Parties" in SHA has been expanded from the “interested persons, etc.” under the Act on Investment Trusts and Investment Corporations (Investment Trust Act) as follows.

a. "Interested Parties, etc." as defined in the Investment Trust Act

b. Shareholder of SHA

c. Special Purpose Companies, etc. for which discretionary investment contracts are concluded by those stipulated in (a) or (b) above

d. Special Purpose Companies, etc. in which the total amount of the contributions by those outlined in (a) or (b) above is a majority of the total contributions

Transaction Terms with Interested Parties

Acquisition of property from Interested Parties	The acquisition price (excluding taxes, cost of acquisition and others) must be no more than the amount of the appraisal value, etc. determined by a real estate appraiser who is a non-interested party appointed at the time of the acquisition. (However, in the event that a SPC is temporarily formed on the assumption that the property will be transferred to SHR, the acquisition price must be no more than the amount adding such cost.)
Disposition of property to Interested Parties	The disposition price (excluding taxes, cost of transfer and others) must be no less than the amount of the appraisal value determined by a real estate appraiser who is a non-interested party appointed at the time of the sale.
Payment of an agency fee to Interested Parties	The amount of agency fee to be paid must be within the range of remuneration set forth in the Building Lots and Buildings Transaction Business Act and decided based on the level of contract terms and the difficulty level of brokerage, etc.
Entrusting management, etc. of real estate and other assets to Interested Parties	Entrustment of management services, etc. for real estate and other assets must be based on conditions considered adequate upon comprehensive consideration of market levels of management consignment fees, the content of services to be provided, total workloads and so on. (The appropriateness of contractors is verified by independent external evaluation organizations which have no interest with SHA once a year, in principle.)
Conclusion of leasing contract for real estate and other assets with Interested Parties	Lease contracts must be based on conditions considered adequate upon investigation of market rent levels and prices of similar transactions in surrounding areas, etc. and by reference to the opinions of third parties, who are non-interested parties, as needed.
Placing orders for construction work, etc. with Interested Parties	If the contract amount exceeds a certain amount, placement of orders with Interested Parties must be limited to cases in which the estimated price, content of services provided, etc. are not disadvantageous to SHR upon comparison with third parties.

To ensure that unitholder interests are not impaired due to conflicts of interest between SHR and interested parties of SHA (including Sekisui House, etc.), regarding the composition of the board of directors, SHR has set a target (KPI) for the percentage of non-interested parties.

KPI : Percentage of non-interested parties at the Board of Directors 75% or more

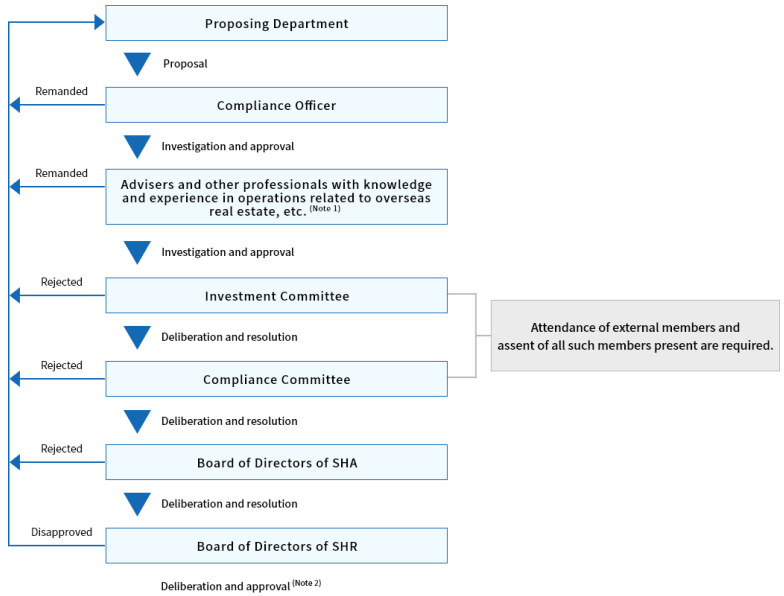
Result as of December 15, 2025 **75%**

In addition, SHR and SHA have established the governance system that ensures arms-length principal as follows.

- Each decision to be made by Investment Committee and Compliance Committee must be conditional upon the attendance and affirmative votes of outside members appointed from among professionals who have no special interest with Sekisui House or other interested parties.
- Appointment and dismissal of compliance officers and external committee members requires the approval of the Board of Directors of SHR, which is supervised by professionals who have no interest in Sekisui House or other interested parties.

The flow of decision-making for transactions with stakeholders is as follows.

An Example of Decision Making Flow



(Note 1) This process is investigated at the time of decision-making related to overseas real estate, etc.

(Note 2) Approval includes consent of SHR on said approval.

Sekisui House Ownership of SHR's Investment Units (Same Boat Investment)

SHR has accepted same boat investment from Sekisui House to align the interests of the investors and the sponsor Sekisui House.

Click here to see the number and percentage of units held by Sekisui House.

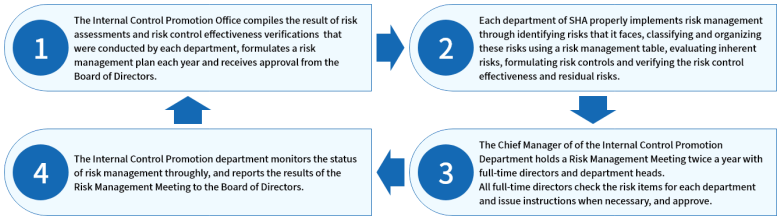
Governance

Risk Management

Risk Management System

SHA established “Risk Management Regulations” to properly manage and minimize the risks that arise when managing the assets of SHR by avoiding, reducing or transferring them in addition to minimizing damage in the event of a risk occurring. SHA stipulates methods for risk management, monitoring of the status of risk management and responding to unforeseen circumstances, etc., in its “Risk Management Regulations”. Each department of SHA manages the risks associated with the operations related to its division of duties. In addition, the Compliance Officer and the Internal Control Promotion Department as the responsible department for the risk management oversee and monitor risk management in each organization and also report to the Board of Directors.

Risk Management Process



Risk Management Method

In accordance with the “Risk Management Regulations”, SHA manages risks related to the duties of each department through the following methods.

- SHA stipulates a portfolio development policy, portfolio management and administration policy, investment screening criteria and property due diligence criteria, etc., in its management guidelines. In addition, SHA stipulates internal rules regarding the selection of other service providers including property management companies as well as tenants and strives to manage the risks associated with real estate and real estate trust beneficiary interest by complying with these operational guidelines and other internal rules.
- SHA strives to clarify the decision-making process for important matters related to the asset management of SHR and monitors the legal compliance status during the decision-making process by establishing internal rules such as the rules on segregation duties, rules on authority, committee rules and compliance rules. In addition, SHA strives to manage relevant risks by establishing the objective operational procedures for its operations, including real estate research, acquisition, operation and management.
- The Internal Control Promotion Department of SHA monitors the legal compliance status and is responsible for ensuring thorough compliance, including the elimination of transactions involving conflicts of interest, insider trading and transactions with antisocial forces. In addition, the Compliance Officer is responsible for maintaining compliance-related rules and regulations, including the preparation of the compliance manual, in accordance with laws and regulations, and is also working to raise employees' and officers' compliance awareness through internal trainings and other means.
- Internal audits of SHA are conducted by the Compliance Officer and the Internal Control Promotion Department, which are independent of other organizations and departments, with the Compliance Officer serving as the person responsible. Meanwhile, internal audits of the Compliance Officer and the Internal Control Promotion Department are carried out by the General Affairs Department with the President & Chief Executive Officer serving as the person responsible. The system for internal audits is maintained based on the internal audit rules, etc., and the Compliance Officer reports the results of internal audits and the improvement status of the issues identified to the Board of Directors. By maintaining this system, internal audits are carried out objectively, and the Board of Directors monitors the status of each organization's business execution within SHA.

