

# 13<sup>th</sup>

Ended April, 2021

## Financial Results Briefing

June 17, 2021



**SEKISUI HOUSE REIT, INC.**

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Asset management company

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# Inauguration Greetings

President & Representative Director of  
Asset management company

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

### ➤ Maximize the sponsor support of Sekisui House

#### • External Growth

Acquiring high quality assets utilize the sponsor pipeline

#### • Internal Growth

Maintaining and improving rents and occupancy rates

#### • ESG

Promoting efforts to achieve materiality and KPIs

Improving the environmental performance of assets

#### • Enhance the operation ability of SHAM

Innovation & Communication



**SEKISUI HOUSE ASSET MANAGEMENT, LTD.**

President & Representative Director

**Toru Abe**

#### Main profiles

Apr. 1990	Sekisui House Ltd.
Aug. 2005	Seconded to JAPAN EXCELLENT ASSET MANAGEMENT CO., Ltd.
Apr. 2009	Seconded to Sekisui House Australia Pty Ltd., CEO & Managing Director
Oct. 2019	Sekisui House Ltd., Chief Manager, Tokyo Condominium Department
Feb. 2021	Seconded to Sekisui House Asset Management, Ltd., President & Representative Director

# Executive summary

## 1 Business performance: FP 13 (2021/4) DPU beat guidance

- ✓ FP 13 DPU result was JPY 1,675, beating guidance by JPY 34 (+2.1%), but down JPY 10 (-0.6%) vs. the previous period.
- ✓ The DPU forecast is JPY 1,649 for FP 14 (2021/10) and JPY 1,625 for FP 15 (2022/4).  
Plan to reverse internal reserves and stabilize the DPU to counter factors including rent relief due to COVID-19 and shortfalls in rental revenue due to the loss of variable rent from The Ritz-Carlton, Kyoto.
- ✓ NAV per unit was JPY 85,064, up JPY 1,895 vs. the previous period.  
Unrealized gain is JPY 85.7 billion (16.4% of portfolio value).

## 2 Growth strategy: Strengthen portfolio quality and profitability via asset reshuffling

- ✓ In residential portfolio, sold property expected to have deteriorating profitability and bought higher quality, more profitable properties.
- ✓ Plan to secure funds for stable cash distributions by retaining a portion of capital gains.
- ✓ FP 13 results:
  - Sold one residential property for a price of JPY 965 Million and a capital gain of JPY 130 Million, of which JPY 103 Million was retained in internal reserves.
  - Acquired 3 residential properties for a total of JPY 3,750 Million and appraisal NOI yield of 4.9% (weighted average).

## 3 Financial strategy: Build and maintain a robust financial standing

- ✓ Plan to continue to control LTV (45.4% at the end of FP 13) at conservative levels.
- ✓ Issued JPY 2 Billion in green bonds at favorable terms (0.46% for 10 years) (issued in May 2021)

# Impact from COVID-19

Little impact over immediate term, but in FP 14 and thereafter, impact should expand as hotels contribute zero variable rent, etc.

	Up through FP 13 (2021/4) Results	FP 14 (2021/10) and FP 15 (2022/4) Forecasts and Assumptions
Office	<ul style="list-style-type: none"> <li>Although there have been no tenant departures due to COVID-19, SHR has been impacted by factors such as weaker economic activity.</li> <li>Few requests for rent concessions (abatement or deferral).</li> <li>Impact on DPU from rent abatements was JPY -0.1.</li> </ul>	<ul style="list-style-type: none"> <li>Willing to consider free rent and other concessions in leasing activities.</li> <li>Spread of remote work serves as a reminder of the importance of communication.</li> <li>Assuming the impact on DPU from rent abatements to be JPY -8 in FP 14 and JPY -6 in FP 15.</li> <li>Assuming JPY -9 as vacant risk in FP 15.</li> </ul>
Residential	<ul style="list-style-type: none"> <li>Under the emergency declaration (stay home orders) in the spring of 2020, new leases declined. Thereafter, cancellations increased and stayed high, putting pressure on the occupancy rate.</li> <li>Achieved a rapid recovery by moving with agility to shore up the occupancy rate.</li> <li>The emphasis on occupancy rate led to a decline in acquisitions of nonrefundable security deposits and rent increase.</li> <li>Nearly no impact from rent concessions (abatement or deferrals).</li> </ul>	<ul style="list-style-type: none"> <li>Cancellations remain high, and we assume the market will continue to have some ups and downs.</li> <li>Single type units are impacted but domestic demographic shifts remain unchanged, so we assume a gradual recovery.</li> <li>Some leases are getting free rent periods, so the booking of revenues is expected to lag behind a recovery in the occupancy rate.</li> </ul>
(Retail tenants)	<ul style="list-style-type: none"> <li>The emergency declaration led to shorter business hours and less foot traffic, which were major blows to restaurants, bars and other service industry tenants.</li> <li>There were some requests for rent concessions (abatement or deferrals).</li> <li>Impact on DPU from rent abatements was JPY -0.5.</li> </ul>	<ul style="list-style-type: none"> <li>Assuming the harsh business environment will continue for some time.</li> <li>Bracing for some rent concessions (abatement or deferrals) moving forward.</li> <li>Assuming the impact on DPU from rent abatements to be JPY -2 in FP 14 and JPY -1 in FP 15.</li> </ul>
Hotels	<ul style="list-style-type: none"> <li>International travel has been restricted globally and demand from inbound tourists to Japan has evaporated.</li> <li>In Japan, the Go To Travel campaign drove a recovery for some time, but another emergency declaration and the like restricted travel, and tourism demand declined substantially.</li> <li>Variable rent from The St. Regis Osaka fell to zero, impacting the DPU JPY -2.</li> </ul>	<ul style="list-style-type: none"> <li>Assuming the tourism industry will continue to experience a harsh environment as domestic and foreign tourism activity is dulled by travel restrictions or reluctance to travel.</li> <li>Assuming the revenue contribution from both hotels to come from only the fixed component of rent in FP 14 and FP 15, with an impact on DPU of JPY -62.</li> <li>Plan to stabilize DPU by reversing internal reserves to offset the shortfall in variable rent from The Ritz-Carlton, Kyoto.</li> </ul>

# Acquisition & Disposition in FP 13

A portion of capital gains from asset disposition to be allocated to internal reserves and reshuffling to strengthen portfolio profitability

## Disposition 1 residential property (Tokyo 23 wards)

Disposition price : **965** million yen

Appraisal NOI yield : **3.9%**  
(disposition price basis)

Building age : **13.1** years

Disposition date : Feb. 26, 2021

R-032 Esty Maison Sangenjaya



## Acquisition 3 residential properties (Nagoya area)

Total acquisition price : **3,750** million yen

Appraisal NOI yield : **4.9%**  
(weighted average) (acquisition price basis)

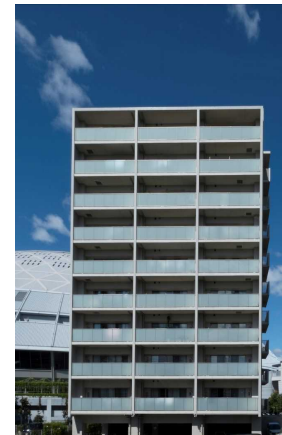
Ave. building age : **10.5** years

Acquisition date : Apr. 1, 2021

R-115 MAST STYLE HIGASHIBETSUIN



R-116 Granmast Kayaba



R-117 MAST STYLE SHIRAKABEMINAMI



## Effects on portfolio and financial results

Number of properties  
**+2** properties

Asset size  
**+2,928** million yen

Gain on disposition (FP13)  
**+130** million yen

Internal reserves  
**+103** million yen

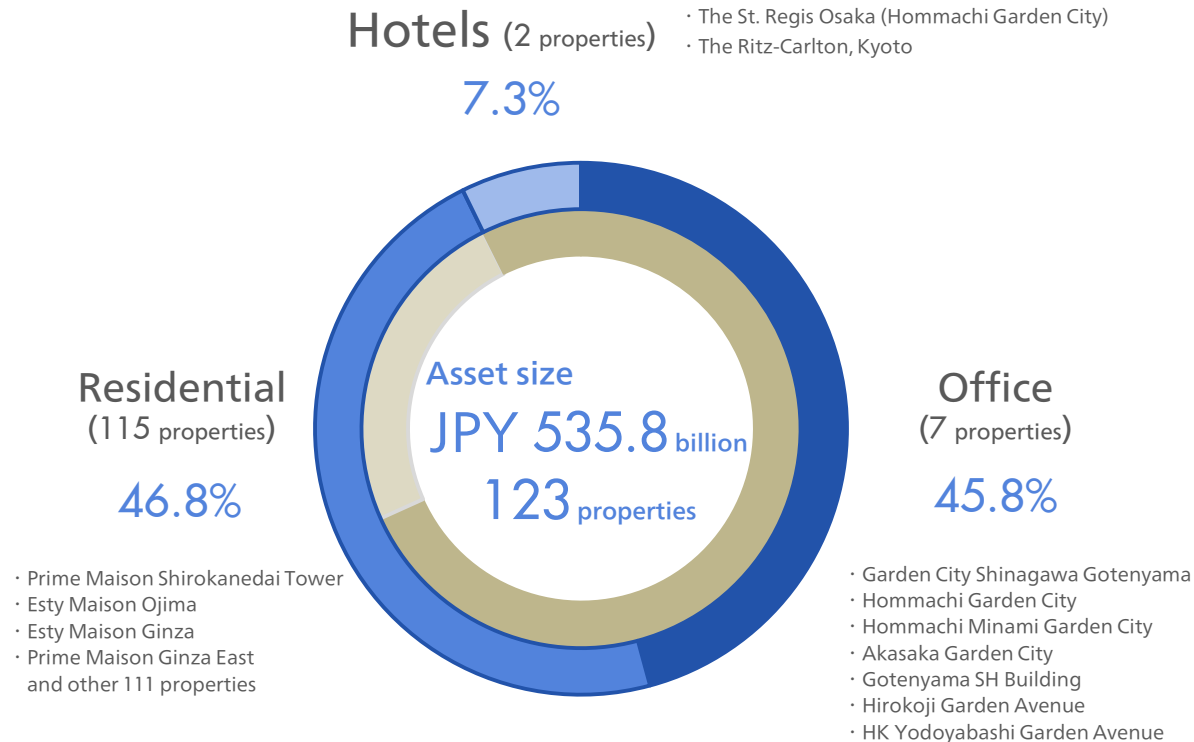
Assumed NOI (FP 14)  
(vs. FP13)  
**+82** million yen

LTV (End of FP 13)  
**45.4 %**  
(vs. FP12 : +0.3%)

# SHR's Portfolio

## ■ Diversification of SHR's Portfolio (as of the end of FP 13/acquisition price basis)

### ➤ Diversification by asset type



### Acquisition from Sekisui House Group

76.0%

JPY 407.0 billion / 62 properties

Sekisui House, Ltd.

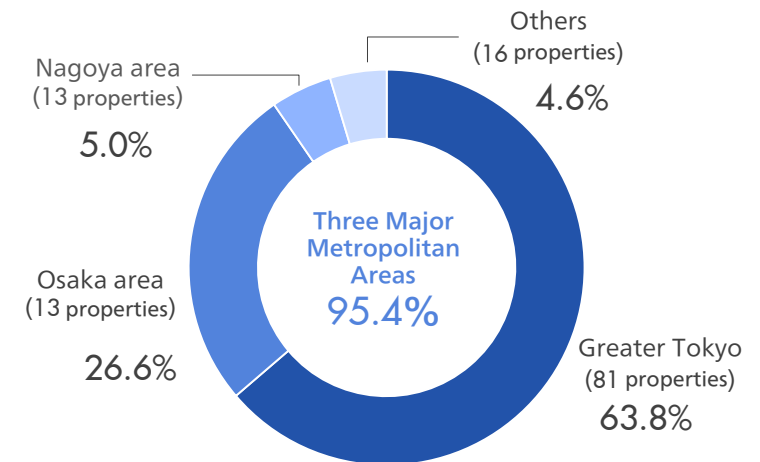
JPY 385.2 billion / 46 properties

Sekisui House Real Estate Companies

JPY 21.8 billion / 16 properties

- \* Hommachi GC is counted as two properties--one for the office portion and one for the hotel portion when calculating Diversification by asset type.
- \* Diversification by building age is calculated as one property for each of the North Building and South Building of Esty Maison Yokohama-aobadai, due to the difference of the construction time.

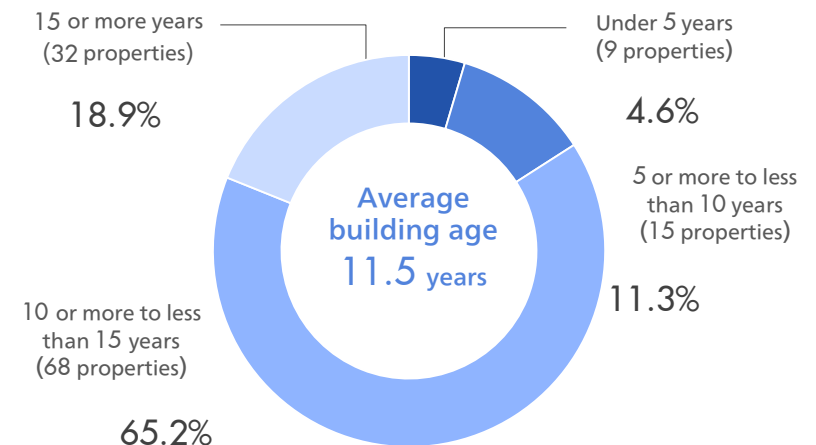
### ➤ Diversification by area



Three Major Metropolitan Areas by assets

Office 100% / Residential 90.2% / Hotels 100%

### ➤ Diversification by building age



Average building age by assets

Office 10.8 years / Residential 12.4 years / Hotels 9.1 years

# Financial Result (FP 13)

## ■ Vs. Guidance

Beat guidance primarily due to capital gains from the sale of a residential property and a decrease in expenses versus conservative estimates on the impact from COVID-19.

	FP13 (ended Apr.2021) Result	Vs. Previous Period	Vs. Guidance	FP 12 (ended oct. 2020) Result	FP 12 guidance (announced on Dec.15, 2020)
Operating Revenue	15,055 JPY million	+228 JPY million	+186 JPY million	14,826 JPY million	14,868 JPY million
Operating Income	7,989 JPY million	+120 JPY million	+274 JPY million	7,868 JPY million	7,714 JPY million
Ordinary Income	7,103 JPY million	+110 JPY million	+288 JPY million	6,993 JPY million	6,814 JPY million
Net Income	7,103 JPY million	+110 JPY million	+288 JPY million	6,992 JPY million	6,814 JPY million
Reversal of Internal Reserve	184 JPY Million	(49) JPY million	(39) JPY million	233 JPY million	223 JPY million
Internal Reserve	(103) JPY Million	(103) JPY Million	(103) JPY Million	- JPY million	- JPY million
Total Distribution	7,183 JPY million	(42) JPY million	+145 JPY million	7,226 JPY million	7,037 JPY million
Net Income per unit	1,656 JPY	+26 JPY	+68 JPY	1,630 JPY	1,588 JPY
DPU	1,675 JPY	(10) JPY	+34 JPY	1,685 JPY	1,641 JPY

Internal Reserve (after distribution of FP 13) : JPY 1,401 million (JPY 675 million in RTA and JPY 726 million in reserve for reduction entry)

	NOI		NOI Yield		Average occupancy rate during the period	
	FP13 (Result)	Vs. Previous Period	FP13 (Result)	Vs. Previous Period	FP13 (Result)	Vs. Previous Period
Office	5,208 JPY million	+68 JPY million	4.2 %	- pt.	99.6 %	(0.3) pt.
Residential	5,694 JPY million	+22 JPY million	4.6 %	- pt.	96.6 %	+0.2 pt.
Hotels	784 JPY million	(14) JPY million	4.0 %	(0.1) pt.	100 %	- pt.
Entire portfolio	11,687 JPY million	+76 JPY million	4.4 %	- pt.	97.5 %	+0.1 pt.

# Analysis of Change Factors in FP 13

## Vs. FP 12 Results

## Vs. FP 13 Guidance

### Office

Higher rent revenue	JPY +96 Million
Lower utilities revenue	JPY - 40 Million
Lower utilities expenses	JPY +25 Million
Higher property management fees	JPY - 9 Million

Lower property management fees	JPY +28 Million
Lower taxes and public charges	JPY +10 Million

### Residential

Capital gains booked (due to 1 property disposition)	JPY +130 Million
Higher rent revenue (due to 3 property acquisitions)	JPY +19 Million
Higher rent revenue (existing properties)	JPY +27 Million
Higher repair expenses	JPY - 9 Million

Capital gains booked (due to 1 property disposition)	JPY +130 Million
Higher rent revenue (due to 3 property acquisitions)	JPY +19 Million
Higher other miscellaneous income (insurance claim income)	JPY +34 Million
Lower repair expenses (conservative cost assumptions)	JPY +21 Million

### Hotels

Lower rent revenue (The St. Regis Osaka variable rent)	JPY - 8 Million
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Lower repair expenses (conservative cost assumptions)	JPY +5 Million
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### SG&A

Higher asset management fees	JPY - 44 Million
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Higher asset management fees	JPY - 50 Million
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### Non-operating P/L

Lower non-operating income (refunded consumption taxes)	JPY - 9 Million
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Lower non-operating expenses (interest expenses)	JPY +13 Million
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\* Major factors are listed in parentheses.

# Financial Forecast (FP 14/FP 15)

- There will be headwinds in FP 14 and FP 15, including a lack of variable rent revenue from the hotels. However, we will leverage internal reserves to stabilize the DPU.

	Forecast		Result
	FP 14 (ending Oct. 2021)	FP 15 (ending Apr. 2022)	FP 13 (ended Apr. 2021)
Operating Revenue	14,578 JPY million	14,521 JPY million	15,055 JPY million
Operating Income	7,452 JPY million	7,392 JPY million	7,989 JPY million
Ordinary Income	6,540 JPY million	6,481 JPY million	7,103 JPY million
Net Income	6,540 JPY million	6,481 JPY million	7,103 JPY million
Reversal of Internal Reserve	531 JPY million	+487 JPY million	184 JPY million
Internal Reserve	- JPY million	- JPY million	(103) JPY million
Total Distribution	7,072 JPY million	6,969 JPY million	7,183 JPY million
Net Income per unit	1,524 JPY	1,511 JPY	1,656 JPY
DPU	1,649 JPY	1,625 JPY	1,675 JPY

Internal Reserve (after distribution of FP 15) : JPY 381 million (JPY 304 million in RTA and JPY 77 million in reserve for reduction entry)

	NOI		NOI Yield		Average occupancy rate during the period	
	FP14 (Forecast)	FP15 (Forecast)	FP14 (Forecast)	FP15 (Forecast)	FP14 (Forecast)	FP15 (Forecast)
Office	5,043 JPY million	4,968 JPY million	4.1 %	4.0 %	98.4 %	98.4 %
Residential	5,635 JPY million	5,686 JPY million	4.5 %	4.5 %	96.3 %	96.5 %
Hotels	514 JPY million	510 JPY million	2.6 %	2.6 %	100 %	100 %
Entire portfolio	11,193 JPY million	11,165 JPY million	4.2 %	4.2 %	96.9 %	97.1 %

# Analysis of Change Factors Assumed in FP 14 & FP 15 Guidance

## FP 14 vs. FP 13 Results

### Office

Lower rent revenue (departures, returned space)	JPY - 143 Million
Higher utilities revenue	JPY + 41 Million
Higher utilities expenses	JPY - 21 Million
Higher repair expenses	JPY - 25 Million

## FP 15 vs. FP 14 Guidance

Lower rent revenue (vacancy risk, returned space)	JPY - 56 Million
Lower utilities revenue	JPY - 37 Million
Lower utilities expenses	JPY +12 Million
Lower repair expenses	JPY +12 Million

### Residential

Capital gains go away	JPY - 130 Million
Higher rent revenue (full-period contribution from 3 property acquisitions)	JPY +100 Million
Lower rent revenue (existing properties)	JPY - 22 Million
Lower other miscellaneous income (insurance claim income)	JPY - 35 Million
Higher repair expenses	JPY - 30 Million

Higher rent revenue	JPY +36 Million
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### Hotels

Lower rent revenue (The Ritz-Carlton, Kyoto variable rent)	JPY -259 Million
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### SG&A

Lower asset management fees	JPY +112 Million	Lower asset management fees	JPY +11 Million
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### Non-operating P/L

Higher non-operating expenses (interest costs on loans)	JPY - 25 Million
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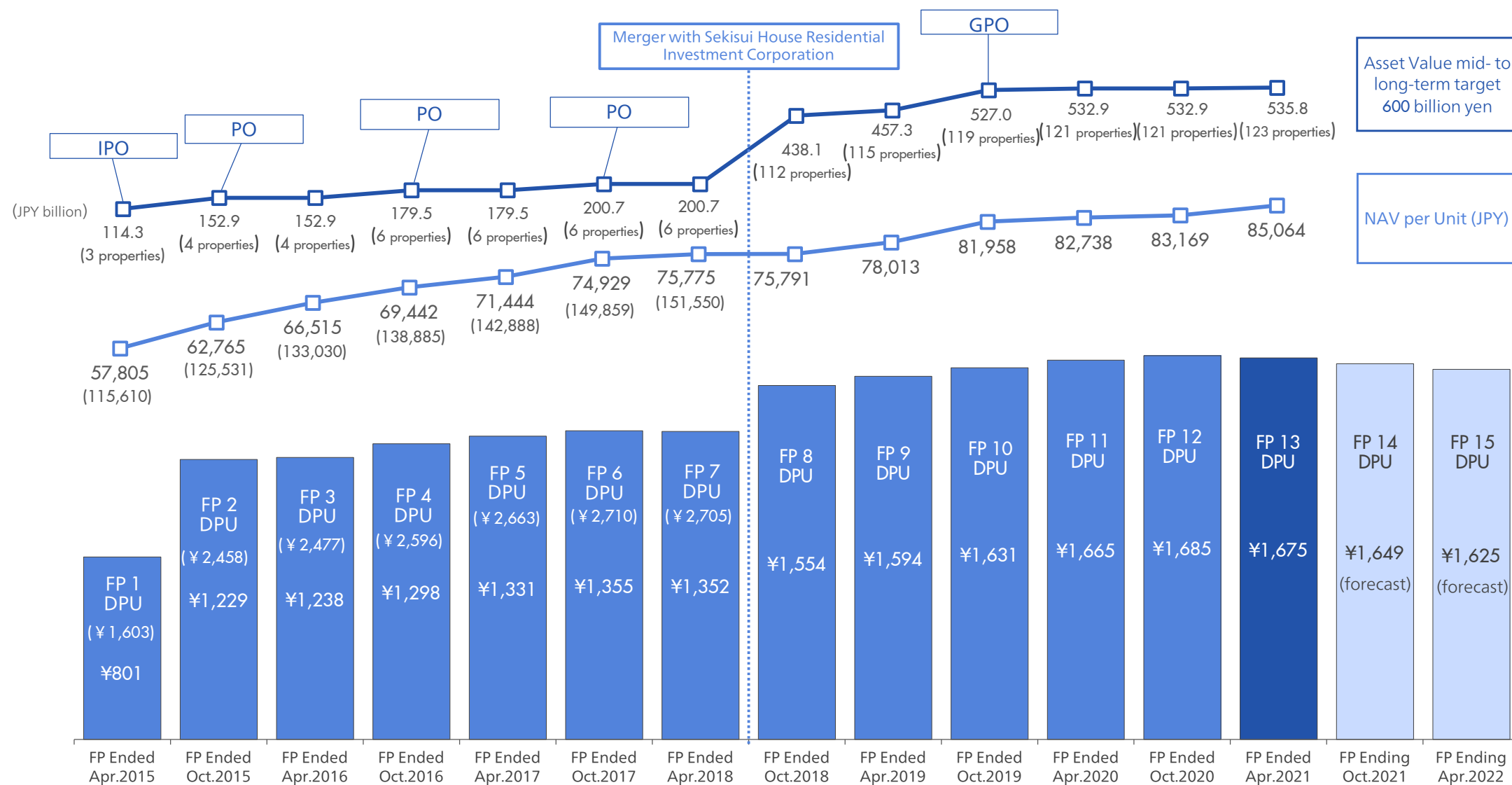
\* Major factors are listed in parentheses.

# Profit and Loss Comparison

(unit : JPY million)

	FP12	FP13		FP14		FP15		FP13	
	Result	Result	Vs. FP12 Result	Vs. Guidance	Forecast	Vs. FP13 Result	Forecast	Vs. FP14 Guidance	Guidance
Property-related operating revenue	14,826	14,925	+98	+56	14,578	(346)	14,521	(56)	14,868
Rent revenue – real estate	14,410	14,537	+127	+29	14,196	(341)	14,176	(20)	14,508
Other lease business revenue	416	387	(29)	+27	381	(5)	345	(36)	360
Utilities revenue	186	146	(40)	(2)	188	+42	150	(37)	149
Non-refundable deposits received	72	61	(11)	(0)	60	(1)	57	(2)	62
Renewal fees income	127	127	(0)	(4)	114	(12)	122	+7	131
Other miscellaneous income	29	52	+22	+34	18	(33)	15	(3)	17
Property-related operating expenses	5,660	5,706	+45	(114)	5,863	+157	5,860	(3)	5,820
Subcontract expenses	561	559	(2)	+0	568	+9	569	+1	558
Property management fees	435	449	+13	(26)	449	(0)	435	(13)	476
Trust fees	44	41	(2)	+0	42	+0	45	+2	41
Utilities expenses	277	249	(27)	(16)	277	+27	260	(16)	266
Property and other taxes	1,027	1,032	+4	(14)	1,035	+3	1,055	+20	1,046
Property tax	999	1,004	+4	(13)	1,007	+2	1,027	+20	1,017
Insurance expenses	17	17	+0	+0	17	+0	17	(0)	16
Repair expenses	291	302	+11	(31)	366	+64	357	(9)	333
Other expenses related to rent business	561	585	+24	(28)	627	+41	614	(13)	614
Depreciation	2,444	2,468	+23	+1	2,478	+10	2,503	+25	2,466
Property-related operating income	9,165	9,218	+53	+170	8,714	(503)	8,661	(53)	9,048
Gain on sale of real estate properties	-	130	+130	+130	-	(130)	-	-	-
Selling, general and administrative expenses	1,297	1,359	+62	+26	1,262	(97)	1,269	+6	1,333
Asset management fees	984	1,029	+44	+50	917	(112)	905	(11)	979
Operating income	7,868	7,989	+120	+274	7,452	(536)	7,392	(59)	7,714
Non-operating income	10	1	(9)	+1	0	(0)	0	-	0
Non-operating expenses	885	886	+1	(13)	911	+25	910	(1)	899
Ordinary income	6,993	7,103	+110	+288	6,540	(562)	6,481	(58)	6,814
Net Income	6,992	7,103	+110	+288	6,540	(562)	6,481	(58)	6,814
Capital Expenditures	591	654	+63	+31	719	+64	803	+84	623
Property-related operating revenue (Office)	6,223	6,274	+50	+8	6,173	(100)	6,077	(96)	6,265
(Residential)	7,716	7,772	+56	+47	7,786	+13	7,826	+39	7,725
(Hotels)	886	878	(8)	-	618	(259)	618	-	878
Property-related operating income (Office)	4,321	4,387	+66	+81	4,219	(168)	4,142	(77)	4,305
(Residential)	4,168	4,170	+2	+79	4,105	(64)	4,134	+28	4,091
(Hotels)	676	660	(15)	+9	389	(271)	384	(5)	651

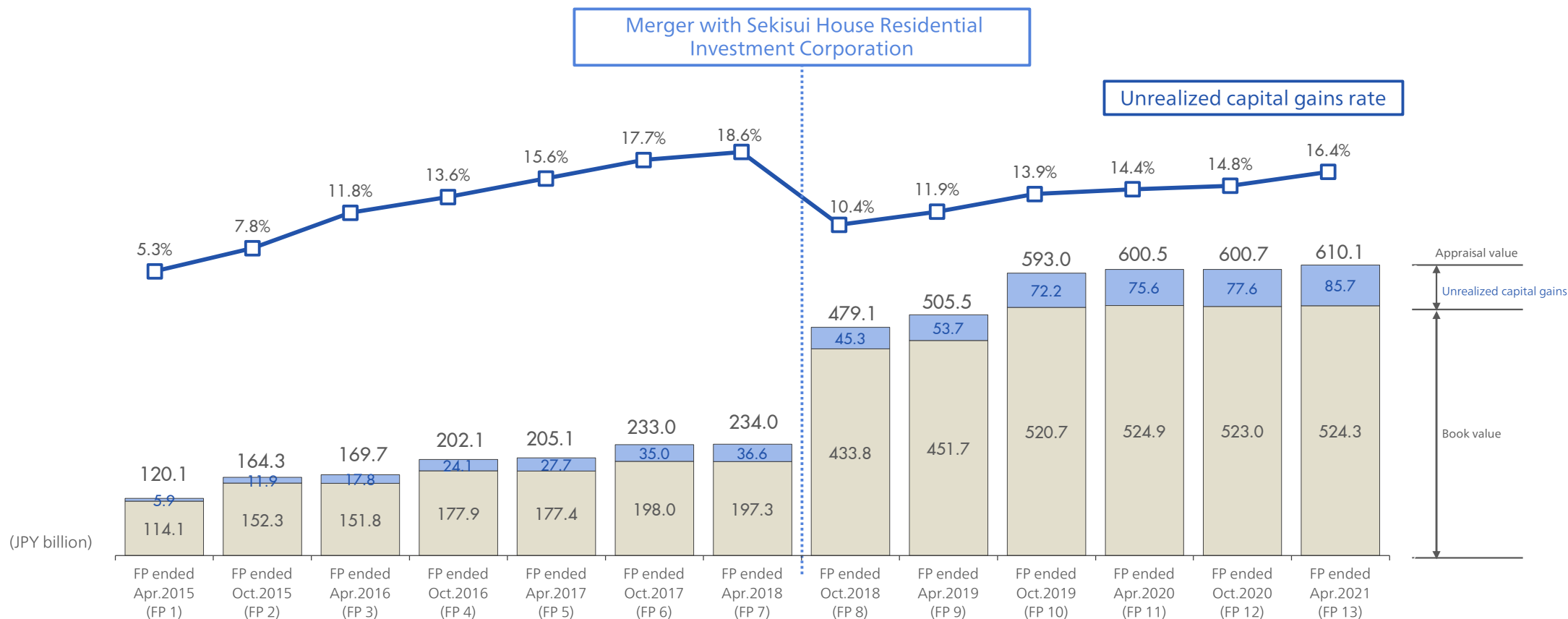
# DPU and NAV per Unit



\* As a two-for-one split of investment units was implemented on May 1, 2018, and in consideration of the impact of the split, DPU and NAV per unit for each period prior to the FP 8 are calculated by dividing the actual figures by two, and the amounts are rounded down to the nearest decimal.

