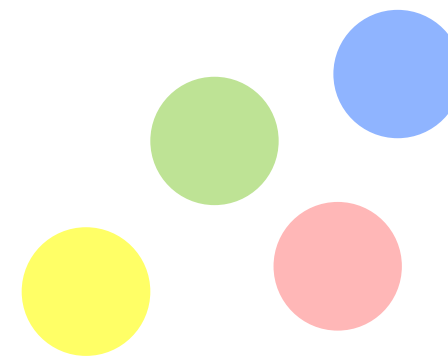


Fiscal Period Ended October, 2022

16th Financial Results Briefing



SEKISUI HOUSE REIT, INC.

December 16, 2022

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Operational Highlights and Future Initiatives

DPU			
<div> <div>FP 16 Results</div> <div>1,714 JPY (vs. FP 15 vs. FP 16 Guidance +16 JPY +26 JPY)</div> <div>FP 17 Forecast</div> <div>1,714 JPY</div> <div>FP 18 Forecast</div> <div>1,681 JPY</div> </div>			
	Results	Environment Recognition	Policy & Strategy
Internal Growth	<div>■ Office Building:</div> <ul style="list-style-type: none"> Occupancy rate at the end of FP: 93.9% <ul style="list-style-type: none"> Garden City Shinagawa Gotenyama: 84.5% Akasaka Garden City: 89.4% Vacancy and reduction of office space by major tenants in Garden City Shinagawa Gotenyama have emerged 	<div>■ Office Building:</div> <ul style="list-style-type: none"> Vacancy due to the impact of COVID-19 has somewhat subsided, but the return has been slow due to the infiltration of hybrid work Concerns about the impact of the large supply in Tokyo from 2023 onwards 	<div>■ Office Building:</div> <ul style="list-style-type: none"> Further strengthen leasing measures for Tokyo offices <ul style="list-style-type: none"> Capturing demand by dividing floor sections Setting flexible leasing contract terms Reducing the initial cost when moving in
	<div>■ Residential:</div> <ul style="list-style-type: none"> Occupancy rate at the end of FP : 97.1% <ul style="list-style-type: none"> Residential occupancy rate in Tokyo 23 wards: 95.3% Change in rent rate (new contract) recovered to +0.9% Acquisition rate of non-refundable deposit increased to 45.2% 	<div>■ Residential:</div> <ul style="list-style-type: none"> Change in rent rate turns positive and occupancy of single-type units in Tokyo 23 wards is expected to recover due to market environment improvement, such as population growth and an increase in the active job openings-to-applicants ratio in Tokyo 	<div>■ Residential:</div> <ul style="list-style-type: none"> Maintain measures that emphasize occupancy rates aimed toward revenue increase by increasing rents for each property and acquiring non-refundable deposit Improve property competitiveness through value-enhancing construction Efforts and implementations of cost reduction measures
	<div>■ Hotel:</div> <ul style="list-style-type: none"> Occupancy rate at the end of FP: 100.0% <ul style="list-style-type: none"> Fixed-rent master lease contract Contract expiration date: May 18, 2024 	<div>■ Hotel:</div> <ul style="list-style-type: none"> Inbound travel demand is recovering due to the drastic relaxation of border measures along with the depreciation of the Japanese JPY 	<div>■ Hotel:</div> <ul style="list-style-type: none"> Continue to closely monitor operating conditions and secure stable earnings through fixed-rents
	<ul style="list-style-type: none"> Replacement measures (August 2022) <ul style="list-style-type: none"> Disposition: 1 Hotel property 23,000 million JPY <ul style="list-style-type: none"> Gain on disposition 710 million JPY Acquisition: 2 Residentials 12,700 million JPY <ul style="list-style-type: none"> In Tokyo 23 wards, Avg. building age 3.6years Avg. appraisal NOI yield after depreciation 3.0% Silent partnership equity interests <ul style="list-style-type: none"> Securing preferential negotiation rights for office building 	<ul style="list-style-type: none"> The real estate market continues to feel overheated, and the acquisition environment continues to be severe Favorable environment for recording gain on disposition from property disposals 	<ul style="list-style-type: none"> While utilizing the strong real estate transaction market, continue asset replacement aimed at improving profitability for residential properties, and record gains on disposition Policy to resume acquisition of hotels after confirming the recovery of the earnings environment In view of the overheated real estate transaction market, utilize the sponsor pipeline while seeking external acquisition opportunities with a selective stance
Finance	<ul style="list-style-type: none"> Acquisition and cancellation of investment units LTV of total assets at the end of FP 45.2% Remaining acquisition capacity of about JPY 19.1 million with regards to total asset LTV of 47% 	<ul style="list-style-type: none"> Despite global interest rate hikes, an accommodative monetary policy is maintained in Japan There are no concerns about financing such as borrowings, etc. 	<ul style="list-style-type: none"> Conservative LTV control Appropriate control of maturity period while striking an optimal balance between fixed-rate and floating-rate Risk reduction by diversifying repayment deadlines
ESG	<ul style="list-style-type: none"> Establishment of new long term targets Achieve Carbon Neutrality by FY 2050 Quantitatively analyzing the financial impact of climate change risks 	<ul style="list-style-type: none"> In an environment of increasing uncertainty, social demands for sustainability are increasing The importance of ESG information disclosure is increasing 	<ul style="list-style-type: none"> Working to resolve social issues through ESG conscious asset management Promote initiatives to achieve KPIs for materiality

Asset Replacement: Overview (FP 16 Results)

Acquired two residential properties, investment units, and silent partnership equity interests using proceeds from the disposition of the hotel

Disposition				
1 Hotel property (Kyoto) The Ritz-Carlton, Kyoto	Disposition date	August 2, 2022	NOI yield	1.7%
	Disposition price	23,000 million JPY	NOI yield after depreciation	1.2%
	Gain on disposition	710 million JPY	Building age	8.7 years



Acquisition of Residential Properties

2 Residential (Tokyo 23 wards)
Acquisition of residences in consideration of ESG that include **senior housing for the first time**



Prime Maison EGOTANOMORI



Prime Maison Waseda dori

Acquisition date	August 2, 2022
Acquisition price	12,700 million JPY
Average appraisal NOI yield	4.9%
Average appraisal NOI yield after depreciation	3.0%
Average building age	3.6 years

Acquisition/Completion of the Buyback

Aim to **increase unitholder value over the medium to long term** by improving DPU and NAV per unit

Total number of investment units acquired (percentage of total outstanding investment units before cancellation)	49,651 units (1.1%)
Total acquisition price of the investment units	3,999 million JPY
Acquisition period	From June 16 to September 7
Total number of investment units issued and outstanding after cancellation	4,381,482 units

Acquisition of Silent Partnership Equity Interests

Securing preferential negotiation rights of an environmentally-friendly office building to ensure future growth

Acquisition date	August 1, 2022
Investment price (equity interest ratio)	480 million JPY (12.4%)
Asset name	Godo Kaisha Gemini1 (Silent Partnership Equity Interests)
Underlying asset	Akasaka Garden City

Asset Replacement: Acquisition/Completion of the Buyback

Positive effect of +19 JPY on DPU for fiscal period ended October, 2022 (FP 16)

Investment unit price recovers to the Tokyo Stock Exchange REIT Index level since year start

Details of the buyback

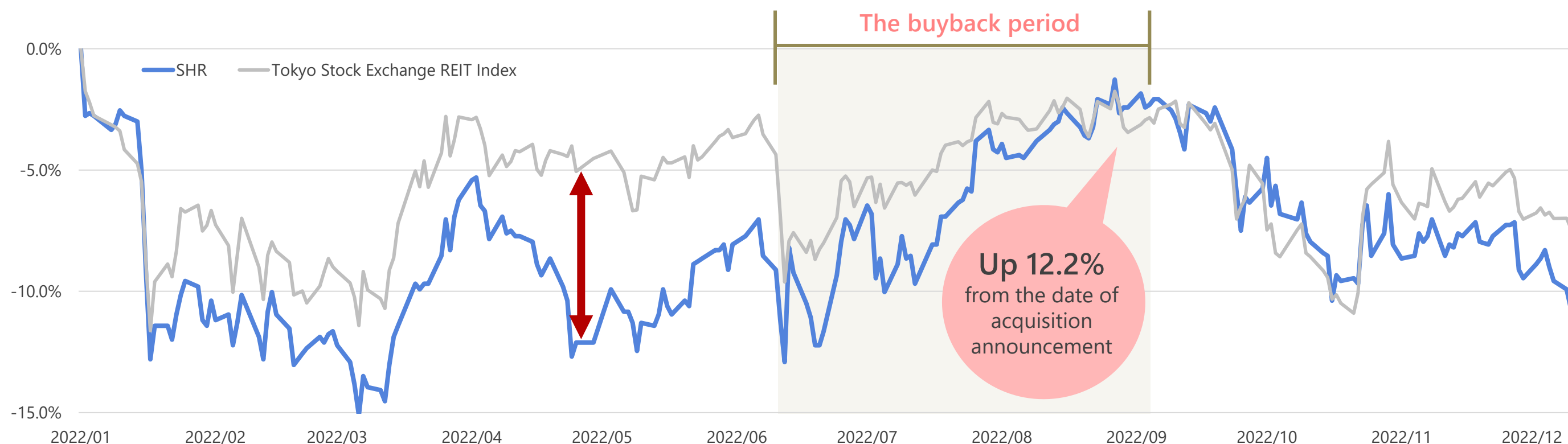
Total number of investment units acquired (percentage of total outstanding investment units before cancellation)	49,651 units (1.1%)
Total acquisition price of the investment units	3,999,964,900 JPY
Acquisition period	From June 16, 2022 to September 7, 2022
Total number of investment units issued and outstanding after cancellation	4,381,482 units

Effect of the buyback

Effect on DPU	
FP Ended Oct. 2022 (FP 16) Results	+ 19 JPY
FP Ending Apr. 2023 (FP 17) Forecast	+ 19 JPY

- During the period of the buyback program, the investment unit price grew **12.2%**
(The Tokyo Stock Exchange REIT Index rose 7.5% during the same period)
- Although there was a performance gap with the Tokyo Stock Exchange REIT Index, the gap has narrowed, and the trend has recovered to the same level

Trend of the investment unit price and the Tokyo Stock Exchange REIT Index



* "Trend of the investment unit price and the Tokyo Stock Exchange REIT Index" shows the fluctuation rate of the investment unit price and the Tokyo Stock Exchange REIT Index price since January 4, 2022, with this date as the base date.

Asset Replacement: Silent Partnership Equity Interests

Securing preferential negotiation rights of an environmentally-friendly office building to ensure future growth potential

O-007

Akasaka Garden City



2020 S rank
2022 S rank

Location
↳ Minato-ku, Tokyo
Construction completion
↳ January 2006
Total floor area
↳ 46,776.76m²

Summary

Acquisition date	August 1, 2022
Total amount of investments	3,880 million JPY
Investment price (equity interest ratio)	480 million JPY (12.4%)
Effective period of silent partnership contract	From July 28, 2022 to May 6, 2027
Asset name	Godo Kaisha Gemini1 (Silent Partnership Equity Interests)
Underlying asset	Akasaka Garden City

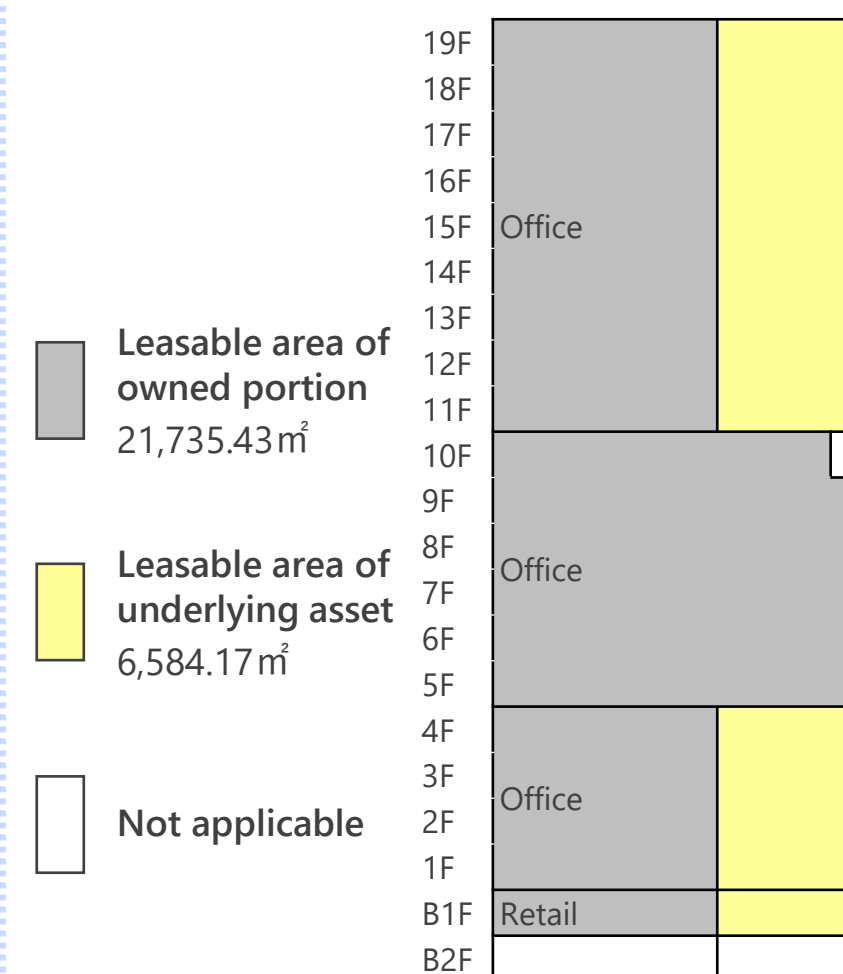
Reason for the acquisition

- Acquisition of an environmentally-friendly office building in the future aims to enhance the "Office Building" portfolio, secure external growth opportunities and contribute to strengthening the earnings base
- Securing preferential negotiation rights by acquiring silent partnership equity interests

Future initiatives

- Dividend income generated from the earnings of the underlying asset is expected
- The preferential negotiation rights will be held as a right and is not an obligation to acquire. After confirming the recovery of the office market, the acquisition will be considered while taking into account the timing

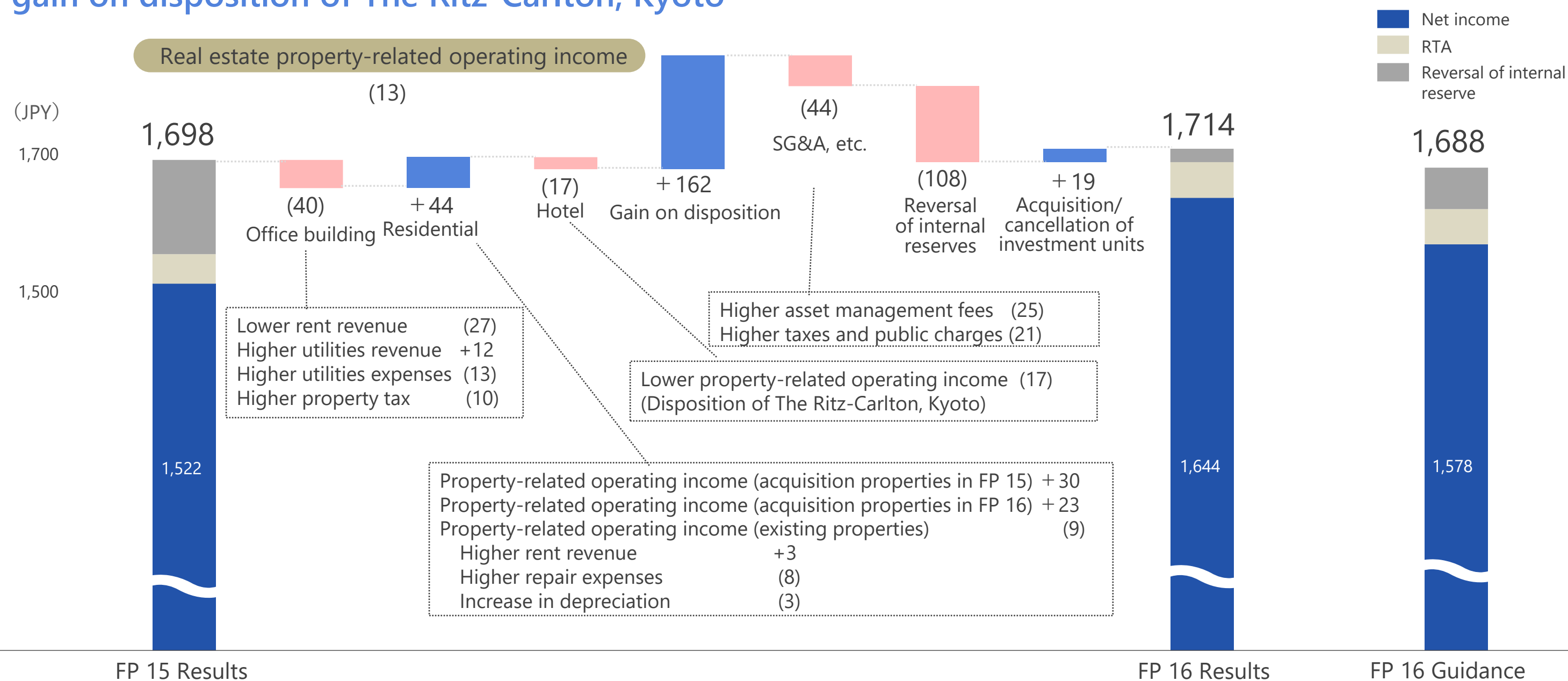
【Applicable Underlying Asset】



* "Total floor area" indicates the floor area of one building of Akasaka Garden City.