- Properties that are subject to forward commitments, etc. will not be recorded on the balance sheet of SHR and will be off-balance until settlement, but the price fluctuation risk of the property during this period will be borne by SHR. Therefore, when entering into forward commitments, etc., SHA manages this risk by complying with the rules for forward commitments, etc., which stipulate rules including the maximum penalty amount, the maximum acquisition price of a property and the maximum period from contract conclusion to property delivery.
- Regarding SHR's fund-raising activities, such as the issuance of new investment units, borrowings and the issuance of investment corporation bonds, a system has been established in which SHR's Board of Directors must approve such activities in accordance with the laws and regulations. In addition, SHA has established guidelines for the management of surplus funds and the rules for the handling of derivative transactions and risk management, and manages SHR's financial risks.
- SHA has established the emergency response regulations and the business continuity plans to establish a system for the BCP of SHR's assets and SHA in the event of a disaster or other emergency.
- SHA has established the internal rules regarding information assets, including information management rules, document rules, information system management rules, personal information protection policies and personal information protection rules, and has established a management system for information assets, such as important information used in the execution of SHA's business and personal information related to SHA's officers and employees, as well as SHR's unitholders, tenants. In addition, a system has been established to monitor the status of information management of subcontractors.

Enhancement of Information Security

To minimize the risks of information leakage, operation shutdown caused by cyber attacks, and other risks that could hinder the continuation of business, the Sekisui House Group strives to strengthen corporate governance system about information security regarding the establishment of the information security governance system as a key initiative, based on "Information Security Policy" regarded as Sekisui House Group's Basic Policy.

Click here for the Sekisui House Information Security Policy (Japanese Only).

SHA established "Information Management Regulations", "In-house Information System Management Manual" and "Mobile Device Operation Manual" clearly stating information management in daily operations, the proper way to use mobile devices, etc. SHA strictly manages its information assets by ensuring that directors and employees perform their duties in accordance with these regulations and manuals. SHA conducts information security audits by external organizations to verify the appropriateness and effectiveness of its information security management and system management.

In addition, SHA stipulates procedures for responding to information security incidents. As an initial response by officers and employees, network disconnection and isolation of information terminals shall be implemented, followed by prompt notification to the information systems staff. The information systems staff shall take measures to prevent external information leakage, report to the Chief Manager of the General Affairs Department, and then report or notify the President & Chief Executive Officer, relevant parties, and authorities as appropriate depending on the extent of the damage. Furthermore, SHA is working to improve IT literacy through regular targeted e-mail drills and E-learning trainings, etc.

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Sustainability Finance

Approach to Sustainability Finance

Approach to Sustainability Finance

Sustainability finance is a financial approach that aims to realize a sustainable society solving environmental issues such as climate change, and social issues including human rights and poverty. SHR aims to contribute to the realization of a sustainable society and maximize unitholder's medium to long term value through asset management that takes ESG into consideration. Believing that addressing these issues through sustainability finance will lead to further promotion of ESG-conscious asset management and strengthening of our financial base through expansion of funding source, SHR is promoting fundraising through sustainability finance by setting target (KPI).

KPI: Achieve 50% or more of sustainability finance in interest-bearing liabilities by 2030

Results as of December 15, 2025 **43.0%**

Sustainability Finance Allocation Status

(As of December 15, 2025)

Sustainability Finance		Total Amount (Million yen)
Green Finance		99,298
	Green Bonds (Note 1)	15,500
	Green Loans (Note 2)	83,798
Sustainability Linked Loan		9,200
Positive Impact Finance		6,000
Total		114,498

(Note 1) SHR formulated the Green Bond Framework in 2018, and the third through ninth Investment Corporation Bonds have been issued in accordance with the Green Bond Framework. In addition, SHR has obtained a third-party opinion from a third-party opinion from Sustainalytics, an ESG rating agency, for the eligibility of its Green Bond Framework.
Regarding Green Bonds, please refer to "Investment Corporation Bonds" in the "DATABOOK" posted under "Disclosure Materials" in the IR Library.
Click here for the Green Bond Assertions issued under the Green Bond Framework.

(Note 2) Regarding Green Loans, please refer to "Borrowings" in the "DATABOOK" posted under "Disclosure Materials" in the IR Library.

Sustainability Finance

Green Finance

Green Finance

SHR has identified “Investing in Real Estate with Excellent Environmental Performance” as a materiality issue, and is working to obtain green certification, which evaluates the environmental performance of properties we own, as a solution to identified issue.
In addition, we recognize that it is necessary to build a strong financial base to continue investing in real estate with excellent environmental performance, and we are promoting financing through green finance based on the idea that expanding the sources of financing through green finance will contribute to solving the materiality issue.

Green Finance Framework

SHR has formulated the Green Finance Framework as follows to implement green finance that conforms to the Green Bond Principles and other various principles and guidelines.

1.Use of funds

The funds procured through green finance are scheduled to be allotted to funds for the acquisition of existing or new assets which satisfy the following eligibility criteria (“Eligible Green Projects”), funds for the refinancing of borrowings required for the acquisition of Eligible Green Projects or funds for the redemption of outstanding investment corporation bonds required for the acquisition of Eligible Green Projects.

2.Eligibility criteria

At the borrowing or payment date of green finance, assets that have acquired or are scheduled to acquire any of the following evaluations in third-party certifications, shall be designated as Eligible Green Projects.

a. DBJ Green Building Certification: 3 Stars, 4 Stars, 5 Stars
b. Certification for CASBEE for Real Estate: B+ Rank, A Rank, S Rank
c. 3, 4 or 5 stars under the Building Energy-efficiency Labeling System (BELS) (FY2016 standard)
The following levels in the Building Energy-efficiency Labeling System (BELS) (FY2024 standard)
ⅰ. Residential without renewable energy facilities: Level 3 or 4 *1
ⅱ. Residential with renewable energy facilities: Level 3, 4, 5 or 6 *1
ⅲ. Non-residential: Level 4, 5 or 6 *2
*1: For residential buildings, existing buildings constructed before 2016 qualify if they are at least Level 2, whether or not they have renewable energy systems.
*2: For non-residential buildings, existing buildings constructed before 2016 qualify if they are at least Level 3 and are not existing nonconforming buildings (factories, etc. including logistics facilities: BEI = over 0.75).
d. Following evaluation of ZEH, ZEB in BELS
ⅰ. ZEH-M Oriented, ZEH-M Ready, Nearly ZEH-M or ZEH-M
ⅱ. ZEB Oriented, ZEB Ready, Nearly ZEB or ZEB
e. Silver, Gold or Platinum Rank under the LEED (v4.0 and later under BD+C, O+M or ND)

3.Evaluation and selection process of Eligible Green Projects

Eligible Green Projects will be evaluated and selected by the Sustainability Committee, which is chaired by the president & chief executive officer of Sekisui House Asset Management, Ltd., and participated by all Senior Executive Directors and all heads of departments of SHA, in accordance with its management policy(or business growth strategy), the Sustainability Policy and eligibility criteria.