# Trends of Appraisal Value

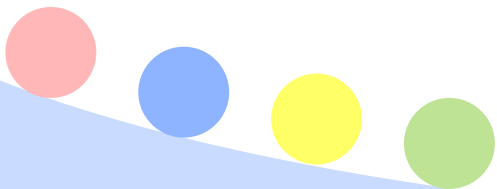
## ➤ Trends of Appraisal value and unrealized capital gains rate



## ➤ Breakdown of appraisal value by asset type as of the 13th Fiscal Period

	Office		Residential		Hotels		Entire portfolio	
	FP 13 Result	Vs. FP 12	FP 13 Result	Vs. FP 12	FP 13 Result	Vs. FP 12	FP 13 Result	Vs. FP 12
Appraisal value	295.5 <small>JPY billion</small>	+0 <small>JPY billion</small>	274.2 <small>JPY billion</small>	+6.5 <small>JPY billion</small>	40.3 <small>JPY billion</small>	(0) <small>JPY billion</small>	610.1 <small>JPY billion</small>	+6.5 <small>JPY billion</small>
Average cap rate	3.4 %	– pt.	4.0 %	(0.1) pt.	3.5 %	– pt.	3.7 %	– pt.
Unrealized capital gains	57.1 <small>JPY billion</small>	+0.7 <small>JPY billion</small>	27.3 <small>JPY billion</small>	+7.3 <small>JPY billion</small>	1.2 <small>JPY billion</small>	(0) <small>JPY billion</small>	85.7 <small>JPY billion</small>	+8.1 <small>JPY billion</small>
Unrealized capital gains rate	23.9 %	+0.4pt.	11.1 %	+2.9pt.	3.3 %	– pt.	16.4 %	+1.6pt.

# Portfolio Status



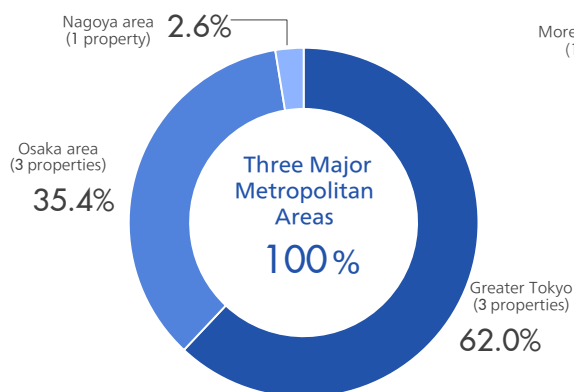
# Office Portfolio

## ➤ Portfolio list

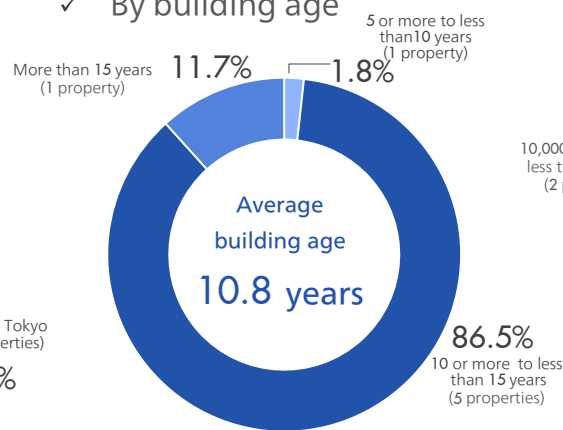
	Location	Acquisition price		Leasable area		End-tenant average rent (JPY/tsubo)		End-tenant occupancy rate	
		(JPY million)	%	(m <sup>2</sup> )	%	As of End of FP 12	As of End of FP 13	As of End of FP 12	As of End of FP 13
Garden City Shinagawa Gotenyama	Shinagawa-ku, Tokyo	71,950	13.4%	38,577.99	6.9%	26,629	26,626	100%	100%
Akasaka Garden City	Minato-ku, Tokyo	28,700	5.4%	12,472.81	2.2%	30,119	30,125	100%	95.9%
Hommachi Minami Garden City	Osaka-shi, Osaka	44,000	8.2%	29,657.53	5.3%	22,610	22,690	100%	99.2%
Hommachi Garden City (office portion)	Osaka-shi, Osaka	38,600	7.2%	17,006.94	3.0%	31,703	32,009	99.7%	99.7%
HK Yodoyabashi Garden Avenue	Osaka-shi, Osaka	4,400	0.8%	4,554.52	0.8%	17,847	17,950	100%	100%
Hirokoji Garden Avenue	Nagoya-shi, Aichi	6,350	1.2%	4,442.75	0.8%	23,722	23,618	100%	100%
Gotenyama SH Building	Shinagawa-ku, Tokyo	51,500	9.6%	19,999.97	3.6%	30,000	30,000	100%	100%
Office total		245,500	45.8%	126,712.51	22.6%	26,825	26,880	100.0%	99.4%
The office portion of Hommachi GC on a fixed-rent master lease (the timing of pass-through is yet to be determined)						29,280	29,280	100%	100%
Office portfolio total (considering with fixed-rent master lease)						26,502	26,514	100%	99.4%

## ➤ Diversification (acquisition price basis)

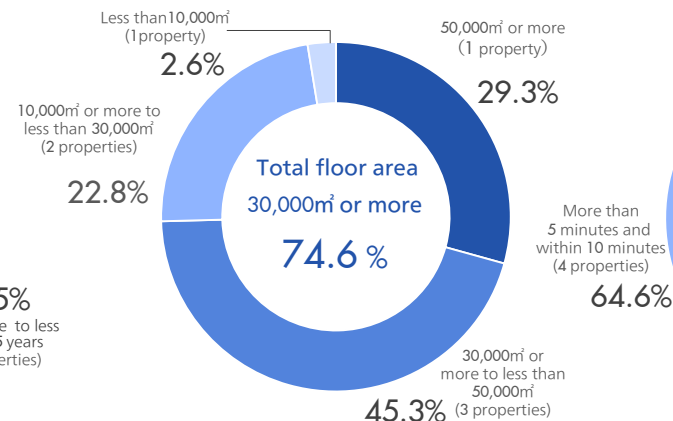
### ✓ By area



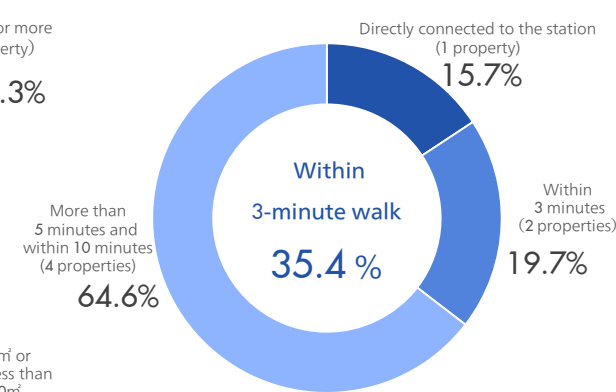
### ✓ By building age



### ✓ By total floor area



### ✓ By time to nearest station by walking

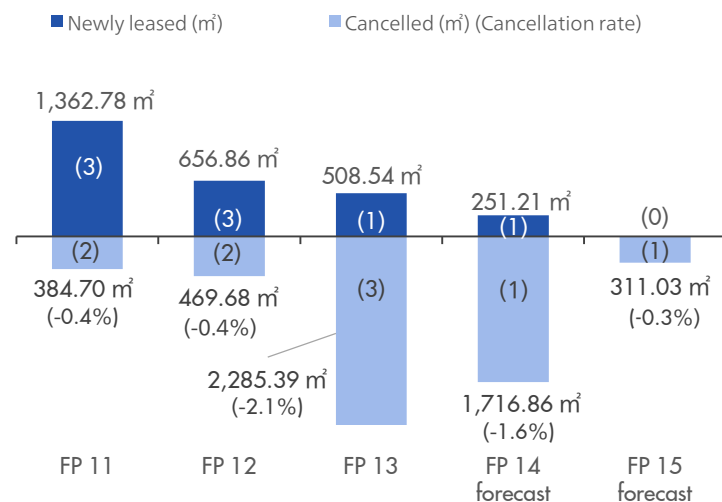


\* The existing fixed-rent master lease for the office portion of Hommachi Garden City expires May 18, 2022 (however the lease may be terminated before that date).

\* Percentages for the acquisition price and leasable area are provided as percentages of the total portfolio.

# Office: Tenant Renewals

## ➤ Trends in cancellations and new leases (including existing tenants adding or returning space)

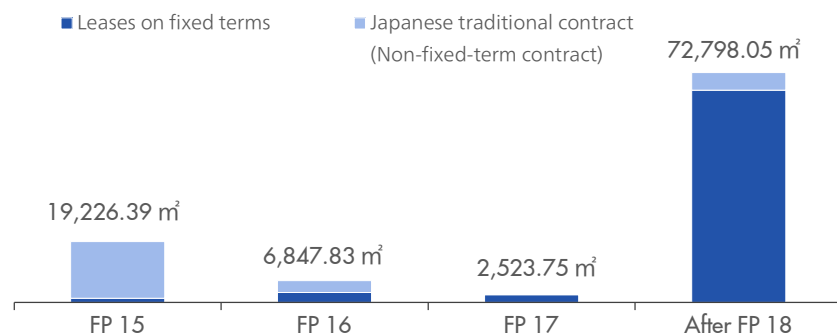


## ➤ Renewal Result

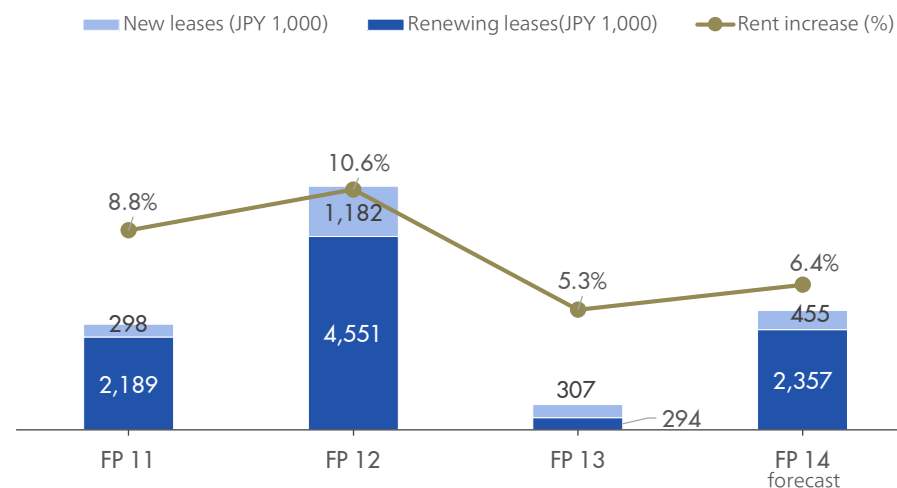
	FP 12	FP 13	FP 14 (forecast)
Slated for renewal	10,331.23m² (12)	2,143.63m² (6)	14,379.16m² (6)
Renewed	9,861.55m² (11)	875.33m² (4)	12,662.30m² (6)
Vacated	(343.54)m² (1)	(1,268.30)m² (2)	- (-)
Space returned	(126.14)m² (1)	- (-)	(1,716.86)m² (1)
Renewed at higher price	7,867.68m² (9)	7,77.96m² (3)	5,781.45m² (3)
Renewed at lower price	- (-)	- (-)	- (-)
Renewed at same price	1,993.87m² (2)	97.37m² (1)	6,880.85m² (3)

## ➤ Slated for renewal in FP 15 and thereafter

Percentage of leases on fixed terms 74.1 %  
 Average lease duration 7.2 years  
 Average remaining life on leases 3.7 years



## ➤ Rent trends (Increase in monthly rent price)



\* Figures for end tenants in the office portion of Hommachi Garden City, which is on a fixed-rent master lease, and retail tenants in office have been excluded from calculations on this page.

\* Cancellation rate was calculated based on leasable area and excluding the office portion of Hommachi GC, which is on a fixed-rent master lease.

\* Area slated for renewal in FP 15 and thereafter includes area subject to cancellation.

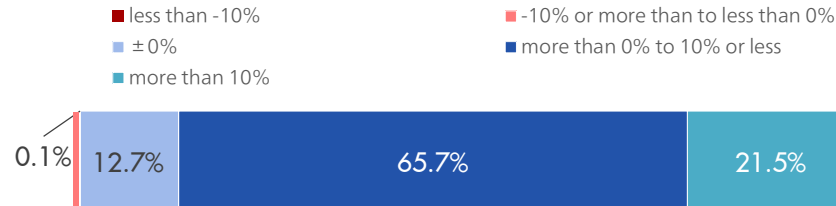
\* In the rent trends graph, monthly rent price includes utilities fees, rents on new leases are compared to prior tenant's rent (excludes vacancies at the time of property acquisition), and rents on renewing leases are compared to rent before renewal.

\* The rent increase (%) has calculated based on space where rent was increased.

# Office: Tenant Profile

## ➤ Rent gap

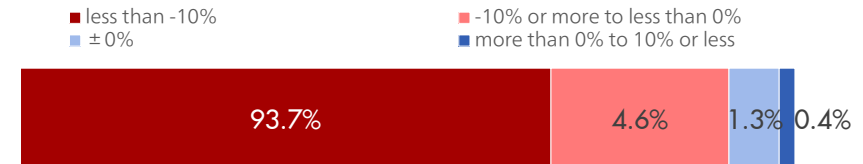
### ➤ Greater Tokyo: GC Shinagawa Gotenyama, Akasaka GC



End-tenant rent below market rent : 0.1%

Greater Tokyo Rent Gap: +8.2%

### ➤ Osaka area: Hommachi Minami GC, HK Yodoyabashi GA



End-tenant rent below market rent : 98.3%

Osaka area Rent Gap: -16.9%

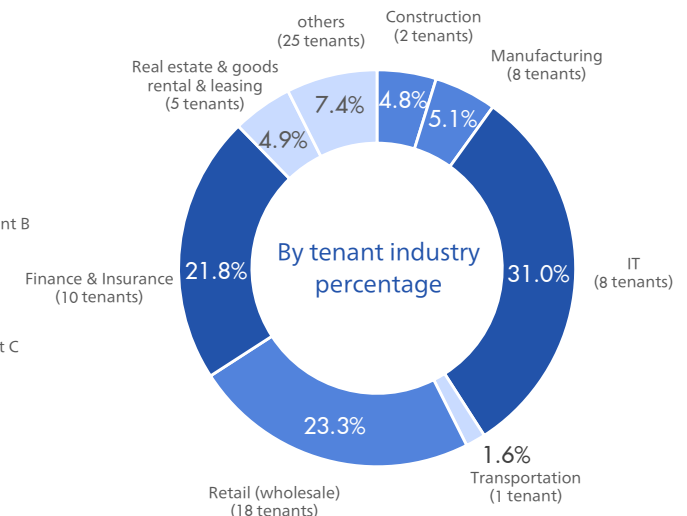
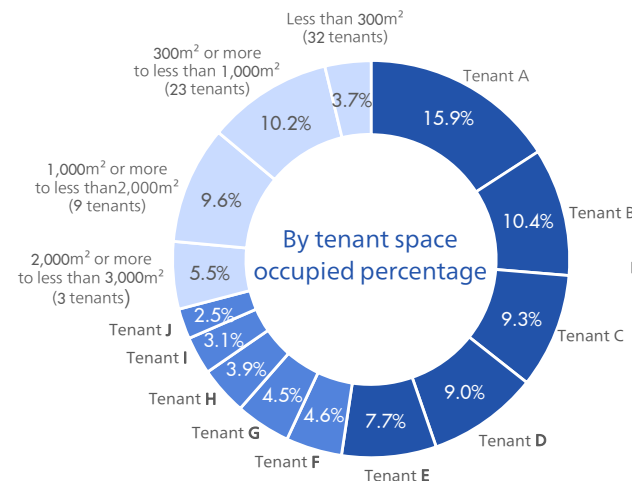
## ➤ End tenant diversification (Based on 77 end tenants in the total portfolio as of the end of FP 13)

### ✓ Top 5 tenants by leasable area 52.4 %

Tenant	Industry	Leasable area	Property
A	IT	19,999.97 m <sup>2</sup>	Gotenyama SH Building
B	IT	13,126.72 m <sup>2</sup>	GC Shinagawa Gotenyama
C	Retail (wholesale)	11,769.00 m <sup>2</sup>	Hommachi GC
D	Retail (wholesale)	11,366.43 m <sup>2</sup>	GC Shinagawa Gotenyama
E	Finance & Insurance	9,690.83 m <sup>2</sup>	Hommachi Minami GC

### ✓ Top 10 tenants by leasable area 71.0%

Property	% of portfolio	Tenant(s)
GC Shinagawa Gotenyama	24.0 %	Tenants B, D and F
Hommachi Minami GC	16.1 %	Tenants E, G and H
Gotenyama SH building	15.9 %	Tenant A
Hommachi GC	9.3 %	Tenant C
Akasaka GC	3.1 %	Tenant I
Hirokoji GA	2.5 %	Tenant J



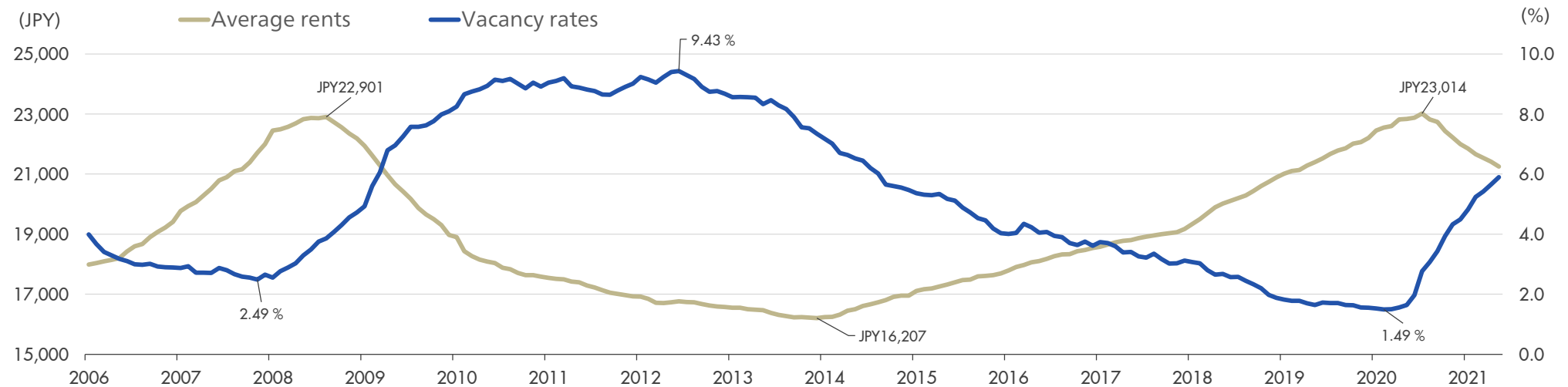
\* Rent gap calculated for office portfolio as of the end of FP 13 and excludes Gotenyama SH building, which is a single tenant property, and the office portion of Hommachi Garden City, which is on a fixed-rent master lease.

\* End tenant diversification calculated based on office portfolio as of the end of FP 13.

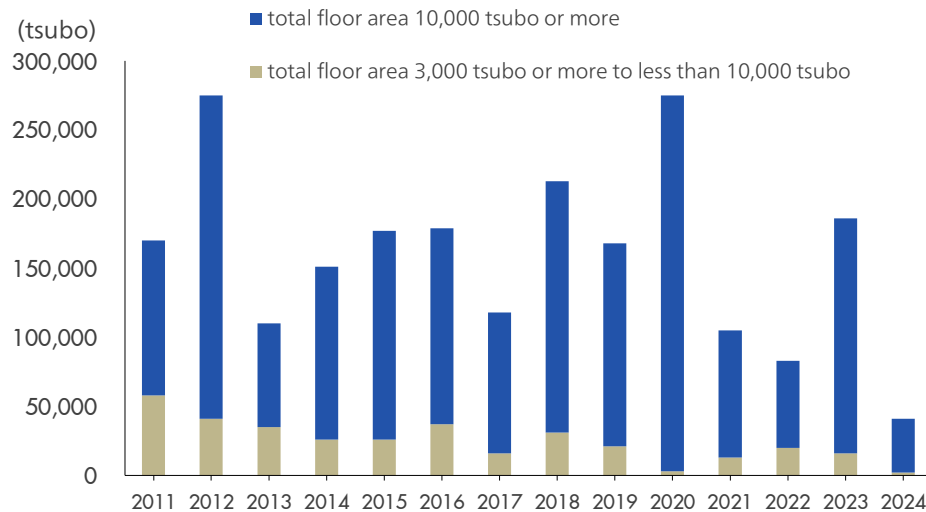
\* End tenant industry diversification is made by SHAM based on "Japan Standard Industrial Classification".

# Status of Office Market (Central Tokyo)

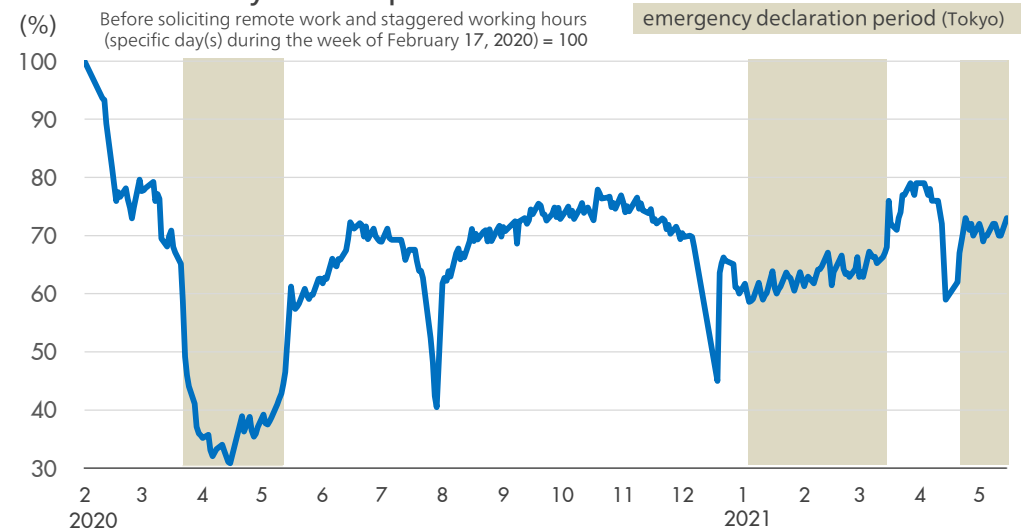
## ➤ Average rents and vacancy rates in Tokyo's business districts



## ➤ New supply of office buildings in Tokyo 23 wards



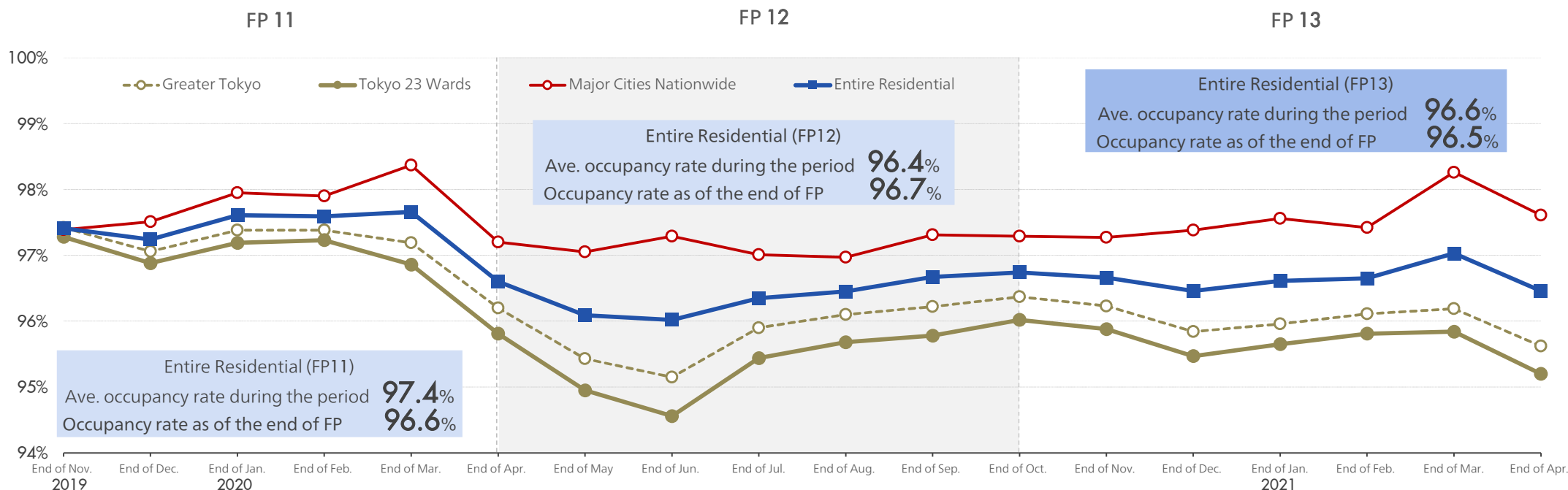
## ➤ Peak commuting-hour usage in major transportation hubs in the Tokyo Metropolitan Area



- Information on average rents and vacancy rates in Tokyo business districts is prepared by SHAM based on Office Market Data by Miki Shoji Co., Ltd.
- Information on the new supply of office buildings in Tokyo 23 wards is prepared by SHAM based on Supply of New Office Space 2021 by XYMAX REAL ESTATE INSTITUTE Corporation.
- Information on peak commuting-hour usage in major transportation hubs in the Tokyo Metropolitan Area is prepared by SHAM based on Daily Train Station Usage (Tokyo metropolitan area/Kansai area : preliminary figures) by the Ministry of Land, Infrastructure, Transport and Tourism.