Analysis of Change Factors of DPU (Results)

DPU for FP 16 increased by +16 JPY from the previous period, mainly due to the recording of a gain on disposition of The Ritz-Carlton, Kyoto



	NOI			NOI Yield			Average Occupancy Rate During the Period		
	FP 16 Results	vs. FP 15	vs. Guidance	FP 16 Results	vs. FP 15	vs. Guidance	FP 16 Results	vs. FP 15	vs. Guidance
Office building	5,101 million JPY	(174) million JPY	+30 million JPY	3.8%	(0.2)pt.	—	96.3%	(1.0)pt.	(0.3)pt.
Residential	5,847 million JPY	+293 million JPY	+82 million JPY	4.4%	—	—	96.4%	(0.1)pt.	+0.2pt.
Hotel	431 million JPY	(92) million JPY	+6 million JPY	2.7%	—	+0.1pt.	100.0%	—	—
Entire portfolio	11,380 million JPY	+26 million JPY	+119 million JPY	4.0%	(0.1)pt.	—	96.6%	(0.3)pt.	+0.2pt.

* "Acquisition properties in FP 15" refers to "Prime Maison Nakameguro" and "Prime Maison Itabashi," while "acquisition properties in FP 16" refers to "Prime Maison EGOTANOMORI" and "Prime Maison Waseda dori" and "existing properties" refers to properties that exclude "acquisition properties in FP 15" from residential properties that had been held as of the end of FP 15. The same applies on page 6.

* "RTA" refers to Reserve for Temporary Difference Adjustments. The same will apply hereinafter.



SEKISUI HOUSE REIT, INC.

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Profit and Loss Comparison (Results)

	FP 15 Results (A)	FP 16 Results (B)	vs. FP 15 Results (B-A)	FP 16 Guidance (C)	vs. FP 16 Guidance (B-C)
Operating revenue	14,756	15,797	+1,040	15,610	+186
Property-related operating revenue	14,756	15,082	+326	14,997	+85
Rent revenue – real estate	14,355	14,623	+268	14,567	+56
Other lease business revenue	401	459	+57	429	+29
Utilities revenue	180	241	+61	229	+12
Non-refundable deposits received	63	67	+3	56	+11
Renewal fees income	127	122	(4)	125	(2)
Other miscellaneous income	30	27	(2)	19	+7
Gain on disposition of real estate properties	–	710	+710	613	+96
Gain on investments in silent partnership	–	3	+3	–	+3
Operating expenses	7,130	7,718	+587	7,717	+1
Property-related operating expenses	5,892	6,275	+383	6,313	(37)
Subcontract expenses	569	597	+27	597	(0)
Property management fees	468	470	+1	471	(1)
Trust fees	44	43	(1)	43	+0
Utilities expenses	311	391	+80	375	+16
Property and other taxes	1,017	1,065	+48	1,067	(1)
Property tax	991	1,040	+48	1,040	(0)
Insurance expenses	17	18	+1	18	+0
Repair expenses	336	390	+53	394	(4)
Other expenses related to rent business	637	724	+87	768	(43)
Depreciation	2,489	2,573	+83	2,577	(3)
Selling, general and administrative expenses	1,238	1,442	+203	1,403	+38
Asset management fees	910	1,021	+111	977	+43
Property-related operating income and loss	8,864	8,806	(57)	8,683	+123
NOI (excluding depreciation)	11,354	11,380	+26	11,260	+119
Operating income	7,625	8,078	+452	7,893	+184
Non-operating income	1	1	(0)	0	+1
Non-operating expenses	881	874	(6)	897	(22)
Interest expenses	687	716	+28	726	(10)
Ordinary income	6,746	7,205	+458	6,996	+208
Net income	6,745	7,204	+458	6,995	+208
Reversal of reserve for reduction entry	187	222	+35	221	+1
Reserve for temporary difference adjustments	590	82	(508)	262	(179)
Total distributions	7,524	7,509	(14)	7,479	+30
DPU (JPY)	1,698	1,714	+16	1,688	+26
Total number of investment units issued and outstanding	4,431,133	4,381,482	(49,651)	4,431,133	(49,651)

(unit: million JPY)

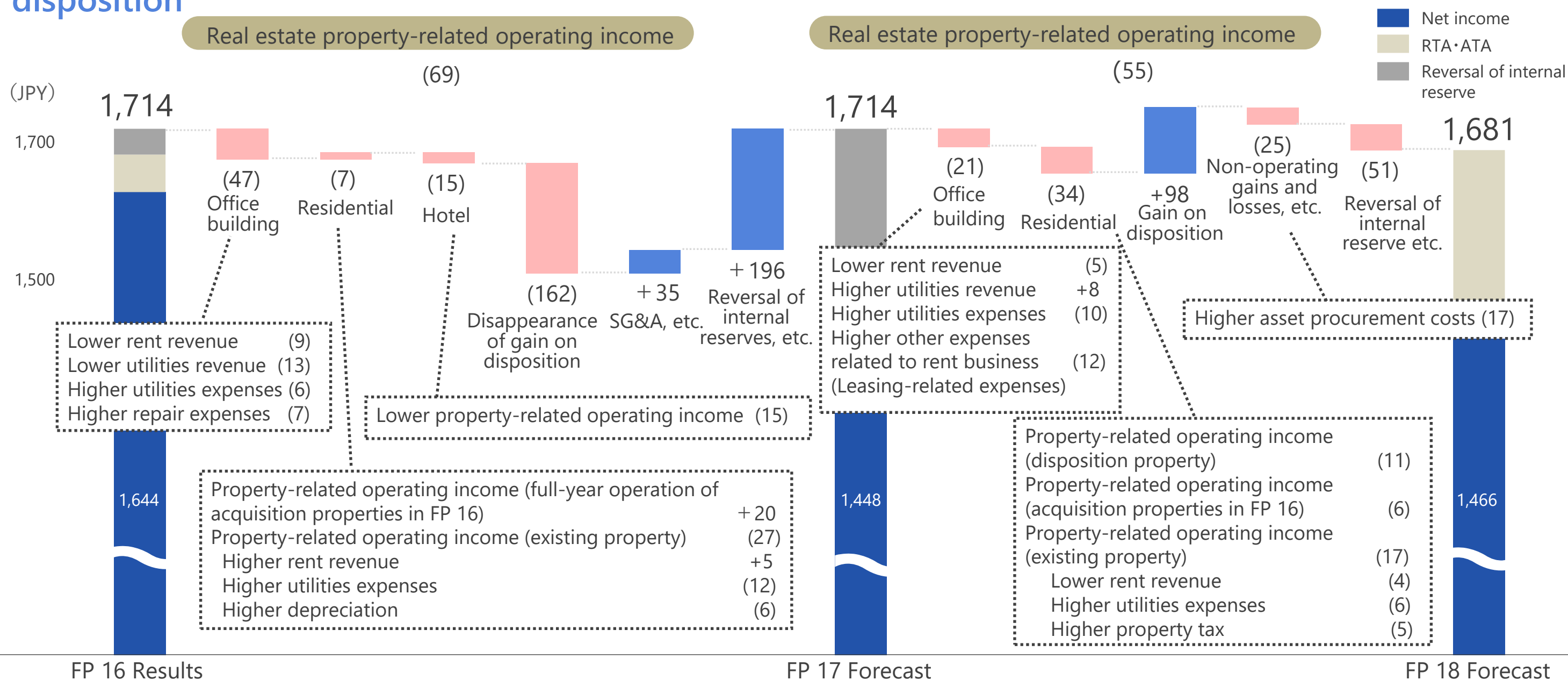
	FP 15 Results (A)	FP 16 Results (B)	vs. FP 15 Results (B-A)	FP 16 Guidance (C)	vs. FP 16 Guidance (B-C)
Property-related operating revenue					
(Office building)	6,448	6,374	(73)	6,349	+24
(Residential)	7,690	8,197	+506	8,136	+60
(Hotel)	618	511	(106)	511	–
Property-related operating income and loss					
(Office building)	4,419	4,243	(175)	4,213	+30
(Residential)	4,047	4,241	+193	4,155	+85
(Hotel)	397	321	(75)	315	+6
NOI (excluding depreciation)					
(Office building)	5,275	5,101	(174)	5,070	+30
(Residential)	5,554	5,847	+293	5,765	+82
(Hotel)	524	431	(92)	425	+6

(unit: million JPY)

Analysis of change factors		(vs. FP 15 Results)		(vs. FP 16 Guidance)	
■ Office building					
Lower rent revenue	(119)	Higher rent revenue (commercial tenants)	+12		
Higher utilities revenue (higher electricity revenues)	+53	Higher utilities revenue (higher electricity revenues)	+11		
Higher utilities expenses (higher electricity expenses)	(58)	Higher utilities expenses (higher electricity expenses)	(24)		
Higher property tax	(44)	Lower other expenses related to rent business (lower leasing expenses)	+23		
■ Residential					
Higher property-related operating income (full-year operation of acquisition properties in FP 15)	+131	Higher property-related operating income (acquisition properties in FP 15)	+14		
Higher property-related operating income (acquisition properties in FP 16)	+100	Lower property-related operating income (acquisition properties in FP 16)	(1)		
Higher rent revenue (existing property)	+14	Higher rent revenue (existing property)	+42		
Higher repair expenses (existing property)	(35)	Higher non-refundable deposits received (existing property)	+9		
Higher depreciation (existing property)	(11)	Lower utilities expenses (existing property)	+5		
		Higher repair expenses (existing property)	(8)		
■ Hotel					
Lower property-related operating income (disposition of The Ritz-Carlton, Kyoto)	(75)	Lower repair expenses	+5		
Gain on disposition of real estate properties (disposition of The Ritz-Carlton, Kyoto)	+710	Higher gain on disposition of real estate properties (disposition of The Ritz-Carlton, Kyoto)	+96		
■ Selling, general and administrative expenses and non-operating profit and loss					
Higher asset management fees (increase due to disposition of The Ritz-Carlton, Kyoto)	(111)	Higher asset management fees	(43)		
Higher taxes and public charges (fluctuation of taxable sales percentage)	(94)	Lower financing costs	+13		
Higher financing costs	(26)				

Analysis of Change Factors of DPU (Forecast)

Aim to maintain DPU of around 1,700 JPY by reversing of internal reserve and recording a gain on disposition



	NOI			NOI Yield			Average Occupancy Rate During the Period		
	FP 16 Results	FP 17 Forecast	FP 18 Forecast	FP 16 Results	FP 17 Forecast	FP 18 Forecast	FP 16 Results	FP 17 Forecast	FP 18 Forecast
Office building	5,101 million JPY	4,897 million JPY	4,810 million JPY	3.8%	3.7%	3.6%	96.3%	94.3%	95.7%
Residential	5,847 million JPY	5,905 million JPY	5,742 million JPY	4.4%	4.4%	4.3%	96.4%	96.7%	96.5%
Hotel	431 million JPY	331 million JPY	332 million JPY	2.7%	3.9%	3.9%	100.0%	100.0%	100.0%
Entire portfolio	11,380 million JPY	11,134 million JPY	10,885 million JPY	4.0%	4.0%	4.0%	96.6%	96.2%	96.5%

* "Acquisition properties in FP 16" refers to "Prime Maison EGOTANOMORI" and "Prime Maison Waseda dori" while "existing properties" refers to properties that exclude "acquisition properties in FP16" from residential properties that had been held as of the end of the FP 16. The same applies on page 8.

* "ATA" refers to Allowance for Temporary Difference Adjustments. The same will apply hereinafter.



SEKISUI HOUSE REIT, INC.

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Profit and Loss Comparison (Forecast)

	FP 16 Results (A)	FP 17 Forecast (B)	vs. FP 16 Results (B-A)	FP 18 Forecast (C)	vs. FP 17 Forecast (C-A)
Operating revenue	15,797	15,224	(572)	15,541	+316
Property-related operating revenue	15,082	15,216	+134	15,106	(109)
Rent revenue – real estate	14,623	14,822	+198	14,685	(136)
Other lease business revenue	459	394	(64)	421	+26
Utilities revenue	241	186	(55)	223	+37
Non-refundable deposits received	67	59	(8)	60	+1
Renewal fees income	122	130	+7	120	(10)
Other miscellaneous income	27	18	(8)	16	(1)
Gain on disposition of real estate properties	710	–	(710)	428	+428
Gain on investments in silent partnership	3	7	+4	5	(2)
Operating expenses	7,718	7,991	+272	8,153	+162
Property-related operating expenses	6,275	6,711	+435	6,843	+131
Subcontract expenses	597	622	+24	620	(2)
Property management fees	470	479	+9	480	+0
Trust fees	43	50	+6	38	(12)
Utilities expenses	391	486	+94	555	+69
Property and other taxes	1,065	1,066	+1	1,135	+69
Property tax	1,040	1,041	+1	1,104	+62
Insurance expenses	18	17	(1)	17	+0
Repair expenses	390	456	+65	432	(23)
Other expenses related to rent business	724	903	+179	941	+37
Depreciation	2,573	2,628	+54	2,621	(6)
Selling, general and administrative expenses	1,442	1,279	(162)	1,310	+30
Asset management fees	1,021	898	(123)	904	+5
Property-related operating income and loss	8,806	8,505	(301)	8,263	(241)
NOI (excluding depreciation)	11,380	11,134	(246)	10,885	(248)
Operating income	8,078	7,233	(845)	7,387	+153
Non-operating income	1	0	(1)	0	–
Non-operating expenses	874	886	+12	961	+74
Interest expenses	716	721	+5	788	+67
Ordinary income	7,205	6,346	(858)	6,426	+79
Net income	7,204	6,345	(858)	6,425	+79
Reserve for temporary difference adjustments and allowance for temporary difference adjustments	222	252	+29	940	+687
Reversal of reserve for reduction entry	82	911	+828	–	(911)
Total distributions	7,509	7,509	–	7,365	(144)
DPU (JPY)	1,714	1,714	–	1,681	(33)
Total number of investment units issued and outstanding	4,381,482	4,381,482	–	4,381,482	–

(unit: million JPY)

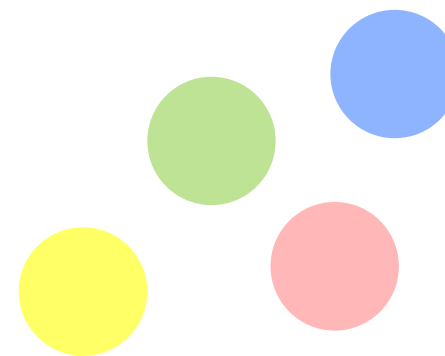
	FP 16 Results (A)	FP 17 Forecast (B)	vs. FP 16 Results (B-A)	FP 18 Forecast (C)	vs. FP 17 Forecast (C-B)
Property-related operating revenue					
(Office building)	6,374	6,279	(94)	6,292	+12
(Residential)	8,197	8,534	+337	8,412	(122)
(Hotel)	511	402	(109)	402	–
Property-related operating income and loss					
(Office building)	4,243	4,035	(207)	3,943	(92)
(Residential)	4,241	4,212	(28)	4,063	(148)
(Hotel)	321	256	(64)	256	(0)
NOI (excluding depreciation)					
(Office building)	5,101	4,897	(203)	4,810	(86)
(Residential)	5,847	5,905	+57	5,742	(162)
(Hotel)	431	331	(100)	332	+1

Analysis of change factors

(unit: million JPY)

	FP 17 (vs. FP 16 Results)	FP 18 (vs. FP 17 Forecast)
Office building		
Lower rent revenue	(37)	Lower rent revenue (23)
Lower utilities revenue	(55)	Higher utilities revenue +35
Higher utilities expenses	(26)	Higher utilities expenses (44)
Higher repair expenses	(30)	Lower repair expenses +27
Higher other expenses related to rent business (higher leasing expenses)	(42)	Higher other expenses related to rent business (higher leasing expenses) (53)
Residential		
Higher property-related operating income (full-year operation of acquisition properties in FP 16)	+88	Lower property-related operating income (planned disposition property in FP 18) (46)
Higher rent revenue (existing property)	+23	Lower property-related operating income (acquisition properties in FP 16) (27)
Higher utilities expenses (existing property)	(54)	Lower rent revenue (existing property) (15)
Higher repair expenses (existing property)	(20)	Higher utilities expenses (existing property) (26)
Higher depreciation (existing property)	(24)	Higher Property tax (existing property) (23)
		Gain on disposition of real estate properties +428
Hotel		
Lower property-related operating income (disposition of The Ritz-Carlton, Kyoto)	(64)	
Loss on disposition of real estate properties (disposition of The Ritz-Carlton, Kyoto)	(710)	
Selling, general and administrative expenses and non-operating profit and loss		
Lower asset management fees	+123	Higher asset management fees (5)
Lower taxes and public charges (fluctuation of taxable sales percentage)	+57	Higher taxes and public charges (fluctuation of taxable sales percentage) (20)
Higher financing costs	(11)	Higher financing costs (76)

Internal Growth



Office Building: Portfolio Status

Portfolio list

(As of the end of Oct. 2022)

	Location	Acquisition Price		Leasable Area		End Tenant Average Rent (JPY/Tsubo)		End Tenant Occupancy Rate	
		(million JPY)	%	(m ²)	%	End of FP 15	End of FP 16	End of FP 15	End of FP 16
Garden City Shinagawa Gotenyama	Shinagawa-ku, Tokyo	71,950	13.0%	38,577.99	6.7%	26,028	26,027	98.6 %	84.5 %
Akasaka Garden City	Minato-ku, Tokyo	50,000	9.0%	21,735.43	3.8%	28,726	28,664	89.4 %	89.4 %
Hommachi Minami Garden City	Osaka-shi, Osaka	44,000	7.9%	29,657.53	5.1%	22,853	22,853	100.0 %	100.0 %
Hommachi Garden City (office portion)	Osaka-shi, Osaka	38,600	7.0%	17,006.94	2.9%	31,898	31,885	100.0 %	100.0 %
HK Yodoyabashi Garden Avenue	Osaka-shi, Osaka	4,400	0.8%	4,554.52	0.8%	17,950	17,950	100.0 %	100.0 %
Hirokoji Garden Avenue	Nagoya-shi, Aichi	6,350	1.1%	4,442.75	0.8%	23,415	23,435	100.0 %	100.0 %
Gotenyama SH Building	Shinagawa-ku, Tokyo	51,500	9.3%	19,999.97	3.5%	30,000	30,000	100.0 %	100.0 %
Office Building Portfolio Total		266,800	48.1%	135,975.13	23.6%	26,697	26,715	97.9 %	93.9 %
The Office Portion of Hommachi Garden City on a Fixed-Rent Master Lease						29,280	29,280	100.0 %	100.0 %
Office Building Portfolio Total (Fixed-Rent Master Lease Taken Into Consideration)						26,363	26,368	97.9 %	93.9 %

Renewal result and trends in leases (including existing tenants returning or adding spaces)

(As of the date of this document)
(cases)

	FP 14	FP 15	FP 16	FP 17 (Forecast)	FP 18 (Forecast)	FP 19 (Forecast)
Sections Due for Renewal	14,379.16m ² (6)	23,050.01m ² (11)	6,847.83m ² (7)	4,854.75m ² (6)	17,303.50m ² (8)	33,671.01m ² (16)
Renewed	12,662.30m ² (6)	22,230.43m ² (9)	4,754.34m ² (6)	3,640.13m ² (4)	13,489.03m ² (3)	— (—)
Vacated	— (—)	△819.58m ² (2)	(2,093.49)m ² (1)	(1,214.62)m ² (3)	(194.67)m ² (1)	(13,313.90)m ² (2)
Space Returned	(1,716.86)m ² (1)	— (—)	(3,345.81)m ² (1)	(1,253.90)m ² (1)	— (—)	— (—)
New/Additional Lease	251.21m ² (1)	2,009.52m ² (3)	— (—)	777.00m ² (1)	194.67m ² (1)	— (—)
Change in Lease Area	(1,465.65)m ²	+1,189.94m ²	(5,439.30)m ²	(1,691.52)m ²	±0m ²	(13,313.90)m ²
Rate of Rent Change	+ 3.6 %	(5.4) %	(1.3) %	—	—	—

* The existing fixed-rent master lease for the office portion of Hommachi Garden City expires May 18, 2024 (however the lease may be terminated before that date).