4.Management of procured funds

SHR intends to allot the funds procured through green finance towards Eligible Green Projects. As long as the green finance balance exists, SHR will manage to ensure that the green finance balance does not exceed the Eligible Green Liability (Note).
In addition, SHR will report that the total amount of funds procured through green finance has been fully allocated to Eligible Green Projects and as long as the green finance balance exists, the allocated funds will be tracked and managed internally on a portfolio basis.
In the event that all or part of the funds procured through green finance are not immediately allocated to Eligible Green Projects, SHR will identify unappropriated funds and manage all or part of the funds raised in cash or cash equivalents until the unappropriated funds are allocated to Eligible Green Projects.

(Note) Eligible Green Liability is calculated by multiplying total acquisition price of Eligible Green Projects by LTV (total asset basis) as of the end of the latest fiscal period. The same applies hereinafter.

5.Reporting

a. Reporting related to the status of allocation of funds

SHR will disclose that the funds procured through green finance has been fully allocated to Eligible Green Projects according to the Framework and the green finance balance does not exceed the Eligible Green Liability via SHR's website. As long as the green finance balance exists, SHR will report the amount of Eligible Green Liability and the green finance balance as of the end of December every year.

b. Impact reporting

As long as the green financing balance exists, SHR will disclose following environment-related indicators, etc., as of the end of December every year via SHR's website.
ⅰ. The number of Eligible Green Projects and acquired evaluations in third-party certifications
ⅱ. Total floor area of Eligible Green Projects
ⅲ. Eligible Green Liability(total amount of Eligible Green Project as of the end of December × Total Asset LTV as of the end of October)
ⅳ. The following quantitative indicators for Eligible Green Projects (Note)
(ⅰ) Energy consumption
(ⅱ) CO_2 emissions
(ⅲ) Water consumption

(Note) Only the parts of properties for which SHR has the energy management authority.

Third-party evaluation

SHR acquired "Green 1(F)", the highest rating in "Green Finance Framework Evaluation" from Japan Credit Rating Agency, Ltd. (JCR) as a third-party evaluation of the Framework.
Click here for details of the "Green Finance Framework Evaluation".

The Latest Reporting

Click here for Green Finance Reporting.
Click here for Green Bond Reporting.

Click here for status of acquisition of green certifications by property.

Sustainability Finance

Sustainability Linked Finance

SHR has raised funds through a Sustainability Linked Loan (“SLL”) as a part of our ESG initiatives as follows.
SLL is a financial product designed to support companies' sustainable business activities and growth from environmental and social perspectives. Specifically, it establishes sustainability performance targets (“SPT”) for borrowers and links financing terms such as interest rates to the achievement of these targets, thereby providing incentives for meeting the SPT.
SHR has identified “Promoting Response to Climate Change” as a materiality and is promoting various initiatives with the goal of “Achieve net zero by 2050”. CDP Climate Change is a program that evaluates companies' climate change initiatives and is widely used by investors and companies both domestically and internationally. Therefore, SHR has selected the CDP Climate Change Score as the SLL's SPT and will accelerate our climate change initiatives by linking its achievement status to economic impact.

Borrowing amount	9,200 million yen
Drawdown date	November 13, 2025
Borrowing period	6 years
SPT	Obtaining A rating of CDP Climate Change Score
Applicable Spread (Note)	CDP Climate Change Score A　Initial spread −0.01% A-　Initial spread ±0.00% B / B- / C / C- / D / D- / F　Initial spread +0.01%

(Note) The applicable spread annually fluctuates based on the achievement status of the SPT.

For the detail of SLL, please click here.

Sustainability Finance

Positive Impact Finance

SHR received a loan under the Positive Impact Finance (“PIF”) scheme from the syndicate of lenders in which Sumitomo Mitsui Trust Bank, Ltd. (“Sumitomo Mitsui Trust Bank”) acts as an arranger in accordance with the "Principles" for PIF and the model framework of the Principles (Model Framework for financial products for corporates with unspecified used of funds and the Real Estate Investment Framework) issued by the United Nations Environment Programme Finance Initiative (“UNEP FI”) .

PIF is a loan intended to continuously support corporations’ activities of which they comprehensively analyze and evaluate the impacts (both positive and negative) on the environment, society and economy. The most notable feature of PIF is that the degree of contribution from corporate activities, products, and services in achieving Sustainable Development Goals (“SDGs”) is used as an evaluation indicator and is monitored based on publicly disclosed information while supporting such corporate activities through engagement.

SHR has selected the themes among the materiality issues as activities that particularly have an impact on the achievement of SDGs, and received qualitative and quantitative evaluations from Sumitomo Mitsui Trust Bank. SHR has also obtained a third-party opinion from Japan Credit Rating Agency, Ltd. regarding the compliance of the procedures related to this evaluation with the Principles as well as the rationality of the evaluation indicators.

Loan amount	6,000 million yen
Applicable interest rate	0.665%
Drawdown date	May 31, 2022
Period	7 years

Click here to view details about the PIF and the relevant press release.

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ESG Report

ESG Report



An ESG report is issued once a year to engage with stakeholders and has readers understand the efforts made by SHR and SHA toward realizing a sustainable society.

December 16, 2024	ESG Report 2024	PDF	(46.0MB)	Revised
December 21, 2023	ESG Report 2023	PDF	(7.6MB)	Revised
December 16, 2022	ESG Report 2022	PDF	(10.2MB)	Revised
December 17, 2021	ESG Report 2021	PDF	(14.6MB)	
December 16, 2020	ESG Report 2020	PDF	(410KB)	

Sekisui House, Ltd. "VALUE REPORT 2025" and "ESG FACT BOOK 2025"





Sekisui House, Ltd. has published the VARUE REPORT, which consolidates the Integrated Report and the Sustainability Report since 2022. In addition, the ESG FACT BOOK, which was newly released this fiscal year, introduces Sekisui House Group's ESG initiatives and progress.