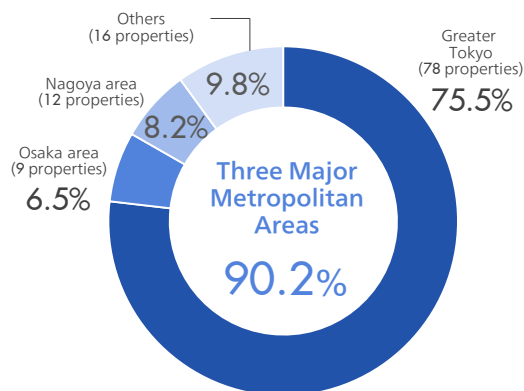
# Residential Portfolio

## ➤ Occupancy rate of the Residential Portfolio

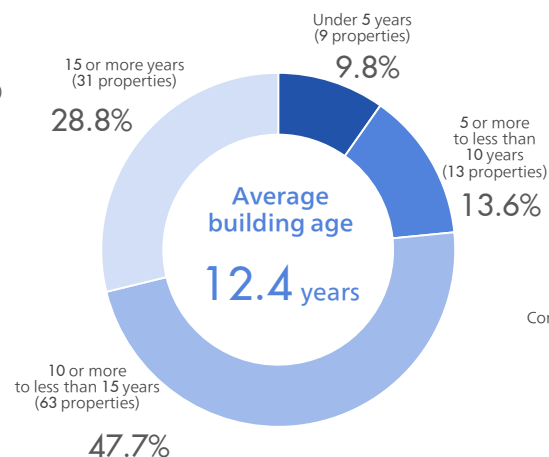


## ➤ Diversification (acquisition price basis excluding diversification by room types)

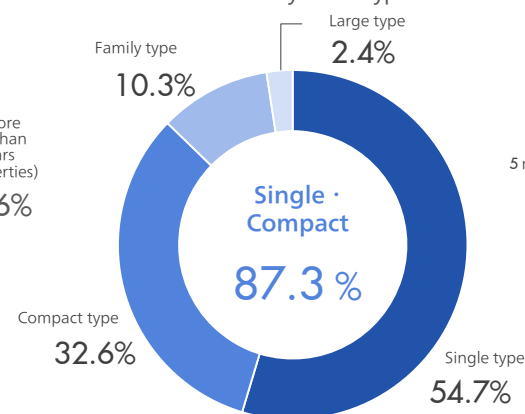
### ✓ Diversification by area



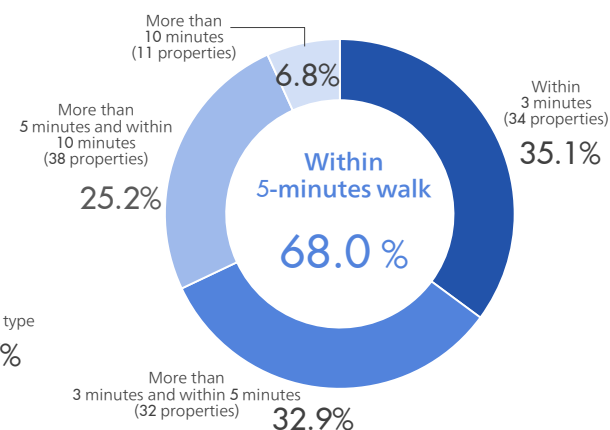
### ✓ Diversification by building age



### ✓ Diversification by room types



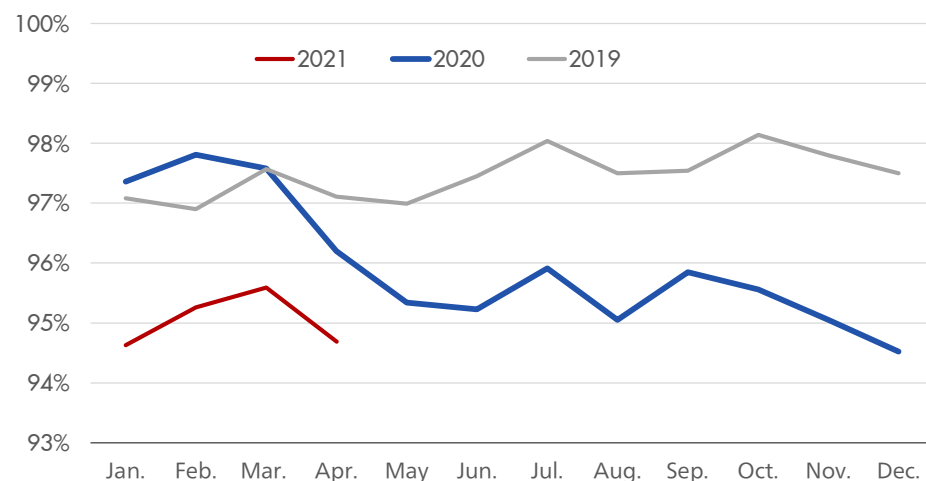
### ✓ Diversification by time to the nearest station by walking



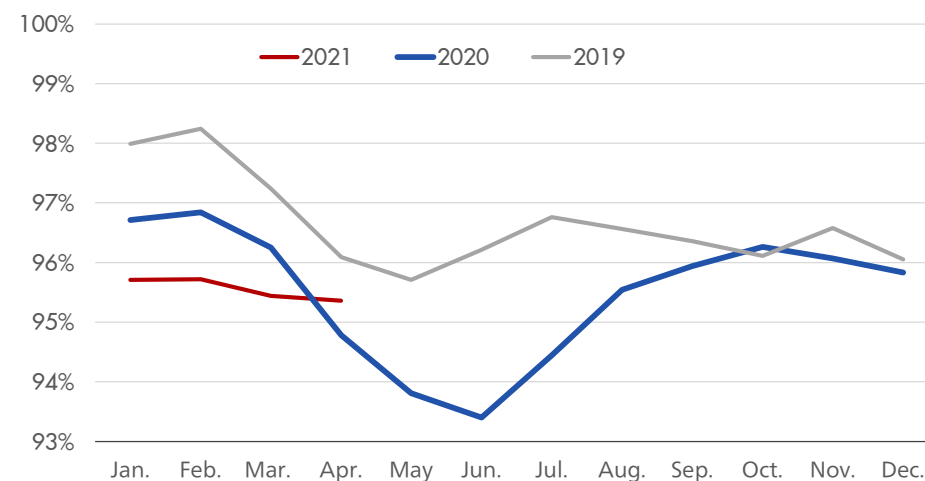
\* Diversification by room types is calculated excluding retail, offices, and residential building leased as entire building or subleased.

# Residential Occupancy Rate by Room Types (Tokyo 23 Wards)

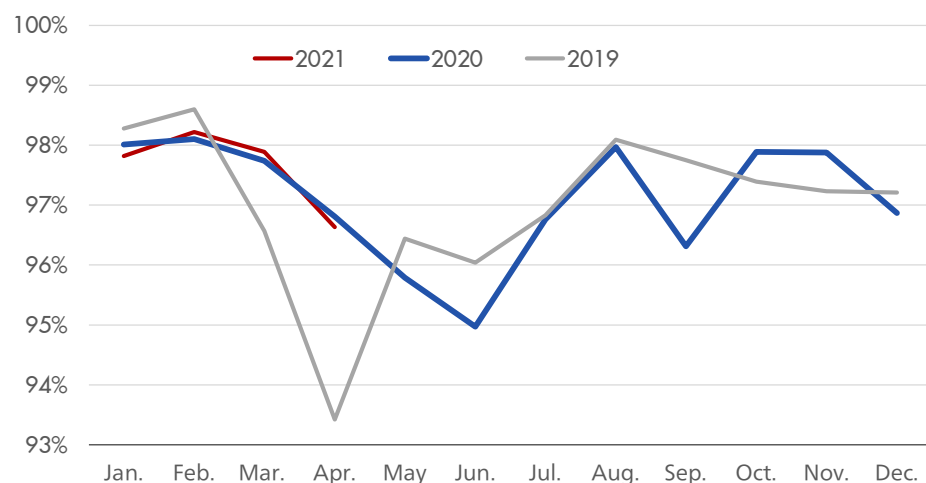
## ➤ Single type



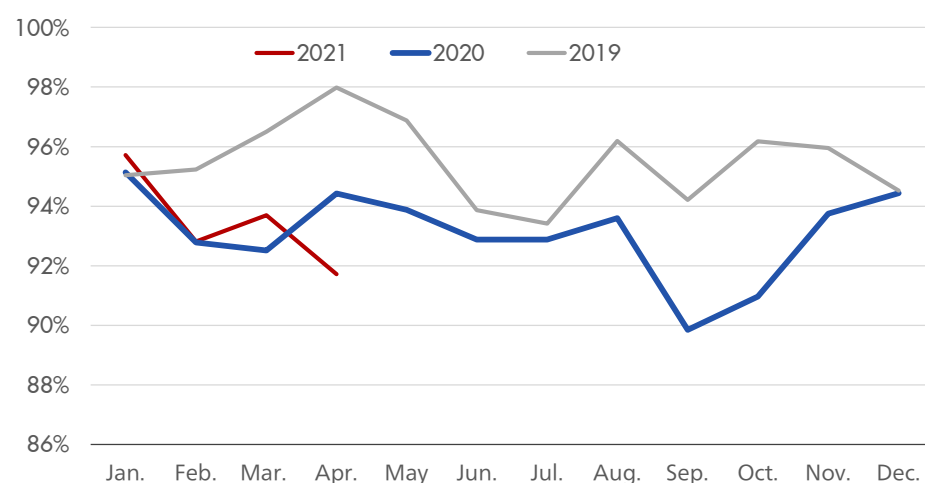
## ➤ Compact type



## ➤ Family type



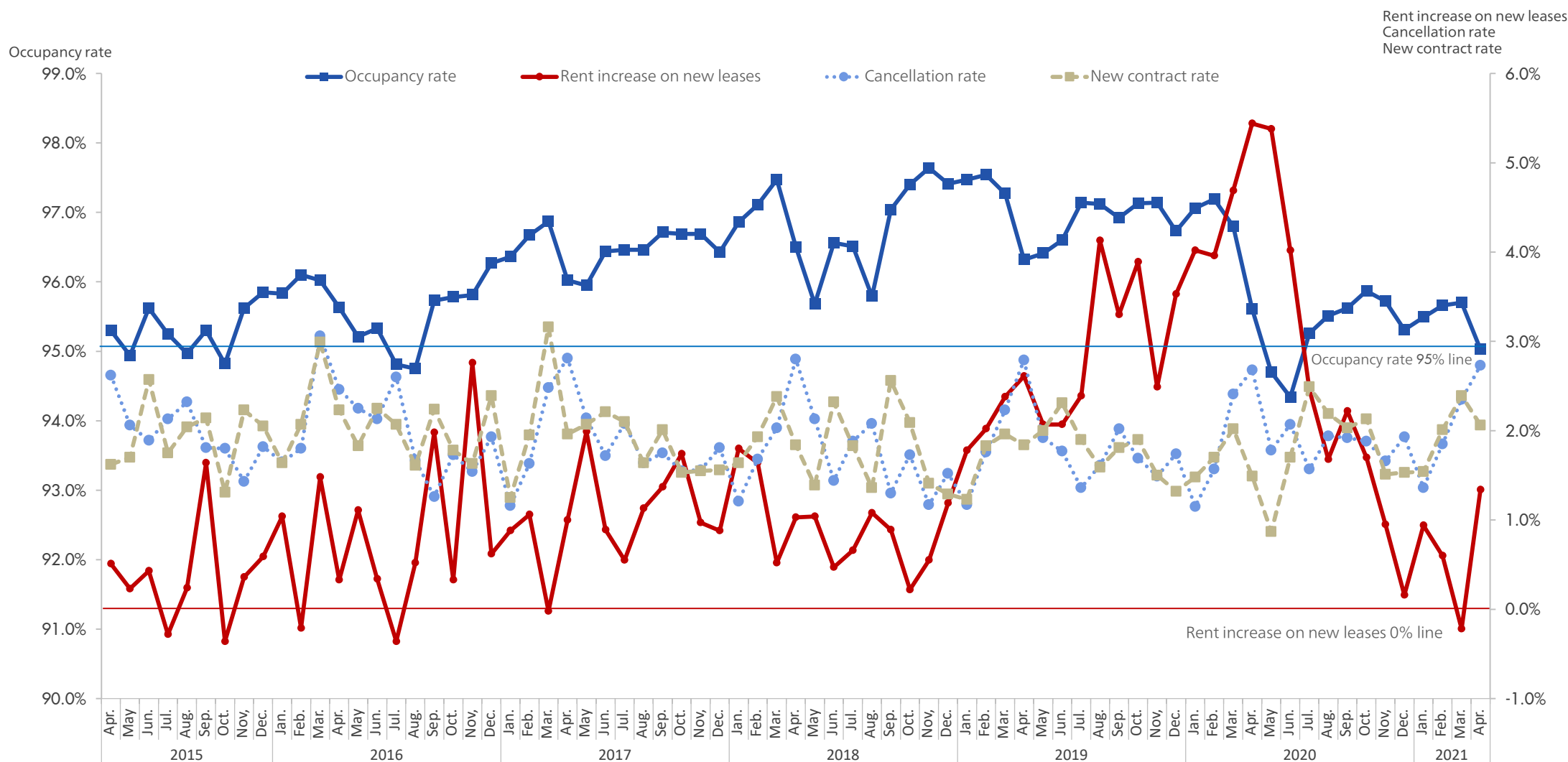
## ➤ Large type



# Monthly Trend in the Residential Portfolio (Tokyo 23 Wards)

In March 2021, new contract and cancellation rates both rose, returning to past trends. Looking at trends in occupancy rent and rent increase on new leases, SHR sees demand softening in relationship to supply and will therefore continue to manage with emphasis placed on the occupancy rate.

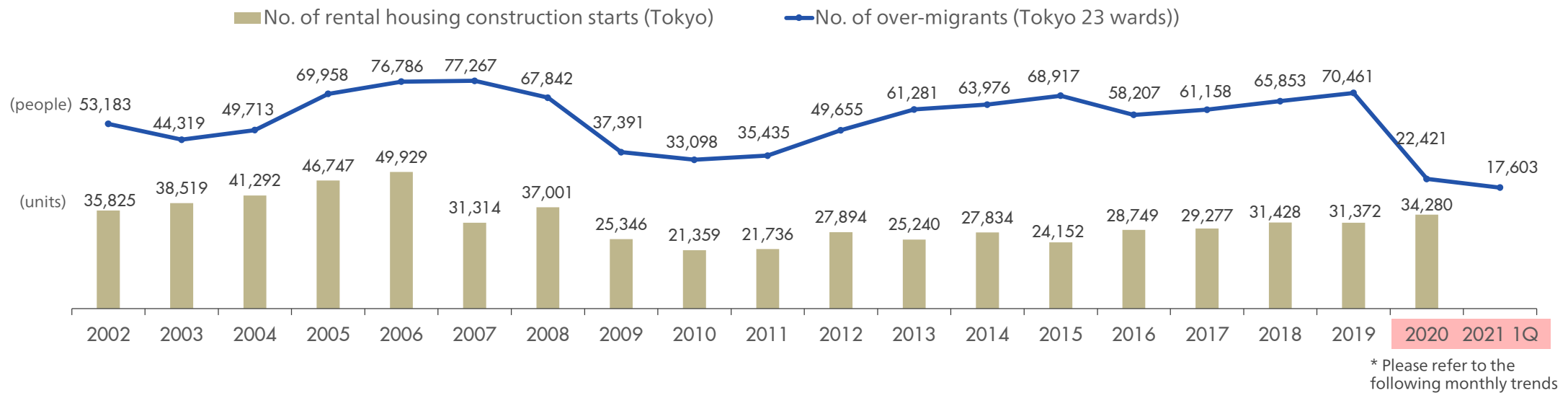
- Change in occupancy rate and rent increase on new leases by month (Tokyo 23 wards)
  - ✓ Calculated for residential portfolio, excluding retail and office. Also excludes residential buildings leased as an entire building or subleased.



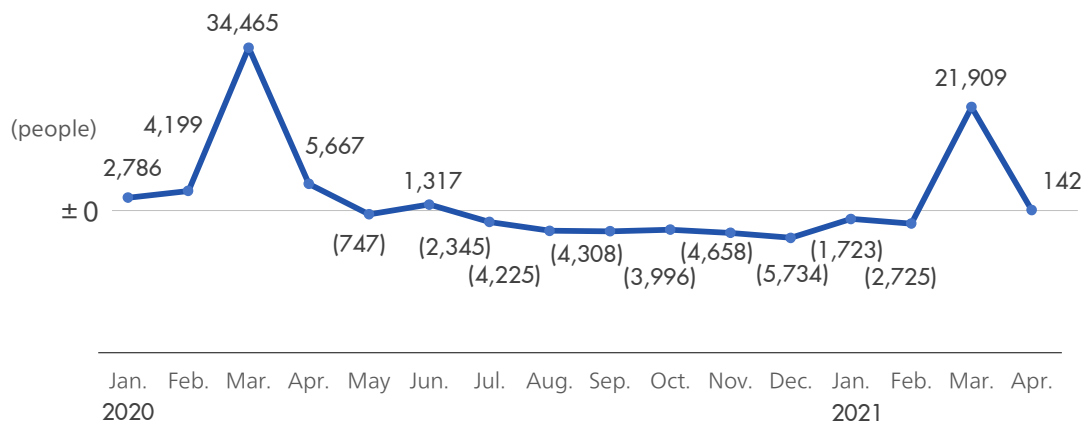
\* New contract rate and cancellation rate are calculated by (new contract space per month + cancellation space per month) / total leasable area (excluding retail, offices, and residential building leased as entire building or subleased.)

# Status of Residential Market (Tokyo 23 Wards)

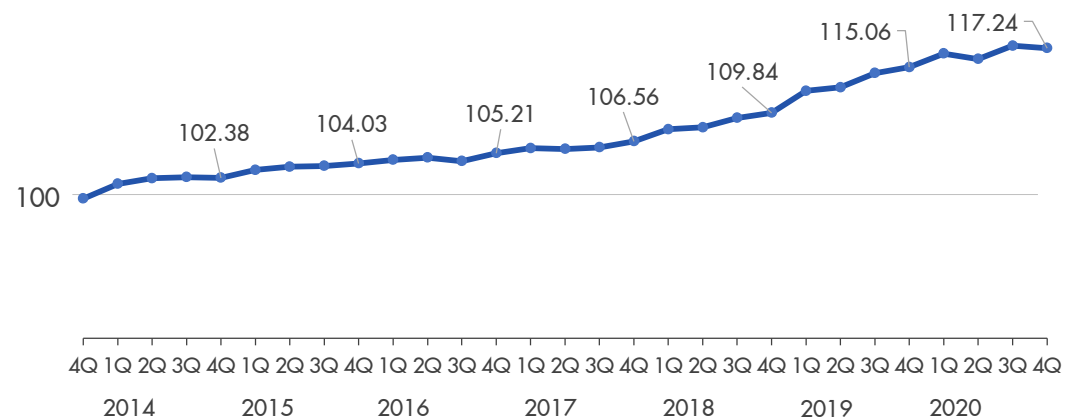
## ➤ Population change (Tokyo 23 wards/Japanese/Yearly) and new rental housing starts (units) (Tokyo/Yearly)



## ➤ Population change (Tokyo 23 wards/Japanese/Monthly)



## ➤ Apartment rent index (Tokyo 23 wards/Quarter)



\* New rental housing starts (units) information is prepared by SHAM based on Housing Starts Statistics from Construction Research and Statistics Office, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism.

\* Population change information is prepared by SHAM based The Report on Internal Migration in Japan Derived from the Basic Resident Registration, published by the Statistics Bureau, Ministry of Internal Affairs and Communications.

\* The apartment rent index is prepared by SHAM based on the Apartment Rent Index, published by At Home Co., Ltd. and Sumitomo Mitsui Trust Research Institute Co., Ltd. The apartment rent index (for living space of 18m<sup>2</sup> up to less than 100m<sup>2</sup>) uses values as of Q4 2013 as 100.

# Rent Trends of Residential Portfolio

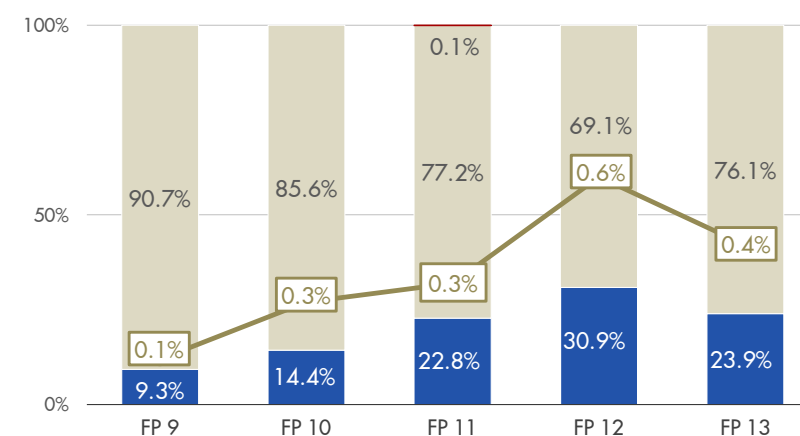
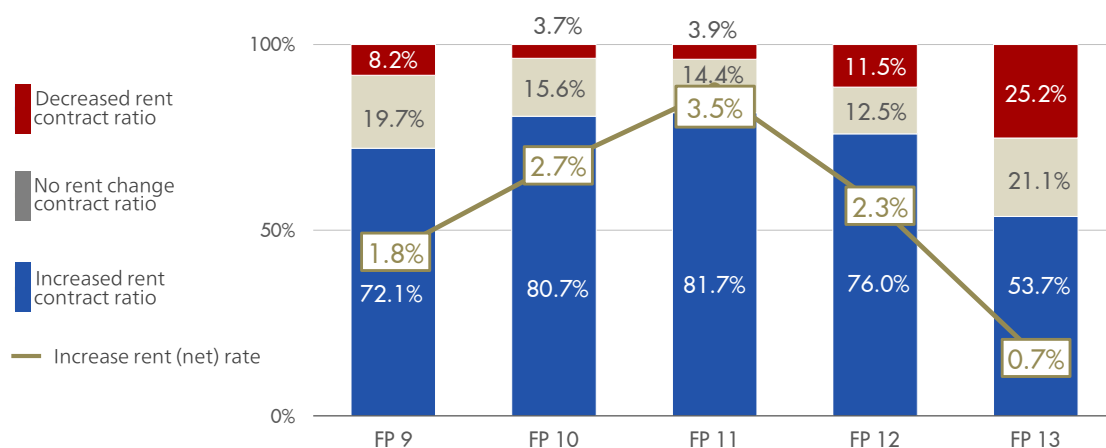
## ➤ Contract Rent

### New Contract

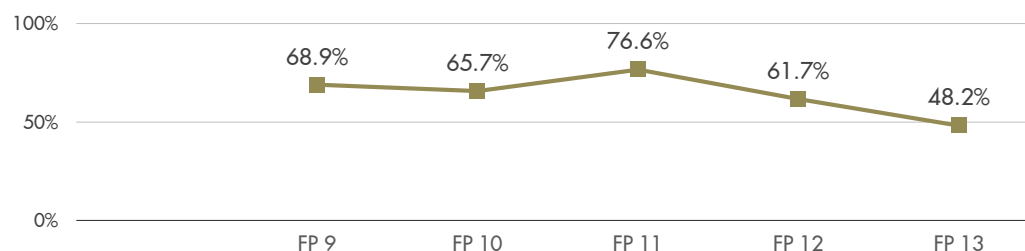
	FP ended Apr. 2019 (FP 9)	FP ended Oct. 2019 (FP 10)	FP ended Apr. 2020 (FP 11)	FP ended Oct. 2020 (FP 12)	FP ended Apr. 2021 (FP 13)
Monthly rent /no. of contracts	JPY104.91 million / 814	JPY124.80 million / 891	JPY107.54 million / 764	JPY119.72 million / 845	JPY121.34 million / 897
Increase in rent /no. of contracts	JPY2.21 million / 587	JPY3.61 million / 719	JPY3.85 million / 624	JPY3.72 million / 642	JPY2.44 million / 482
Decrease in rent /no. of contracts	JPY(0.37) million / 67	JPY(0.32) million / 33	JPY(0.20) million / 30	JPY(1.02) million / 97	JPY(1.64) million / 226
<b>Increase rent (net)</b>	<b>JPY1.84 million</b>	<b>JPY3.28 million</b>	<b>JPY3.65 million</b>	<b>JPY2.69 million</b>	<b>JPY0.79 million</b>

### Renewal Contract

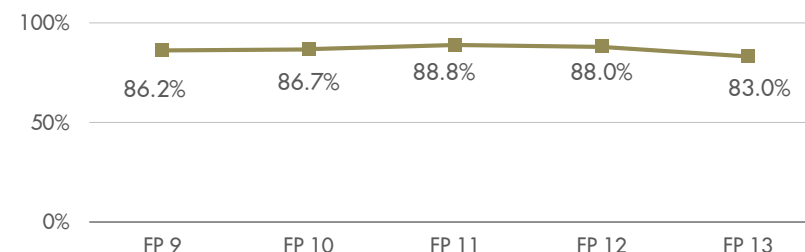
	FP ended Apr. 2019 (FP 9)	FP ended Oct. 2019 (FP 10)	FP ended Apr. 2020 (FP 11)	FP ended Oct. 2020 (FP 12)	FP ended Apr. 2021 (FP 13)
Monthly rent /no. of contracts	JPY170.60 million / 1,361	JPY147.74 million / 1,121	JPY200.11 million / 1,615	JPY170.26 million / 1,296	JPY172.06 million / 1,345
Increase in rent /no. of contracts	JPY0.21 million / 126	JPY0.41 million / 161	JPY0.63 million / 368	JPY1.02 million / 400	JPY0.72 million / 322
Decrease in rent /no. of contracts	- / -	- / -	JPY(0.00) million / 1	- / -	- / -
<b>Increase rent (net)</b>	<b>JPY0.21 million</b>	<b>JPY0.41 million</b>	<b>JPY0.63 million</b>	<b>JPY1.02 million</b>	<b>JPY0.72 million</b>



## ➤ Non Refundable Deposit Received



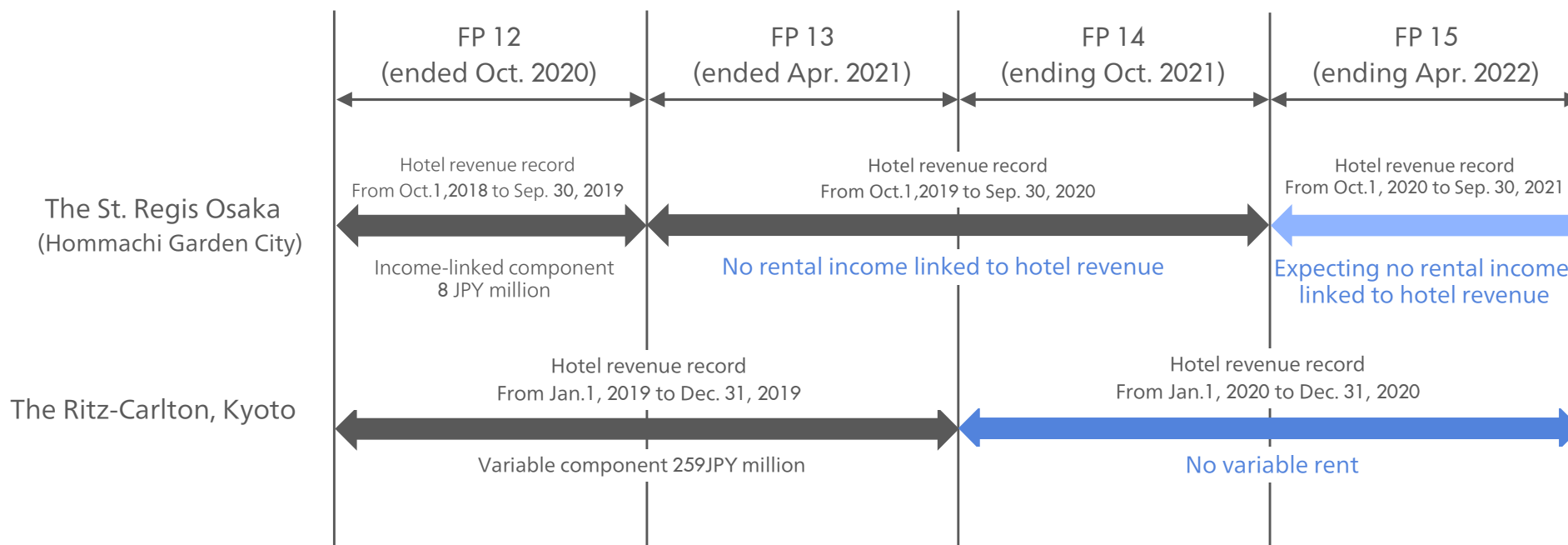
## ➤ Rate of Renewal



\* Monthly rent comparison of new contract and renewal contract is calculated including utilities.