* "Acquisition price" and percentages for the "leasable area" are provided as percentages of the total portfolio.

* Figures for "Renewal result and trends in leases (including existing tenants returning or adding spaces)" excludes retail tenants of each office building and end tenants in the office portion of Hommachi Garden City, which is on a fixed-rent master lease.

* "FP 17 (forecast)", "FP 18 (forecast)" and "FP 19 (forecast)" is based on available information as of the date of this document and includes new or renewed lease agreements that have not yet been concluded along with figures for which notice to vacate have not yet been received and may change in the future.

Office Building: Operation Status (1) (GC Shinagawa Gotenyama)

Although occupancy expected to recover by the end of FP 18, will decline in FP 19 due to departure



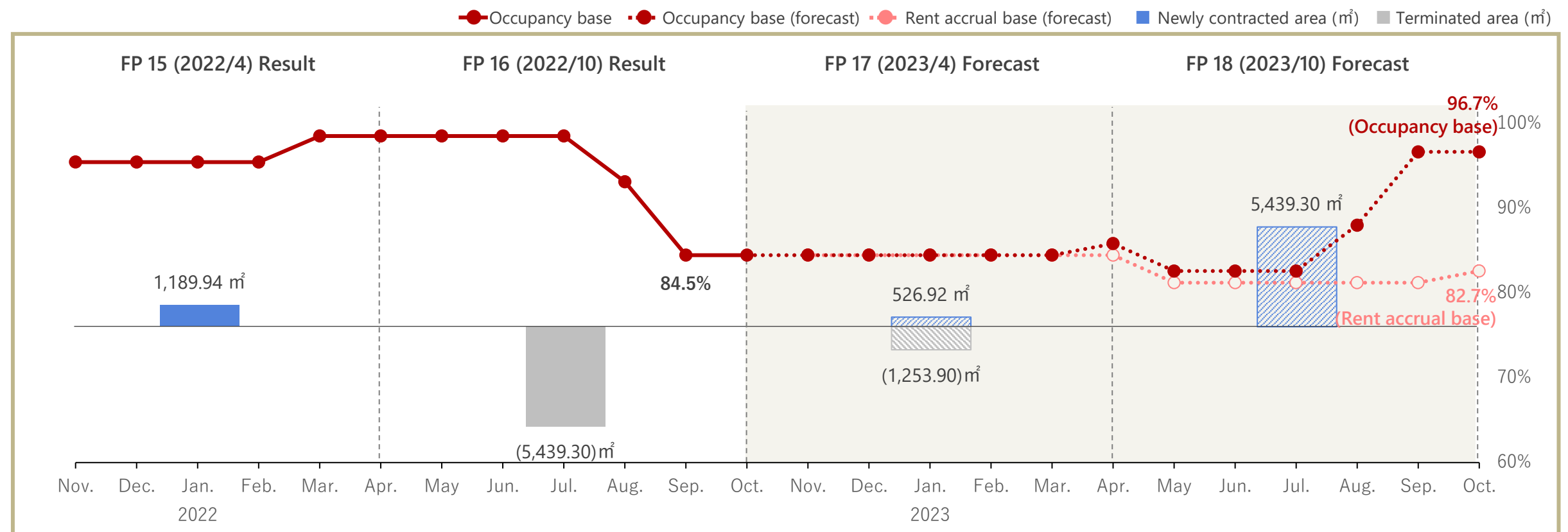
Shinagawa-ku, Tokyo



2022 S Rank

CO₂ Emissions Intensity:
0.0533 t-CO₂/m²
(FY 2021 Results)

Trends in occupancy rates and changes in leasable area



Details of change in leasable area

FP 16 (Ended Oct. 2022)	Presumption of FP 17 (Ending Apr. 2023) and onwards
<p>Continued to implement leasing measures to refill vacant space, yet due to the penetration of hybrid work, the return is stagnant</p> <ul style="list-style-type: none"> Number of vacancies/reduction of floor space: 2 <ul style="list-style-type: none"> (1) End of July 2022; vacancy by 1 tenant ↳ (2,093.49)m² (2) End of August 2022; reduction of floor space by 1 tenant ↳ (3,345.81)m² Executed open house of property <ul style="list-style-type: none"> ↳ Number of viewings: 24 Status of vacancy as of the end of FP 16 <ul style="list-style-type: none"> ↳ 5,966.22m² 	<p>Although the occupancy rate is expected to recover steadily in FP 18, it will temporarily decline in FP 19 due to the departure of a large tenant</p> <ul style="list-style-type: none"> FP 17 <ul style="list-style-type: none"> ↳ New occupancy: 526.92m², Reduction: (1,253.90)m² (1 tenant) FP 18 <ul style="list-style-type: none"> ↳ New occupancy: 5,439.30m², Vacancy/Reduction: none FP 19 and onwards <ul style="list-style-type: none"> ↳ New occupancy: none ↳ Vacancy: (13,126.72)m² (1 tenant) January 2024 Main reason for vacancy: For the integration of office locations

Office Building: Operation Status (2) (Akasaka GC)

Vacancy expected in FP 17; nonetheless aiming to recover occupancy rates to 100% by FP 19



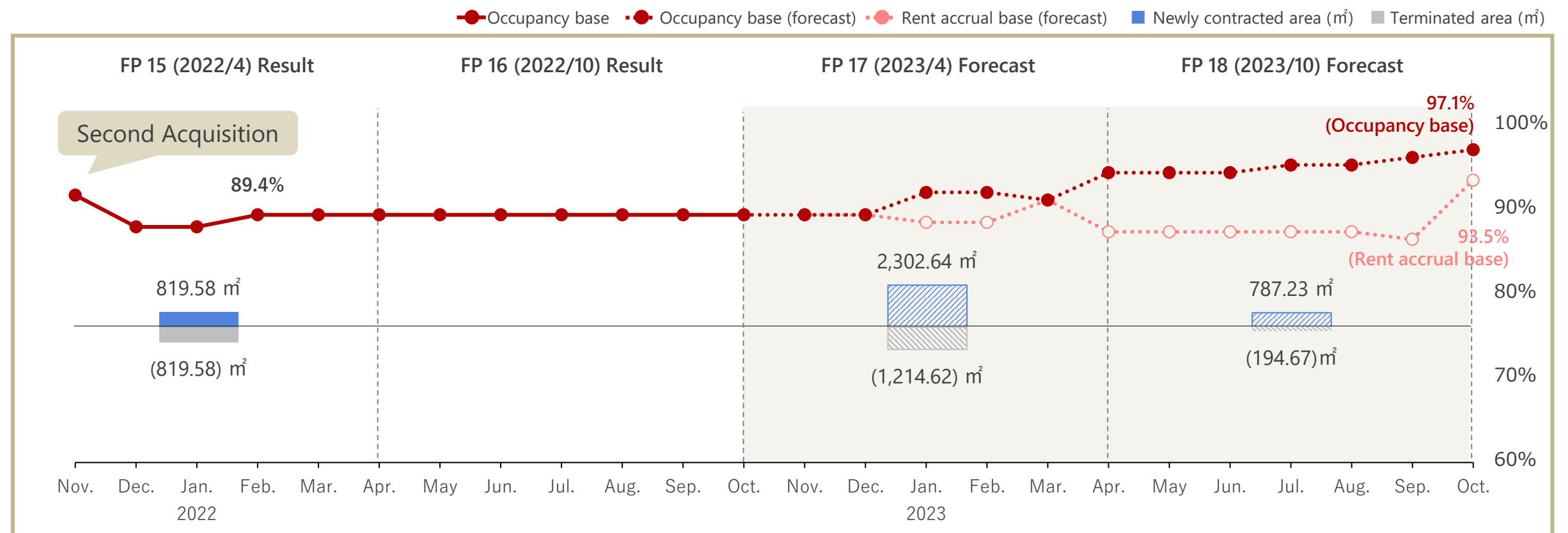
Minato-ku, Tokyo



2020 S Rank, 2022 S Rank

CO₂ Emission Intensity:
0.0579 t-CO₂/m²
(FY 2021 Results)

Trends in occupancy rates and changes in leasable area








Details of change in leasable area

FP 16 (Ended Oct. 2022)	Presumption of FP 17 (Ending Apr. 2023) and onwards
<p>Although the number of viewings are increasing, no new contracts signed; may take some more time to conclude</p> <ul style="list-style-type: none"> Number of vacancies/reduction of floor space: 0 Executed open house of property <ul style="list-style-type: none"> Number of viewings: 47 As a result of surveys to viewers, the conditions are generally met Status of vacancy as of the end of FP 16 <ul style="list-style-type: none"> 2,302.64m² 	<p>Tenants are still scheduled to vacate in FP 17, however, occupancy is expected to recover to 100% in FP 19</p> <ul style="list-style-type: none"> FP 17 <ul style="list-style-type: none"> New occupancies: 2,302.64m² → of which 777.00m² (1 tenant) relocating within the building due to floor expansion Vacancies: (1,214.62)m² (3 tenants) FP 18 <ul style="list-style-type: none"> New occupancies: 787.23m² → of which 194.67m² (1 tenant) replacing vacancy Vacancy: (194.67)m² (1 tenant) FP 19 and onwards <ul style="list-style-type: none"> New occupancy: 622.06m², Vacancies: none

Office Building: Operation Status (3)

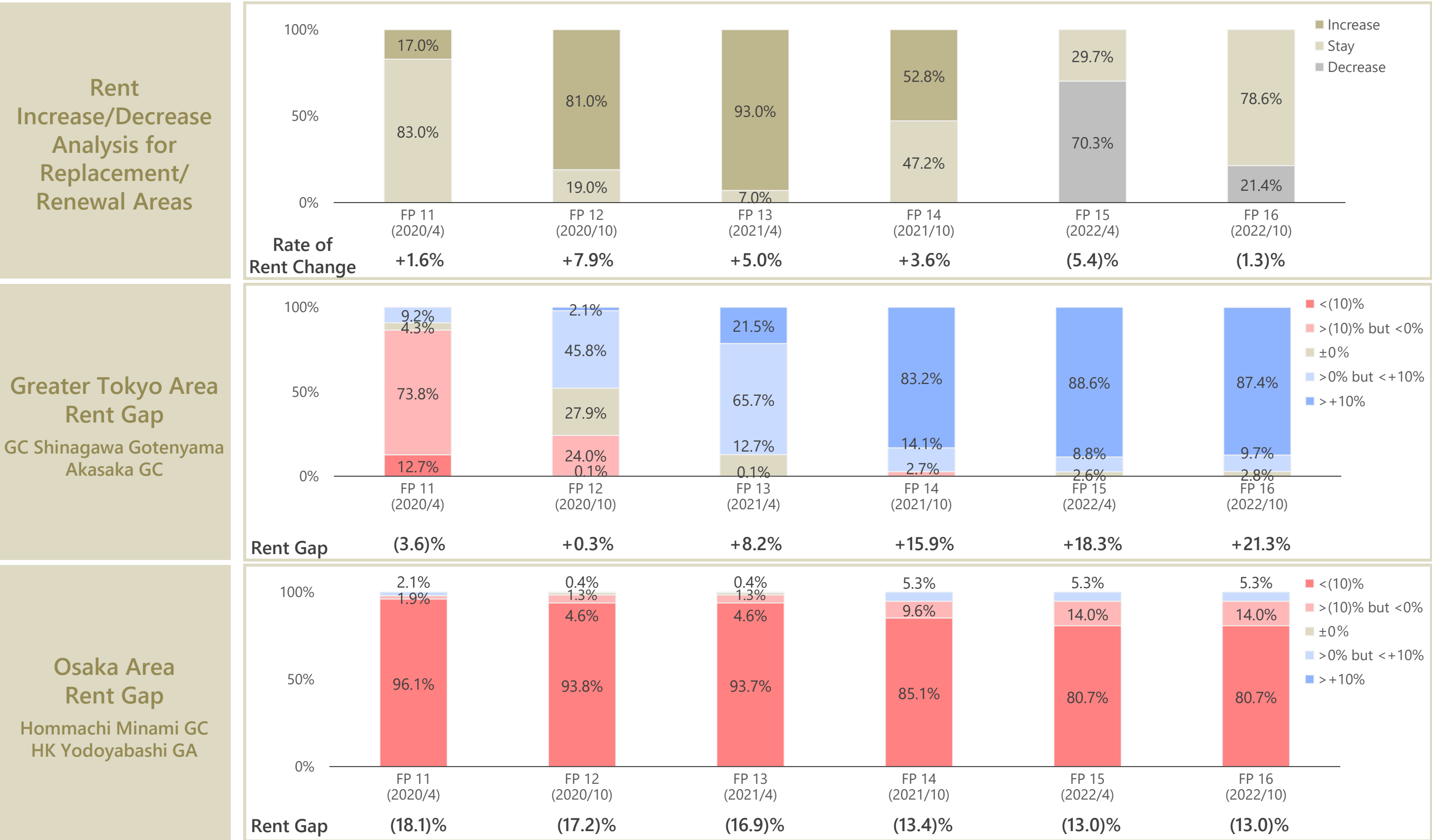
The occupancy rate of office buildings located in Osaka and Nagoya areas and Gotenyama SH Building remains at 100%

	 <p>Hommachi Minami Garden City</p>	 <p>Hommachi Garden City (Office Building Portion)</p>	 <p>HK Yodoyabashi Garden Avenue</p>	 <p>Hirokoji Garden Avenue</p>	 <p>Gotenyama SH Building</p>
Location	Osaka-shi, Osaka	Osaka-shi, Osaka	Osaka-shi, Osaka	Nagoya-shi, Aichi	Shinagawa-ku, Tokyo
Occupancy Rate (End of FP 16)	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Average Rent	22,853 JPY/tsubo	29,280 JPY/tsubo	17,950 JPY/tsubo	23,435 JPY/tsubo	30,000 JPY/tsubo
Current Status	<ul style="list-style-type: none"> ■ Maintaining occupancy rate at over 99% since June 2019 when an additional acquisition was made 	<ul style="list-style-type: none"> ■ Renewed a fixed-rent master lease agreement with Sekisui House under the same conditions (to expire on May 18, 2024) 	<ul style="list-style-type: none"> ■ Maintaining occupancy rate of 100% since February 2017 ■ No fixed-term lease deadline until the end of October 2025 (mainly five-year leases) 	<ul style="list-style-type: none"> ■ Maintaining occupancy rate of 100% since May 2016 ■ Sekisui House Real Estate Chubu occupying approximately 70% of the total leasable area 	<ul style="list-style-type: none"> ■ Single tenant property ■ Concluded a long-term lease (20 years) (8.2 years to expiry)

* "Average Rent" of the Hommachi Garden City (Office Building Portion) is based on a fixed-rent master lease agreement, thus the average rent is based on this agreement. In addition, there is revenue-linked rent when the revenue earned by the master lessee exceeds a certain amount.