ESG Library

ESG Data

Environment

GHG

Entire Portfolio	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total CO_2 emission	t-CO_2	15,253	18,318	15,892	14,833	8,939	17,429	15,903
Scope1		2,411	2,930	2,473	764	795	791	792
Scope2 market-basis		-	-	-	4,362	1,734	793	979
Scope2 location-basis		12,842	15,389	13,420	5,856	6,513	6,316	5,754
Scope3 *Emissions from the use of electricity and fuel by tenants in the exclusive area		-	-	-	9,707	6,410	15,846	14,132
CO_2 emission intensity	t-CO_2/㎡	0.064	0.063	0.052	0.048	0.027	0.033	0.023

Residence	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total CO_2 emission	t-CO_2	3,955	3,959	2,897	2,326	433	4,997	10,551
CO_2 emission intensity	t-CO_2/㎡	0.041	0.040	0.029	0.023	0.004	0.016	0.019

Office Building	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total CO_2 emission	t-CO_2	7,362	10,039	9,719	8,684	5,842	9,178	4,274
CO_2 emission intensity	t-CO_2/㎡	0.063	0.063	0.058	0.050	0.032	0.049	0.032

Hotel	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total CO_2 emission	t-CO_2	3,936	4,320	3,276	3,823	2,664	3,254	1,077
CO_2 emission intensity	t-CO_2/㎡	0.147	0.125	0.089	0.104	0.106	0.129	0.128

Energy

Entire Portfolio	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total energy consumption	MWh	41,581	52,494	48,998	51,429	51,046	51,652	42,039
Electricity		28,152	36,174	35,227	36,423	36,507	36,274	31,571
Fuel		13,249	16,319	13,772	15,006	14,539	15,378	10,467
Energy consumption intensity	MW h/㎡	0.174	0.179	0.161	0.165	0.160	0.159	0.143

Residence	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total energy consumption	MWh	8,181	8,352	8,219	8,343	10,009	10,639	16,136
Electricity		8,181	8,352	8,219	8,343	9,892	10,499	14,701
Fuel		-	-	-	-	117	140	1,435
Energy consumption intensity	MW h/㎡	0.085	0.085	0.083	0.083	0.090	0.092	0.103

Office Building	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total energy consumption	MWh	20,459	28,180	28,041	29,138	30,157	29,555	22,226
Electricity		13,657	19,388	19,865	20,388	21,212	20,178	15,091
Fuel		6,801	8,792	8,176	8,750	8,945	9,377	7,135
Energy consumption intensity	MW h/㎡	0.176	0.176	0.166	0.167	0.164	0.161	0.172

Hotel	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total energy consumption	MWh	12,941	15,961	12,738	13,948	10,880	11,457	3,676
Electricity		6,313	8,434	7,143	7,692	5,403	5,597	1,779
Fuel		6,628	7,527	5,596	6,256	5,477	5,860	1,897
Energy consumption intensity	MW h/㎡	0.483	0.461	0.347	0.380	0.432	0.454	0.437

Waste

Entire Portfolio	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total waste emission	t	1,055	1,045	714	696	884	726	849
Landfill		357	357	200	57	10	16	244
Incineration		197	207	162	230	346	351	161
Recycled		501	481	344	351	523	358	444
Reuse		-	-	-	39	-	-	-
Other		-	-	8	18	4	-	-
Waste emission intensity	kg/㎡	7.455	5.382	3.679	3.288	4.236	3.459	5.785

Residence	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total waste emission	t	-	-	-	-	-	-	448
Landfill		-	-	-	-	-	-	230
Incineration		-	-	-	-	-	-	-
Recycled		-	-	-	-	-	-	218
Reuse		-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Waste emission intensity	kg/㎡	-	-	-	-	-	-	12.264

Office Building	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total waste emission	t	871	869	618	602	695	593	391
Landfill		244	248	144	57	10	14	13
Incineration		194	203	160	185	275	273	156
Recycled		433	418	306	308	405	306	222
Reuse		-	-	-	39	-	-	-
Other		-	-	8	13	4	-	-
Waste emission intensity	kg/㎡	7.488	5.145	3.660	3,441	3.787	3.212	3.614

Hotel	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total waste emission	t	184	176	96	94	189	133	10
Landfill		113	109	56	-	-	2	-
Incineration		3	4	2	45	71	78	5
Recycled		68	63	38	44	118	53	4
Reuse		-	-	-	-	-	-	-
Other		-	-	-	5	-	-	-
Waste emission intensity	kg/㎡	7.301	6.970	3.810	2.559	7.500	5.268	4.784

Water

Entire Portfolio	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total water use	㎥	780,360	876,419	845,551	819,330	866,107	941,480	940,314
Rainwater		2,509	2,461	1,640	2,416	3,400	3,239	3,150
City water		777,851	873,958	843,911	816,914	862,707	938,241	937,165
Water use intensity	㎥/㎡	1.743	1.707	1.631	1.561	1.543	1.590	1.615
Residence	**Unit**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
Total water use	㎥	601,691	638,837	677,399	637,167	689,477	750,733	817,348
Rainwater		-	-	-	-	-	-	-
City water		601,691	638,837	677,399	637,167	689,477	750,733	817,348
Water use intensity	㎥/㎡	1.976	2.004	2.166	2.034	1.954	1.958	1.837
Office Building	**Unit**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
Total water use	㎥	107,571	152,090	119,520	126,231	126,378	128,667	102,972
Rainwater		2,509	2,461	1,640	2,416	3,400	3,239	3,150
City water		105,062	149,629	117,880	123,815	122,978	125,428	99,822
Water use intensity	㎥/㎡	0.925	0.950	0.708	0.721	0.689	0.700	0.798
Hotel	**Unit**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**
Total water use	㎥	71,098	85,493	48,632	55,932	50,253	62,080	19,994
Rainwater		-	-	-	-	-	-	-
City water		71,098	85,493	48,632	55,932	50,253	62,080	19,994
Water use intensity	㎥/㎡	2.655	2.471	1.325	1.524	1.993	2.462	2.379

Renewable Energy

	Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Renewable energy consumption	MWh	11	229	2,031	6,602	20,592	23,471	23,259
Generated		11	1	9	10	9	8	5
Purchased		-	228	2,022	6,592	20,582	23,463	23,255

Information Related to Calculation of Environmental Performance Data

Scope

All properties owned by SHR (excluding properties disposed during the calculation period for FY 2022 and before)
*Excluding areas where data is difficult to ascertain, such as where tenants have energy management rights.

Data Coverage

	FY 2021	FY 2022	FY 2023	FY 2024
GHG	42.1%	42.6%	90.6%	90.1%
Energy	42.1%	45.1%	90.6%	90.1%
Waste	25.5%	27.5%	28.1%	24.4%
Water	67.1%	77.2%	80.0%	79.8%

(Note) The coverage is calculated as total floor space of properties subject to data acquisition / total floor space based on the measured data.

Aggregation Period

From January to December (For waste from office buildings and hotels, from April to March of the following year)
*Before FY 2022 (for water, before FY 2021), the data was aggregated from April to March.