# Hotels Portfolio

- As a result of the worsening of operating conditions due to the impact from the COVID-19 pandemic, SHR expects to receive no revenue participation for the period of time affected. Based on the revenue schedules, that would mean no variable rent starting in FP 13 for The St. Regis Osaka and FP 14 for The Ritz-Carlton, Kyoto.
  - SHR plans to stabilize DPU by reversing internal reserves to offset the shortfall in variable rent from The Ritz-Carlton, Kyoto.
- Revenue schedules: The relationship between hotel revenue records and SHR's rental income

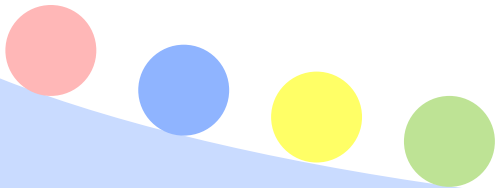


➤ Hotel rental income by fiscal period

	FP 12 (ended Oct. 2020)	FP 13 (ended Apr. 2021)	FP 14 Forecast (ending Oct. 2021)	FP 15 Forecast (ending Apr. 2022)
The St. Regis Osaka	410 JPY million	402 JPY million	402 JPY million	402 JPY million
(income-linked component)	(8 JPY million)	( - JPY million)	( - JPY million)	( - JPY million)
(Fixed component)	(402 JPY million)	(402 JPY million)	(402 JPY million)	(402 JPY million)
The Ritz-Carlton, Kyoto	475 JPY million	475 JPY million	215 JPY million	215 JPY million
(Variable component)	(259 JPY million)	(259 JPY million)	( - JPY million)	( - JPY million)
(Fixed component)	(215 JPY million)	(215 JPY million)	(215 JPY million)	(215 JPY million)

In FP 14 and FP 15, the difference of JPY 259 Million in rental income vs. FP 13 for The Ritz-Carlton, Kyoto, is to be offset by reversing internal reserves to pay cash distributions at each financial period.

# Financial Base



# Financial Base (1)

## ➤ Financial indicators

	as of Jun. 15, 2021	End of FP 12
Total interest-bearing liabilities	252.9 JPY billion	249.9 JPY billion
Long-term debt ratio	98.8 %	100 %
Fixed interest rate debt ratio	97.1 %	96.6 %
Average maturity	7.1 years	7.1 years
Average period remaining to maturity	3.7 years	3.7 years
Average interest rate	0.61 %	0.63 %
LTV (Total asset basis)	45.4%	(End of FP 13)
	45.1%	(End of FP 12)

## ➤ Credit ratings (Issuer ratings)

- Japan Credit Rating Agency, Ltd. (JCR): AA (Stable)
- Rating and Investment Information, Inc. (R&I): AA- (Stable)

## ➤ Commitment line contracts

- Set a limit of JPY 15 billion with a 3-bank syndicate (MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation)

## ➤ Incorporated Global Index

- FTSE EPRA/NAREIT Global Real Estate Index Series
- MSCI Japan Small Cap Index
- Thomson Reuters GPR / APREA Investable 100 Index
- S&P Global Property
- GPR 250 Index/ GPR 250 REIT Index
- TSE REIT Core Index

## ➤ Recent financial activities (from 16, Dec. 2020 to 15, Jun. 2021)

### • Borrowings

Lender	Borrowing amount (JPY million)	Interest Rate	Drawdown Date	Borrowing Period (years)
MUFG Bank, Ltd.	200	0.284%	Feb. 26, 2021	4.5
MUFG Bank, Ltd.	300	0.5585%	Feb. 26, 2021	8
Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank, Limited THE BANK OF FUKUOKA Shinkin Central Bank The 77 Bank, Ltd. Shizuoka bank Ltd.	4,600	Fixed by interest rate swap transactions 0.294%	Feb. 26, 2021	4.5
Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited. The Norinchukin Bank The Senshu Ikeda Bank, Ltd. The Yamaguchi Bank, Ltd. The Hiroshima Bank, Ltd.	4,800	Fixed by interest rate swap transactions 0.5685%	Feb. 26, 2021	8
MUFG Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation	3,000	Floating Base rate (JBA 1-month JPY TIBOR) +0.170%	Apr. 1, 2021	1

### • Investment corporation bonds (current period results)

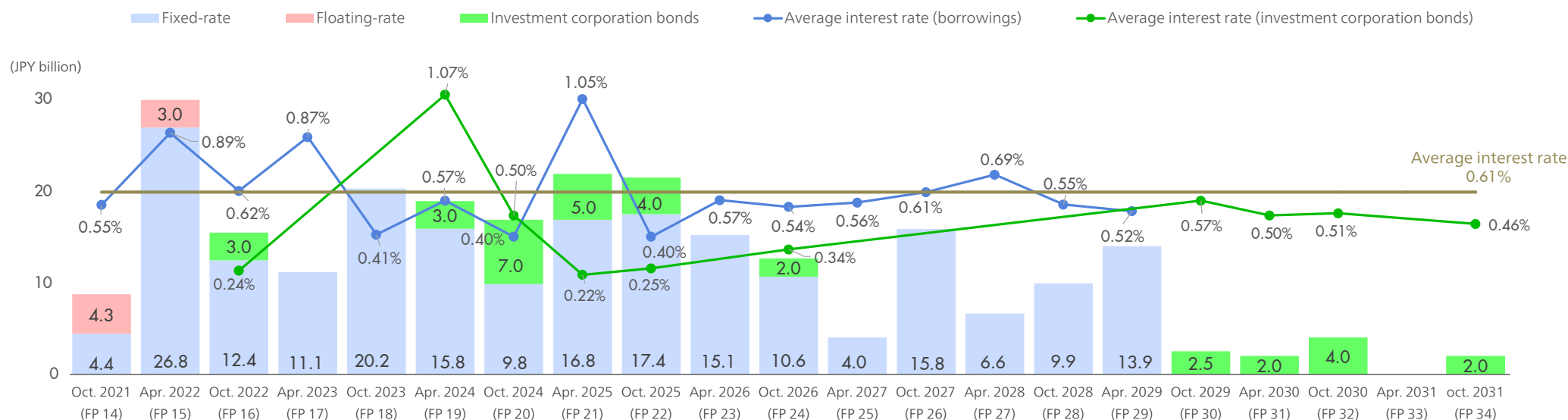
	Issue Amount (JPY million)	Interest Rate	Drawdown Date	Redemption period (years)
Green Bonds (The 9 <sup>th</sup> series)	2,000	0.460 %	May 19, 2021	10

Green bond refers to a bond issued to procure funds required for a green project (environmentally friendly investment project). The above-mentioned green bonds are issued under the Green Bond Framework. With regard to the framework, a second party opinion has been received from Sustainalytics, a third-party entity.

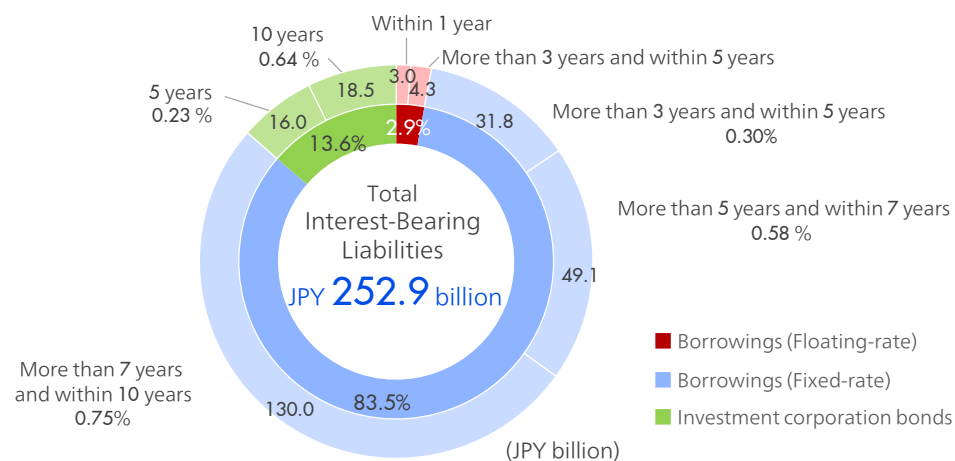
# Financial Base (2)

(As of June 15, 2021)

## ➤ Diversification of Maturity Dates

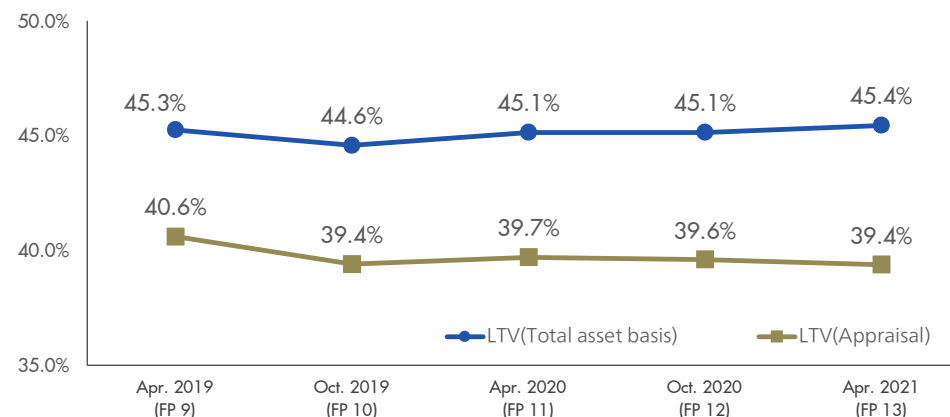


## ➤ Diversification of Maturity Period



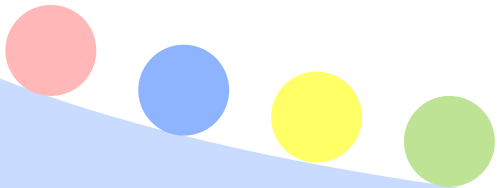
## ➤ LTV Trends (end of each Fiscal Periods)

LTV control policy (Total asset basis) : Maintaining a conservative policy  
LTV ratio at mid-40% range (Upper limit is approximately 50%)



\* Diversification of Maturity Dates as a whole, "average interest rate" (Borrowings fixed under interest rate swap agreements are calculated using interest rates fixed under interest rate swap agreements.) represents the weighted average (annual rate) of the interest rates applicable as of June 15, 2021 based on the amounts of total interest-bearing liabilities, while "average interest rate" of each fiscal period represents the weighted average (annual rate) of the interest rates applicable as of June 15, 2021, based on the borrowings to be repaid or investment corporation bonds to be redeemed at the respective fiscal periods.

# Growth Strategy



# Policy on the Reversal of Internal Reserves

- SHR plans to continue to reverse internal reserves to resolve discrepancies between figures for tax and accounting purposes and to stabilize cash distributions.
  - Responding to revenue shortfalls resulting from the effects of COVID-19
    - Leverage to offset FP 14 and FP 15 rent revenue shortfalls from The Ritz-Carlton, Kyoto  
Plan to pay out distributions by reversing internal reserves by an amount equivalent in full to the difference versus FP 13.
    - Leverage to respond to revenue shortfalls due to requests for rent cuts from retail tenants, etc.  
SHR plans to act with caution and flexibility considering current circumstances in response to tenant requests for rent abatement.
  - Supporting office leasing activities
    - In the event a temporary revenue shortfall results from an office tenant renewal, consider the internal reserve balance and decide the DPU policy.
  - Regarding discrepancies between tax and accounting reporting that remain since the REIT's merger, SHR plans to avoid being subject to taxation by taking reversals from its Reserve for Temporary Adjustments (RTA) for some time.
  - After the RTA has been fully reversed, SHR plans to pay out cash distributions in excess of profits from the Allowance for Temporary Adjustments (ATA) to avoid being subject to taxation. (Assuming reversals from RTA can continue through FP 17.)

Planned and assumed balance of internal reserves and reversal of internal reserves after distributions for each fiscal period

(JPY million)

	FP 13	FP 14	FP 15	FP 16	FP 17	FP 18	FP 19	FP 20	FP 21	FP 22
Balance of Internal reserves as of end of each period	1,401	869	381	Various due to the balance of reserve for reduction entry						
Balance of RTA	675	501	304	89	-					
Balance of Reserve for Reduction Entry	726	368	77	Undecided						
Reversal of Internal Reserve	80	531	487	Various due to the reversal of reserve for reduction entry						
Reversal of RTA	157	173	197	214	89					
Reversal of reserve for Reduction Entry	26	358	290	Policy of reversal by FP 17						
Reserve for Reduction Entry	103	-	-	-	-					
Distributions in excess of profits using ATA					143	238	254	254	259	256
Amount corresponding to discrepancies between tax and accounting reporting	154	170	196	214	232	238	254	254	259	256

# Growth Strategy

## ■ About DPU targets

Given the current situation, continue to manage the portfolio with a focus on stabilizing DPU by leveraging internal reserves for the foreseeable future.

(In the event that gain generated during reshuffle assets, it will be reversed as reduction entry for the funds of future distribution expanding. )

## ■ Management policy

Upgrade portfolio quality through an asset reshuffling strategy and appropriate controls on LTV by cautiously discerning impacts from COVID-19 and real estate market trends.

### External growth

- Maintain a selective investment approach and build a portfolio focused on office and residential.
- Continue to search for opportunities to reshuffle assets in a way that will enhance portfolio quality.

### Internal growth

- Office: lease up vacant space and make solid progress renewing existing leases.
- Residential: continue focus on occupancy rate but keep close eye on market and try to raise rents.
- Hotels: strengthen relationships with hotel operators to capture demand from domestic customers.

### Financing strategies

- Continue to advance diversification of financing sources and lowering financing costs on refinancing opportunities.
- Aim to control LTV at conservative levels, targeting a run-rate in the mid 40% range.

### ESG policy

- Actively advance initiatives to achieve KPIs set for each materiality.
- Aim to be included in major ESG indexes.

# Urban Redevelopment Business by Sekisui House

## Relationships with our sponsor's business














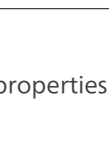
- ✓ Within the Sekisui House Group's business strategy, SHR functions as an exit strategy for its urban redevelopment projects.
  - First right of refusal on sale of real estate owned or developed by Sekisui House, Ltd.
  - First right of refusal on sale of residential real estate owned by Sekisui House Real Estate companies
  - First right of refusal to negotiate acquiring remaining ownership stakes on properties under joint ownership schemes with Sekisui House, Ltd.
- ✓ Outsource PM work on some assets under management to Sekisui House Group
  - Number of properties where PM is outsourced to Sekisui House Real Estate Group: 86 (73.2% of residential properties)

Property name	Location	Remaining stake not yet acquired by SHR
Akasaka Garden City	Minato-ku, Tokyo	34.55%
The Ritz-Carlton, Kyoto	Kyoto-shi, Kyoto	51.00%

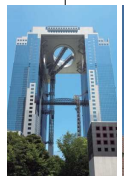





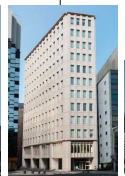

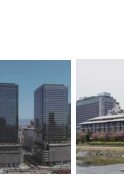




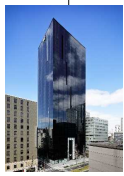


## 5th Medium-term Management Plan of Sekisui House Group (Announced March 2020)

- ✓ Business strategy for development projects
  - Developing properties based on awareness of ROA
  - Stabilize management through improvement of asset turnover and acquisition prime land
- ✓ Urban redevelopment business
  - [Policies] Secure stable pipeline and strengthen exit strategy
  - [Geographies]
    - Actively participate in urban redevelopment projects in major cities and conduct developments focusing on hotel projects and commercial facilities.
    - Expand Prime Maison and other rental condominiums for single persons mainly in Tokyo Metropolitan area, and focus on fast turnover-type projects.
    - Promote regional revitalization through the Michi-no-Eki Stations Project in cooperation with municipal governments in regional areas.

## Prime Maison by Sekisui House

Completed properties: 8 (1,093 residential units)								Properties under construction: 8 (739 residential units)				Properties under planning	
													
PM Egotanomori 〔 Nakano-ku, Tokyo 〕	PM Meguro Meguro-ku, Tokyo	PM Itabashi Itabashi-ku, Tokyo	PM Ryogoku Sumida-ku, Tokyo	PM Nakameguro Meguro-ku, Tokyo	PM Shimokitazawa Setagaya-ku, Tokyo	PM Waseda-dori Shinjuku-ku, Tokyo	PM Honancho Nakano-ku, Tokyo	PM Shimbashi (tentative name) Minato-ku, Tokyo	PM Yushima (tentative name) Bunkyo-ku, Tokyo	PM Monzen-nakacho (tentative name) Koto-ku, Tokyo	PM Sumida-honjo (tentative name) Sumida-ku, Tokyo	PM Sakura-shinmachi (tentative name) Setagaya-ku, Tokyo	PM Nishiwaseda (tentative name) Shinjuku-ku, Tokyo
												7 properties	

## Sekisui House urban redevelopment projects (excluding Prime Maison)

1993	2006	2010	2011				2013			2015		2019	2020	2021	Future project
															
Umeda Sky Building (Shin Umeda City)	Akasaka Garden City Acquired asset (partially)	Homemachi Garden City Acquired asset	Garden City Shinagawa Gotenyama Acquired asset	Gotenyama SH Building Acquired asset	Homemachi Minami Garden City Acquired asset	Hirokoji Garden Avenue Acquired asset	Grand Front Osaka	The Ritz-Carlton, Kyoto Acquired asset (partially)	HK Yodoyabashi Garden Avenue Acquired asset (partially)	Otemon Tower	Fraser Suites Akasaka, Tokyo	W Osaka	Garden Cube Shibuya jinnan	The Westin Yokohama	

\* "Sekisui House Group" refers to a group of companies comprised of Six Sekisui House Real Estate Companies as the core, and of its subsidiaries and affiliates.

\* As of the date of this publication, there are no specific plans to acquire the assets identified here as not yet acquired by SHR (including quasi-co-ownership stakes not yet acquired).

\* Some of the above projects are joint projects involving Sekisui House and other business partners. Illustrations provided for projects under construction. Actual results may differ.

# ESG initiatives (1) External Certifications and International Initiatives

## Joining GRESB assessment

- Joining GRESB membership
- Acquired a “Green Star” for the 4<sup>th</sup> consecutive year under the GRESB Real Estate Assessment (2020)
- Acquired highest rank “A” under the GRESB Disclosure Assessment (2020)



## Acquired green certifications

- Acquired DBJ Green Building Certification 51 properties (5 office, 46 residential) All “3 stars” or higher
- Acquired Certification for CASBEE Real Estate for highest rank, S (Superior) (5 office building)



## Ratified the Principles for Responsible Investing (PRI)

- SHAM agreed with and ratified the Principles for Responsible Investing (PRI) (March 2019)
- Deepen the initiatives through commitment to the goals set in the PRI



## Expressed agreement with TCFD

- SHAM expressed agreement with TCFD recommendations (July 2020)
- Analyze the risks and opportunities posed by climate change and promote responses in line with TCFD framework



## MSCI ESG rating was upgraded to “A”

- MSCI ESG rating, which serves as the selection criterion for MSCI Japan ESG Select Leaders Index, has been improved to “A” (June 2021)

## Expressed support for the United Nations Global Compact

- Sekisui House Group expressed its support for the Ten Principles of the United Nations Global Compact

## MUFG ESG Rating Certificate for J-REIT Supported by JCR

- SHR and SHAM acquired the highest “S rank” in the MUFG ESG Rating Certificate for J-REIT supported by JCR
- Highly praised for reducing CO<sub>2</sub> emissions, collaborating with residents, tenants, tenant companies, and local communities, and thorough compliance awareness.

# ESG initiatives (2) Environment

## Environment

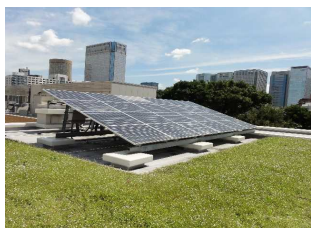
### ➤ Reduction of CO<sub>2</sub> emissions

- **Target** (Target year: 2030)  
Portfolio CO<sub>2</sub> emissions (intensity)  
Reduce **20%** vs. FY 2018 levels
- Introduce environmentally friendly features such as solar panels, LED lighting and laminated Low-e double glazed windows, which features insulating and heat-reflecting capabilities.

Solar panels installed on 7 properties  
LED lighting installed in 93 properties  
Energy efficient air conditioner installed in 87 properties

- Install LED lighting and energy efficient air conditioner in residential properties and expect to achieve:  
about 5.4% annual reduction in CO<sub>2</sub> emissions (vs. FY 2018 levels)

Solar panels



Prime Maison Gotenyama East

LED lighting



HK Yodoyabashi Garden Avenue

Low-e double glazed windows



Hommachi Minami Garden City

- Implemented CO<sub>2</sub> emissions reduction potential diagnoses for the purpose of reducing environmental impact on office buildings.

### ➤ Invest in green real estate

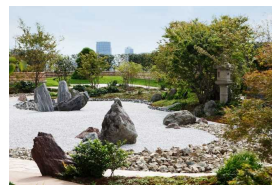
- Green certifications on **55.2%** of the portfolio (as of June 15, 2021)
- Target: Raise percentage of portfolio with green certifications up to **70%** by 2030.



Prime Maison Yokohama Nihon-odori



Prime Maison Gotenyama East



Hommachi Garden City  
(office portion)



Garden City Shinagawa Gotenyama

- 4 residential properties are upgraded through re-acquisition of DBJ Green Building Certification  
Install environmentally friendly facilities to conserve energy



Prime Maison Asakusabashi



2017



Prime Maison Takami

# ESG initiatives (3) Social and Governance

## Social

### ➤ Contributions to society

Matching employee donations program :  
Sekisui House Matching Program



Employees set aside the amount they want from their salaries and Sekisui House adds the same amount of subsidies to make donations.



### Contributions to disaster prevention and local communities

- Installed automatic vending machines for disaster relief
- Installed AEDs (automatic external defibrillators)
- Introduced share bikes
- Provided conference room space for blood drives



### ➤ Tenant safety, comfort and peace of mind

Implemented tenant satisfaction survey (2021 survey results)

- Residential: "Mostly satisfied" and "Very satisfied" totaled to about **85%** of responses. Received high marks for **convenience of location, good neighborhood, and room design and atmosphere.**
- Office: **All tenants** who responded said they were "**Satisfied**". Received high marks for **building grade and specifications, exterior, and entrance and other interior elements.**

### ➤ Initiatives related to the pandemic

Introduce remote work, web-conferencing, and quarantine leave.  
Install anti-aerosol panels and partitions in the office, disinfect the workplace and check employee body temperatures.

## Governance

### ➤ Activities that linked to shareholder interests

- Sekisui House ownership of SHR's investment units (same boat investment)

Sekisui House ownership (units) (Percentage of outstanding shares)	200,750 (4.7%)
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- Performance is adopted as part of asset management fee

(1) Linked to asset size and investment units performance

Total Assets × 0.14% (annual) + rate of performance versus TSE REIT Index)<sup>1</sup>

(2) Linked to DPU and operating income

(DPU<sup>2</sup> × operating Income<sup>3</sup> × 0.002%) × 2 (split ratio)

### ➤ Disclosure to and dialog with stakeholders

- Issuance of ESG reports
- Created a new webpage for individual investors and strengthened information disclosure
- Participated in online seminars for individual investors
- Leveraged remote means to actively implement IR activities and maintain communications with institutional investors

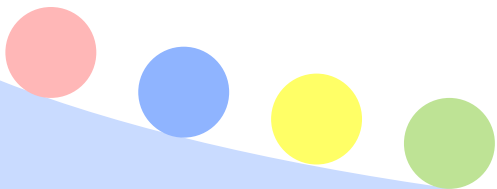


Note 1: The rate is fluctuated depending on the performance-comparison of the SHR's investment units and the TSE REIT Index.

Note 2: Calculated as the distributable amount before deduction of Management Fee II divided by the total number of issued investment units.