Office Building: Rent Status

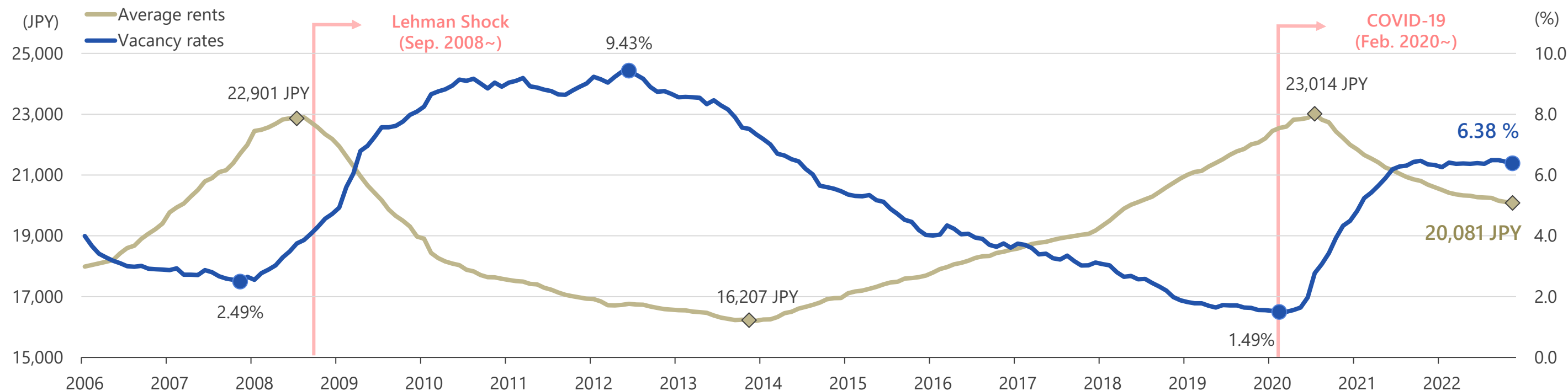
Occupancy is emphasized and rent reductions are expected to continue in Greater Tokyo area; efforts are being made to assertively increase rents in Osaka area



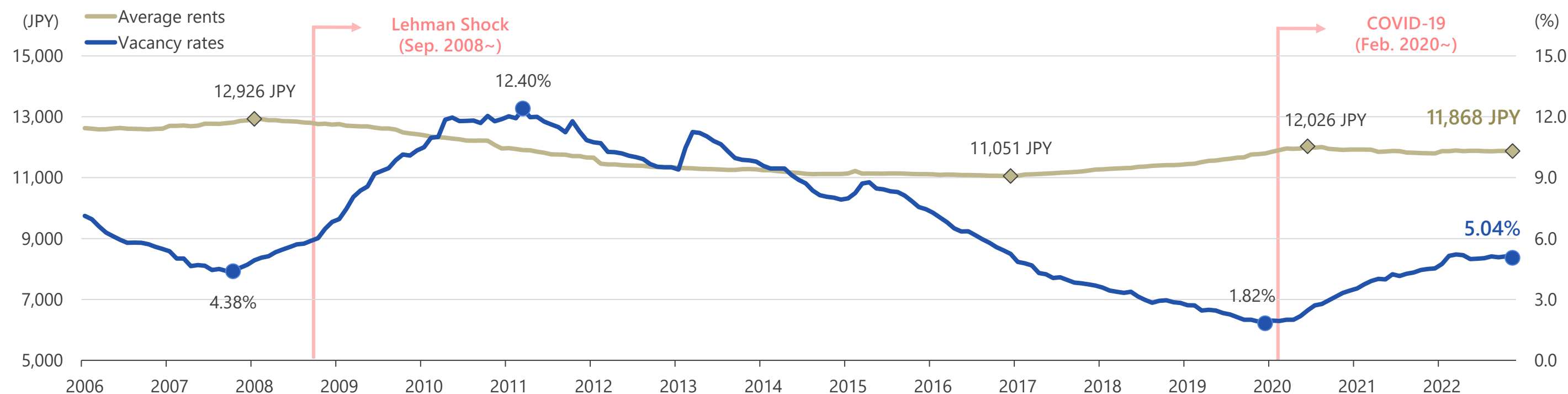
* The rent gap is calculated based on the office building portfolio at the end of each fiscal period, excluding Gotenyama SH Building, of which the entire building is rented out to a single tenant, and Hommachi Garden City (Office Building Portion), which employs a fixed-rent master lease.

Office Building: Market Trends

Average rents and vacancy rates in Tokyo's business districts



Average rents and vacancy rates in Osaka's business districts




* Information on "Average rents and vacancy rates in Tokyo's business districts" "Average rents and vacancy rates in Osaka's business districts" are prepared by SHAM based on Office Market Data by Miki Shoji Co., Ltd.

* Tokyo's business districts: 5 wards of central Tokyo (Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku, Shibuya-ku)

* Osaka's business districts: major 6 districts (Umeda district, Minamimorimachi district, Yodoyabashi-Hommachi district, Funaba district, Shinsaibashi/Namba district, Shin-Osaka district)

Office Building: Future Initiatives

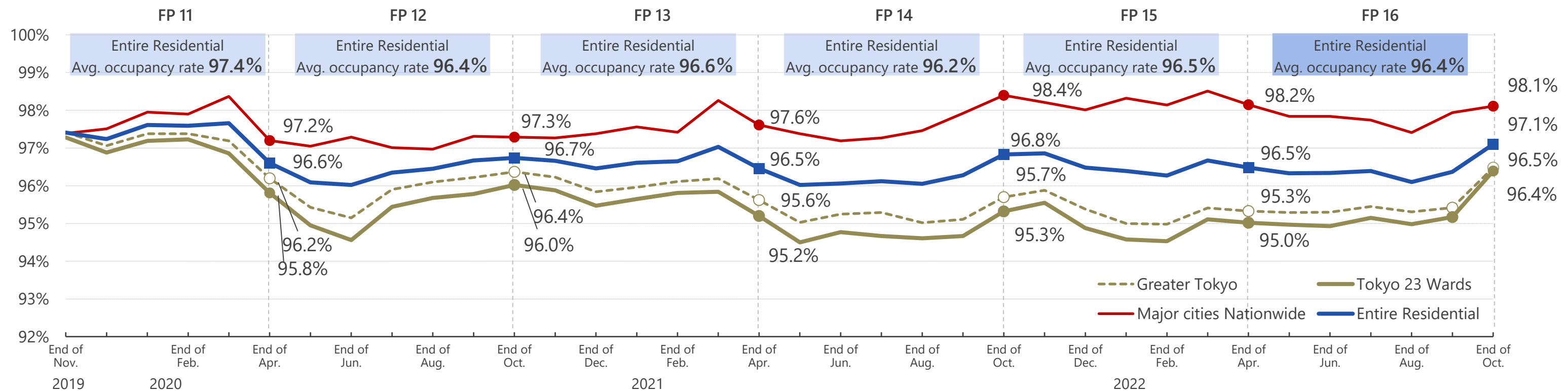
In addition to promoting and strengthening leasing activities, aiming to improve well-being from a medium to long term perspective

Challenges	<div>■ Walking Distance from Nearest Station (Regarding Tokyo Office Buildings)</div> <div>GC Shinagawa Gotenyama: 12-min walk from "Shinagawa" & "Gotanda" station; 10-min walk from "Osaki" station</div> <div>Akasaka GC: 8-min walk from "Akasaka-mitsuke", "Nagatacho" & "Aoyama-itchome" station</div>	<div>■ Change in Office Needs Accompanying New Work Styles</div> <div>Although the move to vacate and reduce floor space due to COVID-19 has somewhat subsided, the recovery in office demand continues to be slow with the infiltration of hybrid work</div>	<div>■ The Impact of Large Office Supply Starting 2023</div> <div>The supply and demand for offices is expected to relax with the large supply anticipated in central Tokyo from 2023 onwards</div>
Policy/ Counter- measures	<div>■ Initiatives to Promote and Strengthen Leasing</div> <div>①Efforts to strengthen circulation of property information (to view the property)</div> <div><div><div>> VR tour (Akasaka GC)</div><div>↳ Considering similar measures at GC Shinagawa Gotenyama</div></div><div><div>> Open house viewings</div><div>↳ More than 70 companies came for the 2 Tokyo office buildings</div><div>↳ Based on the viewing questionnaire</div><div>• Conditions are generally appropriate</div><div>• Walking distance from nearest station is a concern</div><div>➔ GC Shinagawa Gotenyama was praised for its coverage of more than 130 shuttle buses on weekdays from 2 major stations</div></div><div>> Environment that is easy for brokers to guide</div></div> <div>②Efforts that lead to contracts (to select the property)</div> <div><div>> Flexible leasing activities to prioritize occupancy rates</div><div>↳ Review of required conditions as needed</div><div>↳ Campaign to reduce the initial costs upon occupancy</div></div> <div>> Consider using a guarantor company to reduce security deposit burden</div>	<div>Akasaka Garden City 【Watch VR Tour】</div> <div></div> <div>■ Initiatives to Improve the Well-Being of Office Workers</div> <div>Aim to acquire the highest "S Rank" in CASBEE Wellness Office Evaluation Certification for owned property (GC Shinagawa Gotenyama) and implement measures to contribute to well-being</div> <div><div>• In addition to "basic performance" such as "health/comfort", "convenience", and "safety", evaluation is based on "program" items including "operation management", mental health measures and medical services</div><div>• Building specifications (degree of freedom in space planning, exterior/interior design, refreshment space, universal design, information infrastructure, building maintenance management, etc.), planting, safety (seismic isolation structure), and robustness of security is expected to be recognized</div></div>	

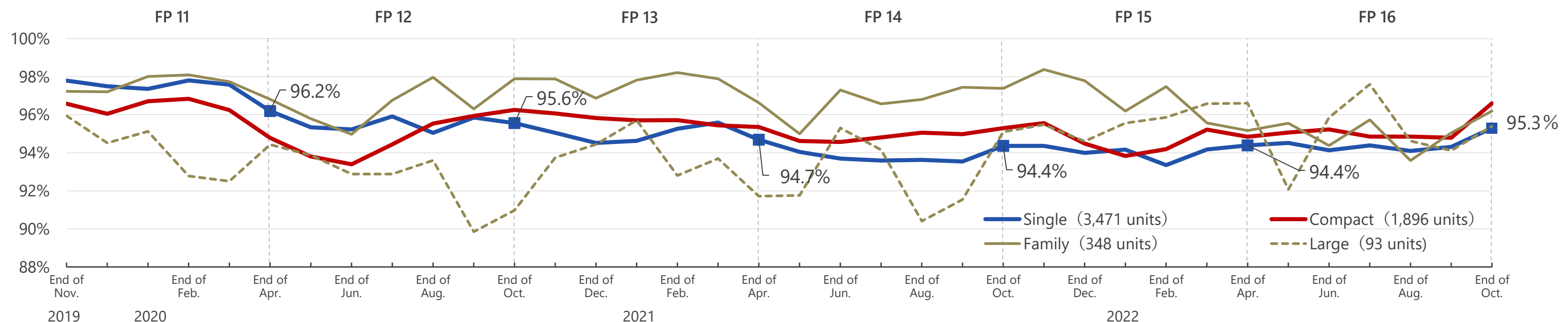
Residential: Portfolio Status

Occupancy rate remains stable at 96% range & recovered to 97.1% at the end of Oct.
Tokyo 23 wards Single-type also showed recovery to 95% range at the end of Oct; expect further recovery in demand due to the rise in the active job openings-to-applicants ratio

Residential occupancy rate by area



Residential occupancy rate by room type in Tokyo 23 wards



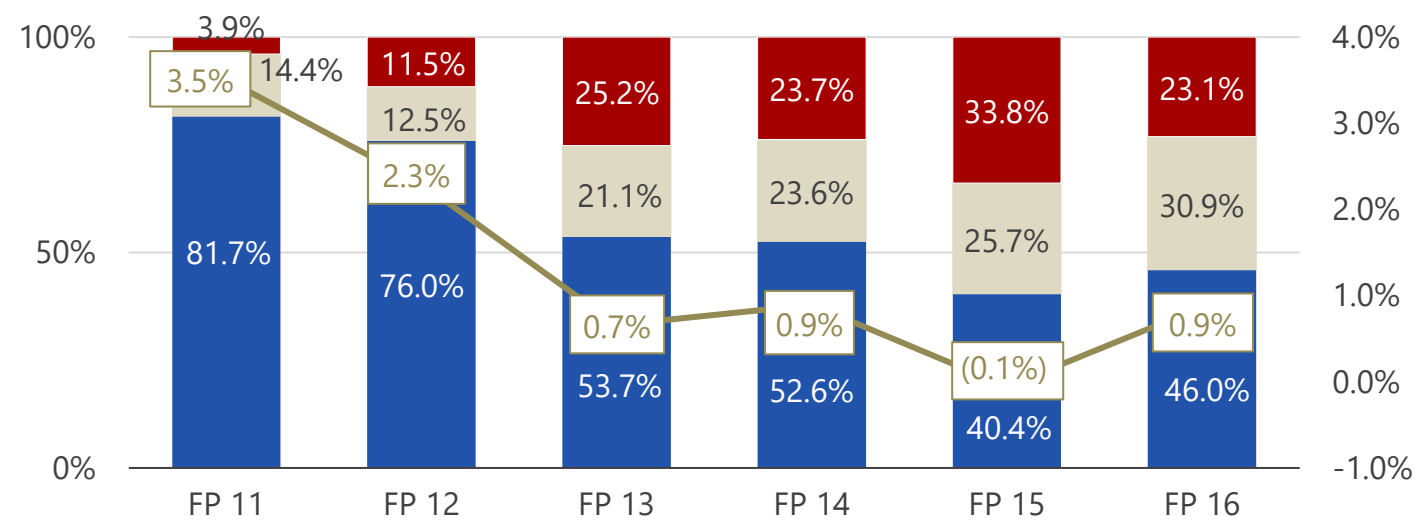
* For the definitions of "Single type", "Compact type", "Family type", and "Large type", please refer to P.66.
* The number of units in Residential occupancy rate by room type in Tokyo 23 wards is as of the end of October 2022.

Residential: Rent Trends

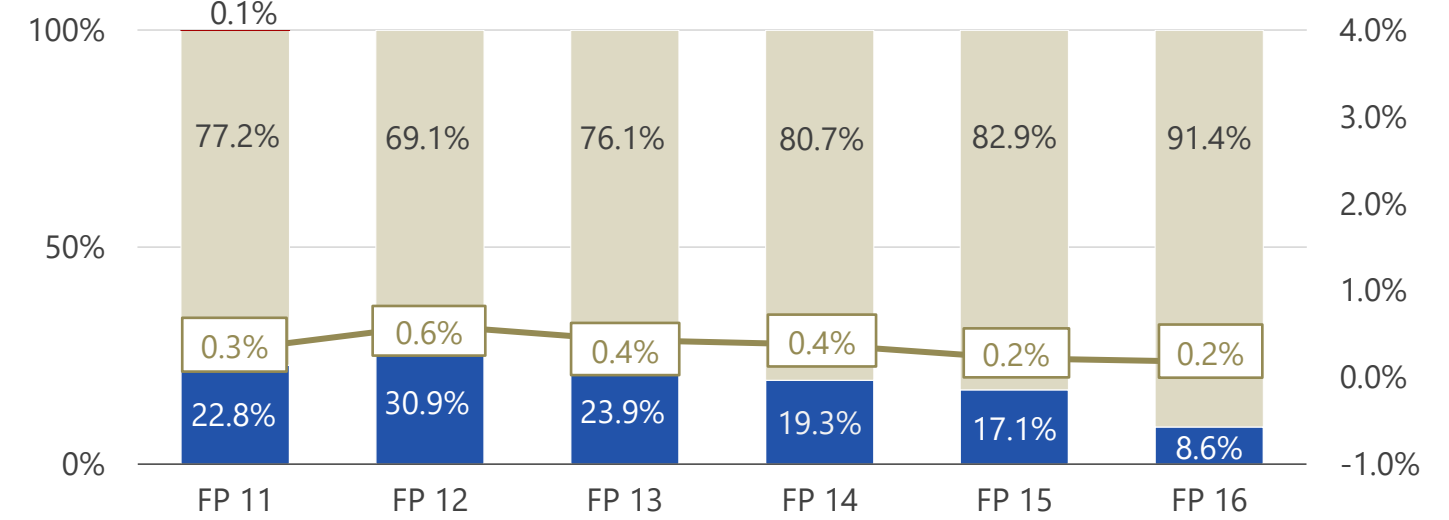
Change in rent rate increased to 0.9%; Single-type rent volatility bottomed out and trended upward
Non-refundable deposit received recovered moderately, and rate of renewal remains high

■ Decreased rent ratio ■ No change in rent ratio ■ Increased rent ratio — Change in rent (net) rate