Reference Guidelines

Ministry of the Environment “GHG Emissions Calculation and Reporting Manual (ver. 6.0)”
Ministry of the Environment and Ministry of Economy, Trade and Industry “Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (ver. 2.7)”

Calculation Standards

Classification	Item		Calculation Method
GHG	CO_2 emissions		Total emissions from Scope1, Scope2 and Scope3 Scope 2 has been calculated on using a market-basis since FY 2021
	Amount of emissions	Scope 1	Direct greenhouse gas emissions by the business operator itself where the amount of activity (amount of fuel use) in common areas × the emission factor
		Scope 2	Indirect emissions associated with the use of energy (electricity, heat, and steam) supplied from other companies where the amount of activity in common areas (energy consumption) × the emission factor
		Scope 3	Leased assets (downstream) in category 13 where the amount of tenants' activity (amount of fuel use and energy consumption) in exclusive area × the emission factor Note that Scope 3 is separately calculated by category from FY 2021
	Intensity		CO_2 emissions/total floor area

Classification	Item	Calculation Method
Energy	Amount of consumption	Amount of fuel use and energy × Energy conversion factor Note that for city gas, 45 MJ/㎥ applies uniformly until March 2023, and the unit calorific value by suppliers applies from April 2023 onwards. For others, factors under the reference guidelines apply.
	Intensity	Energy consumption/total floor area
Water	Amount of usage	Total of rainwater and city water
	Intensity	Water usage/total floor area
Waste	Amount of emissions	Total amount of waste excluding valuables
	Intensity	Waste emissions/total floor area
Renewable Energy	Amount of usage	Total amount of renewable energy generated by solar power generation facilities at owned properties and purchased renewable energy

SHR's Supply Chain GHG Emissions

	FY 2023	FY 2024
Scope1 (t-CO_2)	791	792
Scope2 (t-CO_2) Market basis	793	979
Scope3 (t-CO_2)	55,958	37,104
Total GHG emissions	57,541	38,875

Scope3 GHG Emissions by category

Category		Unit	FY 2023	FY 2024
Category 1	Purchased goods and services	t-CO_2	6,842	7,020
Category 2	Capital goods		7,215	4,643
Category 3	Fuel- and energy related activities (not included in scope 1 or scope 2)		3,090	1,121
Category 4	Upstream transportation and distribution		12	12
Category 5	Waste generated in operations		183	653
Category 13	Downstream leased assets		38,615	23,654
Scope3 Total GHG emissions			55,958	37,104

(Note) The calculation is based on Ministry of the Environment and Ministry of Economy, Trade and Industry "Basic Guidelines on Accounting for Greenhouse Gas Emissions throughout the Supply Chain (ver. 2.7) and "IDEA v2.3 (2019)". Categories not listed above are not included in the calculation because there are no emission sources.

Third-Party Assurance (Verification Opinion)

In order to increase data reliability, SHR has acquired a third-party assurance for our environmental performance data from SGS Japan Inc.

Verification Opinion PDF

Social

Status of Directors and Employees of SHA

		Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total number of directors and employees		Persons	60	64	66	68	70
	Male		44	45	45	47	49
	Female		16	19	21	21	21
Directly hired employees			41	47	50	52	54
	Male		30	33	34	35	37
	Female		11	14	16	17	17
Seconded employees			13	11	10	10	9
	Male		8	6	5	6	5
	Female		5	5	5	4	4
Non-Japanese employees			1	-	-	-	-
Employment rate of persons with disabilities		%	-	2.25	2.11	2.06	1.96

			Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Age composition	Male	Under 30 years old	Persons	2	2	1	2	2
		30-50 years old		23	22	24	26	27
		50 years old and over		19	21	20	19	20
	Female	Under 30 years old		1	2	3	3	1
		30-50 years old		13	15	16	16	17
		50 years old and over		2	2	2	2	3
Percentage of female managers*			%	3.6	3.6	4.0	7.7	6.9
Average years of service			Years	6.1	6.5	6.5	6.5	7.0
	Male			8.5	8.0	7.9	7.8	8.1
	Female			2.7	3.0	3.5	3.8	4.6
Number of newly hired employees			Persons	7	9	8	6	4
	Male	Under 30 years old		1	2	-	1	1
		30-50 years old		3	4	6	3	2
		50 years old and over		-	-	-	-	-
	Female	Under 30 years old		1	1	2	-	-
		30-50 years old		2	2	-	2	1
		50 years old and over		-	-	-	-	-

			Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of employees who resigned			Persons	6	1	4	4	2
	Male	Under 30 years old		-	1	-	-	-
		30-50 years old		4	-	3	2	1
		50 years old and over		-	-	1	1	-
	Female	Under 30 years old		-	-	-	-	-
		30-50 years old		2	-	-	1	1
		50 years old and over		-	-	-	-	-
Turnover rate			%	10.5	1.7	6.9	6.7	3.2
	Voluntary turnover rate			10.5	1.7	6.9	6.7	3.2
Number of employees taking childcare leave			Persons	3	2	3	4	2
Take-up rate for male childcare leave*			%	-	-	100	100	100
Number of employees taking family care leave			Persons	-	-	-	-	-
Number of short-term workers				2	2	4	3	3
Average monthly work hours per person*			Hours	166.3	164.9	159.9	160.0	159.2

			Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Annual paid leave take-up rate*			%	40.5	52.0	75.6	79.5	82.1
Gender wage gap	Total employees		%	-	-	-	75.0	80.0
		Regular employees		-	-	-	79.0	80.0
		Non-regular employees		-	-	-	-	-
Frequency rate of accidents resulting in lost worktime			%	-	-	-	-	-
Frequency rate of occupational illness in lost worktime			%	-	-	-	-	-

Number of Qualifications Holders

	Unit	As of Jan. 31, 2021	As of Jan. 31, 2022	As of Jan. 31, 2023	As of Jan. 31, 2024	As of Jan. 31, 2025
ARES Certified Master	Persons	27	27	28	30	32
Real Estate Notary		36	41	45	45	51
Real Estate Appraiser		1	1	1	1	1
First-Class Certified Architect		1	1	1	1	1
Chartered Member of the Securities Analysts Association of Japan		1	1	1	1	1
Certified Building Administrator		9	10	10	8	11
MBA		1	1	1	2	2
Attorney at-law		1	1	1	1	-
Real Estate Consulting Master		3	4	4	4	5
CASBEE Accredited Professional for Real Estate		5	5	3	6	10
Licensed Strata Management Consultant		2	2	2	2	2
Licensed Representative of Condominium Management Company		4	5	5	4	5
Labor and Social Security Attorney		1	1	1	1	1
Employment Counselor		-	-	1	1	1

(Note) Includes personnel who have passed the qualifying examination.

Training Achievements

	Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Average hours of training per person	Hours	16.9	14.5	12.6	15.5	14.2
Average costs of training per person	Yen	53,613	27,794	11,213	29,377	50,851
Annual internal training participation rate*	%	100	100	100	100	100
Number of annual external training courses attended per person*	Times	1.5	3.4	2.4	6.1	4.2

Training Implementation

		Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
General training	Number of times	Times	1	-	2	2	2
	Participation rate	%	100	-	97.7	96.2	84.4
Human relations training	Number of times	Times	1	1	1	1	1
	Participation rate	%	100	100	100	100	100
Compliance training	Number of times	Times	3	6	4	4	4
	Participation rate	%	100	100	99.6	100	100
ESG training	Number of times	Times	1	1	1	1	1
	Participation rate	%	100	100	95.5	81.8	91.2
Tiered training	Number of times	Times	-	3	-	-	3
	Participation rate	%	-	100	-	-	97.7

Social Contribution Activities

	Unit	FY 2021	FY 2022	FY 2023	FY 2024
"Sekisui House Matching Program" (a joint donation system for employees and the company) participation rate	%	41.9	44.6	41.2	40.0
Cash donation	Yen	43,200	80,000	81,200	79,200
Time donation		75,925	401,134	300,402	338,877

Information Related to Calculation of Social Dimension Data

Scope

Employees of SHA

Aggregation Period

From February 1 of each year to the end of January 31 of the following year
(For the average monthly work hours per person, frequency rate of accidents resulting in lost worktime and frequency rate of occupational illness in lost worktime, the data is aggregated from January 1 of each year to December 31. For the annual paid leave take-up rate, the data is aggregated from March 11 of each year to March 10 of the following year. For the annual internal training participation rate, the data is aggregated from April 1 of each year to March 31 of the following year.)