Note 3: Operating Income before deduction of Management Fee II

# Appendix



# Balance Sheet

	FP 12 (October 31, 2020)	FP 13 (April 30, 2021)		FP 12 (October 31, 2020)	FP 13 (April 30, 2021)
			(Unit: JPY thousand)		
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets</b>			<b>Current liabilities</b>		
Cash and deposits	9,424,900	10,572,674	Operating accounts payable	1,030,204	706,342
Cash and deposits in trust	19,008,771	19,136,112	Short-term loans payable	—	3,000,000
Operating accounts receivable	184,706	172,760	Current portion of long-term loans payable	29,710,000	35,590,000
Prepaid expenses	226,584	240,044	Accounts payable – other	1,129,034	1,184,669
Other	449	624	Accrued expenses	186,325	192,116
Allowance for doubtful accounts	(1,805)	(1,914)	Income taxes payable	585	583
Total current assets	28,843,605	30,120,301	Accrued consumption taxes	257,594	229,907
<b>Non-current assets</b>			Advances received	707,223	686,522
<b>Property, plant and equipment</b>			Derivative debt	29,558	50,169
Buildings in trust	174,776,368	176,427,935	Other	109,267	88,569
Accumulated depreciation	(15,046,546)	(17,338,960)	Total current liabilities	33,159,794	41,728,880
Buildings in trust, net	159,729,822	159,088,974	<b>Non-current liabilities</b>		
Structures in trust	1,571,922	1,598,252	Investment corporation bonds	32,500,000	32,500,000
Accumulated depreciation	(215,642)	(247,163)	Long-term loans payable	187,732,000	181,852,000
Structures in trust, net	1,356,279	1,351,088	Tenant leasehold and security deposits in trust	14,127,690	14,118,413
Machinery and equipment in trust	2,236,271	2,249,222	Derivative debt	228,253	123,070
Accumulated depreciation	(233,151)	(284,113)	Other	60,558	26,510
Machinery and equipment in trust, net	2,003,120	1,965,109	Total non-current liabilities	234,648,502	228,619,994
Vehicles in trust	153	153	Total liabilities	267,808,297	270,348,874
Accumulated depreciation	(96)	(134)	<b>Net assets</b>		
Vehicles in trust, net	57	19	Unitholders' equity		
Tools, furniture and fixtures in trust	439,351	545,942	Unitholders' capital	149,210,081	149,210,081
Accumulated depreciation	(77,651)	(118,298)	Surplus		
Tools, furniture and fixtures in trust, net	361,700	427,644	Capital surplus	128,598,415	128,598,415
Land in trust	357,199,586	359,142,655	Voluntary retained earnings		
Construction in progress in trust	61,142	—	Reserve for reduction entry	746,169	649,425
Total property, plant and equipment	520,711,708	521,975,492	Reserve for temporary difference adjustments	969,369	832,707
<b>Intangible assets</b>			Total voluntary retained earnings	1,715,539	1,482,132
Leasehold rights in trust	2,424,896	2,399,470	Unappropriated retained earnings	6,992,995	7,103,009
Other	4,010	3,941	Total surplus	137,306,950	137,183,557
Total intangible assets	2,428,906	2,403,411	Total unitholders' equity	286,517,031	286,393,638
<b>Investments and other assets</b>			<b>Valuation and translation adjustments</b>		
Lease and guarantee deposits	790,700	790,715	Deferred hedging gain/loss	(257,812)	(173,239)
Long-term prepaid expenses	544,128	596,753	Total of valuation and translation adjustments	(257,812)	(173,239)
Other	467,324	458,272	Total net assets	286,259,219	286,220,398
Total investments and other assets	1,802,153	1,845,740	<b>Total liabilities and net assets</b>		
Total non-current assets	524,942,768	526,224,644		554,067,516	556,569,273
<b>Deferred assets</b>					
Investment corporation bond issuance costs	146,200	131,998			
Investment unit issuance costs	134,941	92,328			
Total deferred assets	281,142	224,326			
Total assets	554,067,516	556,569,273			

\* As of the date of this publication, audit procedures for the financial documents based on the Act on Investment Trusts and Investment Corporations have been completed but audit procedures for the financial statements based on the Financial Instruments and Exchange Act have yet to be completed.

# Statement of Income and Retained Earnings

(Unit: JPY thousand)

	FP 12 From May 1, 2020 to October 31, 2020	FP 13 From November 1, 2020 to April 30, 2021
Operating revenue		
Rent revenue – real estate	14,410,200	14,537,588
Other lease business revenue	416,488	387,419
Gain on sale of real estate properties	–	130,080
Total operating revenue	14,826,689	15,055,088
Operating expenses		
Expenses related to rent business	5,660,925	5,706,053
Asset management fees	984,709	1,029,670
Asset custody fees	10,367	10,368
Administrative service fees	48,244	48,207
Directors' compensation	3,600	3,600
Provision of allowance for doubtful accounts	146	284
Other operating expenses	250,145	267,820
Total operating expenses	6,958,139	7,066,004
Operating income	7,868,549	7,989,083
Non-operating income		
Interest income	130	143
Reversal of distribution payable	898	915
Refunded consumption taxes	9,375	–
Total non-operating income	10,403	1,059
Non-operating expenses		
Interest expenses	662,166	640,664
Interest expenses on investment corporation bonds	62,894	72,701
Borrowing related expenses	102,079	113,927
Amortization of investment unit issuance costs	42,613	42,613
Amortization of investment corporation bond issuance costs	11,642	14,202
Other	3,956	2,419
Total non-operating expenses	885,352	886,528
Ordinary income	6,993,600	7,103,614
Income before income taxes	6,993,600	7,103,614
Income taxes – current	605	605
Total income taxes	605	605
Net Income	6,992,995	7,103,009
Unappropriated retained earnings	6,992,995	7,103,009

\* As of the date of this publication, audit procedures for the financial documents based on the Act on Investment Trusts and Investment Corporations have been completed but audit procedures for the financial statements based on the Financial Instruments and Exchange Act have yet to be completed.

# Trends of Major Management Indexes

Fiscal Period Month/Year		FP9 Apr. 2019	FP10 Oct. 2019	FP11 Apr. 2020	FP12 Oct. 2020	FP13 Apr. 2021
Operating days	days	181	184	182	184	181
Operating revenue	JPY million	12,369	14,683	14,590	14,826	15,055
Profit from real estate leasing business	JPY million	12,369	13,879	14,590	14,826	14,925
Gain on sale of real estate properties	JPY million	-	804	-	-	130
Leasing NOI	JPY million	9,915	11,123	11,630	11,610	11,687
Depreciation	JPY million	2,189	2,369	2,413	2,444	2,468
Net Income	JPY million	5,894	7,405	6,991	6,992	7,103
Capital Expenditures	JPY million	638	826	650	591	654
Total assets	JPY million	474,985	547,989	553,988	554,067	556,569
Total interest-bearing liabilities	JPY million	214,932	244,242	249,942	249,942	252,942
LTV (total asset basis)	%	45.3	44.6	45.1	45.1	45.4
LTV based on appraisal value	%	40.6	39.4	39.7	39.6	39.4
Net assets	JPY million	245,695	286,192	286,323	286,259	286,220
Total Distributions	JPY million	5,996	6,994	7,140	7,226	7,183
ROE (annualized)	%	4.8	5.5	4.9	4.8	5.0
DSCR (Debt service coverage ratio)	times	11.4	11.9	12.3	12.7	13.3
FFO (Funds from operations)	JPY million	8,084	8,971	9,405	9,438	9,441
AFFO (Adjusted funds from operations)	JPY million	7,445	8,145	8,755	8,847	8,787
FFO pay out ratio	%	74.2	78.0	75.9	76.6	76.1
Total number of investment units issued	units	3,762,091	4,288,666	4,288,666	4,288,666	4,288,666
Net asset per unit	JPY	65,308	66,732	66,762	66,747	66,738
NAV per unit	JPY	78,013	81,958	82,738	83,169	85,064
Net Income per unit	JPY	1,566	1,775	1,630	1,630	1,656
DPU (Distributions per unit)	JPY	1,594	1,631	1,665	1,685	1,675
FFO per unit	JPY	2,148	2,091	2,193	2,200	2,201
Reversal of internal reserve	JPY million	102	364	149	233	184
Reversal of RTA	JPY million	102	364	119	136	157
Reserve for Internal reserve	JPY million	-	775	-	-	103
Internal reserve at the end of the period (after cash distributions paid)	JPY million	1,454	1,864	1,715	1,482	1,401
Period-end investment unit price (closing price)	JPY	80,300	99,900	66,000	73,000	91,000
Implied cap rate (based on period-end investment unit price)	%	3.9	3.3	4.5	4.2	3.8
Number of owned properties at period-end	units	115	119	121	121	123
Total acquisition price	JPY million	457,375	527,065	532,910	532,910	535,838
Total appraisal value	JPY million	505,577	593,054	600,583	600,728	610,153
Unrealized capital gains	JPY million	53,794	72,294	75,653	77,652	85,777
Unrealized capital gains as a percentage of portfolio value	%	11.9	13.9	14.4	14.8	16.4

- Leasing NOI = Property-related operating revenue - Property-related operating expenses + Depreciation
- Total asset LTV = Total interest-bearing liabilities ÷ Total asset × 100
- LTV based on appraisal value = Total interest-bearing liabilities ÷ Total appraisal value × 100
- ROE = Net Income ÷ [(Net assets at beginning of the period + Net assets at end of period) ÷ 2] × 100
- DSCR = (Ordinary income + interest expenses on borrowing and corporation bond + depreciation +/- Gains or losses from the sale of real estate properties, etc.) ÷ interest expense

- FFO = Net Income + Depreciation +/- Gains or losses from the sale of real estate properties, etc. +/- extraordinary income or losses
- AFFO = FFO - Capital Expenditure
- FFO Pay out ratio = Total Distribution ÷ FFO
- NAV per unit = (Net assets at end of period + Unrealized capital gain - Total Distribution) ÷ Total number of investment
- Net Income per unit = Net Income ÷ Investment units on a weighted average based on the number of days
- Implied cap rate = NOI (annualized) ÷ (Market capitalization at end of each period + Interest-bearing liabilities + Refundable deposits held in trust - Cash deposits)

# Acquisition of properties (FP 13)

Acquired 3 residential properties in Nagoya on April 1, 2021. Total Acquisition price : 3.75 billion yen Appraisal NOI yield : 4.9%  
(weighted average)

R-115

MAST STYLE  
HIGASHIBETSUIN



- About 8-minute walk from Higashi Betsuin Station on the Nagoya Municipal Subway Meijo Line.
- Located at calm residential environment with many temples, such as "Higashi Betsuin".
- Approaching to the "Osu" area, which is a source of youth culture.

Acquisition price	Appraisal value (As of Dec. 1, 2020)	Appraisal NOI yield
2,190 million yen	2,200 million yen	4.9%

Location (address)	3-16-4 Matsubara, Naka-ku, Nagoya-shi, Aichi
Structure / Floors	RC/15F (completed in February 2009)
Gross Leasable area	4,856.22m <sup>2</sup> (rental units: 175)
Master lessor (type)	Sekisui House Real Estate Chubu, Ltd. (Fixed-rent type)

R-116

Granmast Kayaba



- About 11-minute walk from Nagoya Dome-Mae Yada Station on the Nagoya Municipal Subway Meijo Line.
- Surrounded by Large-scale commercial complex and educational facilities, such as universities.

Acquisition price	Appraisal value (As of Dec. 1, 2020)	Appraisal NOI yield
900 million yen	926 million yen	5.2%

Location (address)	2-16-17 Kayaba, Chikusa-ku, Nagoya-shi, Aichi
Structure / Floors	RC/10F (completed in February 2012)
Gross Leasable area	2,170.80m <sup>2</sup> (rental units: 27)
Master lessor (type)	Sekisui House Real Estate Chubu, Ltd. (Passthrough type)

R-117

MAST STYLE  
SHIRAKABEMINAMI



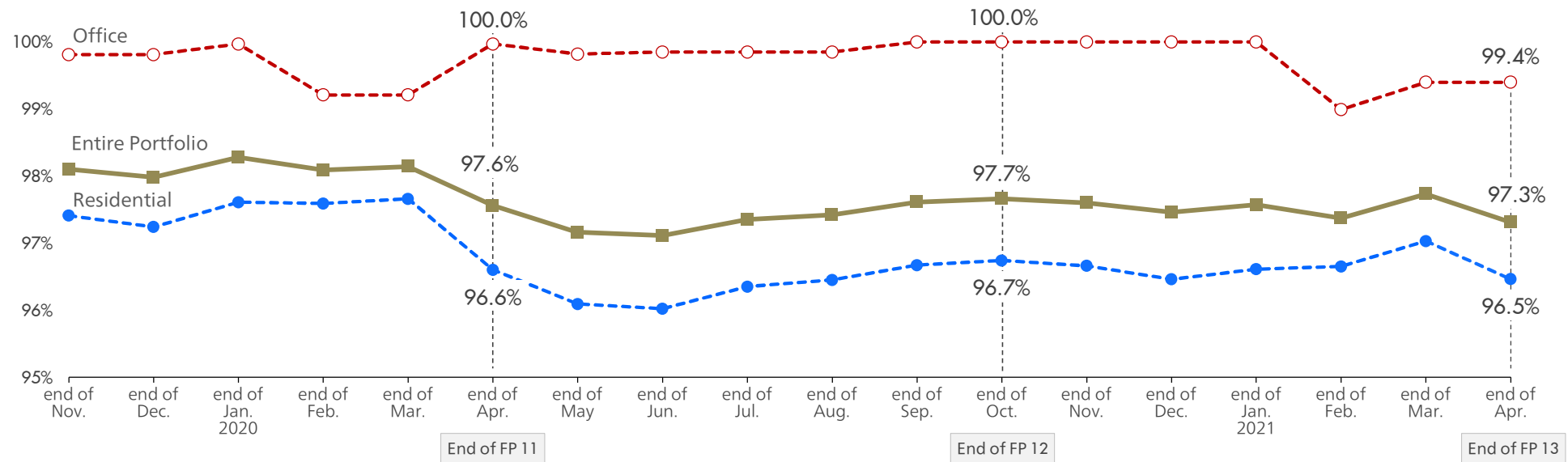
- About 9-minute walk from Takaoka Station on the Nagoya Municipal Subway Sakura-dori Line.
- Convenient access to the "Meieki" area, which is the commercial center of Nagoya City.
- The "Sakae" area which is the center of Nagoya City is also walkable.

Acquisition price	Appraisal value (As of Dec. 1, 2020)	Appraisal NOI yield
660 million yen	665 million yen	4.7%

Location (address)	3-70 Shumokuchō, Higashi-ku, Nagoya-shi, Aichi
Structure / Floors	RC/7F (completed in January 2014)
Gross Leasable area	1,240.28m <sup>2</sup> (rental units: 13)
Master lessor (type)	Sekisui House Real Estate Chubu, Ltd. (Fixed-rent type)

# Occupancy Rate by Asset Type

## ➤ Monthly Trends in Occupancy Rates by Asset type



## ➤ Occupancy rate by asset type

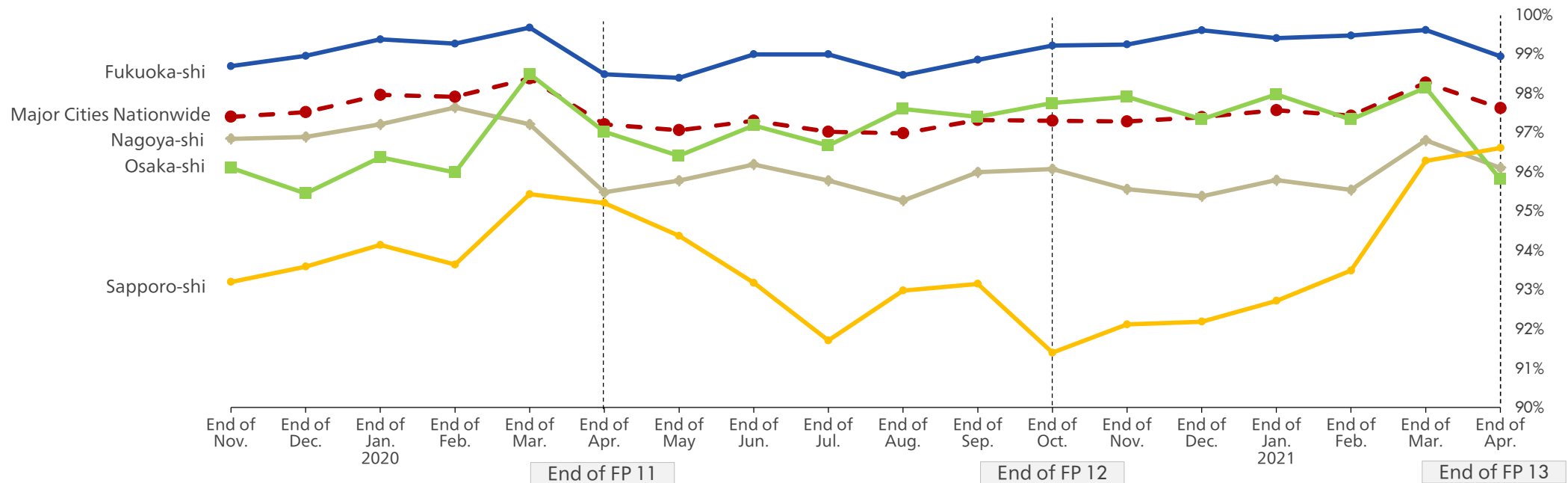
	FP ended Apr. 2020 (FP 11)			FP ended Oct. 2020 (FP 12)			FP ended Apr. 2021 (FP 13)		
	End of the FP	Period-average	Highest	End of the FP	Period-average	Highest	End of the FP	Period-average	Highest
Office	100.0%	99.7%	End of Jan./Apr. 100.0%	100%	99.9%	End of Sep./Oct. 100%	99.4%	99.6%	End of Nov./Dec./Jan. 100%
Residential	96.6%	97.4%	End of Mar. 97.7%	96.7%	96.4%	End of Oct. 96.7%	96.5%	96.6%	End of Mar. 97.0%
Hotels	100%	100%	100%	100%	100%	100%	100%	100%	100%
Entire portfolio	97.6%	98.0%	End of Jan. 98.3%	97.7%	97.4%	End of Oct. 97.7%	97.3%	97.5%	End of Mar. 97.7%

\* The occupancy rate in the above graph records the ratio of the total leased area of the total leasable area of operating assets that belong to the asset type for SHR as of the end of each month from November 2019 to April 2021.

\* Occupancy rate of Hotels is 100% as each hotels is leased as entire building. It is difference between that in business.

# Residential Portfolio Status (Occupancy rate by area)

## ➤ Monthly trends of occupancy rate by area



## ➤ Occupancy rate by area

	FP ended Apr. 2020 (FP 11)		FP ended Oct. 2020 (FP 12)		FP ended Apr. 2021 (FP 13)	
	Average rate during the period	The rate at the end of the Period	Average rate during the period	The rate at the end of the Period	Average rate during the period	The rate at the end of the Period
Greater Tokyo	97.1%	96.2%	95.9%	96.4%	96.0%	95.6%
Tokyo 23 wards	96.9%	95.8%	95.4%	96.0%	95.6%	95.2%
Major Cities Nationwide	97.7%	97.2%	97.2%	97.3%	97.6%	97.6%
Nagoya-shi	96.9%	95.5%	95.8%	96.1%	95.9%	96.1%
Osaka-shi	96.6%	97.0%	97.2%	97.7%	97.4%	95.8%
Fukuoka-shi	99.1%	98.5%	98.8%	99.2%	99.4%	98.9%
Sapporo-shi	94.2%	95.2%	92.8%	91.4%	93.9%	96.6%
Entire Area	97.4%	96.6%	96.4%	96.7%	96.6%	96.5%

# Residential : Rent Trends by Area

## ■ Rent Trends by Investment Area (Unit Rent per tsubo)

Based on the residential held from the end of FP 12 to the end of FP 13

	FP ended October 2020 (end of FP 12)		FP ended April 2021 (end of FP 13)		Change	
	(A)		(B)		(B) – (A)	((B)-(A))/(A)
Greater Tokyo	JPY	13,629 / tsubo	JPY	13,671 / tsubo	+ JPY 42 / tsubo	+ 0.3 %
Tokyo 23 Wards	JPY	13,923 / tsubo	JPY	13,971 / tsubo	+ JPY 48 / tsubo	+ 0.3 %
Others	JPY	10,993 / tsubo	JPY	10,982 / tsubo	JPY (11) / tsubo	(0.1) %
Major Cities Nationwide	JPY	7,098 / tsubo	JPY	7,097 / tsubo	JPY (1) / tsubo	(0.0) %
<b>Total</b>	JPY	11,689 / tsubo	JPY	11,702 / tsubo	+ JPY 13 / tsubo	+ 0.1 %

## ■ Rent Trends in New Contracts by Investment Area and Building Age

	FP ended April 2021 (end of FP 13)			
	Number of new contracts	Change in rent (net)		Ratio of change in rent
<b>By Area</b>				
Greater Tokyo	698	+ JPY	663 thousand	+ 0.7 %
Tokyo 23 Wards	621	+ JPY	540 thousand	+ 0.6 %
Others	77	+ JPY	122 thousand	+ 1.5 %
Major Cities Nationwide	199	+ JPY	134 thousand	+ 0.7 %
<b>Total</b>	897	+ JPY	797 thousand	+ 0.7 %

### By Building Age (Tokyo 23 Wards)

Less than 5 years	102	– JPY	237 thousand	(1.3) %
5 years or more to less than 10 years	116	– JPY	45 thousand	(0.3) %
10 years or more to less than 15 years	294	+ JPY	734 thousand	+ 1.9 %
More than 15 years	109	+ JPY	88 thousand	+ 0.5 %
<b>Total</b>	621	+ JPY	540 thousand	+ 0.6 %

## ■ Rent Gap

Rent Gap:

Rent gap is the percentage difference between market rents and end tenant contract rents in cases where market rents (expected rents on new leases as assessed by Style Act) exceed end tenant contract rents in effect as of the end April 2021 (FP 13).

	Rent Gap
Greater Tokyo	4.6 % lower
Tokyo 23 Wards	4.7 % lower
Others	4.0 % lower
Major Cities Nationwide	4.2 % lower
<b>Total</b>	4.5 % lower

\* Unit rent per tsubo and change in rent (net) excluding stores and offices in residential, as well as the rent of residential in which fixed-rent master lease agreements have been concluded and which are leased to specific end tenants collectively for a long time are not included in calculating the above figures.

\* Building age is categorized the years of construction as of the end of FP 13.

# Identifying Materiality and KPIs (excerpt)

	Materiality	Target (KPI)	Achievements
Environment	Reduction of CO <sub>2</sub> emissions	<ul style="list-style-type: none"> <li>Portfolio CO<sub>2</sub> emissions (intensity)</li> <li>Reduce 20% vs. FY 2018 levels (Target year:2030)</li> </ul>	FY 2019 achievement: Reduced 1.6% (intensity) Conversion to LED lighting, use and expand introduction of clean energy
	Coexistence of humankind and nature and activities for the resources environment	<ul style="list-style-type: none"> <li>Advance greenification and respect biodiversity</li> <li>Manage waste appropriately</li> <li>Promote reduction in water consumption</li> </ul>	Actively leverage native species under the "Gohon no ki" (Five Trees) project and advance greenification Example: GC Shinagawa Gotenyama rooftop garden Install flow control valves
	Invest in real estate with excellent environmental performance	<ul style="list-style-type: none"> <li>Percentage of portfolio with green certification: 70% (Target year: 2030)</li> </ul>	Green certification: 55.2% (as of June 15, 2021)
Social	Provide residents and tenants with secure and comfortable space that offers peace of mind	<ul style="list-style-type: none"> <li>Continual surveys on resident and tenant satisfaction</li> <li>Disclosure on risk of earthquakes and flooding</li> <li>Regular monitoring of initiatives toward sustainability in the supply chain</li> </ul>	Implement measures to improve service in light of satisfaction survey results Portfolio seismic PML rating: 1.57% Percentage of portfolio with water immersion risk (0.5m or more water immersion): 47.0%
	Contributions to society	<ul style="list-style-type: none"> <li>As a member of society, contribute to greater vitality in the community and countermeasures aimed at preventing damage from natural and other disasters</li> <li>Participate in Sekisui House Matching Program</li> </ul>	Introduced disaster prevention facilities, such as damage relief vending machines and AED (automatic external defibrillator), etc. Introduced Share Bikes and Food Trucks Provided conference room space for blood donation events Introduced Sekisui House Matching Program
	Create a rewarding workplace	(Target year for a. through d.: 2023) a. Percentage of female managers positions: 7% b. Average monthly work hours per person: 162 hours c. Annual paid leave take-up rate: 70% d. Take-up rate for male childcare leave: 100% e. Annual participation in external training events: 2 times per person f. Annual training participation rate: 100% <ul style="list-style-type: none"> <li>Practice Sekisui House Human Rights Policy</li> </ul>	Results for FY 2020 a. Percentage of female managers positions: 3.6% b. Average monthly work hours per person: 167 hours c. Annual paid leave take-up rate: 40.5% d. Take-up rate for male childcare leave: not applicable e. Annual participation in external training events: 1.5 times per person f. Annual training participation rate: 96.1%
Governance	Strengthen corporate governance system	<ul style="list-style-type: none"> <li>Enhance effectiveness of executive committee and board of directors</li> <li>Strengthen internal controls structure</li> </ul>	Study use of external consultants Periodically implement process checks on internal controls, including the implementation of internal audits
	Disclosure to and dialog with stakeholders	<ul style="list-style-type: none"> <li>Timely and appropriate disclosure of information and enhanced utility of disclosures</li> <li>Build relationships of trust with stakeholders</li> </ul>	Issuance of ESG report Created new pages for individual investors on SHR's website (in Japanese) Participated in online seminars for individual investors Held non-face-to-face IR meetings with institutional investors

\* KPIs are excerpted based on major items from ESG report 2020.

# Response to Natural Disasters

## ■ Recognize risk of damage from earthquakes and flooding and strengthen BCP countermeasures

Acquired a high score that exceeds the global average in the 2020 GRESB Resilience Module, which surveys resilience against climate change.

### ➤ Earthquake risk

**Portfolio seismic PML rating** 1.57% (as of the end of FP 13)

- In general, the portfolio seismic PML rating should be 10% or lower.
- Study taking out earthquake insurance on any properties that have a seismic PML rating of 20% or more. (Currently, there are no such properties in the portfolio.)

### Seismic PML ratings of top 5 properties (based on acquisition price)

Property	% of portfolio	Seismic PML rating
Garden City Shinagawa Gotenyama	13.4 %	0.82 %
Gotenyama SH Building	9.6 %	1.35 %
Hommachi Minami Garden City	8.2 %	2.28 %
Hommachi Garden City (office portion)	7.2 %	2.29 %
Akasaka Garden City	5.4 %	1.59 %

- Top 2 portfolio properties (23.0% of portfolio) employ a seismically isolated structure (Esty Maison Nishitenma (Osaka-shi) residential building utilizes a seismically isolated apparatus)
- Other, the top properties also employ seismic-dampening braces, etc., to reduce seismic risk.
- Reduce seismic risk through geographic diversification of residential buildings.
- Prepare various measures to ensure the safety and peace of mind of tenants and employees.

#### Install emergency power supply



- GC Shinagawa Gotenyama and others

#### Install disaster prevention centers



- Akasaka GC
- GC Shinagawa Gotenyama

#### Adopt seismically isolated structures



- GC Shinagawa Gotenyama
- Gotenyama SH building
- EM Nishitemma

#### Distribute backup supplies for disaster prevention



- EM Ojima and others

### ➤ Flooding risk

- Percentage of portfolio with water immersion risk (0.5m or more water immersion): 47.0%
- No assets under management have been immersed in water while in the portfolio.
- If flooding were to occur, we would consider covering it with insurance.

### Water immersion depth categorization (based on acquisition price)

	less than 0.5m	0.5m or more than to less than 2.0m	2.0m or more than to less than 3.0m	3.0m or more
<b>Office</b>	28.4%	1.2%	—	16.2%
Greater Tokyo	28.4%	—	—	—
Osaka area	—	—	—	16.2%
Nagoya area	—	1.2%	—	—
<b>Residential</b>	24.6%	3.0%	9.6%	9.7%
Greater Tokyo	17.6%	2.7%	8.2%	7.0%
Osaka area	0.5%	—	—	1.3%
Nagoya area	3.5%	0.3%	—	—
other	3.0%	—	1.4%	1.5%
<b>Hotels</b>	—	—	—	7.3%
Osaka area	—	—	—	7.3%
<b>Total</b>	53.0%	4.2%	9.6%	33.3%

- Place facilities room on floor with small risk of water immersion. (Hommachi Minami GC, Hommachi GC)
- Prevent water immersion by raising the level of the building's first floor. (HK Yodoyabashi GA)

\* Information on water immersion provided above is current for assets under management as of June 15, 2021. Water immersion refers to water immersion in first-floor dedicated space.