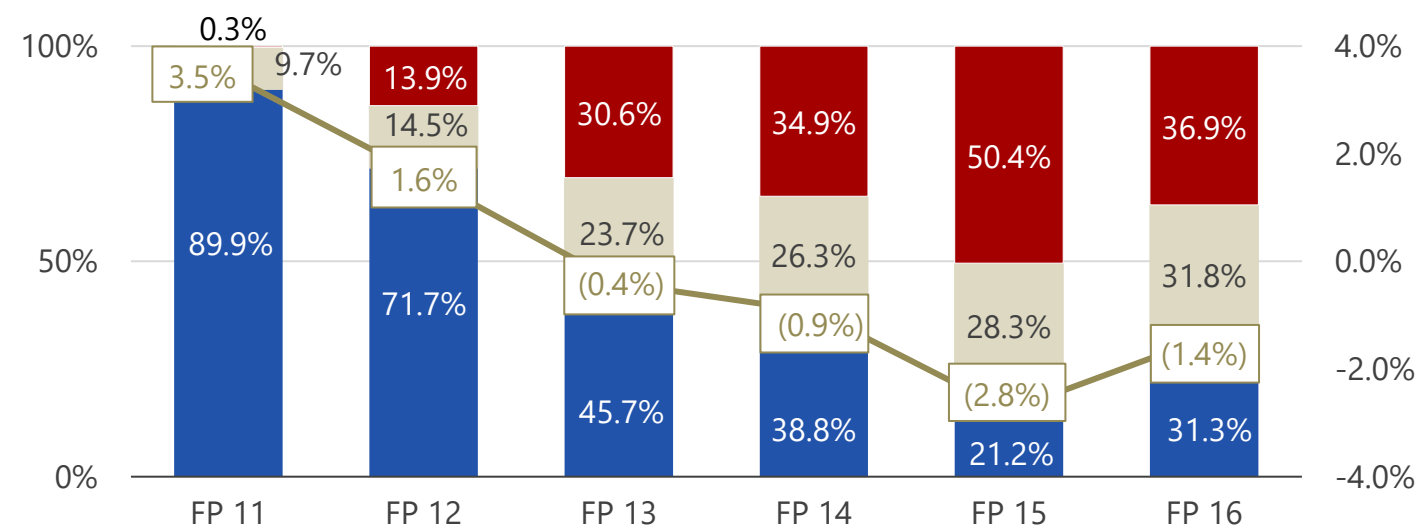
Rent trend in new contract



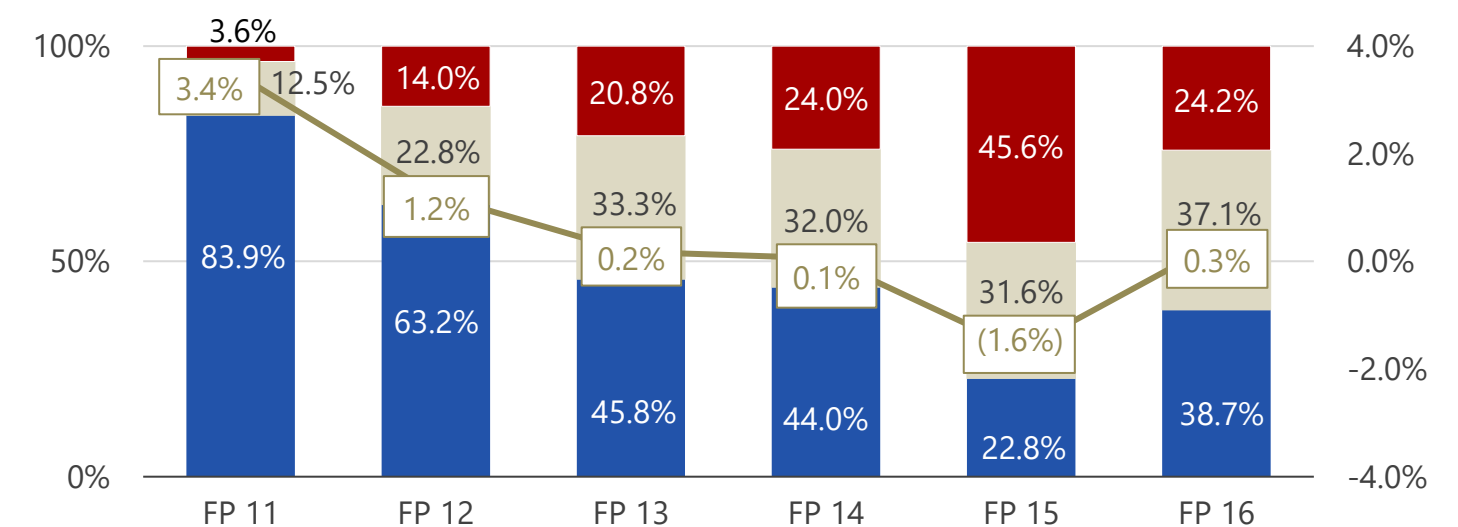
Rent trend in renewal contract



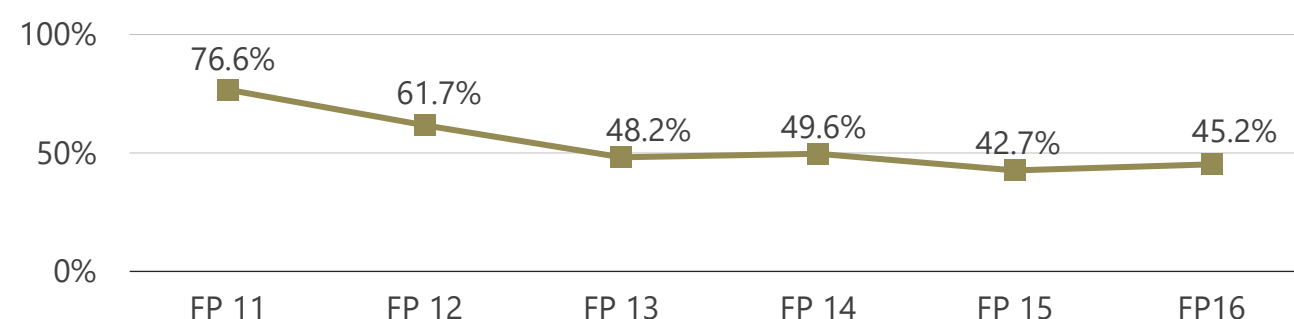
Rent trend in new contract (Tokyo 23 wards/single-type)



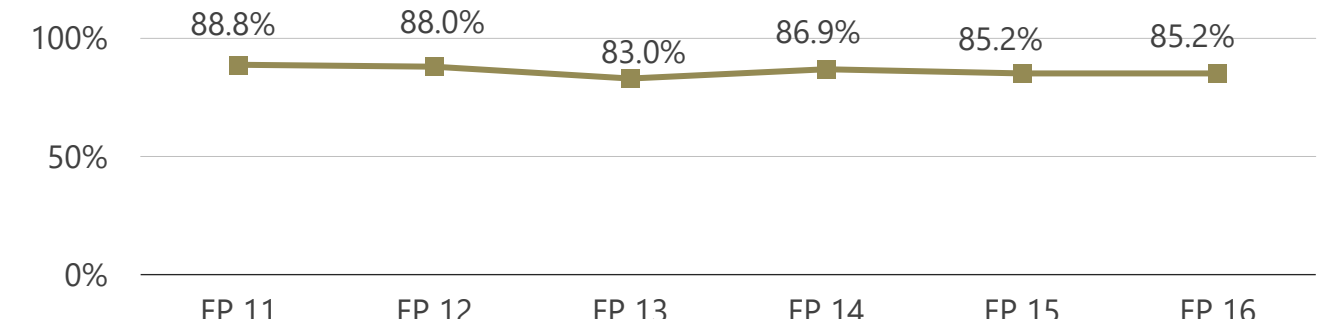
Rent trend in new contract (Major cities nationwide/single-type)



Non-refundable deposit received



Rate of renewal

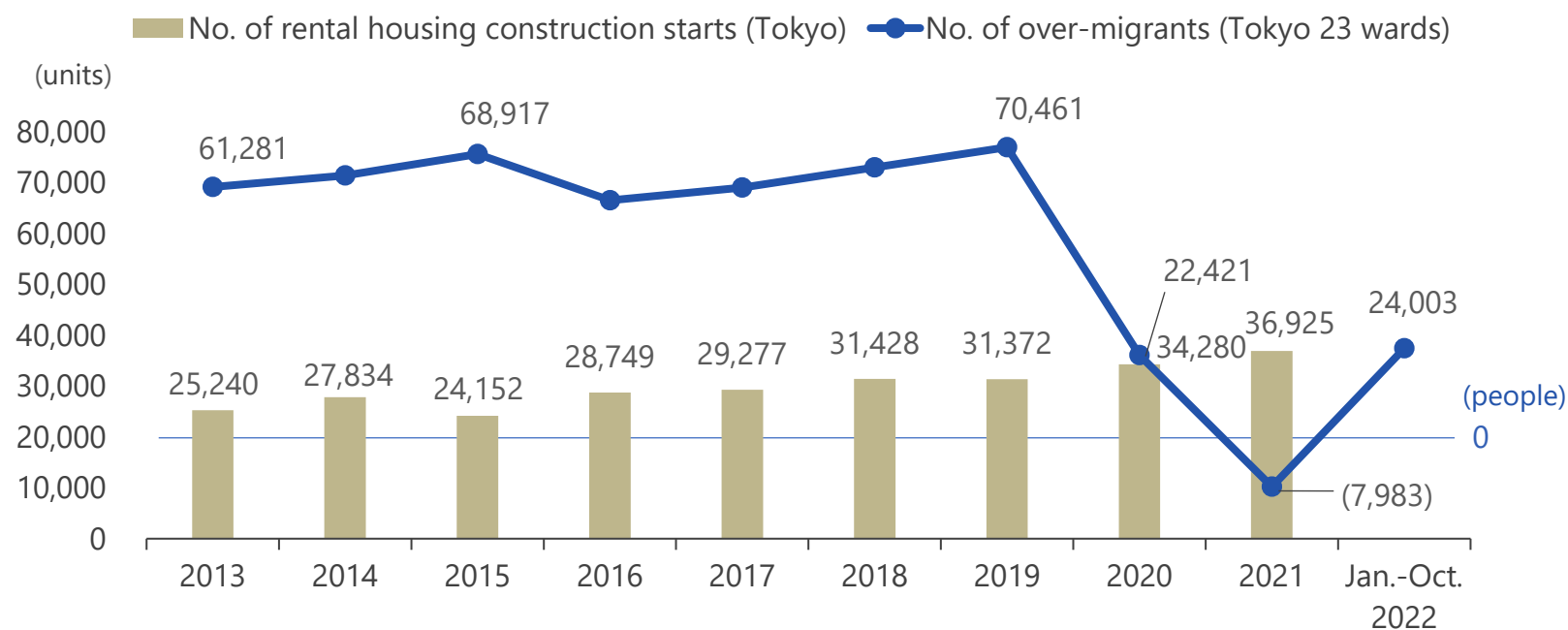


* Monthly rent comparison of new contract and renewal contract is calculated including utilities.

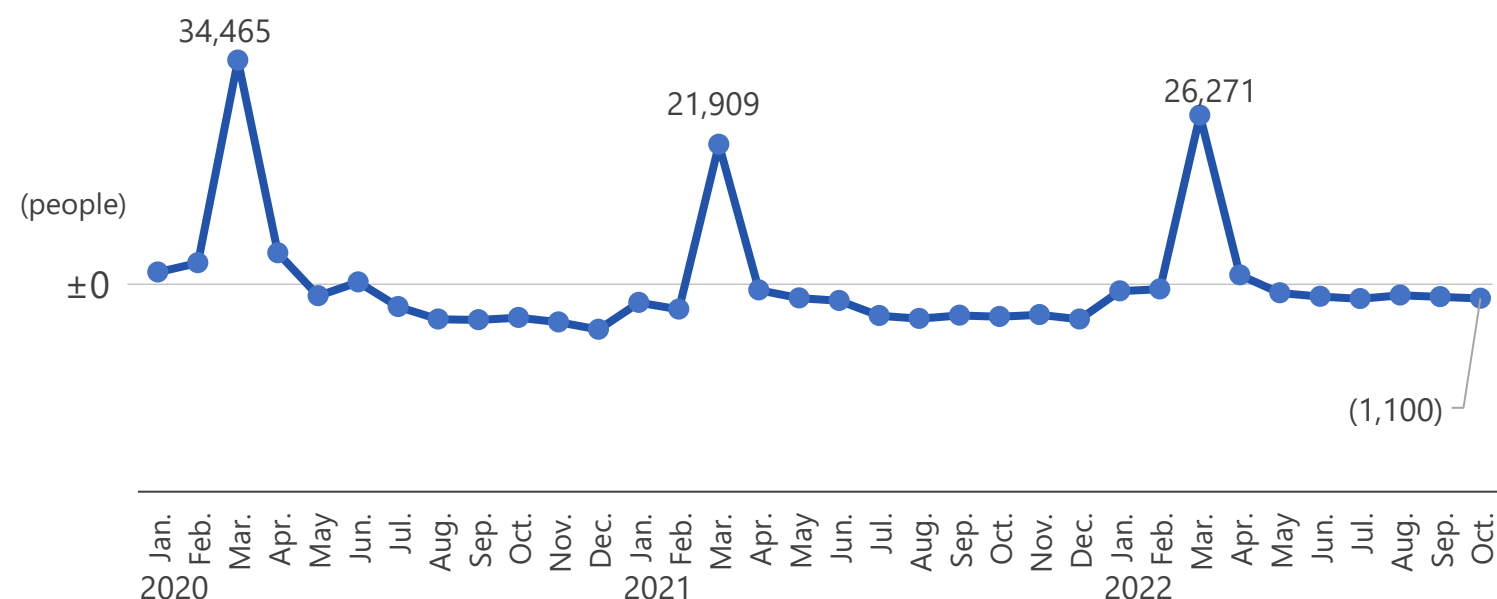
Residential: Market Trends

Cumulative population change remains positive in Tokyo from Jan. to Oct. of 2022; influx seen from and around Kanto area. Further population growth anticipated at the turn of FY, can expect full-fledged recovery in residential market of Tokyo 23 wards

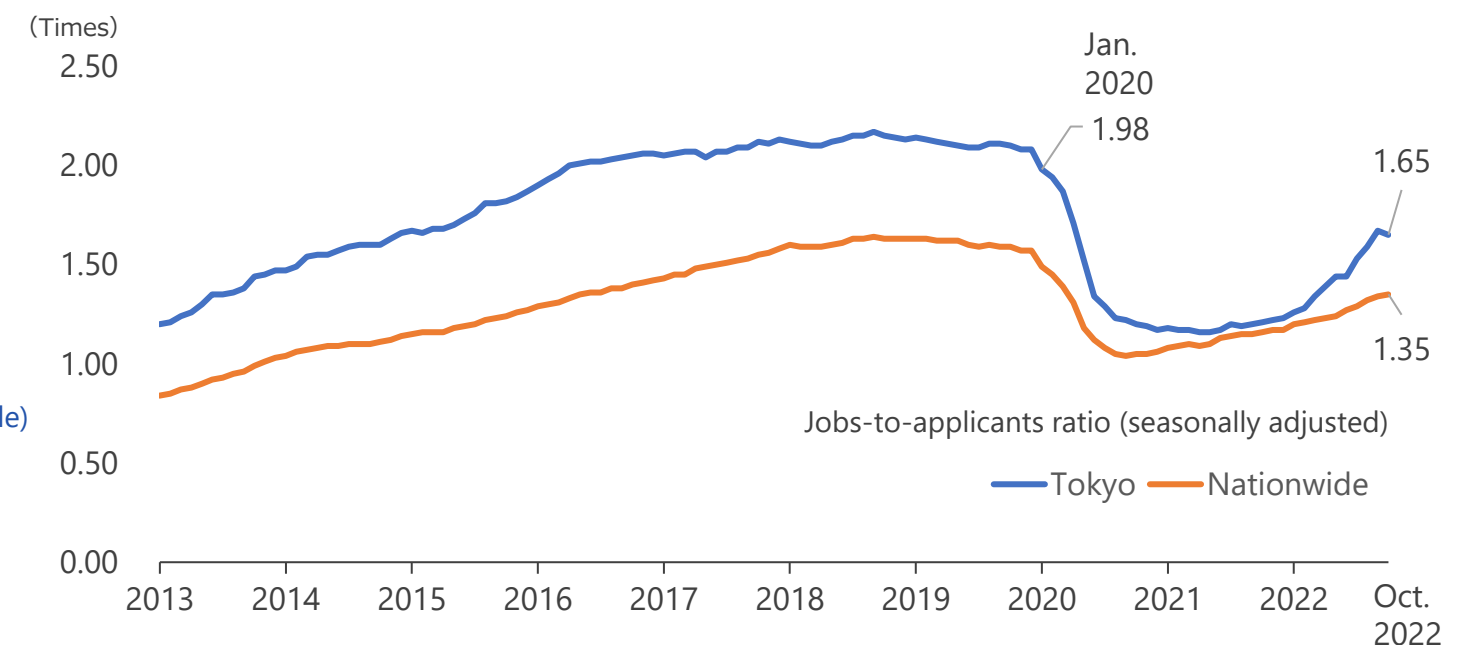
Population change (Tokyo 23 wards/Japanese/yearly) & rental housing construction starts (Tokyo/yearly)



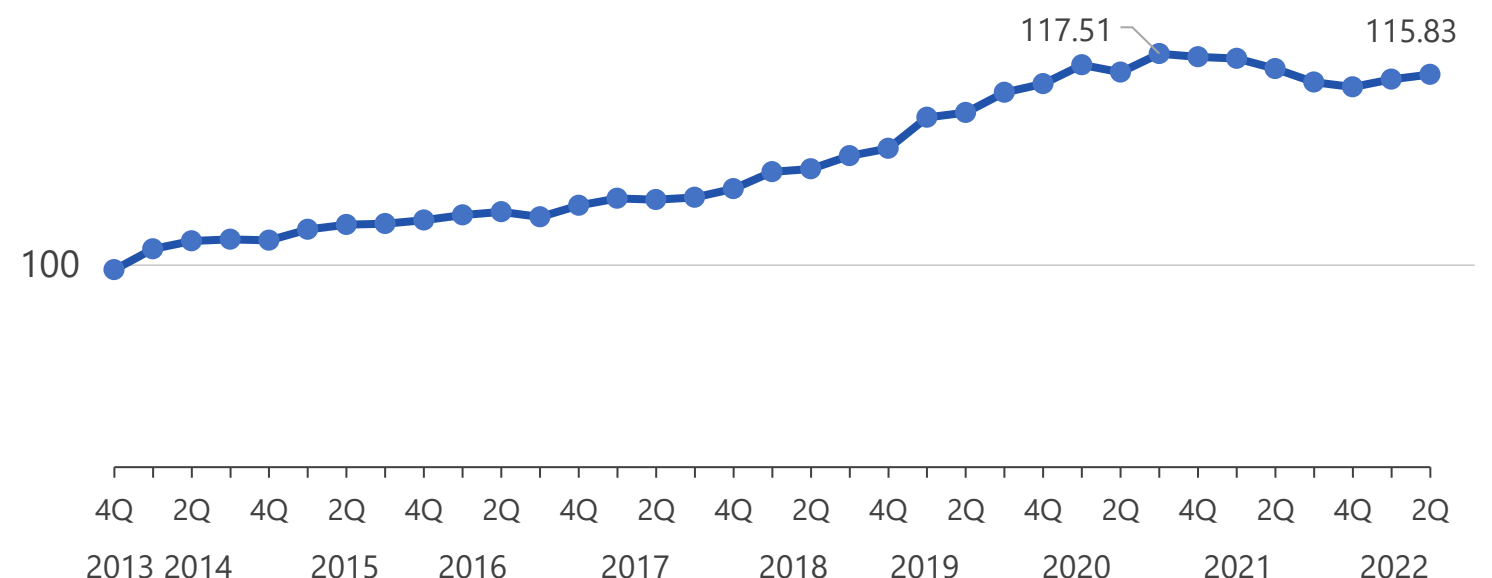
Population change (Tokyo 23 wards/Japanese/monthly)