Calculation Standards

Employment rate of persons with disabilities	Number of employees with disabilities / employees (excluding seconded employees; part-time workers are converted to 0.5 employees) calculated on June 1 every year
Average years of service	Years of employee service from the date of hire prior to the merger/Number of employees (excluding seconded employees)
Number of newly hired employees, Number of employees taking childcare leave, Number of employees taking family care leave and Number of short-term workers	Calculated from February 1, the first day of the fiscal year of SHA
Turnover rate	Number of employees who resigned during the fiscal year / number of employees at the beginning of the fiscal year × 100
Average monthly work hours per person	Average of one year from January each year
Annual paid leave take-up rate	Total paid leave taken / total paid leave granted × 100, during one year from March each year
Annual internal training participation rate	Number of training participants / number of directors and employees enrolled (excluding employees on maternity or childcare leave and seconded employees) as of the training date
Number of annual external training courses attended per person	Total number of external training courses attended during the fiscal year/Number of directors and employees (excluding employees on maternity or childcare leave and seconded employees) as of the end of the fiscal year
Time donations	Total amount paid to all employees (including seconded employees and excluding transportation expenses) / number of employees enrolled at the end of the fiscal year / number of business days per year / number of work hours per day / cumulative hours of social contribution activities
Gender wage gap	Average annual wage of female employees / average annual wage of male employees × 100 Average annual wages are calculated as total wages (including bonuses) / number of employees (excluding seconded employees) as of the end of the fiscal year (Note) In the personnel system of SHA, there is no difference in wages between male and female employees in the same grade.
Frequency rate of accidents resulting in lost worktime	Number of fatalities and injuries due to lost worktime injuries / total working hours × 1,000,000
Frequency rate of occupation illness in lost worktime	Number of occupational illnesses / total working hours × 1,000,000

Third-Party Assurance (Verification Report)

In order to increase data reliability, SHR and SHA have acquired a third-party assurance from the Japan Quality Assurance Organization for the social dimension data marked *.

Verification Report PDF

Governance

Status of Use of Internal Reporting System

	Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Compliance Hotline	Cases	-	-	-	-	-

Status of Legal Compliance

	Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Number of serious violations of laws and voluntary standards	Cases	-	-	-	-	-
Disciplinary action and dismissal of employees	Cases	-	-	-	-	-
Fines for violations of laws and regulations	Yen	-	-	-	-	-

Political Contribution

	Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Amount of political contribution	Yen	-	-	-	-	-

ESG Library

External Certification

Status of Acquisition of Green Certifications

(As of December 15, 2025)

Property No.	Asset Type	Property Name	Certification for CASBEE for Real Estate	BELS	LEED
R-001	Residence	Esty Maison Ginza	Rank A		
R-002	Residence	Esty Maison Azabunagasaka	Rank A		
R-003	Residence	Esty Maison Ebisu II	Rank A		
R-006	Residence	Esty Maison Kitashinjuku	Rank A		
R-010	Residence	Esty Maison Kameido	Rank A		
R-011	Residence	Esty Maison Meguro	Rank A		
R-012	Residence	Esty Maison Sugamo	Rank A		
R-013	Residence	Esty Maison Kyobashi	Rank A		
R-014	Residence	Esty Maison Hakuraku	Rank A		
R-015	Residence	Esty Maison Minamihorie	Rank A		
R-018	Residence	Esty Maison Shinagawa Seaside	Rank A		
R-019	Residence	Esty Maison Minamiazabu	Rank A		
R-021	Residence	Esty Maison Kawasaki II	Rank A		
R-022	Residence	Esty Maison Azabujuban	Rank A		
R-030	Residence	Esty Maison Hakatahigashi	Rank A		
R-033	Residence	Prime Maison Musashinonomori	Rank A		
R-034	Residence	Prime Maison Higashisakura	Rank A		
R-035	Residence	Prime Maison Kayabakoen	Rank A		
R-036	Residence	Esty Maison Sangenjaya II	Rank A		
R-037	Residence	Esty Maison Itabashi C6	Rank A		
R-038	Residence	Sha Maison Stage Hakata	Rank A		
R-040	Residence	Esty Maison Musashikoganei	Rank A		
R-041	Residence	Prime Maison Gokiso	Rank S		
R-042	Residence	Prime Maison Yuhigaoka	Rank A		
R-043	Residence	Prime Maison Kitatanabe	Rank A		
R-044	Residence	Prime Maison Momochihama	Rank A		
R-046	Residence	Esty Maison Sasazuka	Rank A		
R-047	Residence	Prime Maison Ginza East	Rank S		

Property No.	Asset Type	Property Name	Certification for CASBEE for Real Estate	BELS	LEED
R-048	Residence	Prime Maison Takami	Rank A		
R-049	Residence	Prime Maison Yadaminami	Rank A		
R-050	Residence	Prime Maison Teriha	Rank A		
R-052	Residence	Esty Maison Sengoku	Rank A		
R-053	Residence	Esty Maison Daizawa	Rank A		
R-054	Residence	Esty Maison Togoshi	Rank A		
R-055	Residence	Esty Maison Nishitemma	Rank A		
R-056	Residence	Esty Maison Shirokanedai	Rank A		
R-060	Residence	Esty Maison Musashikoyama II	Rank A		
R-061	Residence	Esty Maison Nakano	Rank A		
R-063	Residence	Esty Maison Nakanofujimicho	Rank A		
R-065	Residence	Esty Maison Koenji	Rank A		
R-066	Residence	Esty Maison Oshiage	Rank A		
R-067	Residence	Esty Maison Akabane	Rank A		
R-069	Residence	Prime Maison Waseda	Rank S		
R-070	Residence	Prime Maison Hatchobori	Rank A		
R-071	Residence	Prime Maison Jimbocho	Rank S		

Property No.	Asset Type	Property Name	Certification for CASBEE for Real Estate	BELS	LEED
R-072	Residence	Prime Maison Gotenyama East	Rank S		
R-073	Residence	Sha Maison Stage Akihabara	Rank A		
R-074	Residence	Esty Maison Aoi	Rank A		
R-075	Residence	Esty Maison Yakuin	Rank B+		
R-076	Residence	Esty Maison Kinshicho II	Rank A		
R-077	Residence	Esty Maison Ojima	Rank A		
R-078	Residence	Prime Maison Fujimidai	Rank A		
R-079	Residence	Esty Maison Tsurumai	Rank A		
R-080	Residence	Prime Maison Morishita	Rank S		
R-081	Residence	Prime Maison Shinagawa	Rank S		
R-082	Residence	Prime Maison Odorikoen	Rank A		
R-083	Residence	Prime Maison Minami 2-jo	Rank S		
R-084	Residence	Prime Maison Kamokamogawa	Rank S		
R-085	Residence	Prime Maison Central Park	Rank A		
R-086	Residence	Sha Maison Stage Yahiro	Rank A		
R-087	Residence	Prime Maison Ebisu	Rank A		
R-091	Residence	Sha Maison Stage Hino	Rank A		