\* Water immersion categorization is prepared based on an assessment of flooding prone areas (Ministry of Land, Infrastructure, Transport and Tourism and Prefectures / external water (plan size, maximum size, high tide) and internal water), flooding forecast maps and hazard maps.

# Portfolio Development Policy

## ■ Portfolio composition by asset type

Building the residential of bases sustainable living and office of sustainable bases of operation as core assets of portfolio.

Asset type	Specific examples of asset type	Percentage of portfolio (based on acquisition price)	Mid- to long-term target for portfolio composition*	As of the date of this publication
Core assets				
Office	Office Data center	30~55%	About 45%	45.8%
Residential	Residential Student and corporate dormitories	30~55%	About 45%	46.8%
Hotels	Hotels	0~30%	About 15% (Hotels at about 10%)	7.3%
Retail, etc.	Retail Serviced apartments Senior assets ( Serviced apartments for seniors, Private nursing homes, Day care centers )	0~10%		—

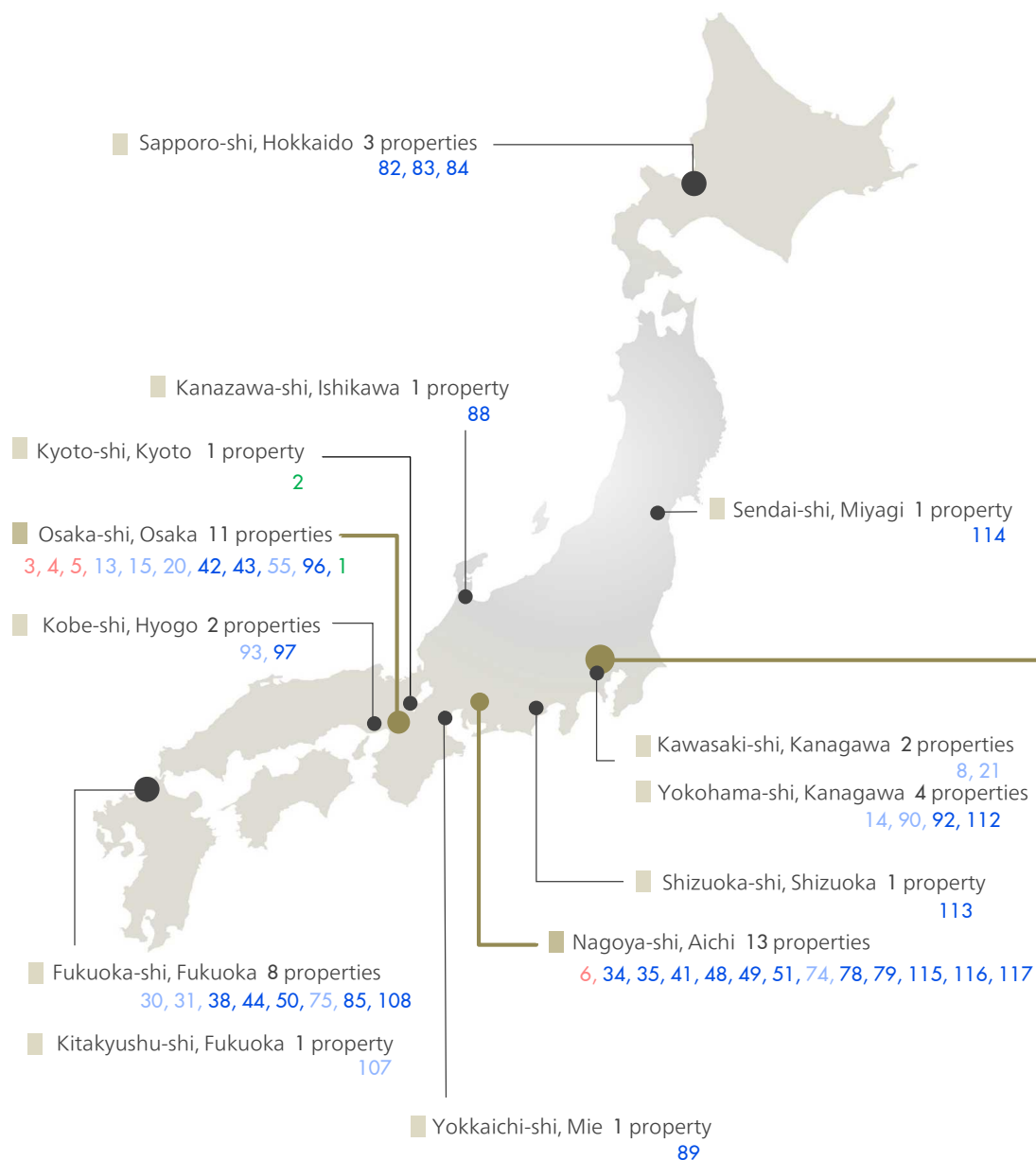
\* Represents approximate guidelines for portfolio composition to target over the mid- to long-term. Does not represent a guarantee or commitment to reach the composition targets, and actual portfolio composition may differ substantially.

## ■ Investment geography by asset type

Asset type	Priority geography	Portfolio composition by geography (based on acquisition price)	As of the publication of this document
Office, Hotels, Retail, etc.	Three major metropolitan areas (Greater Tokyo, Osaka, Nagoya)	80% or more	100%
Residential	Greater Tokyo	70% or more	75.5%

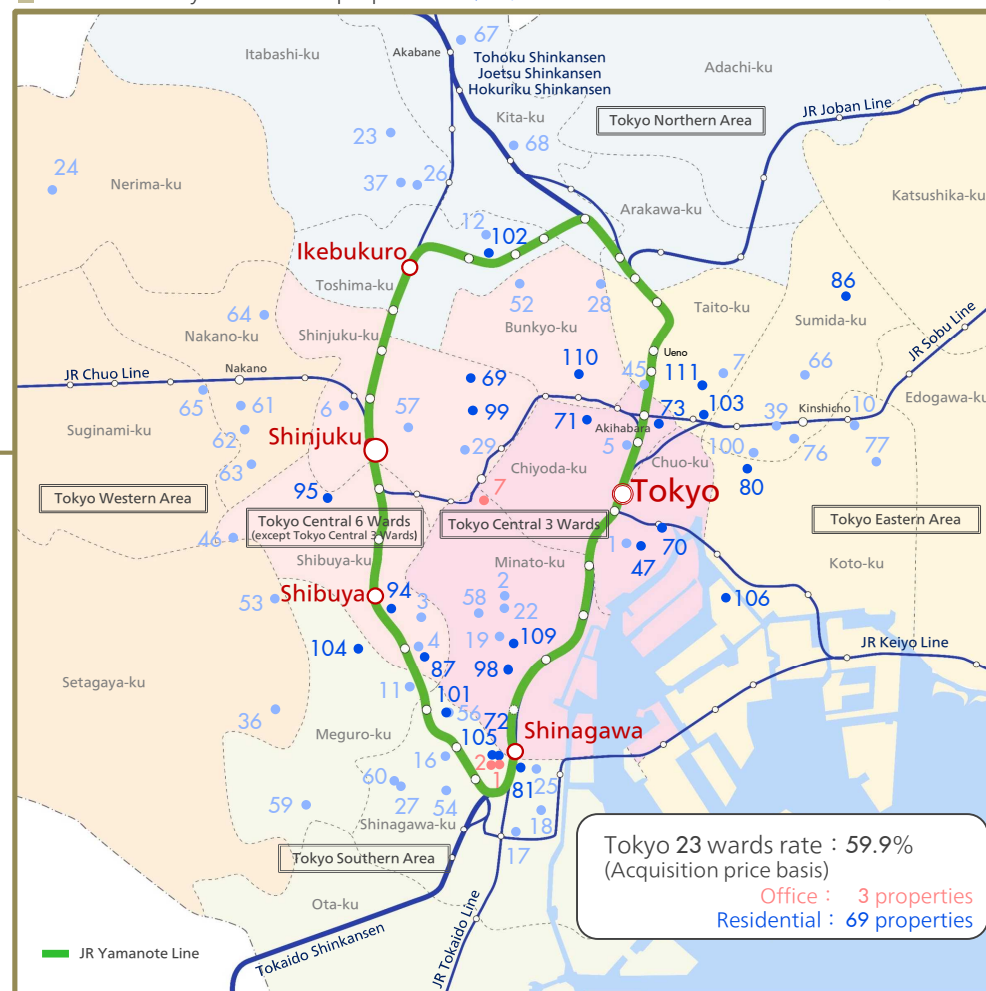
## Portfolio MAP

Total 123 properties



■ Tokyo 23 wards 72 properties  
 ■ Other than Tokyo 23 wards 3 properties 33, 40, 91

As of the date of this publication



No. : Office  
 No. : Residential (Acquisition from Sekisui House Group)  
 No. : Hotels  
 No. : Residential (Acquisition from third-parties)

The numbers on the map represent the property number.

# Portfolio List (1)

## Overview of Portfolio

Asset type	Number of properties	Number of PP	PP ratio (%)	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (㎡)	Occupancy rate (%)	Average building age
Office	7	7	100	245,500	45.8	126,712.50	99.4	10.8
Residential	115	85	80.7	251,018	46.8	403,889.96	96.5	12.4
Hotels	2	2	100	39,320	7.3	29,589.06	100	9.1
<b>Total</b>	<b>123</b>	<b>93</b>	<b>91.0</b>	<b>535,838</b>	<b>100.0</b>	<b>560,191.53</b>	<b>97.3</b>	<b>11.5</b>

## Owned Properties

Property No.	PP	Property name	Location	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (㎡)	Occupancy rate (%)	Completion date
O-001	★	Garden City Shinagawa Gotenyama	Shinagawa-ku, Tokyo	71,950	13.4	38,577.99	100	Feb. 2011
O-002	★	Gotenyama SH Building	Shinagawa-ku, Tokyo	51,500	9.6	19,999.97	100	Feb. 2011
O-003	★	Hommachi Minami Garden City	Osaka-shi, Osaka	44,000	8.2	29,657.53	99.2	Feb. 2011
O-004	★	Hommachi Garden City (Office portion)	Osaka-shi, Osaka	38,600	7.2	17,006.94	100	May 2010
O-005	★	HK Yodoyabashi Garden Avenue	Osaka-shi, Osaka	4,400	0.8	4,554.52	100	Jul. 2015
O-006	★	Hirokoji Garden Avenue	Nagoya-shi, Aichi	6,350	1.2	4,442.75	100	Mar. 2011
O-007	★	Akasaka Garden City	Minato-ku, Tokyo	28,700	5.4	12,472.81	95.9	Jan. 2006
Office Subtotal				245,500	45.8	126,712.51	99.4	
R-001	★	Esty Maison Ginza	Chuo-ku, Tokyo	6,540	1.2	5,515.43	97.9	Feb. 2005
R-002	★	Esty Maison Azabunagasaka	Minato-ku, Tokyo	1,790	0.3	2,019.10	85.1	Jan. 2004
R-003	★	Esty Maison Ebisu II	Shibuya-ku, Tokyo	2,040	0.4	2,062.10	96.7	Jun. 2003
R-004	★	Esty Maison Ebisu	Shibuya-ku, Tokyo	873	0.2	781.02	96.1	Oct. 2004
R-005	★	Esty Maison Kanda	Chiyoda-ku, Tokyo	1,610	0.3	1,706.54	92.4	Feb. 2004
R-006	★	Esty Maison Kitashinjuku	Shinjuku-ku, Tokyo	1,590	0.3	1,881.19	83.4	Aug. 2004
R-007	★	Esty Maison Asakusakomagata	Taito-ku, Tokyo	2,190	0.4	2,978.28	97.5	Jul. 2004
R-008		Esty Maison Kawasaki	Kawasaki-shi, Kanagawa	2,400	0.4	3,741.01	96.6	Jul. 2004
R-010	★	Esty Maison Kameido	Koto-ku, Tokyo	1,580	0.3	2,279.21	96.9	Nov. 2005
R-011	★	Esty Maison Meguro	Meguro-ku, Tokyo	1,060	0.2	1,070.13	91.8	Nov. 2005
R-012		Esty Maison Sugamo	Toshima-ku, Tokyo	1,630	0.3	2,619.17	97.7	Feb. 2007
R-013	★	Esty Maison Kyobashi	Osaka-shi, Osaka	2,970	0.6	4,613.04	96.5	Mar. 2006
R-014		Esty Maison Hakuraku	Yokohama-shi, Kanagawa	931	0.2	1,285.83	98.2	Feb. 2006
R-015	★	Esty Maison Minamihorie	Osaka-shi, Osaka	1,060	0.2	1,804.48	97.0	Feb. 2007
R-016	★	Esty Maison Gotanda	Shinagawa-ku, Tokyo	3,110	0.6	3,871.15	95.7	Mar. 2006
R-017	★	Esty Maison Oisendaizaka	Shinagawa-ku, Tokyo	2,720	0.5	2,979.85	97.1	Aug. 2006
R-018		Esty Maison Shinagawa Seaside	Shinagawa-ku, Tokyo	2,050	0.4	2,602.30	94.2	Jun. 2006

(As of April 30, 2021)

Property No.	PP	Property name	Location	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (㎡)	Occupancy rate (%)	Completion date
R-019	★	Esty Maison Minamiazaabu	Minato-ku, Tokyo	1,250	0.2	1,082.12	100	Aug. 2006
R-020	★	Esty Maison Tsukamoto	Osaka-shi, Osaka	1,080	0.2	2,321.04	100	Aug. 2006
R-021		Esty Maison Kawasaki II	Kawasaki-shi, Kanagawa	1,910	0.4	2,824.86	92.2	Feb. 2007
R-022		Esty Maison Azabujuban	Minato-ku, Tokyo	2,690	0.5	1,755.31	96.2	Feb. 2007
R-023		Esty Maison Itabashihoncho	Itabashi-ku, Tokyo	937	0.2	1,274.49	93.8	Feb. 2007
R-024		Esty Maison Oizumigakuen	Nerima-ku, Tokyo	790	0.1	1,362.36	100	Feb. 2007
R-025	★	Esty Maison Higashishinagawa	Shinagawa-ku, Tokyo	2,390	0.4	2,936.72	97.2	May 2008
R-026	★	Esty Maison Itabashikuyakushomae	Itabashi-ku, Tokyo	2,540	0.5	3,915.81	94.4	Apr. 2007
R-027		Esty Maison Musashikoyama	Shinagawa-ku, Tokyo	1,050	0.2	1,176.78	86.4	Nov. 2007
R-028	★	Esty Maison Sendagi	Bunkyo-ku, Tokyo	698	0.1	897.30	92.3	Jan. 2008
R-029	★	Esty Maison Yotsuyasakamachi	Shinjuku-ku, Tokyo	2,090	0.4	2,453.17	91.9	Mar. 2008
R-030	★	Esty Maison Hakatahigashi	Fukuoka-shi, Fukuoka	2,400	0.4	9,106.08	96.9	Nov. 2007
R-031		Esty Maison Kamigofuku	Fukuoka-shi, Fukuoka	821	0.2	2,261.91	97.0	Mar. 2008
R-033	★	Prime Maison Musashinomori	Kodaira-shi, Tokyo	1,850	0.3	3,924.58	100	Dec. 2007
R-034	★	Prime Maison Higashisakura	Nagoya-shi, Aichi	1,500	0.3	3,118.11	94.6	Feb. 2008
R-035	★	Prime Maison Kayabakoen	Nagoya-shi, Aichi	801	0.1	2,163.98	100	Nov. 2006
R-036	★	Esty Maison Sangenjaya II	Setagaya-ku, Tokyo	785	0.1	894.64	92.0	Jan. 2008
R-037	★	Esty Maison Itabashi C6	Itabashi-ku, Tokyo	2,560	0.5	4,036.66	93.5	Mar. 2008
R-038	★	MAST Hakata	Fukuoka-shi, Fukuoka	2,360	0.4	9,614.80	100	Jan. 2005
R-039	★	Esty Maison Kinshicho	Sumida-ku, Tokyo	1,260	0.2	1,611.54	95.8	Sep. 2006
R-040	★	Esty Maison Musashikoganei	Koganei-shi, Tokyo	1,790	0.3	2,275.24	99.0	Feb. 2005
R-041	★	Prime Maison Gokiso	Nagoya-shi, Aichi	1,950	0.4	4,427.65	97.7	Oct. 2008
R-042	★	Prime Maison Yuhigaoka	Osaka-shi, Osaka	909	0.2	2,040.35	96.4	Feb. 2007
R-043	★	Prime Maison Kitatanabe	Osaka-shi, Osaka	601	0.1	1,798.97	92.6	Jun. 2006
R-044	★	Prime Maison Momochihama	Fukuoka-shi, Fukuoka	1,940	0.4	7,514.76	100	Feb. 1996
R-045	★	Esty Maison Akihabara	Taito-ku, Tokyo	1,930	0.4	2,324.65	98.7	Feb. 2006
R-046		Esty Maison Sasazuka	Shibuya-ku, Tokyo	3,340	0.6	3,701.70	93.4	Sep. 2004
R-047	★	Prime Maison Ginza East	Chuo-ku, Tokyo	6,250	1.2	6,177.20	95.9	Feb. 2006
R-048	★	Prime Maison Takami	Nagoya-shi, Aichi	1,050	0.2	2,016.79	85.8	Aug. 2008
R-049	★	Prime Maison Yadaminami	Nagoya-shi, Aichi	812	0.2	2,168.59	96.2	Jul. 2007
R-050	★	Prime Maison Teriha	Fukuoka-shi, Fukuoka	1,260	0.2	6,728.20	100	Aug. 2005
R-051	★	Esty Maison Higashishirakabe	Nagoya-shi, Aichi	1,580	0.3	4,014.07	100	Feb. 2006
R-052	★	Esty Maison Sengoku	Bunkyo-ku, Tokyo	1,360	0.3	1,498.13	97.0	Aug. 2009
R-053	★	Esty Maison Daizawa	Setagaya-ku, Tokyo	2,270	0.4	2,352.90	97.8	Feb. 2010
R-054		Esty Maison Togoshi	Shinagawa-ku, Tokyo	1,770	0.3	1,943.17	95.5	Jun. 2009
R-055	★	Esty Maison Nishitemma	Osaka-shi, Osaka	1,680	0.3	2,877.90	95.8	Nov. 2007
R-056	★	Esty Maison Shirokanedai	Shinagawa-ku, Tokyo	2,400	0.4	2,675.11	95.0	Sep. 2003

## Portfolio List (2)

(As of April 30, 2021)

Property No.	PP	Property name	Location	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m <sup>2</sup> )	Occupancy rate (%)	Completion date
R-057	★	Esty Maison Higashishinjuku	Shinjuku-ku, Tokyo	1,680	0.3	1,889.50	94.8	Apr. 2009
R-058	★	Esty Maison Motoazabu	Minato-ku, Tokyo	1,540	0.3	1,199.86	92.6	Nov. 2009
R-059		Esty Maison Toritsudaigaku	Meguro-ku, Tokyo	861	0.2	1,035.78	100	Feb. 2009
R-060	★	Esty Maison Musashikoyama II	Shinagawa-ku, Tokyo	1,030	0.2	1,073.59	100	May 2009
R-061		Esty Maison Nakano	Nakano-ku, Tokyo	1,870	0.3	2,023.72	98.9	Jun. 2009
R-062		Esty Maison Shinnakano	Nakano-ku, Tokyo	1,020	0.2	1,107.57	91.8	Oct. 2009
R-063		Esty Maison Nakanofujimicho	Nakano-ku, Tokyo	984	0.2	1,299.60	95.1	Feb. 2009
R-064		Esty Maison Tetsugakudo	Nakano-ku, Tokyo	1,160	0.2	1,531.89	97.0	Oct. 2009
R-065		Esty Maison Koenji	Suginami-ku, Tokyo	1,160	0.2	1,527.52	94.4	Mar. 2009
R-066	★	Esty Maison Oshiage	Sumida-ku, Tokyo	2,490	0.5	3,180.90	96.4	Apr. 2010
R-067	★	Esty Maison Akabane	Kita-ku, Tokyo	3,290	0.6	4,302.84	94.6	Nov. 2009
R-068		Esty Maison Oji	Kita-ku, Tokyo	1,650	0.3	2,289.44	96.6	Jul. 2010
R-069	★	Prime Maison Waseda	Shinjuku-ku, Tokyo	1,580	0.3	1,650.66	89.7	Nov. 2012
R-070	★	Prime Maison Hatchobori	Chuo-ku, Tokyo	1,460	0.3	1,382.32	96.2	Nov. 2012
R-071	★	Prime Maison Jimbocho	Chiyoda-ku, Tokyo	1,960	0.4	1,819.90	91.4	Mar. 2013
R-072	★	Prime Maison Gotenryama East	Shinagawa-ku, Tokyo	2,910	0.5	2,512.91	91.1	Jan. 2011
R-073	★	MAST LIFE Akihabara	Chiyoda-ku, Tokyo	555	0.1	803.36	100	Oct. 2006
R-074	★	Esty Maison Aoi	Nagoya-shi, Aichi	2,460	0.5	4,809.68	83.1	Oct. 2007
R-075	★	Esty Maison Yakuin	Fukuoka-shi, Fukuoka	2,430	0.5	5,213.51	97.3	Feb. 2006
R-076	★	Esty Maison Kinshicho II	Sumida-ku, Tokyo	8,250	1.5	9,469.65	97.8	Jan. 2008
R-077	★	Esty Maison Ojima	Koto-ku, Tokyo	8,630	1.6	9,905.97	95.1	Sep. 2007
R-078	★	Prime Maison Fujimidai	Nagoya-shi, Aichi	2,070	0.4	5,704.63	90.8	Apr. 2007
R-079	★	Esty Maison Tsurumai	Nagoya-shi, Aichi	4,490	0.8	13,812.40	100	Nov. 1999
R-080	★	Prime Maison Morishita	Koto-ku, Tokyo	1,930	0.4	2,180.78	96.6	May 2013
R-081	★	Prime Maison Shinagawa	Shinagawa-ku, Tokyo	1,960	0.4	2,107.88	90.2	Feb. 2014
R-082	★	Prime Maison Odorikoen	Sapporo-shi, Hokkaido	3,160	0.6	7,360.37	94.3	Dec. 2008
R-083	★	Prime Maison Minami 2-jo	Sapporo-shi, Hokkaido	1,930	0.4	6,019.09	98.4	Nov. 2009
R-084	★	Prime Maison Kamokamogawa	Sapporo-shi, Hokkaido	1,250	0.2	4,102.08	98.1	Oct. 2009
R-085	★	Prime Maison Central Park	Fukuoka-shi, Fukuoka	2,309	0.4	10,268.74	99.4	Feb. 2011
R-086	★	MAST LIFE Yahiro	Sumida-ku, Tokyo	1,910	0.4	3,409.16	100	Jan. 2011
R-087	★	Prime Maison Ebisu	Shibuya-ku, Tokyo	4,360	0.8	3,010.66	99.0	Jun. 2014
R-088		Granmast Kanazawa Nishiizumi	Kanazawa-shi, Ishikawa	1,080	0.2	4,634.50	100	Sep. 2007
R-089		Granmast Unomori	Yokkaichi-shi, Mie	830	0.2	2,280.00	100	Apr. 2009
R-090		Esty Maison Kohoku Tsunashima	Yokohama-shi, Kanagawa	2,750	0.5	6,867.48	100	Mar. 2002
R-091	★	MAST LIFE Hino	Hino-shi, Tokyo	1,390	0.3	2,827.55	98.4	Jan. 2010
R-092	★	Prime Maison Yokohama Nihon-odori	Yokohama-shi, Kanagawa	4,870	0.9	5,461.13	94.4	Jun. 2014
R-093		Kobe Women's Student Housing	Kobe-shi, Hyogo	5,880	1.1	15,341.68	100	Feb. 2002
R-094	★	Prime Maison Shibuya	Shibuya-ku, Tokyo	2,430	0.5	1,972.59	95.3	Jul. 2014

Property No.	PP	Property name	Location	Acquisition price (JPY million)	Investment ratio (%)	Leasable area (m <sup>2</sup> )	Occupancy rate (%)	Completion date
R-095	★	Prime Maison Hatsudai	Shibuya-ku, Tokyo	3,010	0.6	2,879.20	96.0	Dec. 2014
R-096		Esty Maison Uemachidai	Osaka-shi, Osaka	1,040	0.2	2,225.52	91.1	Aug. 2005
R-097		Esty Maison Kobe-sannomiya	Kobe-shi, Hyogo	971	0.2	2,007.00	100	Mar. 2007
R-098	★	Prime Maison Shirokane-takanawa	Minato-ku, Tokyo	4,900	0.9	3,923.76	93.9	Jun. 2015
R-099	★	Prime Maison Ichigayayamabushicho	Shinjuku-ku, Tokyo	4,220	0.8	4,099.04	92.3	Oct. 2015
R-100	★	Esty Maison Morishita	Sumida-ku, Tokyo	655	0.1	748.92	95.1	Feb. 2017
R-101	★	Prime Maison Shirokanedai Tower	Shinagawa-ku, Tokyo	7,950	1.5	6,772.89	94.4	May 2016
R-102	★	Prime Maison Otsuka	Toshima-ku, Tokyo	3,700	0.7	3,921.35	91.9	Jan. 2017
R-103	★	Prime Maison Asakusabashi	Taito-ku, Tokyo	1,680	0.3	2,033.06	93.8	Oct. 2016
R-104	★	Prime Maison Daikanyama	Meguro-ku, Tokyo	2,520	0.5	1,779.17	95.0	Jan. 2017
R-105	★	Prime Maison Gotenryama West	Shinagawa-ku, Tokyo	3,400	0.6	3,569.73	91.3	Jan. 2011
R-106	★	Esty Maison Toyosu Residence	Koto-ku, Tokyo	6,050	1.1	23,538.73	97.0	Feb. 2008
R-107		Esty Maison Kokura	Kitakyushu-shi, Fukuoka	1,040	0.2	3,062.59	94.3	Feb. 2006
R-108		MAST Ijiri	Fukuoka-shi, Fukuoka	390	0.1	1,430.60	100	Jan. 2008
R-109	★	Prime Maison Mitatsunamachi	Minato-ku, Tokyo	2,040	0.4	1,387.12	80.1	Oct. 2017
R-110	★	Prime Maison Hongo	Bunkyo-ku, Tokyo	2,600	0.5	2,423.46	96.1	Mar. 2018
R-111	★	Prime Maison Kuramae	Taito-ku, Tokyo	2,190	0.4	2,259.40	95.7	Nov. 2018
R-112	★	Esty Maison Yokohama-aobadai	Yokohama-shi, Kanagawa	3,020	0.6	6,808.84	100	Jul. 1990
R-113		Esty Maison Shizuoka Takajo	Shizuoka-shi, Shizuoka	660	0.1	1,731.52	100	Feb. 2006
R-114		GRAND MAST Hirose-dori	Sendai-shi, Miyagi	865	0.2	2,552.40	100	Jan. 2006
R-115		MAST STYLE HIGASHIBETSUIN	Nagoya-shi, Aichi	2,190	0.4	4,856.22	100	Feb. 2009
R-116	★	Granmast Kayaba	Nagoya-shi, Aichi	900	0.2	2,170.80	100	Feb. 2012
R-117	★	MAST STYLE SHIRAKABEMINAMI	Nagoya-shi, Aichi	660	0.1	1,240.28	100	Jan. 2014
Residential Subtotal				251,018	46.8	403,889.96	96.5	
H-001	★	The St. Regis Osaka (Hommachi Garden City (Hotel portion))	Osaka-shi, Osaka	17,200	3.2	18,092.98	100	May 2010
H-002	★	The Ritz-Carlton, Kyoto	Kyoto-shi, Kyoto	22,120	4.1	11,496.08	100	Oct. 2013
Hotels Subtotal				39,320	7.3	29,589.06	100	

\* PP refers to “prime properties” which are high quality real estate located in strategic location.