Jobs-to-applicants ratio (seasonally adjusted/monthly)




Apartment rent index (Tokyo 23 wards/quarterly)



* New rental housing construction 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 on 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 18m² up to less than 100m²) uses values as of Q4 2013 as 100.
 * "Q1": January to March, "Q2": April to June, "Q3": July to September, "Q4": October to December

Residential: Future Initiatives

Improve competitiveness for single type; urge rent increase for family & large type

Challenges	<div> <div> <p>■ Although Occupancy Rate Bottomed Out, Recovery in Rent Volatility is Gradual</p> <ul style="list-style-type: none"> ↳ Family type & large type in strong demand, but single type of Tokyo 23 wards slow to recover ↳ Hybrid work progresses with COVID-19; strong demand for comfort such as the number and size of rooms </div> <div> <p>■ Countermeasures Against Cost Increase</p> <ul style="list-style-type: none"> ↳ Hike in electricity charges due to soaring fuel prices ↳ Increase in various fees due to increased personnel expenses ↳ An environment in which rent increases due to cost increases is difficult </div> <div> <p>■ Rent Increase for Single Type</p> <ul style="list-style-type: none"> ↳ Single type of Tokyo 23 wards continues to focus on occupancy, thus no increase in rent ↳ Recognize the need for measures to increase value that leads to selection </div> <div> <p>■ Relative Decline in Competitiveness Due to Maturity and Individual Factors</p> <ul style="list-style-type: none"> ↳ Recognize the need to increase property value where competitiveness has declined due to building maturity, etc. </div> </div>
Policy/Counter-measures	<div> <div> <p>■ Implement Measures Determined for Each Property to Achieve Rent Increase</p> <div> <p>① Promote rent increase for family type & large type</p> <ul style="list-style-type: none"> ↳ Strong demand for family type & large type; actively working to increase rents </div> <div> <p>② Efforts to Increase Property Value</p> <ul style="list-style-type: none"> ↳ For building maturity and overall maintenance, implement large-scale repairs such as renewal of common areas and interior upgrades of exclusive areas </div> </div> <div> <p>(e.g.)</p> <ul style="list-style-type: none"> • Upgrade flooring & wall materials for common corridors & lounges at properties targeting the wealthy • Pursuit of comfort by adding ceiling fan with lights, ventilated fixtures and wall materials with humidity control functions • Create a sense of sophistication by installing artificial greenery and flower arrangements in the lobby </div> </div> <div> <div> <p>■ Measures to Improve Occupancy Rates</p> <div> <p>① Shorten restoration period</p> <ul style="list-style-type: none"> ↳ Minimize loss of profit opportunities </div> <div> <p>② Enhance Ecological/Comfort Value</p> <ul style="list-style-type: none"> ↳ Avoid commoditization & differentiate from competing properties </div> <div> <p>③ VR Tour</p> <ul style="list-style-type: none"> ↳ Virtual model room viewing </div> </div> <div> <p>(e.g.)</p> <ul style="list-style-type: none"> • Replace plumbing equipment • Promote acquisition of green certification • Circulate environmental data via elevator projectors • Install LED lighting with speakers • Install aroma diffusers (common area) • Install Wi-Fi • Install free internet • VR tour QR code <div> <p>Prime Maison Itabashi</p> <p>[Watch VR Tour]</p>  </div> </div> </div> <div> <div> <p>■ Measures to Reduce Cost</p> <ul style="list-style-type: none"> ↳ Consider ideas for cost reduction </div> <div> <p>(e.g.)</p> <ul style="list-style-type: none"> • Cost cutting methods to maintain business quality in BM operations • Consider the introduction of cost cut breakers </div> </div>

Residential: Value Increasing Initiatives

With large-scale/repair work, renewed common areas & upgraded the interior of exclusive areas

■ Wood Deck Replacement (Esty Maison Shirokanedai)

- In July 2022, changed natural wood to **a material that uses environmentally-friendly recycled wood and high-quality resin** to achieve durability and a luxurious appearance
- With the impact of other measures, succeeded in increasing rent

BEFORE



*Occupancy period: 8 years

AFTER



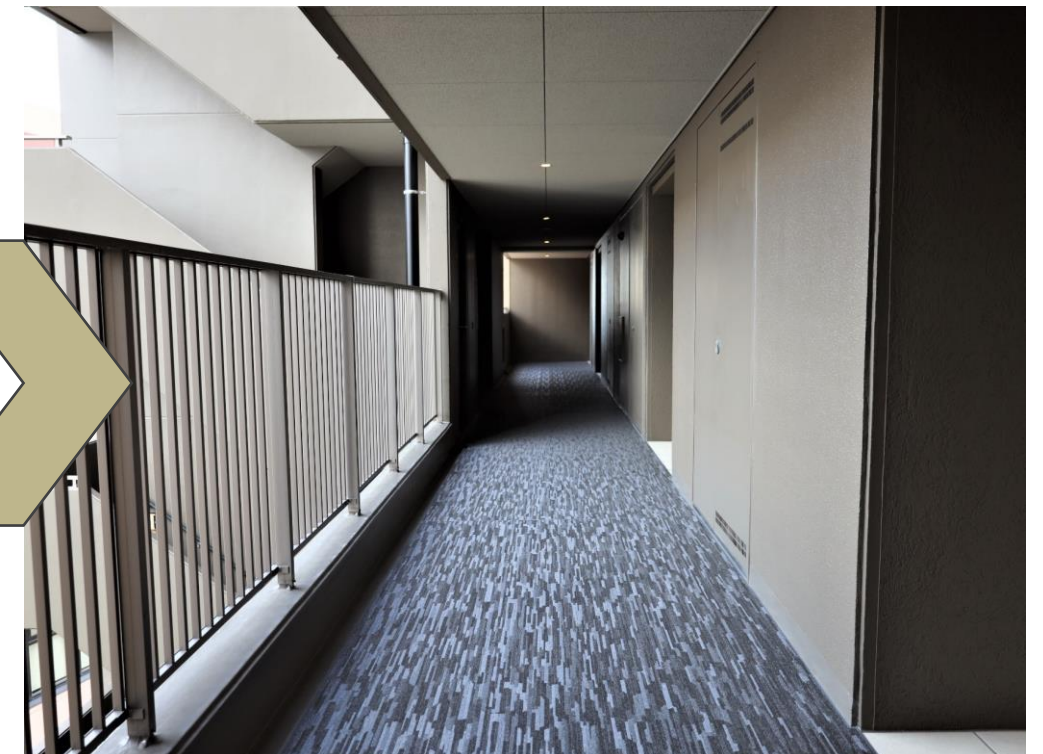
■ Common Area Renovations (Prime Maison Higashisakura)

- Completed **large-scale repair work** during FP 16 (ended Oct. 2022)
- Renovated mainly the common areas including corridors, elevator halls, and entrances
- By unifying with calm and chic tones, **created a sense of luxury**

BEFORE



AFTER



Hotel: Operation Status

Will consider reacquisition of hotel once travel demand recovers and stable earnings can be expected

▶ Hotel market conditions and policy

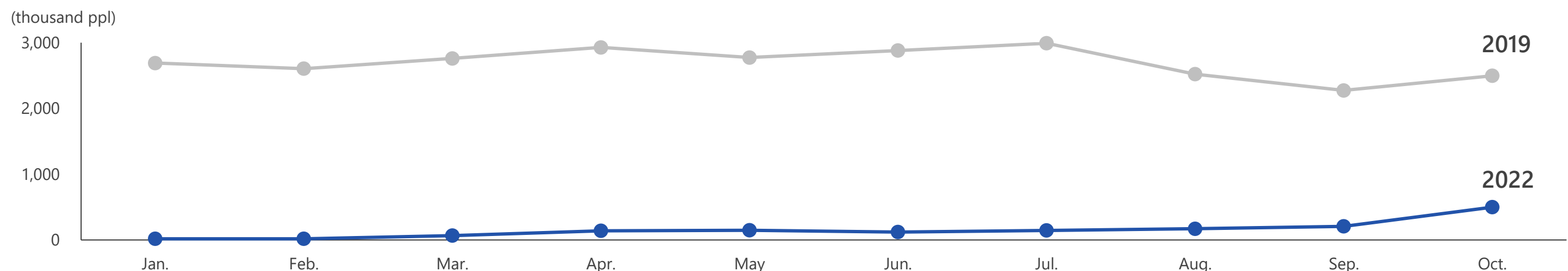
Current Hotel Market (Travel Demand)

- Starting Oct. 11, inbound travel demand from overseas is recovering due to the drastic relaxation of border entry measures along with the weak JPY
- The number of foreign visitors to Japan in October was 490 thousand people, an increase of about 2.5 times compared to the previous month. However, compared to pre COVID-19 results in 2019, the recovery rate is still roughly 20%
- With the rise of the 8th COVID-19 wave and the number of infections on the rise, travel demand is still unstable

Current Hotel Status and Ownership Policy

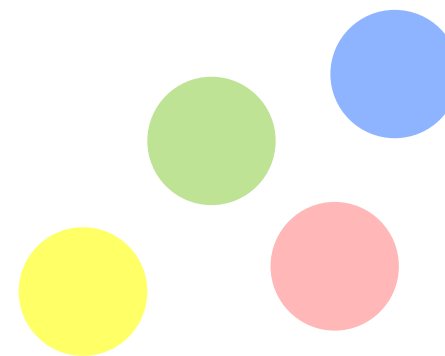
- Disposed of The Ritz-Carlton, Kyoto in August upon the determination that revenue from variable rent cannot be expected for the long term. As a result, a gain on disposition of 710 million JPY was recorded, securing funds for stabilizing distributions
- With it transferred back to Sekisui House, the property has returned to the sponsor pipeline, and SHR continues to retain preferential negotiation rights. Once it is determined that travel demand has recovered and stable earnings can be obtained, will consider reacquisition
- Earnings for The St. Regis Osaka is stable due to the adoption of a fixed-rent master lease
*master lease contract renewed in May 2022 (2-year lease)

▶ Trend in the number of foreign visitors to Japan



* "Trends in the number of foreign visitors to Japan" is created by SHAM based on the data "Number of foreign visitors to Japan (estimate for October 2022)" provided by the Japan National Tourism Organization (JNTO).

External Growth



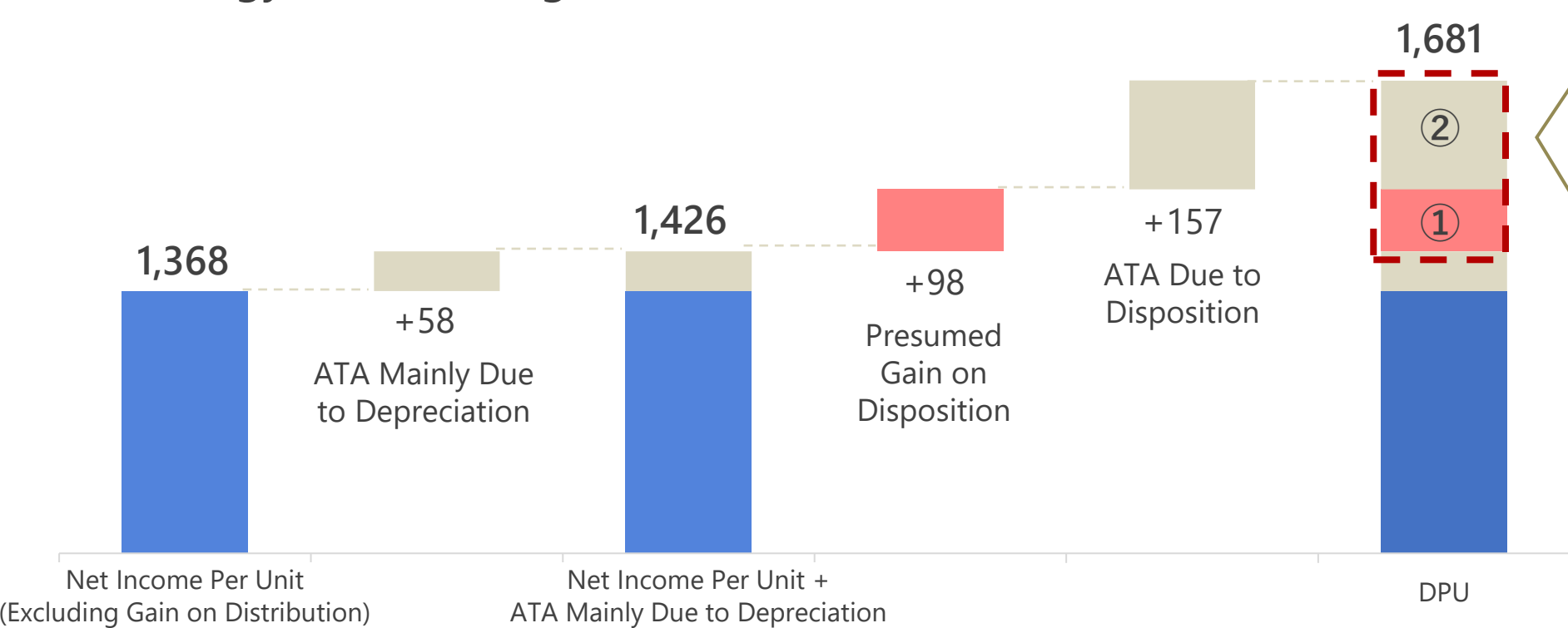
Future Distribution Policy

Policy is to maintain DPU around 1,700 JPY, and implement/consider raising distribution levels using unrealized gains

(unit: million JPY)

Medium to Long Term Policy			
Maintain and improve continuously stable distributions Internal reserves will be utilized until FP ending Apr. 2023 (FP 17)			
<ul style="list-style-type: none"> ■ Raise performance-based DPU levels from internal growth such as early leasing of vacant office building lots and rent increases for residentials (excluding gains on disposition) ■ Strengthen & expand earnings base through external growth including asset acquisitions utilizing acquisition capacity and public offerings ■ Record gains on disposition via asset replacement aimed at improving portfolio quality ■ Consider buybacks based on market trends ■ Utilize distributions in excess of profits as ATA (Allowance for Temporary Difference Adjustments) 			
	FP 16 (2022/10) Results	FP 17 (2023/4) Forecast	FP 18 (2023/10) Forecast
Reversal of Internal Reserve	305	1,105	
Reversal of RTA	222	194	
Reversal of Reserve for Reduction Entry	82	911	
Internal Reserve at the End of the Period	1,105	–	
Balance of RTA	194	–	
Balance of Reserve for Reduction Entry	911	–	
Distributions in Excess of Profits Using ATA		58	940
Amount Corresponding to Discrepancies Between Tax and Accounting Reporting	222	252	940
Distribution Per Unit (JPY)	1,714	1,714	1,681

DPU Strategy for FP Ending Oct. 2023 (FP 18) Forecast

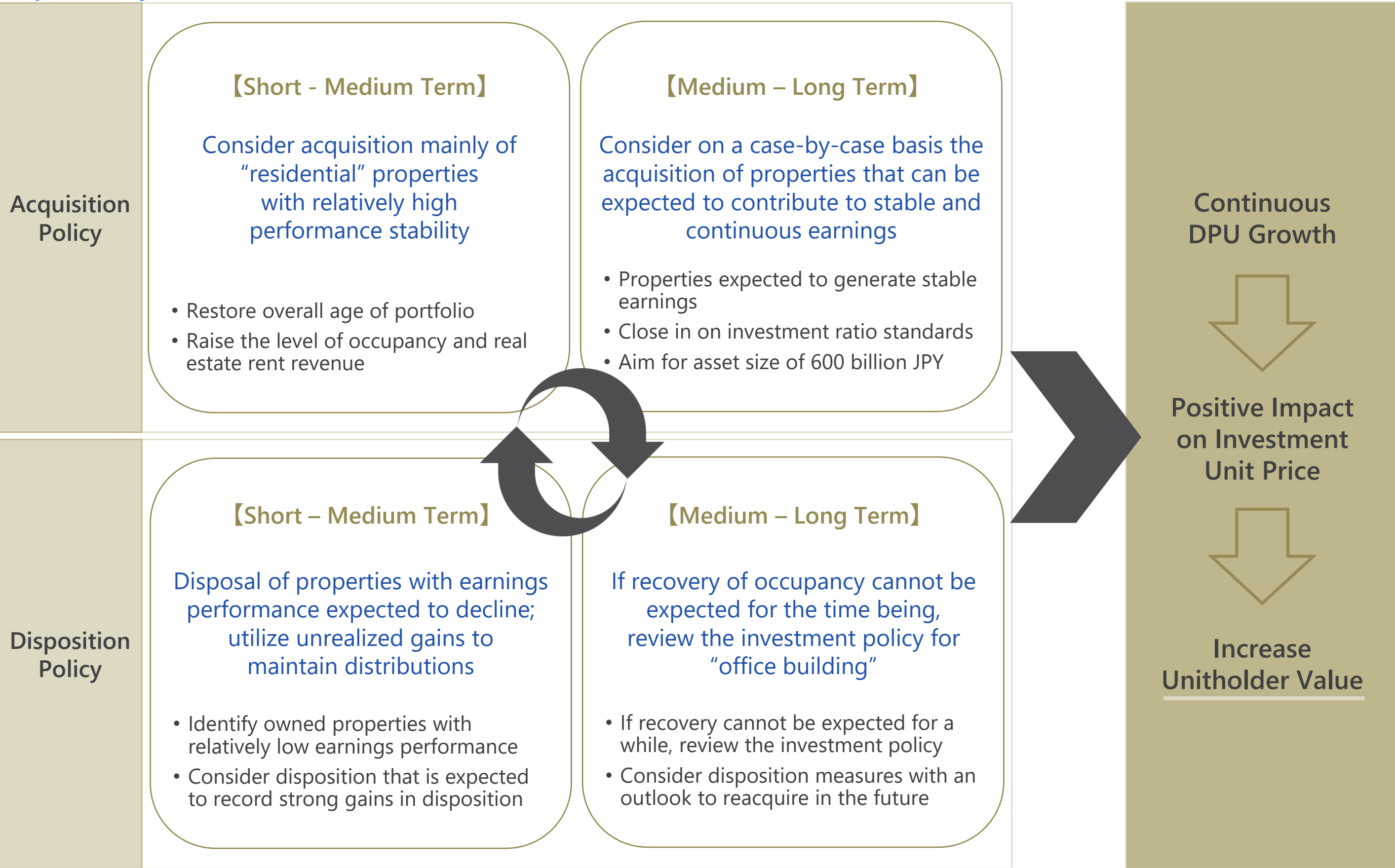


Regarding Disposition Measure (Presumption)	
Asset Type:	Residentials
Disposition Period:	During FP 18
Presumed Gain on Disposition:	428 million JPY
Impact on DPU:	+255 JPY
① Gain on disposition (accounting-based)	+ 98 JPY
② Amount corresponding to discrepancies between tax and accounting reporting (book value-based)	+157 JPY

* The policy for the reversal of retained earnings is current as of the date of this document, and the forecast is not necessarily in accordance with the above policy and may be subject to change in the future.
 * The asset type, presumed gain on disposition, and other transaction details mentioned within "Regarding Disposition Measure (Presumption)" is as of the date of this document, and is still undetermined. No contract has been concluded; thus, the disposition may not be realized as presumed, and the amount recorded for the gain on disposition may change accordingly.