Property No.	Asset Type	Property Name	Certification for CASBEE for Real Estate	BELS	LEED
R-092	Residence	Prime Maison Yokohama Nihon-odori	Rank S		
R-093	Residence	Kobe Women's Student Housing	Rank A		
R-094	Residence	Prime Maison Shibuya	Rank A		
R-095	Residence	Prime Maison Hatsudai	Rank S		
R-096	Residence	Esty Maison Uemachidai	Rank A		
R-098	Residence	Prime Maison Shirokane-takanawa	Rank A		
R-099	Residence	Prime Maison Ichigayayamabushicho	Rank A		
R-100	Residence	Esty Maison Morishita	Rank A		
R-101	Residence	Prime Maison Shirokanedai Tower	Rank S		
R-102	Residence	Prime Maison Otsuka	Rank S		
R-103	Residence	Prime Maison Asakusabashi	Rank S		
R-104	Residence	Prime Maison Daikanyama	Rank A		
R-105	Residence	Prime Maison Gotenyama West	Rank S		
R-106	Residence	Esty Maison Toyosu Residence	Rank A		
R-108	Residence	Esty Maison Ijiri	Rank A		
R-109	Residence	Prime Maison Mitatsunamachi	Rank S		
R-110	Residence	Prime Maison Hongo	Rank A		
R-111	Residence	Prime Maison Kuramae	Rank S		
R-113	Residence	Esty Maison Shizuoka Takajo	Rank A		
R-114	Residence	Sha Maison Stage Hirose-dori	Rank A		
R-115	Residence	Esty Maison HIGASHIBETSUIN	Rank B+		
R-116	Residence	Esty Maison Kayaba	Rank A		
R-117	Residence	Esty Maison SHIRAKABEMINAMI	Rank A		
R-118	Residence	Prime Maison Shimokitazawa	Rank S		
R-119	Residence	Prime Maison Meguro	Rank S		
R-120	Residence	Prime Maison Ryogoku	Rank S		
R-121	Residence	Prime Maison Nakameguro	Rank S		
R-122	Residence	Prime Maison Itabashi	Rank S		
R-123	Residence	Prime Maison EGOTANOMORI	Rank S		
R-124	Residence	Prime Maison Waseda dori	Rank S		
R-125	Residence	Esty Maison Noborito	Rank A		
R-126	Residence	Esty Maison Omori	Rank S		
R-127	Residence	Esty Maison Monzennakacho	Rank A		

Property No.	Asset Type	Property Name	Certification for CASBEE for Real Estate	BELS	LEED
R-128	Residence	Esty Maison Akabane II	Rank S		
R-129	Residence	Prime Maison Yushima	Rank S		
R-130	Residence	Prime Maison Nakanosakaue	Rank S		
R-131	Residence	Prime Maison Honancho	Rank A		
R-132	Residence	Prime Maison Monzennakacho	Rank S		
R-133	Residence	Prime Maison Nishiwaseda	Rank S		
R-134	Residence	Prime Maison Asakusa EAST	Rank S	★★★★★	
R-135	Residence	Prime Maison Sakurashinmachi	Rank A		
R-137	Residence	Prime Maison Morishita WEST	Rank S	★★★★★	
R-138	Residence	Prime Maison Yokohama WEST	Rank A		
A-001	Residence	The Ivey on Boren			GOLD
A-002	Residence	City Ridge			GOLD
O-003	Office Building	Hommachi Minami Garden City	Rank S		
O-005	Office Building	HK Yodoyabashi Garden Avenue	Rank S		
O-006	Office Building	Hirokoji Garden Avenue	Rank S	★★	

Status of Acquisitions of Wellness Certifications

(As of December 15, 2025)

Property No.	Asset Type	Property Name	Certifications Acquired
A-001	Residence	The Ivey on Boren	Fitwel Built Certification ★
O-003	Office Building	Hommachi Minami Garden City	Certification for CASBEE Wellness Office Rank A

ESG Library

GRI Standards Content Index

GRI Standards Content Index

Universal Standards

Disclosure Items		Response
GRI 2: General Disclosures 2021		
1. The organization and its reporting practices		
2-1	Organizational details	Profile of SHR "Overview / History (Overview)"
2-2	Entities included in the organization's sustainability reporting	ESG Disclosure Policy and Reporting Framework
2-3	Reporting period, frequency and contact point	ESG Disclosure Policy and Reporting Framework
2-4	Restatements of information	ESG Report
2-5	External assurance	ESG Data Environmental performance data "Third-Party Assurance (Verification Statement)" ESG Data Social dimension data "Third-Party Assurance (Verification Report)"
2. Activities and workers		
2-6	Activities, value chain and other business relationships	Profile of SHR "Structure of SHR"
2-7	Employees	ESG Data "Status of Directors and Employees of SHA"
3. Governance		
2-9	Governance structure and composition	Corporate Governance
2-10	Nomination and selection of the highest governance body	IR Library "Disclosure Materials (Securities Report)" (only in Japanese)
2-11	Chair of the highest governance body	Corporate Governance "Organizational Structure"
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Management "Sustainability Promotion System"
2-13	Delegation of responsibility for managing impacts	Sustainability Management "Sustainability Promotion System" Measures for Addressing Climate Change "Risk Management"
2-14	Role of the highest governance body in sustainability reporting	Sustainability Management "Sustainability Promotion System" Measures for Addressing Climate Change "Risk Management"

Disclosure Items		Response
2-15	Conflicts of interest	Compliance “Prevention Measures for Conflict-of-Interest Transactions”
2-16	Communication of critical concerns	Compliance “Compliance System” Compliance “Internal Reporting System” Compliance “Internal Audit System” Risk Management “Risk Management System” ESG Data “Status of Use of Internal Reporting System”
2-17	Collective knowledge of the highest governance body	Corporate Governance "Executive Director and Supervisory Directors"
2-18	Evaluation of the performance of the highest governance body	Corporate Governance “Evaluation of the Effectiveness of SHR’s Board of Directors and SHA’s Board of Directors”
2-19	Remuneration policies	Corporate Governance “Director's Remuneration”
2-20	Process to determine remuneration	Corporate Governance “Director's Remuneration”

Disclosure Items		Response
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Message from Senior Management
2-23	Policy commitments	Sustainability Management “Sustainability Policy”
2-24	Embedding policy commitments	Sustainability Management “Sustainability Promotion System”
2-25	Processes to remediate negative impacts	Compliance “Internal Reporting System”
2-26	Mechanisms for seeking advice and raising concerns	Compliance “Internal Reporting System”
2-27	Compliance with laws and regulations	ESG Data “Status of Legal Compliance”
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	Stakeholder Engagement
GRI 3: Material Topics 2021		
Disclosures on material topics		
3-1	Process to determine material topics	Materiality (Important Issues) “Materiality Identification Process”
3-2	List of material topics	Materiality (Important Issues) “Materiality”
3-3	Management of material topics	Materiality (Important Issues) “Materiality”