\* The acquisition price of assets taken over as a result of the merger with Sekisui House Residential Investment Corporation use the appraisal value as priced on April 30, 2018, the day before the merger took effect.

# List of Interest-Bearing Liabilities (1)

(Unit : JPY million · As of the date of this publication)

## ■ Borrowings

### ➤ Short-term borrowing payable

	Lender	Balance	Interest Rate	Drawdown Date	Repayment Date
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation		3,000	Base Rate (JBA 1-month JPY TIBOR) +0.17000%	Apr. 1, 2021	Mar. 31, 2022

### ➤ Current portion of long-term borrowing payable

	Lender	Balance	Interest Rate	Drawdown Date	Repayment Date
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited		1,800	1.17350%*	Jan. 31, 2014	Feb. 28, 2022
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited.		4,680	1.11000%*	Feb. 28, 2014	Feb. 28, 2022
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation		4,400	0.83600%*	Aug. 29, 2014	Aug. 31, 2021
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited, Development Bank of Japan Inc., The Norinchukin Bank		17,000	0.94060%*	Dec. 3, 2014	Nov. 30, 2021
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited., The Norinchukin Bank, THE BANK OF FUKUOKA, LTD.		3,350	0.73975%*	Feb. 27, 2015	Feb. 28, 2022
Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited., The Norinchukin Bank		1,860	Base Rate (JBA 1-month JPY TIBOR) +0.20000%	Aug. 31, 2017	Aug. 31, 2021
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd.		2,500	Base Rate (JBA 1-month JPY TIBOR) +0.17000%	Aug. 31, 2018	Aug. 31, 2021

### ➤ Long-term borrowing payable

	Lender	Balance	Interest Rate	Drawdown Date	Repayment Date
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation		5,400	0.96475%*	Aug. 29, 2014	Aug. 31, 2022
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Development Bank of Japan Inc.		10,000	1.47450%*	Dec. 3, 2014	Nov. 30, 2024
Development Bank of Japan Inc.		1,000	0.85250%	Feb. 27, 2015	Feb. 28, 2023
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank, THE BANK OF FUKUOKA, LTD., Aozora Bank, Ltd., Shinkin Central Bank, The Senshu Ikeda Bank, Ltd., The Shizuoka Bank, Ltd., The 77 Bank, Ltd., The Hiroshima Bank, Ltd., The Yamaguchi Bank, Ltd.		7,100	0.86650%*	Feb. 27, 2015	Feb. 28, 2023
MUFG Bank, Ltd.		700	0.88470%	Jul. 31, 2015	Nov. 30, 2022
Development Bank of Japan Inc.		650	0.88500%	Jul. 31, 2015	Nov. 30, 2022
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited.		1,650	0.89470%*	Jul. 31, 2015	Nov. 30, 2022
MUFG Bank, Ltd.		750	1.00850%	Jul. 31, 2015	Nov. 30, 2023
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited.		2,350	1.01850%*	Jul. 31, 2015	Nov. 30, 2023
Mizuho Bank, Ltd., Development Bank of Japan Inc.		2,200	0.67400%	Jan. 29, 2016	Aug. 31, 2023
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Trust & Banking Co., Ltd.		1,900	0.68030%*	Jan. 29, 2016	Aug. 31, 2023
MUFG Bank, Ltd., Development Bank of Japan Inc., THE BANK OF FUKUOKA, LTD., Shinkin Central Bank, The Senshu Ikeda Bank, Ltd., The Shizuoka Bank, Ltd., The 77 Bank, Ltd., The Hiroshima Bank, Ltd.		1,750	0.50500%	Apr. 1, 2016	Feb. 29, 2024
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank, Aozora Bank, Ltd., The Yamaguchi Bank, Ltd.		4,750	0.63800%*	Apr. 1, 2016	Feb. 29, 2024
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank		1,900	0.49500%	Aug. 31, 2016	Aug. 30, 2024
MUFG Bank, Ltd.		600	0.57000%	Aug. 31, 2016	Aug. 29, 2025
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc.		3,000	0.59750%	Aug. 31, 2016	Aug. 29, 2025
MUFG Bank, Ltd.		1,810	0.60500%	Sep. 9, 2016	Sep. 8, 2026
MUFG Bank, Ltd., Mizuho Bank, Ltd.		1,340	0.67000%	Sep. 9, 2016	Sep. 8, 2026
MUFG Bank, Ltd.		600	0.61000%	Feb. 28, 2017	Feb. 28, 2025
Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., Shinkin Central Bank		1,800	0.67000%	Feb. 28, 2017	Feb. 28, 2025
MUFG Bank, Ltd.		1,500	0.72500%	Feb. 28, 2017	Feb. 27, 2026
MUFG Bank, Ltd., Mizuho Bank, Ltd., Development Bank of Japan Inc., THE BANK OF FUKUOKA, LTD., Aozora Bank, Ltd., The Yamaguchi Bank, Ltd.		4,000	0.77880%	Feb. 28, 2017	Feb. 27, 2026
MUFG Bank, Ltd.		990	0.37000%	Aug. 31, 2017	Nov. 30, 2023

# List of Interest-Bearing Liabilities (2)

(Unit : JPY million ・ As of the date of this publication)

Lender	Balance	Interest Rate	Drawdown Date	Repayment Date
MUFG Bank, Ltd., Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd., Development Bank of Japan Inc.	1,250	0.45254%	Aug. 31, 2017	Nov. 30, 2023
Mizuho Bank, Ltd., The Norinchukin Bank	2,528	0.61380%	Aug. 31, 2017	Aug. 29, 2025
MUFG Bank, Ltd.	750	0.32000%	Nov. 30, 2017	Jul. 13, 2022
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank	5,050	0.34800%*	Nov. 30, 2017	Jul. 13, 2022
MUFG Bank, Ltd., Development Bank of Japan Inc.	1,200	0.35341%	Nov. 30, 2017	Jul. 13, 2022
MUFG Bank, Ltd.	750	0.34000%	Nov. 30, 2017	May 31, 2023
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank	5,050	0.41800%*	Nov. 30, 2017	May 31, 2023
MUFG Bank, Ltd., Development Bank of Japan Inc.	1,200	0.42622%	Nov. 30, 2017	May 31, 2023
MUFG Bank, Ltd.	500	0.56500%	Feb. 28, 2018	Feb. 27, 2026
MUFG Bank, Ltd., Mizuho Bank, Ltd., The 77 Bank, Ltd., The Hiroshima Bank, Ltd.	1,600	0.63500%	Feb. 28, 2018	Feb. 27, 2026
MUFG Bank, Ltd.	1,900	0.70000%	May 31, 2018	Aug. 31, 2027
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation	6,100	0.78300%*	May 31, 2018	Aug. 31, 2027
Development Bank of Japan Inc.	376	0.28568%	Feb. 28, 2019	Aug. 30, 2024
MUFG Bank, Ltd.	300	0.34900%	Feb. 28, 2019	Aug. 30, 2024
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Trust & Banking Co., Ltd.	3,619	0.35900%*	Feb. 28, 2019	Aug. 30, 2024
Development Bank of Japan Inc.	565	0.48000%	Feb. 28, 2019	Feb. 26, 2027
MUFG Bank, Ltd.	450	0.56500%	Feb. 28, 2019	Feb. 26, 2027
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Trust & Banking Co., Ltd.	3,072	0.57500%*	Feb. 28, 2019	Feb. 26, 2027
MUFG Bank, Ltd.	500	0.29900%	Mar. 29, 2019	May 31, 2023
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank	2,200	0.30900%*	Mar. 29, 2019	May 31, 2023
MUFG Bank, Ltd.	1,000	0.39580%	Mar. 29, 2019	Aug. 30, 2024
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank	2,700	0.40580%*	Mar. 29, 2019	Aug. 30, 2024
Shinkin Central Bank	200	0.41388%	Mar. 29, 2019	Aug. 31, 2026
MUFG Bank, Ltd.	1,000	0.55600%	Mar. 29, 2019	Aug. 31, 2026
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank	2,800	0.56600%*	Mar. 29, 2019	Aug. 31, 2026
MUFG Bank, Ltd.	1,400	0.68500%	Mar. 29, 2019	Feb. 29, 2028
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., THE BANK OF FUKUOKA, LTD., The Senshu Ikeda Bank, Ltd., The 77 Bank, Ltd., The Yamaguchi Bank, Ltd.	5,200	0.69500%*	Mar. 29, 2019	Feb. 29, 2028
MUFG Bank, Ltd.	1,000	0.27100%	Sep. 30, 2019	Aug. 31, 2023
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., Shinkin Central Bank	5,410	0.28100%*	Sep. 30, 2019	Aug. 31, 2023
MUFG Bank, Ltd.	1,000	0.41000%	Sep. 30, 2019	Feb. 27, 2026
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank, THE BANK OF FUKUOKA, LTD., Shinkin Central Bank, The 77 Bank, Ltd., The Yamaguchi Bank, Ltd.	6,530	0.42000%*	Sep. 30, 2019	Feb. 27, 2026
Development Bank of Japan Inc., The Senshu Ikeda Bank, Ltd.	1,200	0.44000%	Sep. 30, 2019	Feb. 28, 2029
MUFG Bank, Ltd.	1,170	0.46000%	Sep. 30, 2019	Feb. 28, 2029
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited	4,000	0.27300%*	Nov. 29, 2019	Nov. 30, 2023
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Norinchukin Bank	3,500	0.44100%*	Nov. 29, 2019	May 29, 2026
Development Bank of Japan Inc.	800	0.50000%	Nov. 29, 2019	May 31, 2028
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited.	5,700	0.59900%*	Nov. 29, 2019	May 31, 2028
MUFG Bank, Ltd.	2,500	0.28000%	Feb. 28, 2020	Aug. 29, 2025
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation	1,405	0.29150%*	Feb. 28, 2020	Aug. 29, 2025

# List of Interest-Bearing Liabilities (3)

(Unit : JPY million · As of the date of this publication)

Lender	Balance	Interest Rate	Drawdown Date	Repayment Date
MUFG Bank, Ltd.	1,542	0.47500%	Feb. 28, 2020	Aug. 31, 2028
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited.	1,945	0.49500%*	Feb. 28, 2020	Aug. 31, 2028
MUFG Bank, Ltd.	400	0.28700%	Aug. 31, 2020	Feb. 28, 2025
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Resona Bank, Limited., THE BANK OF FUKUOKA, LTD.	4,000	0.29700%*	Aug. 31, 2020	Feb. 28, 2025
Development Bank of Japan Inc.	400	0.36000%	Aug. 31, 2020	Aug. 31, 2027
MUFG Bank, Ltd.	1,370	0.45000%	Aug. 31, 2020	Aug. 31, 2027
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank, Shinkin Central Bank, The Senshu Ikeda Bank, Ltd., The 77 Bank, Ltd., The Yamaguchi Bank, Ltd.	6,030	0.46600%*	Aug. 31, 2020	Aug. 31, 2027
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited	2,580	0.28600%*	Nov. 30, 2020	May 30, 2025
Development Bank of Japan Inc.	370	0.43500%	Nov. 30, 2020	Nov. 30, 2028
MUFG Bank, Ltd., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank	6,100	0.50700%*	Nov. 30, 2020	Nov. 30, 2028
MUFG Bank, Ltd.	200	0.28400%	Feb. 26, 2021	Aug. 29, 2025
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, THE BANK OF FUKUOKA, LTD., Shinkin Central Bank, The 77 Bank, Ltd., The Shizuoka Bank Ltd.	4,600	0.29400%*	Feb. 26, 2021	Aug. 29, 2025
MUFG Bank, Ltd.	300	0.55850%	Feb. 26, 2021	Feb. 28, 2029
Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Trust & Banking Co., Ltd., Resona Bank, Limited., The Norinchukin Bank, The Senshu Ikeda Bank, Ltd., The Yamaguchi Bank, Ltd., The Hiroshima Bank, Ltd.	4,800	0.56850%*	Feb. 26, 2021	Feb. 28, 2029
<b>Total Borrowings</b>	<b>218,442</b>	<b>-</b>	<b>-</b>	<b>-</b>

## ■ Investment Corporation Bonds

		Issue Amount	Interest Rate	Issue Date	Redemption Date
Sekisui House Residential Investment Corporation Fourth Series Unsecured Investment Corporation Bonds	(with pari passu clause among specified investment corporation bonds)	3,000	1.06900%	Feb. 28, 2014	Feb. 28, 2024
Sekisui House Residential Investment Corporation Fifth Series Unsecured Investment Corporation Bonds	(with pari passu clause among specified investment corporation bonds)	3,000	0.87100%	Aug. 29, 2014	Aug. 30, 2024
Sekisui House Reit, Inc. First Series Unsecured Investment Corporation Bonds	(with pari passu clause among specified investment corporation bonds)	2,000	0.34000%	Sep. 8, 2016	Sep. 8, 2026
Sekisui House Reit, Inc. Second Series Unsecured Investment Corporation Bonds	(with pari passu clause among specified investment corporation bonds)	3,000	0.24000%	Jul. 13, 2017	Jul. 13, 2022
Sekisui House Reit, Inc. Third Series Unsecured Investment Corporation Bonds	Green Bonds (with pari passu clause among specified investment corporation bonds)	4,000	0.22000%	Jul. 11, 2019	Jul. 11, 2024
Sekisui House Reit, Inc. Fourth Series Unsecured Investment Corporation Bonds	Green Bonds (with pari passu clause among specified investment corporation bonds)	2,500	0.57000%	Jul. 11, 2019	Jul. 11, 2029
Sekisui House Reit, Inc. Fifth Series Unsecured Investment Corporation Bonds	Green Bonds (with pari passu clause among specified investment corporation bonds)	5,000	0.22000%	Nov. 1, 2019	Nov. 1, 2024
Sekisui House Reit, Inc. Sixth Series Unsecured Investment Corporation Bonds	Green Bonds (with pari passu clause among specified investment corporation bonds)	2,000	0.50000%	Feb. 28, 2020	Feb. 28, 2030
Sekisui House Reit, Inc. Seventh Series Unsecured Investment Corporation Bonds	Green Bonds (with pari passu clause among specified investment corporation bonds)	4,000	0.25000%	Sep. 9, 2020	Sep. 9, 2025
Sekisui House Reit, Inc. Eighth Series Unsecured Investment Corporation Bonds	Green Bonds (with pari passu clause among specified investment corporation bonds)	4,000	0.51000%	Sep. 9, 2020	Sep. 9, 2030
Sekisui House Reit, Inc. Ninth Series Unsecured Investment Corporation Bonds	Green Bonds (with pari passu clause among specified investment corporation bonds)	2,000	0.46000%	May 19, 2021	May 19, 2031
<b>Total Investment Corporation Bonds</b>		<b>34,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Interest-Bearing Liabilities</b>		<b>252,942</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* The interest rates fixed by the interest rate swap agreements are stated as the borrowings are signed with the agreements to hedge the rising risk of interest rate.

# Period-end Appraisal Values (1)

(Appraisal date: April 30, 2021)

Property No.	Property name	Estimated value (JPY million)		Book value (JPY million)	Unrealized capital gain/loss (JPY million)	Profit return method			Discounted cash flow method				Appraisal NOI (JPY million)	
		Period-on-period	Revenue price (JPY million)			Direct capitalization yield (%)		Revenue price (JPY million)	Discount rate (%)		Final capitalization yield (%)			
						Period-on-period	Period-on-period		Period-on-period	Period-on-period	Period-on-period	Period-on-period		
O-001	Garden City Shinagawa Gotenyama	89,100	—	70,273	18,826	92,000	3.2	—	87,800	3.0	—	3.4	—	2,964
O-002	Gotenyama SH Building	61,700	—	49,745	11,954	63,200	3.3	—	61,000	3.3	—	3.5	—	2,063
O-003	Hommachi Minami Garden City	56,400	—	42,670	13,729	57,700	3.5	—	55,800	3.2	—	3.7	—	2,047
O-004	Hommachi Garden City (Office portion)	44,800	—	36,603	8,196	45,600	3.4	—	43,900	3.2	—	3.6	—	1,552
O-005	HK Yodoyabashi Garden Avenue	6,390	30	4,242	2,147	6,570	3.6	—	6,310	3.7	—	3.8	—	239
O-006	Hirokoji Garden Avenue	7,190	—	6,193	996	7,290	4.1	—	7,150	3.9	—	4.3	—	303
O-007	Akasaka Garden City	30,000	—	28,741	1,258	30,600	3.4	—	29,800	3.2	—	3.6	—	1,033
	Office Subtotal	295,580	30	238,469	57,110	302,960	—	—	291,760	—	—	—	—	10,203
R-001	Esty Maison Ginza	7,120	180	6,483	636	7,340	3.6	(0.1)	7,030	3.8	(0.1)	3.8	(0.1)	272
R-002	Esty Maison Azabunagasaka	1,910	40	1,765	144	1,960	3.7	(0.1)	1,890	3.8	(0.1)	3.9	(0.1)	76
R-003	Esty Maison Ebisu II	2,270	50	2,024	245	2,330	3.7	(0.1)	2,250	3.8	(0.1)	3.9	(0.1)	89
R-004	Esty Maison Ebisu	916	23	921	(5)	940	3.6	(0.1)	905	3.7	(0.1)	3.8	(0.1)	36
R-005	Esty Maison Kanda	1,800	60	1,559	240	1,840	3.7	(0.1)	1,780	3.8	(0.1)	3.9	(0.1)	70
R-006	Esty Maison Kitashinjuku	1,750	40	1,543	206	1,780	3.9	(0.1)	1,740	3.9	(0.1)	4.1	(0.1)	71
R-007	Esty Maison Asakusakomagata	2,430	60	2,102	327	2,460	3.9	(0.1)	2,410	3.9	(0.1)	4.1	(0.1)	100
R-008	Esty Maison Kawasaki	2,700	40	2,418	281	2,730	4.0	(0.1)	2,680	4.0	(0.1)	4.2	(0.1)	114
R-010	Esty Maison Kameido	1,840	80	1,506	333	1,870	4.1	(0.2)	1,830	3.9	(0.2)	4.3	(0.2)	81
R-011	Esty Maison Meguro	1,250	30	1,076	173	1,270	3.6	(0.1)	1,230	3.4	(0.1)	3.8	(0.1)	48
R-012	Esty Maison Sugamo	1,800	50	1,601	198	1,830	3.8	(0.1)	1,760	3.6	(0.1)	4.0	(0.1)	72
R-013	Esty Maison Kyobashi	3,070	40	2,971	98	3,110	4.4	(0.1)	3,050	4.3	(0.1)	4.5	(0.1)	142
R-014	Esty Maison Hakuraku	972	(10)	897	74	986	4.3	(0.1)	966	4.1	(0.1)	4.5	(0.1)	46
R-015	Esty Maison Minamihorie	1,130	30	1,045	84	1,150	4.1	(0.1)	1,110	3.9	(0.1)	4.3	(0.1)	51
R-016	Esty Maison Gotanda	3,440	160	3,043	396	3,470	4.0	(0.2)	3,430	3.7	(0.2)	4.2	(0.2)	143
R-017	Esty Maison Oisendaizaka	2,950	130	2,738	211	3,000	3.8	(0.2)	2,930	3.6	(0.2)	4.0	(0.2)	119
R-018	Esty Maison Shinagawa Seaside	2,420	60	2,122	297	2,460	3.8	(0.1)	2,370	3.6	(0.1)	4.0	(0.1)	97
R-019	Esty Maison Minamiazabu	1,370	40	1,240	129	1,400	3.5	(0.1)	1,330	3.3	(0.1)	3.7	(0.1)	51
R-020	Esty Maison Tsukamoto	1,110	(10)	1,033	76	1,120	4.5	(0.1)	1,100	4.3	(0.1)	4.7	(0.1)	55
R-021	Esty Maison Kawasaki II	2,350	60	1,925	424	2,390	4.0	(0.1)	2,310	3.8	(0.1)	4.2	(0.1)	97
R-022	Esty Maison Azabujuban	3,000	80	2,717	282	3,060	3.5	(0.1)	2,930	3.3	(0.1)	3.7	(0.1)	108
R-023	Esty Maison Itabashihoncho	1,000	9	906	93	1,020	3.9	(0.1)	987	3.7	(0.1)	4.1	(0.1)	42
R-024	Esty Maison Oizumigakuen	858	20	770	87	873	4.0	(0.1)	842	3.8	(0.1)	4.2	(0.1)	37
R-025	Esty Maison Higashishinagawa	2,390	—	2,297	92	2,420	4.1	(0.1)	2,370	3.9	(0.1)	4.3	(0.1)	106
R-026	Esty Maison Itabashikuyakushomae	2,750	60	2,458	291	2,800	3.9	(0.1)	2,700	3.7	(0.1)	4.1	(0.1)	116
R-027	Esty Maison Musashikoyama	1,170	20	1,020	149	1,190	3.9	(0.1)	1,150	3.7	(0.1)	4.1	(0.1)	48
R-028	Esty Maison Sendagi	782	22	681	100	796	3.9	(0.1)	767	3.7	(0.1)	4.1	(0.1)	33
R-029	Esty Maison Yotsuyasakamachi	2,340	60	2,065	274	2,380	3.8	(0.1)	2,290	3.6	(0.1)	4.0	(0.1)	92
R-030	Esty Maison Hakatahigashi	2,560	100	2,255	304	2,590	4.7	(0.2)	2,540	4.7	(0.2)	4.8	(0.2)	130
R-031	Esty Maison Kamigofuku	825	(5)	778	46	838	4.6	(0.1)	820	4.6	(0.1)	4.7	(0.1)	43
R-033	Prime Maison Musashinonomori	2,010	50	1,786	223	2,020	4.4	(0.1)	2,010	4.3	(0.1)	4.6	(0.1)	96
R-034	Prime Maison Higashisakura	1,620	30	1,438	181	1,630	4.4	(0.1)	1,620	4.3	(0.1)	4.6	(0.1)	76
R-035	Prime Maison Kayabakoen	906	24	829	76	909	4.6	(0.1)	904	4.5	(0.1)	4.8	(0.1)	45
R-036	Esty Maison Sangenjaya II	857	20	765	91	876	3.9	(0.1)	849	4.0	(0.1)	4.1	(0.1)	36
R-037	Esty Maison Itabashi C6	2,790	120	2,485	304	2,820	4.0	(0.2)	2,770	3.8	(0.2)	4.2	(0.2)	119
R-038	MAST Hakata	2,620	70	2,441	178	2,610	4.6	(0.1)	2,630	4.0	(0.1)	4.8	(0.1)	134

# Period-end Appraisal Values (2)

(Appraisal date: April 30, 2021)

Property No.	Property name	Estimated value (JPY million)		Book value (JPY million)	Unrealized capital gain/loss (JPY million)	Profit return method			Discounted cash flow method					Appraisal NOI (JPY million)
		Period-on-period				Revenue price (JPY million)	Direct capitalization yield (%)		Revenue price (JPY million)	Discount rate (%)		Final capitalization yield (%)		
							Period-on-period				Period-on-Period		Period-on-period	
R-039	Esty Maison Kinshicho	1,320	20	1,216	103	1,330	4.0	(0.1)	1,310	3.8	(0.1)	4.2	(0.1)	57
R-040	Esty Maison Musashikoganei	2,030	40	1,752	277	2,080	4.0	(0.1)	2,010	4.1	(0.1)	4.2	(0.1)	85
R-041	Prime Maison Gokiso	2,080	30	1,862	217	2,110	4.4	(0.1)	2,070	4.4	(0.1)	4.6	(0.1)	99
R-042	Prime Maison Yuhigaoka	1,040	30	881	158	1,050	4.2	(0.1)	1,020	4.0	(0.1)	4.4	(0.1)	45
R-043	Prime Maison Kitatanabe	657	9	626	30	665	4.5	(0.1)	648	4.3	(0.1)	4.7	(0.1)	32
R-044	Prime Maison Momochihama	2,110	30	1,910	199	2,120	4.6	(0.1)	2,100	4.3	(0.1)	4.8	(0.1)	109
R-045	Esty Maison Akihabara	2,050	40	1,910	139	2,070	4.0	(0.1)	2,040	3.8	(0.1)	4.2	(0.1)	88
R-046	Esty Maison Sasazuka	3,680	180	3,393	286	3,740	3.8	(0.2)	3,650	3.6	(0.2)	4.0	(0.2)	145
R-047	Prime Maison Ginza East	6,830	180	6,082	747	6,910	3.8	(0.1)	6,790	3.6	(0.1)	4.0	(0.1)	270
R-048	Prime Maison Takami	1,130	20	1,076	53	1,150	4.2	(0.1)	1,120	4.3	(0.1)	4.4	(0.1)	51
R-049	Prime Maison Yadaminami	879	15	858	20	883	4.6	(0.1)	877	4.5	(0.1)	4.8	(0.1)	43
R-050	Prime Maison Teriha	1,320	30	1,189	130	1,320	4.8	(0.1)	1,320	4.6	(0.1)	5.0	(0.1)	74
R-051	Esty Maison Higashishirakabe	1,680	30	1,631	48	1,700	4.5	(0.1)	1,670	4.4	(0.1)	4.7	(0.1)	79
R-052	Esty Maison Sengoku	1,450	70	1,332	117	1,480	3.7	(0.2)	1,440	3.5	(0.2)	3.9	(0.2)	56
R-053	Esty Maison Daizawa	2,440	140	2,230	209	2,490	3.7	(0.2)	2,420	3.5	(0.2)	3.9	(0.2)	94
R-054	Esty Maison Togoshi	1,880	40	1,729	150	1,930	3.8	(0.1)	1,860	3.9	(0.1)	4.0	(0.1)	76
R-055	Esty Maison Nishitemma	1,710	30	1,628	81	1,740	4.2	(0.1)	1,690	4.3	(0.1)	4.4	(0.1)	77
R-056	Esty Maison Shirokanedai	2,790	90	2,375	414	2,840	3.7	(0.1)	2,740	3.5	(0.1)	3.9	(0.1)	108
R-057	Esty Maison Higashishinjuku	1,810	40	1,618	191	1,850	3.8	(0.1)	1,790	3.9	(0.1)	4.0	(0.1)	73
R-058	Esty Maison Motoazabu	1,650	40	1,513	136	1,690	3.6	(0.1)	1,630	3.7	(0.1)	3.8	(0.1)	62
R-059	Esty Maison Toritsudaigaku	894	24	845	48	916	3.7	(0.1)	884	3.8	(0.1)	3.9	(0.1)	35
R-060	Esty Maison Musashikoyama II	1,110	50	1,001	108	1,120	3.8	(0.2)	1,100	3.6	(0.2)	4.0	(0.2)	44
R-061	Esty Maison Nakano	1,960	100	1,829	130	1,990	3.8	(0.2)	1,940	3.6	(0.2)	4.0	(0.2)	79
R-062	Esty Maison Shinnakano	1,070	40	987	82	1,090	3.9	(0.2)	1,060	3.7	(0.2)	4.1	(0.2)	44
R-063	Esty Maison Nakanofujimicho	1,050	30	956	93	1,060	3.9	(0.1)	1,040	4.0	(0.1)	4.1	(0.1)	42
R-064	Esty Maison Tetsugakudo	1,230	50	1,120	109	1,250	3.9	(0.2)	1,220	3.7	(0.2)	4.1	(0.2)	50
R-065	Esty Maison Koenji	1,230	30	1,132	97	1,250	3.8	(0.1)	1,220	3.9	(0.1)	4.0	(0.1)	49
R-066	Esty Maison Oshiage	2,630	80	2,405	224	2,670	4.0	(0.1)	2,610	4.0	(0.1)	4.2	(0.1)	111
R-067	Esty Maison Akabane	3,490	130	3,155	334	3,540	4.0	(0.2)	3,470	3.8	(0.2)	4.2	(0.2)	148
R-068	Esty Maison Oji	1,810	80	1,587	222	1,840	4.0	(0.2)	1,800	3.8	(0.2)	4.2	(0.2)	77
R-069	Prime Maison Waseda	1,770	70	1,522	247	1,800	3.6	(0.1)	1,730	3.4	(0.1)	3.8	(0.1)	67
R-070	Prime Maison Hatchobori	1,600	30	1,400	199	1,630	3.6	(0.1)	1,570	3.4	(0.1)	3.8	(0.1)	60
R-071	Prime Maison Jimbocho	2,020	50	1,889	130	2,050	3.9	(0.1)	2,010	3.7	(0.1)	4.1	(0.1)	82
R-072	Prime Maison Gotenyama East	3,100	120	2,881	218	3,090	3.7	(0.1)	3,100	3.5	(0.1)	3.9	(0.1)	118
R-073	MAST LIFE Akihabara	595	26	543	51	605	3.9	(0.2)	590	3.7	(0.2)	4.1	(0.2)	25
R-074	Esty Maison Aoi	2,480	40	2,372	107	2,530	4.4	(0.1)	2,460	4.4	(0.1)	4.6	(0.1)	117
R-075	Esty Maison Yakuin	2,510	40	2,585	(75)	2,560	4.2	(0.1)	2,490	4.3	(0.1)	4.4	(0.1)	114
R-076	Esty Maison Kinshicho II	9,260	220	7,996	1,263	9,420	3.8	(0.1)	9,100	3.6	(0.1)	4.0	(0.1)	369
R-077	Esty Maison Ojima	9,910	300	8,365	1,544	10,100	3.8	(0.1)	9,720	3.6	(0.1)	4.0	(0.1)	395
R-078	Prime Maison Fujimidai	2,160	40	2,179	(19)	2,180	4.7	(0.1)	2,150	4.5	(0.1)	4.9	(0.1)	109
R-079	Esty Maison Tsurumai	4,880	100	4,570	309	4,940	4.8	(0.1)	4,850	4.6	(0.1)	5.0	(0.1)	250
R-080	Prime Maison Morishita	2,060	40	1,854	205	2,090	3.9	(0.1)	2,050	3.9	(0.1)	4.1	(0.1)	84
R-081	Prime Maison Shinagawa	2,120	80	1,904	215	2,160	3.8	(0.2)	2,100	3.6	(0.2)	4.0	(0.2)	83
R-082	Prime Maison Odorikoen	3,090	30	3,064	25	3,130	4.5	(0.1)	3,050	4.3	(0.1)	4.7	(0.1)	157