Asset Acquisition/Disposition Policy

Continue to consider asset replacement and review investment ratio target while leveraging our superiority as a “diversified” REIT



Sekisui House Group Sponsor Support/Strengths

Pipeline Total	Approx. 240 billion JPY
No. of Completed Residentials	8 properties (664 units)
Total Floor Area of Completed Residentials	36,596.51m ²

Strengths of the Sponsor

1. Quality of "Prime Property"

- Develops "high quality" office buildings, residentials, hotels and commercial properties, etc., located in "strategic locations", which is a priority investment target for SHR
- Numerous "Prime Maison" series rental condominiums are completed, under construction, and being planned, and can be considered for future acquisition

2. Support System

- In addition to providing pipeline properties, provides real estate management know-how and redevelopment support of owned assets
- Able to implement asset replacement based on good relations and also provides warehousing functions

3. Sekisui House Real Estate Companies (6 Companies)

- Can secure preferential negotiation rights regarding the sale of domestic real estate owned and developed by 6 Sekisui House Real Estate Companies
- Provides information on domestic real estate owned and developed by third parties (Sekisui House Real Estate Tokyo)
- Opportunities to acquire residences in major cities nationwide
 ↳Number of properties acquired: 16 properties

■ Main Developments of Sekisui House

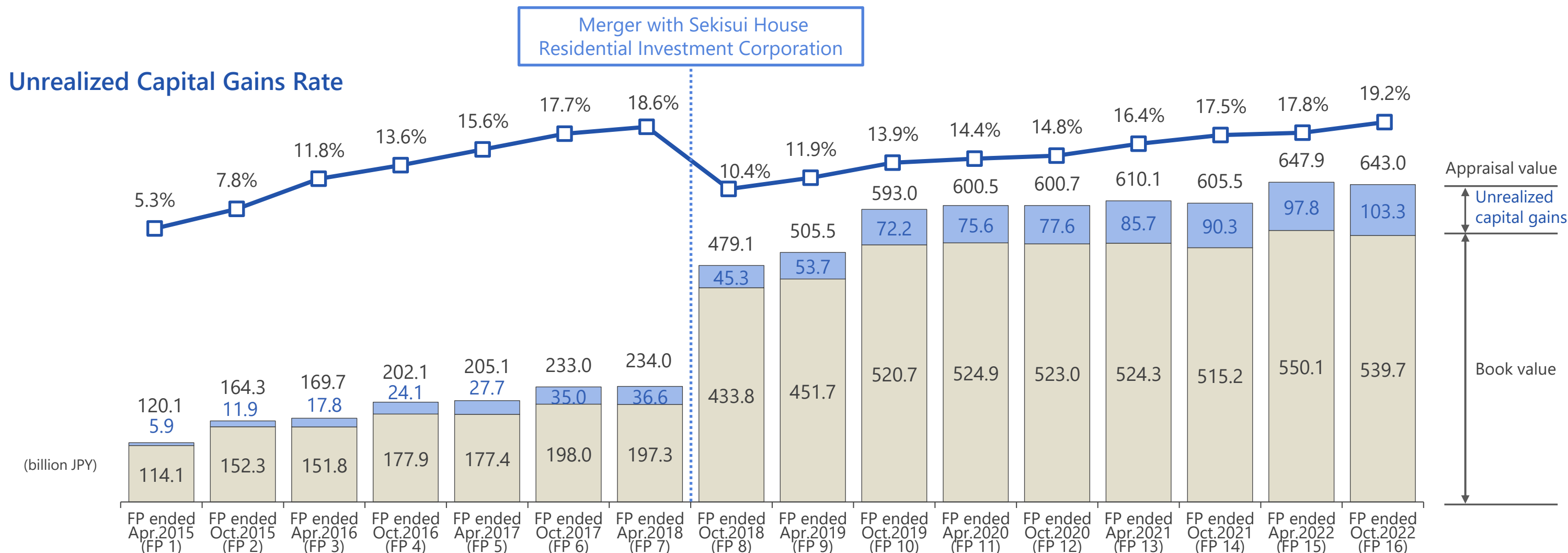
	Property Name (Including Temporary Name)	Location	Units (Planned)	Total Floor Area (m ²) (Planned)
Completed Residentials 8 properties (664 units)	Prime Maison Monzen-nakacho	Koto-ku, Tokyo	78	3,184.03
	Prime Maison Yushima	Bunkyo-ku, Tokyo	139	9,755.59
	Prime Maison Shimbashi Tower	Minato-ku, Tokyo	124	9,762.76
	Prime Maison Honancho	Nakano-ku, Tokyo	70	3,210.49
	Prime Maison Nakano-sakaue	Nakano-ku, Tokyo	115	4,544.15
	Prime Maison Asakusa EAST	Sumida-ku, Tokyo	49	2,121.87
	Prime Maison Sakura-shimmachi	Setagaya-ku, Tokyo	40	1,834.82
	Prime Maison Nishiwaseda	Shinjuku-ku, Tokyo	49	2,182.80
Residentials Under Construction 7 properties (792 units)	Prime Maison Yokohama WEST	Yokohama-shi, Kanagawa	145	8,708.53
	Prime Maison Irie	Taito-ku, Tokyo	74	3,329.00
	Prime Maison Yoga	Setagaya-ku, Tokyo	122	6,197.77
	Prime Maison Kamata	Ota-ku, Tokyo	141	5,464.23
	Prime Maison Nihonbashi-bakurocho	Chuo-ku, Tokyo	45	1,965.79
	Prime Maison Chiba	Chiba-shi, Chiba	190	8,307.64
	Prime Maison Kiyosumi-shirakawa	Koto-ku, Tokyo	75	2,996.49
Completed Office Buildings 1 property	Garden Cube Shibuya jinnan	Shibuya-ku, Tokyo	-	-
Completed Hotels 2 properties	The Westin Yokohama	Yokohama-shi, Kanagawa	-	-
	The Ritz-Carlton, Kyoto	Kyoto-shi, Kyoto	-	-

* As of the date of this document, SHR has no specific plans to acquire the unacquired assets described on this page. In addition, acquisition by SHR is not obligated nor guaranteed.

Trends of Appraisal Value

Appraisal value for residential properties increased mainly due to a decrease in cap rates and unrealized capital gains increased by +5.5 billion JPY from the previous period to 103.3 billion JPY

► Trends of Appraisal value and unrealized capital gains rate

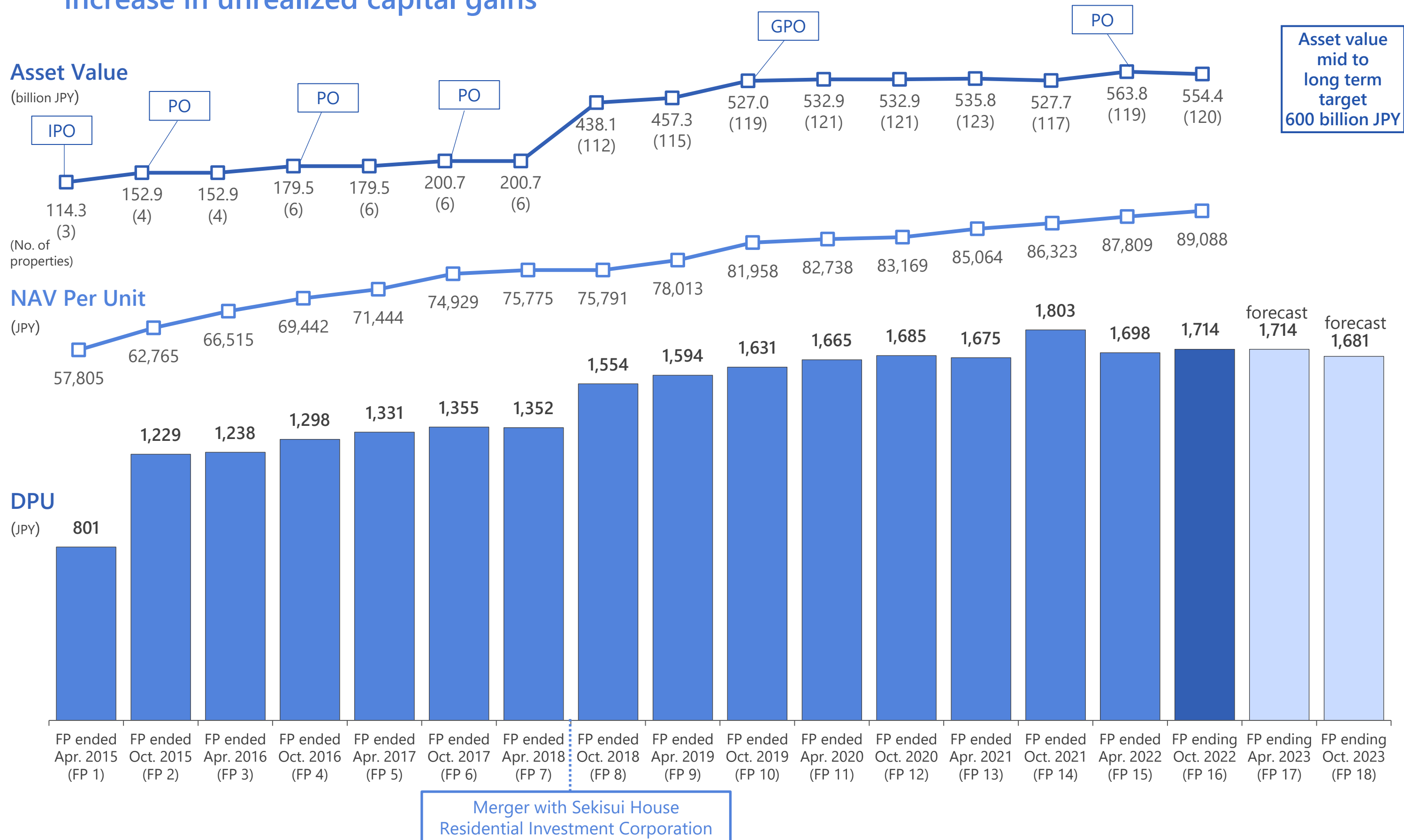


► Breakdown of appraisal value by asset type as of FP 16

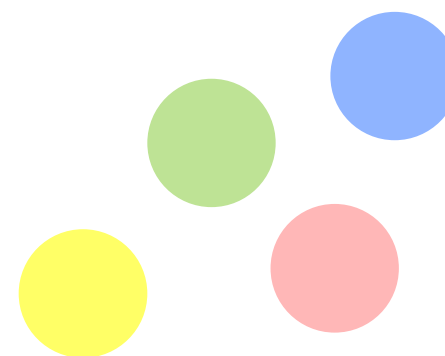
	Office building		Residential		Hotel		Entire portfolio	
	FP 16 Result	vs. FP 15	FP 16 Result	vs. FP 15	FP 16 Result	vs. FP 15	FP 16 Result	vs. FP 15
Appraisal value	314.9 Billion JPY	(2.4) Billion JPY	310.0 Billion JPY	+19.8 Billion JPY	18.1 Billion JPY	(22.2) Billion JPY	643.0 Billion JPY	(4.8) Billion JPY
Average cap rate	3.3 %	— pt.	3.7 %	(0.1) pt.	3.6 %	+0.1 pt.	3.5 %	— pt.
Unrealized capital gains	57.2 Billion JPY	(1.6) Billion JPY	44.6 Billion JPY	+7.2 Billion JPY	1.4 Billion JPY	(0.1) Billion JPY	103.3 Billion JPY	+5.5 Billion JPY
Unrealized capital gains rate	22.2 %	(0.6) pt.	16.8 %	+2.0 pt.	8.4 %	+4.5 pt.	19.2 %	+1.4 pt.

DPU and NAV Per Unit

NAV per unit increased by +1,279 JPY from the previous period to 89,088 JPY, mainly due to the increase in unrealized capital gains



Finance



Financial Situation (1)

If LTV (total asset basis) is raised to 47%, the acquisition capacity is approximately 19.1 billion JPY

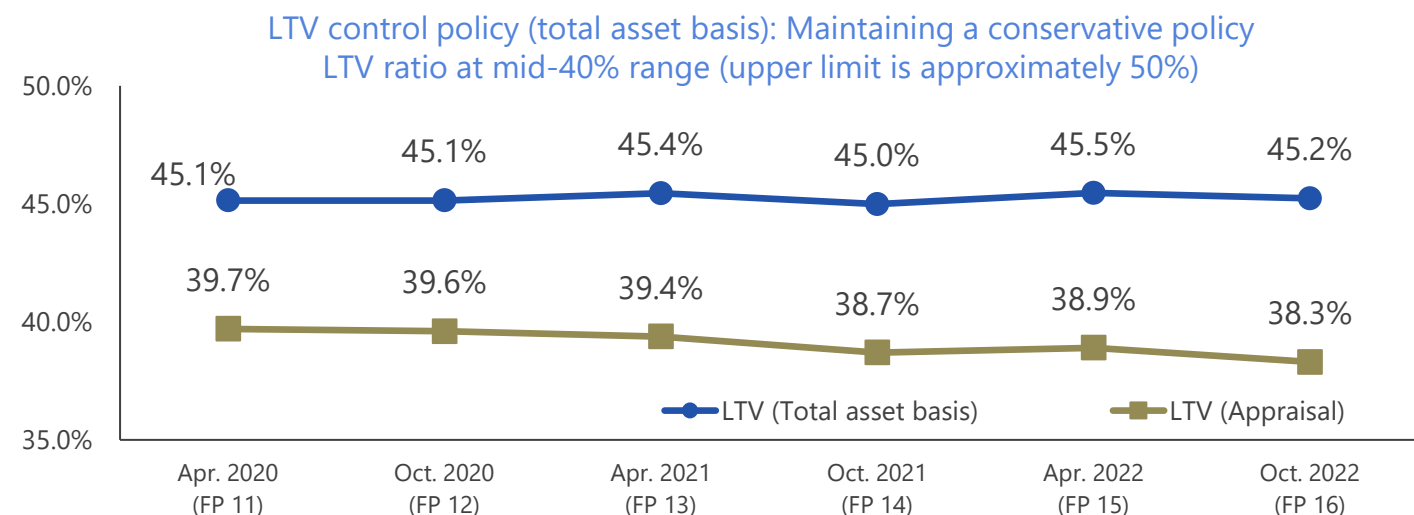
Financial indicators

	End of FP 16	End of FP 15
Total interest-bearing liabilities	258.2 Billion JPY	263.6 Billion JPY
Long-term debt ratio	97.0 %	94.8 %
Fixed interest rate debt ratio	93.2 %	92.2 %
Average period remaining to maturity	3.5 years	3.6 years
Average interest rate	0.56 %	0.54 %
LTV (total asset basis)	45.2 %	45.5 %

(as of the end of FP 16)

Credit ratings (Issuer ratings)	JCR R&I	AA (Stable) AA- (Stable)
Commitment line contracts	Set a limit of 15 billion JPY with a 3-bank syndicate (MUFG Bank, Ltd., Mizuho Bank, Ltd., and Sumitomo Mitsui Banking Corporation)	

LTV trends (end of each fiscal period)

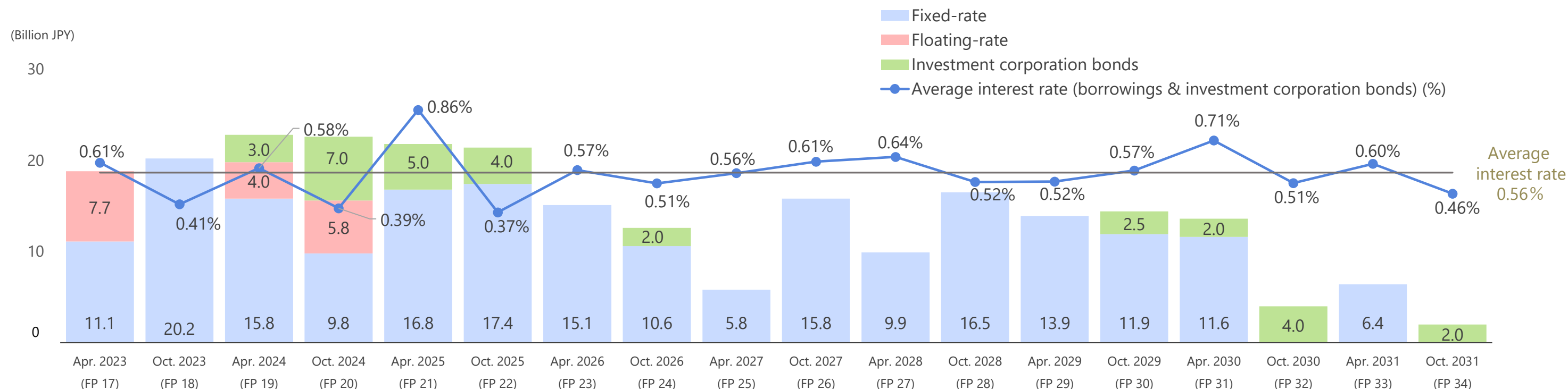


Recent financial activities (FP 16 (from May 1, 2022 to Oct. 31, 2022))