Topic Standards

	Disclosure Items		Response
Economy	GRI 201: Economic Performance 2016		
	201-1	Direct economic value generated and distributed	Cash Distributions IR Library "Disclosure Materials (Securities Report)" (only in Japanese) ESG Data “Social Contribution Activities”
	201-2	Financial implications and other risks and opportunities due to climate change	Measures for Addressing Climate Change
	GRI 205: Anti-corruption 2016		
	205-2	Communication and training about anti-corruption policies and procedures	Compliance “Efforts to Prevent Bribery, Corruption, etc.”
	205-3	Confirmed incidents of corruption and actions taken	Not Applicable
	GRI 206: Anti-competitive Behavior 2016		
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	ESG Data “Status of Legal Compliance”
	GRI 207: Tax 2019		
	207-1	Approach to tax	IR Library "Disclosure Materials (Securities Report)" (only in Japanese)
Environment	GRI 302: Energy 2016		
	302-1	Energy consumption within the organization	ESG Data “Energy”
	302-3	Energy intensity	ESG Data “Energy” Our Approach to Environmental Considerations, Environmental Performance “Environmental Performance Data”
	302-4	Reduction of energy consumption	Our Approach to Environmental Considerations, Environmental Performance
	GRI 303: Water and Effluents 2018		
	303-1	Interactions with water as a shared resource	Our Approach to Environmental Considerations, Environmental Performance
	303-5	Water consumption	ESG Data “Water”
	GRI 304: Biodiversity 2016		
	304-3	Habitats protected or restored	Conservation of Natural Capital, Coexistence of Humankind and Nature, and Initiatives for Environmental Resources

	Disclosure Items		Response
Environment	GRI 305: Emissions 2016		
	305-1	Direct (Scope 1) GHG emissions	ESG Data “GHG”
	305-2	Energy indirect (Scope 2) GHG emissions	ESG Data “GHG”
	305-3	Other indirect (Scope 3) GHG emissions	ESG Data “Scope3 GHG Emissions by category”
	305-4	GHG emissions intensity	ESG Data “GHG”
	305-5	Reduction of GHG emissions	Our Approach to Environmental Considerations, Environmental Performance
	GRI 306: Waste 2020		
	306-2	Management of significant waste-related impacts	Our Approach to Environmental Considerations, Environmental Performance Conservation of Natural Capital, Coexistence of Humankind and Nature, and Initiatives for Environmental Resources “Appropriate Waste Management”
	306-3	Waste generated	ESG Data “Waste”
	306-4	Waste diverted from disposal	ESG Data “Waste”
	306-5	Waste directed to disposal	ESG Data “Waste”

	Disclosure Items		Response
Society	GRI 401: Employment 2016		
	401-1	New employee hires and employee turnover	ESG Data “Status of Directors and Employees of SHA”
	401-3	Parental leave	ESG Data “Status of Directors and Employees of SHA”
	GRI 403: Occupational Health and Safety 2018		
	403-4	Worker participation, consultation, and communication on occupational health and safety	Creating a Rewarding Workplace
	403-6	Promotion of worker health	Creating a Rewarding Workplace
	403-9	Work-related injuries	ESG Data “Status of Directors and Employees of SHA”
	403-10	Work-related ill health	ESG Data “Status of Directors and Employees of SHA”
	GRI 404: Training and Education 2016		
	404-1	Average hours of training per year per employee	ESG Data “Training Achievements”
	404-2	Programs for upgrading employee skills and transition assistance programs	Practicing Human Capital Management “Training System”
	404-3	Percentage of employees receiving regular performance and career development reviews	Practicing Human Capital Management “Strategy for Developing Human Resources”

	Disclosure Items			Response
Society	GRI 405: Diversity and Equal Opportunity 2016			
		405-1	Diversity of governance bodies and employees	ESG Data “Status of Directors and Employees of SHA”
		405-2	Ratio of basic salary and remuneration of women to men	ESG Data “Status of Directors and Employees of SHA”
	GRI 406: Non-discrimination 2016			
		406-1	Incidents of discrimination and corrective actions taken	Not Applicable
	GRI 407: Freedom of Association and Collective Bargaining 2016			
		407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not Applicable
	GRI 408: Child Labor 2016			
		408-1	Operations and suppliers at significant risk for incidents of child labor	Not Applicable
Society	GRI 409: Forced or Compulsory Labor 2016			
		409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not Applicable
	GRI 411: Rights of Indigenous Peoples 2016			
		411-1	Incidents of violations involving rights of indigenous peoples	Not Applicable
	GRI 415: Public Policy 2016			
		415-1	Political contributions	ESG Data “Political Contribution”
	GRI 416: Customer Health and Safety 2016			
		416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not Applicable
	GRI 417: Marketing and Labeling 2016			
		417-2	Incidents of non-compliance concerning product and service information and labeling	Not Applicable
		417-3	Incidents of non-compliance concerning marketing communications	Not Applicable
	GRI 418: Customer Privacy 2016			
		418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not Applicable

ESG Library

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Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting Metric	Code	Response, Relevant Content
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property sector	IF-RE-130a.1.	ESG Data "Information Related to Calculation of Environmental Performance Data"
	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property sector	IF-RE-130a.2.	ESG Data "Energy" ESG Data "Renewable Energy"
	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector	IF-RE-130a.3.	ESG Data "Energy"
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property sector	IF-RE-130a.4.	2.0% (as of December 15, 2025) (Reference) Percentage of the Portfolio with Green Certification Investing in Real Estate with Excellent Environmental Performance
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5.	SHR's Sustainability Materiality (Important Issues) Stakeholder Engagement Collaboration with Tenants
Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector	IF-RE-140a.1.	-
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property sector	IF-RE-140a.2.	-
	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector	IF-RE-140a.3.	ESG Data "Water"
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4.	Materiality (Important Issues) Conservation of Natural Capital, Coexistence of Humankind and Nature, and Initiatives for Environmental Resources "Installation of Water-Saving Equipment"

Topic	Accounting Metric	Code	Response, Relevant Content
Management of Tenant Sustainability Impacts	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property sector	IF-RE-410a.1	-
	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property sector	IF-RE-410a.2	ESG Data "Water"
	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	IF-RE-410a.3	Collaboration with Tenants
Climate Change Adaptation	Area of properties located in 100-year flood zones, by property sector	IF-RE-450a.1	-
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-RE-450a.2	Measures for Addressing Climate Change

Activity Metrics

Activity Metrics	Code	Response, Relevant Content
Number of assets, by property sector	IF-RE-000.A	Portfolio "Portfolio Data"
Leasable floor area, by property sector	IF-RE-000.B	IR Library "Disclosure Materials (DATABOOK)"
Percentage of indirectly managed assets, by property sector	IF-RE-000.C	-
Average occupancy rate, by property sector	IF-RE-000.D	IR Library "Disclosure Materials (DATABOOK)"