# Period-end Appraisal Values (3)

(Appraisal date: April 30, 2021)

Property No.	Property name	Estimated value (JPY million)		Book value (JPY million)	Unrealized capital gain/loss (JPY million)	Profit return method			Discounted cash flow method				Appraisal NOI (JPY million)	
		Period-on-period				Revenue price (JPY million)	Direct capitalization yield (%)		Revenue price (JPY million)	Discount rate (%)		Final capitalization yield (%)		
							Period-on-period			Period-on-period		Period-on-period		
R-083	Prime Maison Minami 2-jo	1,830	60	1,837	(7)	1,840	4.6	(0.1)	1,810	4.4	(0.1)	4.8	(0.1)	99
R-084	Prime Maison Kamokamogawa	1,150	30	1,209	(59)	1,160	4.6	(0.1)	1,140	4.4	(0.1)	4.8	(0.1)	63
R-085	Prime Maison Central Park	2,395	40	2,181	213	2,280	4.9	(0.1)	2,250	4.7	(0.1)	5.0	(0.1)	129
R-086	MAST LIFE Yahiro	1,990	20	1,835	154	2,020	4.2	(0.1)	1,980	4.0	(0.1)	4.4	(0.1)	88
R-087	Prime Maison Ebisu	5,030	140	4,278	751	5,130	3.4	(0.1)	4,920	3.2	(0.1)	3.6	(0.1)	179
R-088	Granmast Kanazawa Nishiizumi	1,040	—	1,019	20	1,050	5.1	—	1,030	4.9	—	5.3	—	56
R-089	Granmast Unomori	813	(12)	780	32	826	5.2	—	807	5.0	—	5.4	—	46
R-090	Esty Maison Kohoku Tsunashima	3,033	63	2,693	339	1,360	4.2	(0.1)	1,320	4.0	(0.1)	4.4	(0.1)	140
						1,110	4.2	(0.1)	1,080	4.0	(0.1)	4.4	(0.1)	
						601	4.2	(0.1)	584	4.0	(0.1)	4.4	(0.1)	
R-091	MAST LIFE Hino	1,450	40	1,320	129	1,460	4.5	(0.1)	1,450	4.3	(0.1)	4.6	(0.1)	70
R-092	Prime Maison Yokohama Nihon-odori	4,910	120	4,674	235	4,990	4.0	(0.1)	4,820	3.8	(0.1)	4.2	(0.1)	210
R-093	Kobe Women’s Student Housing	6,320	60	5,379	940	6,380	4.8	(0.1)	6,250	4.6	(0.1)	5.0	(0.1)	323
R-094	Prime Maison Shibuya	2,610	—	2,391	218	2,660	3.6	(0.1)	2,560	3.4	(0.1)	3.8	(0.1)	98
R-095	Prime Maison Hatsudai	3,280	70	2,934	345	3,340	3.7	(0.1)	3,210	3.5	(0.1)	3.9	(0.1)	125
R-096	Esty Maison Uemachidai	1,130	70	1,071	58	1,140	4.3	(0.1)	1,120	4.0	(0.1)	4.5	(0.1)	50
R-097	Esty Maison Kobe-sannomiya	1,000	23	934	65	1,020	4.5	(0.1)	995	4.3	(0.1)	4.7	(0.1)	49
R-098	Prime Maison Shirokane-takanawa	5,380	110	4,810	569	5,490	3.6	(0.1)	5,270	3.4	(0.1)	3.8	(0.1)	200
R-099	Prime Maison Ichigayayamabushicho	4,270	50	4,129	140	4,370	3.8	(0.1)	4,230	3.6	(0.1)	4.0	(0.1)	170
R-100	Esty Maison Morishita	689	16	636	52	697	4.1	(0.1)	686	3.9	(0.1)	4.3	(0.1)	28
R-101	Prime Maison Shirokanedai Tower	10,000	220	7,961	2,038	10,300	3.6	(0.1)	9,920	3.7	(0.1)	3.8	(0.1)	373
R-102	Prime Maison Otsuka	4,430	100	3,701	728	4,520	3.8	(0.1)	4,390	3.9	(0.1)	4.0	(0.1)	174
R-103	Prime Maison Asakusabashi	2,010	50	1,683	326	2,050	3.8	(0.1)	1,990	3.9	(0.1)	4.0	(0.1)	79
R-104	Prime Maison Daikanyama	3,090	50	2,527	562	3,160	3.6	(0.1)	3,060	3.7	(0.1)	3.8	(0.1)	115
R-105	Prime Maison Gotenyama West	4,230	50	3,416	813	4,330	3.7	—	4,190	3.8	—	3.9	—	164
R-106	Esty Maison Toyosu Residence	7,070	140	5,912	1,157	7,250	—	—	6,990	4.1	(0.1)	—	—	354
R-107	Esty Maison Kokura	1,050	10	1,074	(24)	1,060	4.8	(0.1)	1,040	4.6	(0.1)	4.9	(0.1)	53
R-108	MAST Ijiri	419	1	396	22	424	4.5	(0.1)	417	4.3	(0.1)	4.7	(0.1)	20
R-109	Prime Maison Mitatsunamachi	2,260	80	2,053	206	2,290	3.9	(0.1)	2,240	3.7	(0.1)	4.1	(0.1)	90
R-110	Prime Maison Hongo	2,750	60	2,614	135	2,780	3.9	(0.1)	2,730	3.7	(0.1)	4.1	(0.1)	110
R-111	Prime Maison Kuramae	2,340	50	2,201	138	2,370	4.0	(0.1)	2,330	3.8	(0.1)	4.2	(0.1)	95
R-112	Esty Maison Yokohama-aobadai	3,240	70	3,030	209	1,520	4.4	(0.1)	1,490	4.2	(0.1)	4.6	(0.1)	152
						1,770	4.5	(0.1)	1,730	4.3	(0.1)	4.7	(0.1)	
R-113	Esty Maison Shizuoka Takajo	662	1	674	(12)	672	5.0	—	657	4.8	—	5.2	—	37
R-114	GRAND MAST Hirose-dori	889	18	880	8	899	4.5	(0.1)	885	4.3	(0.1)	4.7	(0.1)	45
R-115	MAST STYLE HIGASHIBETSUIN	2,200	—	2,282	(82)	2,220	4.4	(0.1)	2,190	4.2	(0.1)	4.6	(0.1)	104
R-116	Granmast Kayaba	946	20	939	6	959	4.6	(0.1)	941	4.4	(0.1)	4.8	(0.1)	46
R-117	MAST STYLE SHIRAKABEMINAMI	682	17	689	(7)	690	4.4	(0.1)	679	4.2	(0.1)	4.6	(0.1)	31
Residential Subtotal		274,229	6,574	246,849	27,379	278,615	—	—	271,170	—	—	—	—	11,746
H-001	The St. Regis Osaka (Hommachi Garden City (Hotel portion))	18,000	—	16,859	1,140	18,300	3.6	—	17,700	3.4	—	3.8	—	665
H-002	The Ritz-Carlton, Kyoto	22,344	(98)	22,197	146	22,883	3.5	—	22,099	3.2	—	3.6	—	921
Hotel Subtotal		40,344	(98)	39,057	1,286	41,183	—	—	39,799	—	—	—	—	1,586
Portfolio Total		610,153	6,506	524,375	85,777	622,758	—	—	602,729	—	—	—	—	23,536

\* Period-end appraisal value, direct capitalization yield, discount rate, final capitalization yield and appraisal NOI are values set forth in the real estate appraisal documents or values set forth in the real estate survey documents, which are the result of pricing surveys that do not follow real estate appraisal evaluation standards.

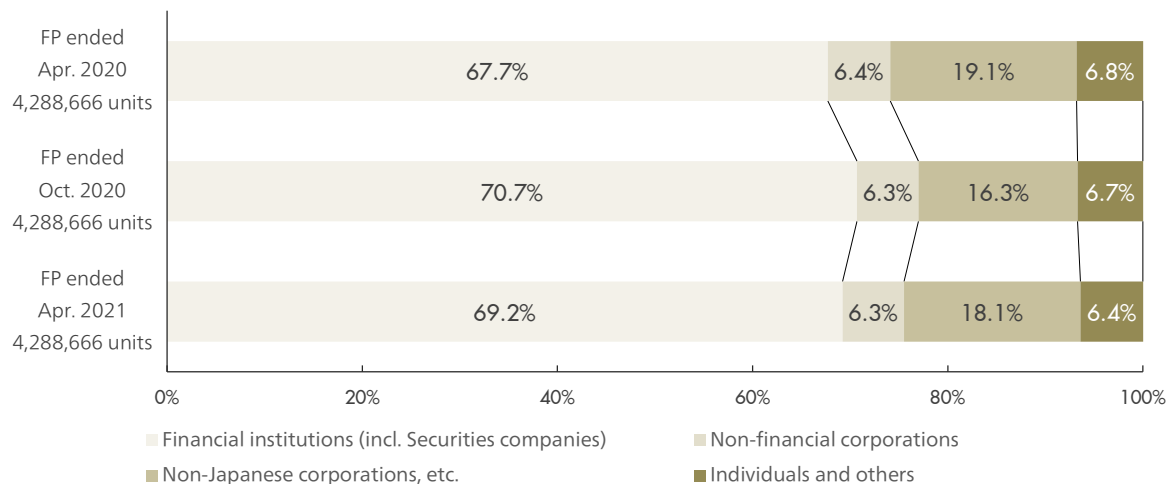
\* Period-on-period figures are comparisons as of the end of October 2020 versus the end of April 2021. Properties acquired on April 1, 2021 are compared at the end of April 2021 with the value of the appraisal report acquired at the time of acquisition. The total change is provided for the office subtotal, residential subtotal, hotel subtotal and the portfolio total.

# Unitholders Composition

## ■ Number of Investment Units by Unitholder Type and Unitholders

Unitholder type	Investment Units						Unitholders				
	FP ended Oct. 2020		FP ended Apr. 2021		Change		FP ended Oct. 2020		FP ended Apr. 2021		Change
	units(a)	ratio(b)	units(c)	ratio(d)	(c)-(a)	(d)-(b)	units(e)	ratio(f)	units(g)	ratio(h)	(g)-(e)
Individuals and others	286,423	6.7%	276,300	6.4%	(10,123)	(0.3)pt	18,471	95.8%	18,107	95.6%	(364)
Financial institutions	2,824,088	65.9%	2,858,920	66.7%	+34,832	+0.8pt	197	1.0%	198	1.0%	+1
City banks	—	—	—	—	—	—	—	—	—	—	—
Regional banks	401,687	9.4%	392,239	9.1%	(9,448)	(0.3)pt	50	0.3%	50	0.3%	—
Trust banks	2,091,554	48.8%	2,115,567	49.3%	+24,013	+0.5pt	9	0.0%	10	0.1%	+1
Life insurers	92,899	2.2%	84,500	2.0%	(8,399)	(0.2)pt	8	0.0%	8	0.0%	—
Casualty insurers	—	—	14,300	0.3%	+14,300	+0.3pt	—	—	1	0.0%	+1
Shinkin banks	114,757	2.7%	106,624	2.5%	(8,133)	(0.2)pt	64	0.3%	63	0.3%	(1)
Others	123,191	2.9%	145,690	3.4%	+22,499	+0.5pt	66	0.3%	66	0.3%	—
Non-financial corporations	270,707	6.3%	271,375	6.3%	+668	—	341	1.8%	334	1.8%	(7)
Non-Japanese corporations, etc.	699,675	16.3%	774,499	18.1%	+74,824	+1.8pt	248	1.3%	278	1.5%	+30
Securities companies	207,773	4.8%	107,572	2.5%	(100,201)	(2.3)pt	22	0.1%	25	0.1%	+3
<b>Total</b>	<b>4,288,666</b>	<b>100.0%</b>	<b>4,288,666</b>	<b>100.0%</b>	<b>—</b>	<b>—</b>	<b>19,279</b>	<b>100.0%</b>	<b>18,942</b>	<b>100.0%</b>	<b>(337)</b>

## ■ Change Ratio in Investment Units



## ■ Fiscal Period Ended April 2021 – Top 5 Unitholders

Company name	No. of investment units owned	Ratio
Custody Bank of Japan, Ltd. (Trust Account)	1,001,383	23.3%
The Master Trust Bank of Japan, Ltd. (Trust Account)	739,425	17.2%
Sekisui House, Ltd.	200,750	4.7%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	174,735	4.1%
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	116,889	2.7%

# Overview of Asset Management Company

## ■ Overview of Asset Management Company

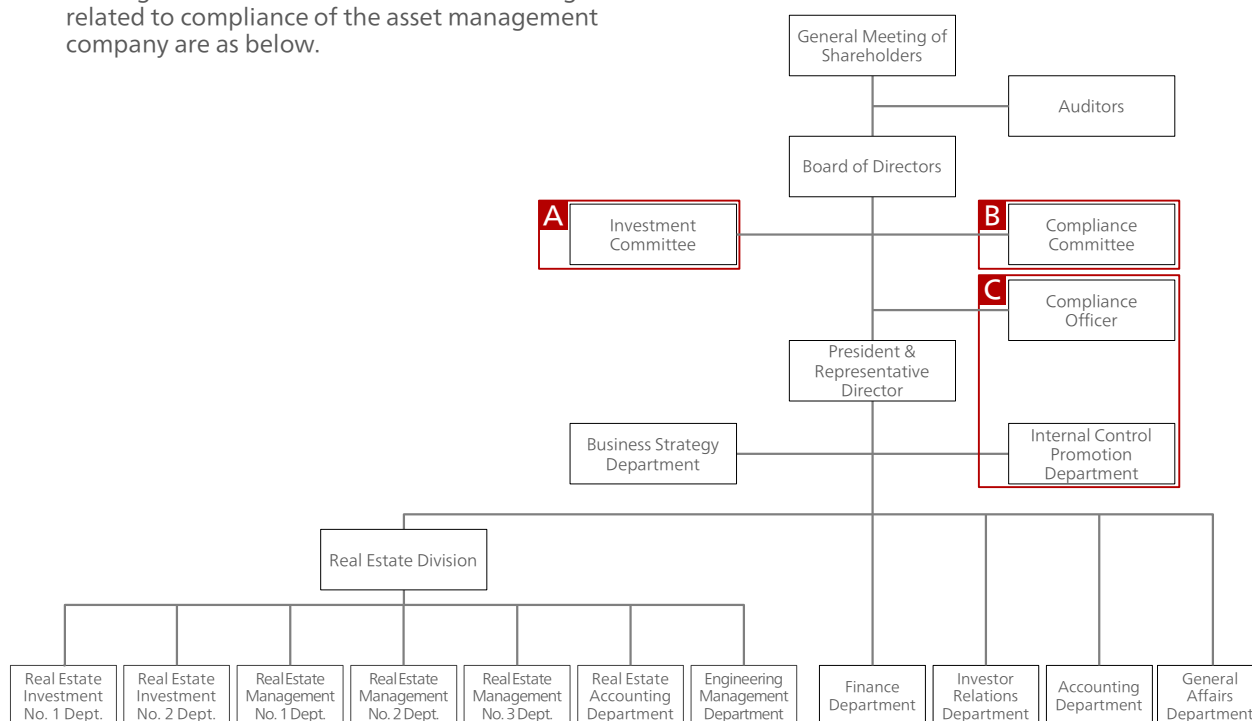


President &  
Representative  
Director  
Toru Abe

- Corporate name: Sekisui House Asset Management, Ltd.
- Head office: 4-15-1 Akasaka, Minato-ku, Tokyo
- Capital: 400 million yen
- Number of Directors and Employees: 61 (As of the date of this publication)
- Shareholder: Sekisui House, Ltd. (100%)
- Licenses and registration, etc. :
  - Licensed for building lots and buildings transaction business  
License No.(2) 96411 issued by the Governor of Tokyo
  - Certified as an entrustment-based agency  
License No.82 issued by the Minister of Land, Infrastructure, Transportation and Tourism
  - Registered as a financial instruments business operator  
Registration (Kinsho) No.2791 issued by the Director of Kanto Local Finance Bureau

## ■ Organization Chart

The organization chart and administrative organs related to compliance of the asset management company are as below.



## ■ Asset Management Fee

- Management Fee I (linked to total assets and Investment units performance):  
Total assets × 0.12%-0.16% (annual) <sup>1</sup>
- Management Fee II (linked to DPU and Operating income):  
DPU<sup>2</sup> × Operating income<sup>3</sup> × 0.002% × 2 (split ratio)
- Management Fee III (acquisition fees):  
Acquisition price × 0.3% (Transactions with related parties: None)
- Management Fee IV (disposition fees):  
Sale price × 0.3% (Transactions with related parties: None)
- Management Fee V (merger fees):  
Value of Real Estate-Related Assets held by counter party × 0.4%

Note 1: The rate is fluctuated depending on the performance-comparison of the SHR's investment units and the TSE REIT Index.

Note 2: Calculated as the distributable amount before deduction of Management Fee II divided by the total number of issued investment units.

Note 3: Operating Income before deduction of Management Fee II

## ■ Compliance Structure

- A** The organization that deliberates and makes decisions on matters related to management policy and other asset management issues

### Investment committee

Committee members: The external committee members<sup>1</sup>, President & Representative Director (chairman), all full-time Directors including Compliance Officer who has the status as a Director, and General Manager of Real Estate Division, Chief Manager of Business Strategy Dept., Finance Dept., IR Dept., Accounting Dept., General Affair Dept., and Internal Control Dept. While the selection and dismissal of the external committee members is conducted at SHAM's Board of Directors Meeting, the approval of the SHR's Board of Directors' Meeting is required either before or afterwards.

Note 1: Currently a total of two members are selected as the external committee members including one real estate appraiser and one attorney, who have no significant stakeholder relationship with SHAM, SHAM's officers and employees, nor its related parties.

- B** The organization that deliberates and makes decisions on matters related to compliance in asset management

### Compliance committee

Committee members: The external committee members<sup>2</sup>, Compliance Officer (chairman), President & Representative Director and all full-time Directors.

While the selection and dismissal of external committee members is conducted at SHAM's Board of Directors Meeting, the approval of SHR's Board of Directors' Meeting is required either before or afterwards.

Note 2: Currently one attorney has been selected as an external committee member who has no significant relationship with SHAM, SHAM's officers and employees, nor its related parties.

- C** Organization responsible for compliance

### Compliance officer

Person responsible for the compliance of SHR and SHAM. Personnel with sufficient screening and surveillance capabilities are selected to observe compliance with legislation and norms.

### Internal Control Promotion Department

Internal Control Promotion Department conducts work related to SHAM's risk management, monitoring the status of legislation and regulations, and internal auditing.

# About the Terminology used in this Presentation

## P.3 Acquisition & Disposition in FP 13

- Appraisal NOI is calculated by dividing the appraisal NOI based on direct capitalization method described in the real estate appraisal as of October 31, 2020 by the disposition price.
- Appraisal NOI yield (weighted average) is calculated by dividing the appraisal NOI based on direct capitalization method described in each real estate appraisal as of December 1, 2020 by the acquisition price, and weighted average by the acquisition price.

## P.4 SHR's Portfolio

- The Sekisui House Real Estate companies are: Sekisui House Real Estate Tokyo, Ltd., Sekisui House Real Estate Tohoku, Ltd., Sekisui House Real Estate Chubu, Ltd., Sekisui House Real Estate Kansai, Ltd., Sekisui House Real Estate Chugoku&Shikoku, Ltd., and Sekisui House Real Estate Kyushu, Ltd.
- Average building age is the building age as of end of April 2021 (FP 13), weighted by acquisition price. The same applies throughout this publication.
- Esty Maison Yokohama-aobadai is counted as two properties- one for North and one for South –when calculating diversification by building age. The same applies throughout this publication.
- Unless specified otherwise, Hommachi Garden City is counted as two properties –one for the office portion and one for the hotel portion- when calculating figures for specific asset types, and is counted as one property when calculating figures for the portfolio as a whole, by area and by building age. The same applies throughout this publication.

## P.5 Financial Results (FP 13)

- NOI yield is the yield calculated by dividing annualized actual NOI by the total acquisition value of assets under management. Average occupancy rate during the period is the average actual and forecast monthly occupancy rate as of the end of each month that falls within the relevant period. The same applies throughout this publication.

## P.7 Financial Forecast (FP 14/FP 15)

- NOI yield is the yield calculated by dividing annualized forecast NOI by the total acquisition value of assets under management. Average occupancy rate during each period is the average actual and forecast monthly occupancy rate as of the end of each month that falls within the relevant period. The same applies throughout this publication.

## P.10 DPU and NPV per Unit

- Nav per unit is calculated using NAV, an amount arrived at by deducting total distributions from net assets at market value (net assets on the balance sheet plus unrealized gain for the end of each FP). The same applies throughout this publication.

## P.11 Trends of Appraisal Value

- Average cap rate is calculated by taking the capitalization yield of each property using the direct capitalization method as a weighted average by the appraisal value of each property. See pages 50 to 52 for details on capitalization yields and appraisal values for each property.

## P.13 Office Portfolio

- End-tenant rent is the total monthly rent of each tenant per each lease agreement (including utilities, but not including fees for parking, storage and signage, etc.) divided by total leasable area (tsubo). However, any free rent incentives in effect at the time are not applied and variable rent components are counted by using an average value from the past year.
- End-tenant rent of office total is calculated using an average of the each end-tenant rent leases weighted by area leased, based on end-tenant leases.

## P.14 Office : Tenant Renewals

- The percentage of leases on fixed terms is fixed-term leases, based on end-tenant leases in effect as of the end of April 2021 (FP 13), as a percentage of gross leasable area.
- The average lease duration and the average remaining life of leases are calculated using an average of the durations or remaining life on leases weighted by area leased, based on end-tenant leases in effect as of the end of April 2021 (FP 13). However, for those end tenants who have executed a lease renewal as of the date of this publication, the duration and remaining life on the lease renewal is taken into consideration.

## P.15 Office : Tenant Profile

- Rent gap is the percentage difference between market rents and end tenant contract rents in cases where market rents (expected rents on new leases as assessed by CBRE) exceed end tenant contract rents in effect as of the end of April 2021 (FP 13).

# About the Terminology used in this Presentation

## P.18 Occupancy Rate by Room Types (Tokyo 23 Wards)

- Occupancy rate by room types covered residential portfolio (excluding retail, offices, and residential building leased as entire building or subleased) based on the following matrix is categorized and calculated by area and layout: S for single type; C for compact type; F for family type; and L for large type.

No. of room ※	less than 30㎡	30 or more to less than 40㎡	40 or more to less than 50㎡	50 or more to less than 60㎡	60 or more to less than 70㎡	70 or more to less than 80㎡	80 or more to less than 90㎡	90 or more to less than 100㎡	more than 100㎡
STUDIO	S	S	C	C	L	L	L	L	L
1BED	S	C	C	C	L	L	L	L	L
2BED		C	C	C	F	F	F	L	L
3BED					F	F	F	F	L
4BED以上					F	F	F	F	L

※ Main floor plans STUDIO : STUDIO, 1K, 1R 1BED : 1K+S, 1DK, 1LDK 2BED : 2K, 2DK, 2LDK 3BED : 3LDK 4BED以上 : 4LDK, 5LDK

## P.40 Residential: Rent Trends by Area

- Rent gap is expressed as the percentage difference between contract rents with end tenants as of the end of April 2021 (FP 13) and market rents (expected new rents on standard floors assessed by Style Act). In addition, the calculation is made excluding end tenants whose rents are exceeded the market rents.

## P.45-46 Portfolio List

- Where the asset comprises multiple buildings with different completion dates, the completion date of the building first completed is used.

## P.50-52 Period-end Appraisal Values

- Prime Maison Momochihama and Esty Maison Higashishirakabe are under fixed-rent master lease agreements. The discount rate differs depending on the contract duration, per the master lease agreement. For the sake of convenience, the discount rate provided here assumes a duration extending out to the expiration of the agreements.
- A portion of the land under Prime Maison Central Park (lot number 23-32) is leased land. DCF is the method to find the income value for the portion of leased land, so figures for direct capitalization yield, discount rate, and final capitalization yield apply to the residential portion only. The period-end appraisal value is the sum of the income value for the residential portion and the income value for the leased land portion found by DCF. Appraisal NOI is the sum of appraisal NOI for the residential portion and appraisal NOI from the first fiscal year, found by DCF, for the leased land portion.
- At Esty Maison Toyosu Residence, the source of land use rights lie in a fixed-term land leasehold. Therefore, given the fact that the income period is a limited period of time, a capitalization method over a definite term is used. Therefore, no direct capitalization yield or final capitalization yield have been established. For the sake of convenience, the discount rate provided is the discount rate out to the holding period expiration.

## Explanation of this Presentation

- This presentation may use the following abbreviations: PM for Prime Maison, EM for Esty Maison, GC for Garden City and GA for Garden Avenue, which are brand names for portfolio properties. Also, the abbreviation fixed-rent ML may be used to refer to fixed-rent master lease.
- Unless specified otherwise, monetary values have been rounded down and percentages have been rounded to the first decimal place.

**SEKISUI HOUSE REIT, INC.**