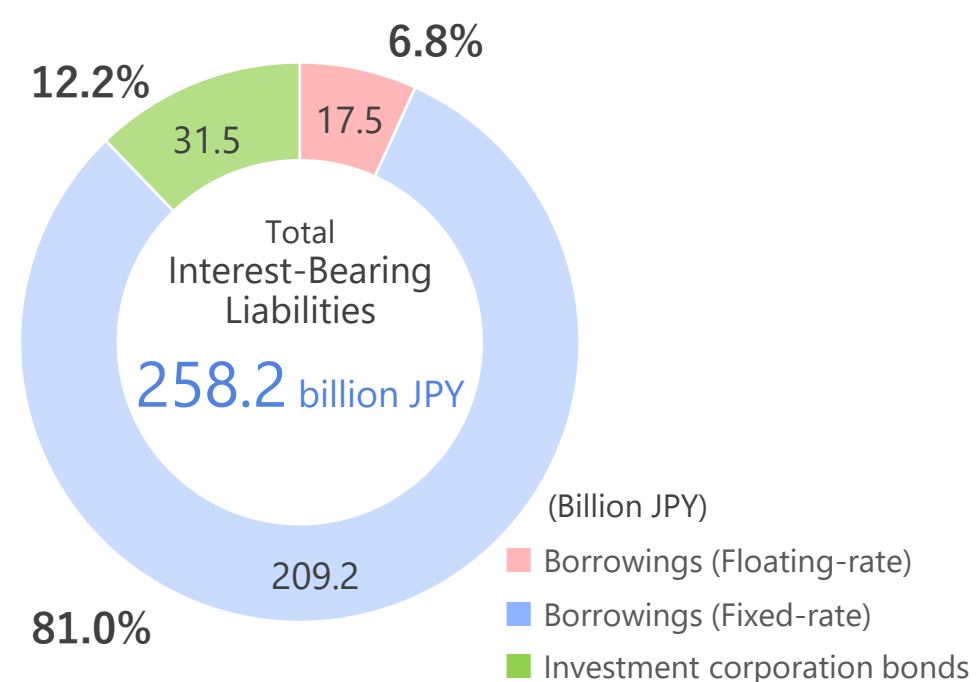
	Lender	Borrowing Amount (Million JPY)	Interest Rate	Drawdown Date	Borrowing Period (Years)
Positive Impact Finance	Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited. The Norinchukin Bank THE BANK OF FUKUOKA, LTD. Shinkin Central Bank The 77 Bank, Ltd. The Yamaguchi Bank, Ltd. The Shizuoka Bank, Ltd. The Hiroshima Bank, Ltd. Aozora Bank, Ltd. Nippon Life Insurance Company The Jojo Bank, Ltd.	6,000	0.665%	May 31, 2022	7
	MUFG Bank, Ltd. Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation	3,000	Floating Base rate (JBA 1-month JPY TIBOR) +0.190%	Jul. 11, 2022	2
	Sumitomo Mitsui Trust Bank, Limited Mizuho Trust & Banking Co., Ltd. Resona Bank, Limited. The Norinchukin Bank	1,800	0.550%	Jul 13, 2022	4.6
	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	5,200	0.855%	Jul 13, 2022	7.6

Financial Situation (2)

► Diversification of repayment deadlines (as of the end of October, 2022 (FP 16))



► Ratio of borrowings



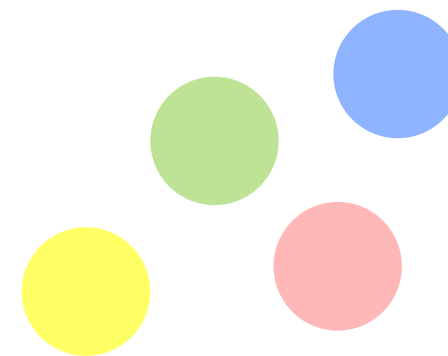
► Distribution of lenders

Name of Lenders	Balance (billion JPY)	Ratio	Name of Lenders	Balance (billion JPY)	Ratio
MUFG Bank, Ltd.	53.0	23.4%	The 77 Bank, Ltd.	2.5	1.1%
Mizuho Bank, Ltd.	42.2	18.6%	The Yamaguchi Bank, Ltd.	2.4	1.1%
Sumitomo Mitsui Banking Corporation	38.9	17.2%	The Senshu Ikeda Bank, Ltd.	2.0	0.9%
Sumitomo Mitsui Trust Bank, Limited	21.0	9.3%	The Shizuoka Bank, Ltd.	1.6	0.7%
Mizuho Trust & Banking Co., Ltd.	15.6	6.9%	The Hiroshima Bank, Ltd.	1.6	0.7%
Resona Bank, Limited.	13.7	6.1%	Aozora Bank, Ltd.	1.0	0.4%
Development Bank of Japan Inc.	11.7	5.2%	Nippon Life Insurance Company	1.0	0.4%
The Norinchukin Bank	11.4	5.1%	The Joyo Bank, Ltd.	0.3	0.1%
The Bank of Fukuoka, Ltd.	3.6	1.6%			
Shinkin Central Bank	2.8	1.2%			
			Total	226.7	100%

* The "average interest rate" for each term in the diversification of repayment deadlines is the interest rate applied at the end of the fiscal period ending October 2022 (FP 16) (with fixed interest rate for borrowings under interest rate swap agreements). It is calculated by annualizing the weighted average using the scheduled borrowings and the issuance amount of investment corporation bonds scheduled to be redeemed. "Average interest rate" for total interest-bearing liabilities is calculated by annualizing the weighted average of the interest rate (the application of interest rate swaps is the same as above) applied on the aforementioned reference date by total interest-bearing liabilities.

* The balance of the lenders is rounded down to the nearest unit, and the ratio is rounded off to the first decimal place. Therefore, the sum of the balance and ratio of each lender may not match the figures in the total column.

ESG



ESG Topic (1) Environmental Initiatives

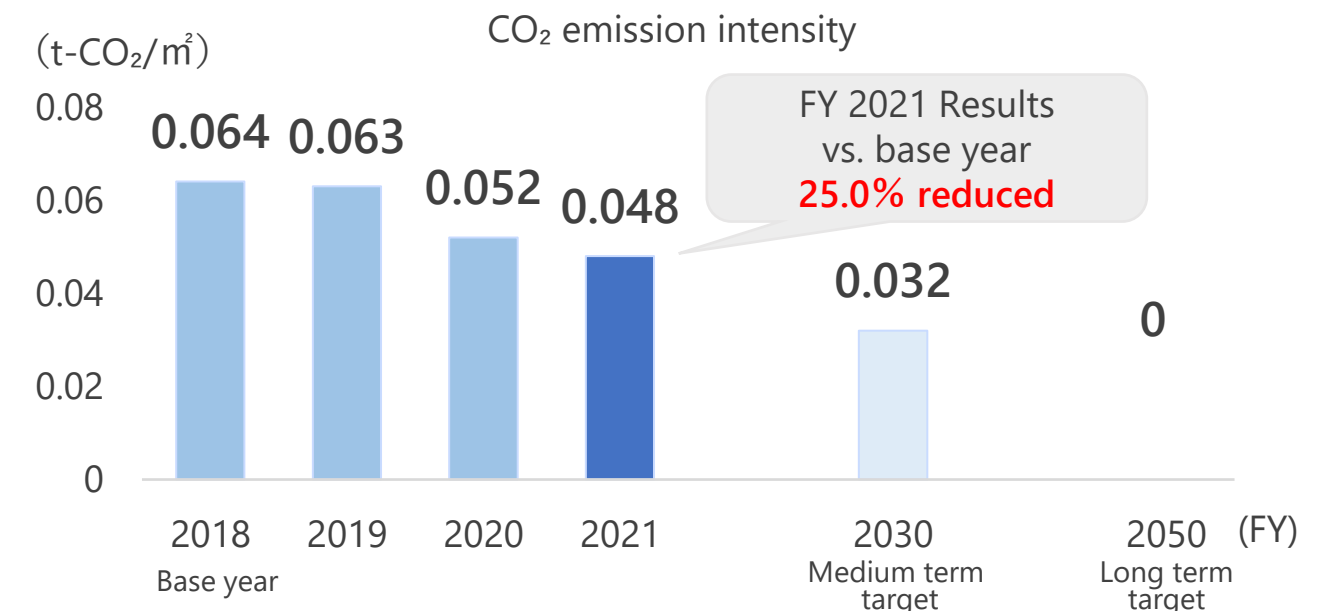
Established a new long term target of “achieving carbon neutrality by FY 2050”, and promoting various environmental initiatives

► Establishment of new KPI for CO₂ emissions of portfolio

Medium term target
(FY 2030)
50% reduction
(intensity based:
compared to FY 2018)



Long term target
(By FY 2050)
Achieve carbon neutrality



► Switching to electricity plans derived from renewable energy for office buildings and residential

- Introduced at Garden City Shinagawa Gotenyama since September 2022
- Since January 2022, gradually switched electricity plans for the common areas of 106 residences

► Acquisition status of Green Certifications

As of the date of this document, we have obtained Green Certification for 64.9% of our portfolio (based on total floor area)

By the end of FY 2022, we expect to achieve our target (KPI) of **more than 70%** of our portfolio acquiring Green Certification

- Certification for CASBEE for Real Estate: Of the 7 office buildings owned, 6 office buildings and 1 residential **acquired the highest rating of “S rank”**
- DBJ Green Building Certification: Of the 113 residential properties owned, 56 properties were recognized as **“properties with excellent environmental & social awareness (3 Stars)”** or higher

Major Properties that Acquired Green Certification in FP 16



Increased Accreditation (3 Stars → 4 Stars)

* DBJ Green Building Certification is granted in one of five levels from (5 stars) to (1 star).
* Certification for CASBEE for Real Estate is granted in one of four levels of (S), (A), (B+) and (B).

ESG Topic (2) Disclosure Based on TCFD

Item	Main contents
Governance	<ul style="list-style-type: none"> Established the Sustainability Committee as the decision-making body for sustainability issues. In addition to defining policies, targets, and various measures related to sustainability, deliberates material issues in relation to climate change and meets at least once every three months in principle The Director of the ESG Promotion Dept. was appointed as the director in charge of climate change, with the President & Representative Director as the Chief Executive Director. These activities aimed at mitigating and adapting to climate change are reported as appropriate to the President & Representative Director, the Board of Directors of SHAM, and the Board of Directors of SHR In 2021, the Sustainability Committee expanded its membership to include the heads of all departments in an effort to raise awareness of sustainability and strengthen the organizational structure for promoting awareness. And in 2022, the "ESG Promotion Dept." was established as a department dedicated to overseeing and managing ESG-related operations to strengthen the promotion system
Strategy	<ul style="list-style-type: none"> Based on the recognition that climate change is an important issue that will have a significant impact on business activities, SHAM has set "promoting response to climate change" as a materiality of SHR, and views the various risks and opportunities associated with climate change as one of the key points in its business strategy In accordance with the TCFD recommendations, conduct analysis based on multiple scenarios of 4°C and 1.5°C Conduct financial impact analysis of identified risks and opportunities in current climate change countermeasures and conduct CRREM analysis <div> <div>For financial impact analysis →P.35</div> <div>For CRREM analysis →P.36</div> <div>For analysis methods, etc. →ESG Special Website (Note)</div> </div>
Risk Management	<ul style="list-style-type: none"> Established an integrated risk management system for the purpose of accurately identifying various risks inherent in the execution of our operations, managing such risks appropriately, preventing risks from materializing, and minimizing losses when risks occur In order to properly carry out organizational risk management, the Chief Manager of the Internal Control Promotion Dept. is the chief person in charge of overall risk management, the head of each department is responsible for risk management, and the Internal Control Promotion Dept. is in charge of the work for promoting risk management The Internal Control Promotion Dept. formulates a risk management plan for the following fiscal year, consisting of annual policies, priority management risks, and risks requiring attention, and receives approval from the Board of Directors The Internal Control Promotion Dept. also holds risk management meetings every six months, monitors the progress of the risk management plan, including climate-related risks, and reports the details to the Board of Directors With respect to climate change, the Sustainability Committee of SHAM continuously identifies and assesses climate change risks and opportunities that may affect SHR's operations, and updates its measures
Indicators and Targets	<p>Identified "promoting response to climate change" and "investing in real estate with excellent environmental performance" as materialities and have established the following metrics and targets for use in identifying, evaluating, and managing climate change risks and opportunities</p> <ul style="list-style-type: none"> CO₂ Emissions Reduction Target <ul style="list-style-type: none"> Medium Term Target (By FY 2030) : 50% reduction (per unit basis : compared to FY 2018) Long Term Target (By FY 2050) : Achieve carbon neutrality Energy Consumption Reduction Target <ul style="list-style-type: none"> Reduce 5% energy consumption intensity of portfolio by FY 2023 (compared to FY 2018) Set reduction targets every 5 years after FY 2023 and continue promotion of reduction in energy consumption intensity of portfolio Portfolio Green Certification Target <ul style="list-style-type: none"> Achieve 70% or more of the portfolio with green certification by FY 2022 Maintain 70% or more after FY 2022

(Note) The English ESG special website is scheduled to be released at the end of December.

ESG Topic (2) Disclosure Based on TCFD (Strategy/Financial Impact)

Conducted financial impact analysis of identified risks and opportunities regarding climate change countermeasures

Category		Risk/opportunity factors and financial impact	Assumed period	Amount of financial implications under the 4°C scenario	Amount of financial implications under the 1.5°C scenario	Countermeasures	
Transition risks	Policy and laws	Increase in operating costs due to the introduction of a carbon tax and the generation of tax burdens in response to GHG emissions	Medium/Long term	—	(0.1 to 0.4) billion JPY	Set reduction targets for GHG emissions intensity and disclose progress against targets Renovate properties for improved energy-saving performance Procure renewable energy	
		Increase in property renovation costs as energy regulations are tightened	Medium/Long term	—	(0.5) billion JPY	Reallocate portfolio to increase investment ratio in properties with outstanding environmental performance Acquire ZEH and ZEB properties	
	Technology	Increase in solar power generation equipment installation costs (depreciation and amortization)	Medium/Long term	—	(0.1) billion JPY	Collect information on new technologies and services and add to portfolio Convert owned properties to ZEHs/ZEBs	
		Rising financing costs due to perceived inadequacy of response to climate change	Short/Medium/Long term	—	(0.05) billion JPY	Improve investor valuations by strengthening information disclosure using frameworks such as TCFD Promote green financing	
	Reputation	Decreased competitiveness and rent income due to poor environmental performance of owned residential properties	Medium/Long term	—	(1.9) billion JPY	Maintain brand image by managing climate risk responsibly Strengthen collaboration within the Sekisui House Group	
Physical risks	Acute	Reduced rents due to inability to operate businesses due to flooding damage caused by typhoons, torrential rains, etc.	Medium/Long term	(0.8) billion JPY	(0.4) billion JPY	Identify risks using hazard maps, etc. Secure emergency power sources	Identify high-risk properties by quantitatively identifying physical risks and dispose of such properties as needed
	Chronic	Decline in asset value of owned properties due to flooding caused by sea level rise	Medium/Long term	(14) billion JPY	(14) billion JPY	Exclude high-risk properties from investment	
		Increase in electricity charges due to increased air conditioning operation due to the normalization of extreme weather	Medium/Long term	(0.05) billion JPY	(0.05) billion JPY	Monitor changes in usage associated with weather and temperature change Optimize HVAC operation through high-efficiency air-conditioning equipment and building automation systems (BAS), etc. Diligently inspect facilities for degradation caused by increased use	
Opportunities	Technology	Reduction in electricity charges by improving the environmental performance of owned properties	Medium/Long term	0.1 billion JPY	0.1 to 0.2 billion JPY	Collect information on new technologies and services and add to portfolio Convert owned properties to ZEHs/ZEBs	
	Policy and laws, Reputation	Increase in operation and rents of environmentally friendly properties and increase in rents	Medium/Long term	—	1 to1.2 billion JPY	Identify needs through tenant satisfaction surveys, etc., and conduct energy-saving renovations Acquire ZEH and ZEB properties Acquire green certifications	

4°C Scenario

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

Analysis Results

- GHG emissions continue to rise, and the cost of repairs and various types of insurance premiums for owned properties increase as weather-related disasters grow in intensity
- The emergence of weather-related disaster risk due to climate change is expected to affect the selection of properties by tenants, and tenant demand is expected to decline for properties that are less resistant to weather disasters and less comfortable in response to environmental changes than competing properties

1.5°C Scenario

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

Analysis Results

- Regulations and tax policies aimed at curtailing GHG emissions will be introduced to realize a decarbonized society. Taxes on GHG emissions from owned properties through the introduction of a carbon tax and environmental regulations such as energy-saving standards will be tightened, and the cost of renovations to comply with these regulations is expected to increase
- As tenant demand for green buildings increases, a decline in relative tenant demand for properties where efforts to reduce environmental impact are insufficient is expected
- It is anticipated that funding costs will rise if SHR's response to climate change is deemed inadequate

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

ESG Topic (2) Disclosure Based on TCFD (Strategy/CRREM)

Conducting analysis using CRREM

CRREM Overview

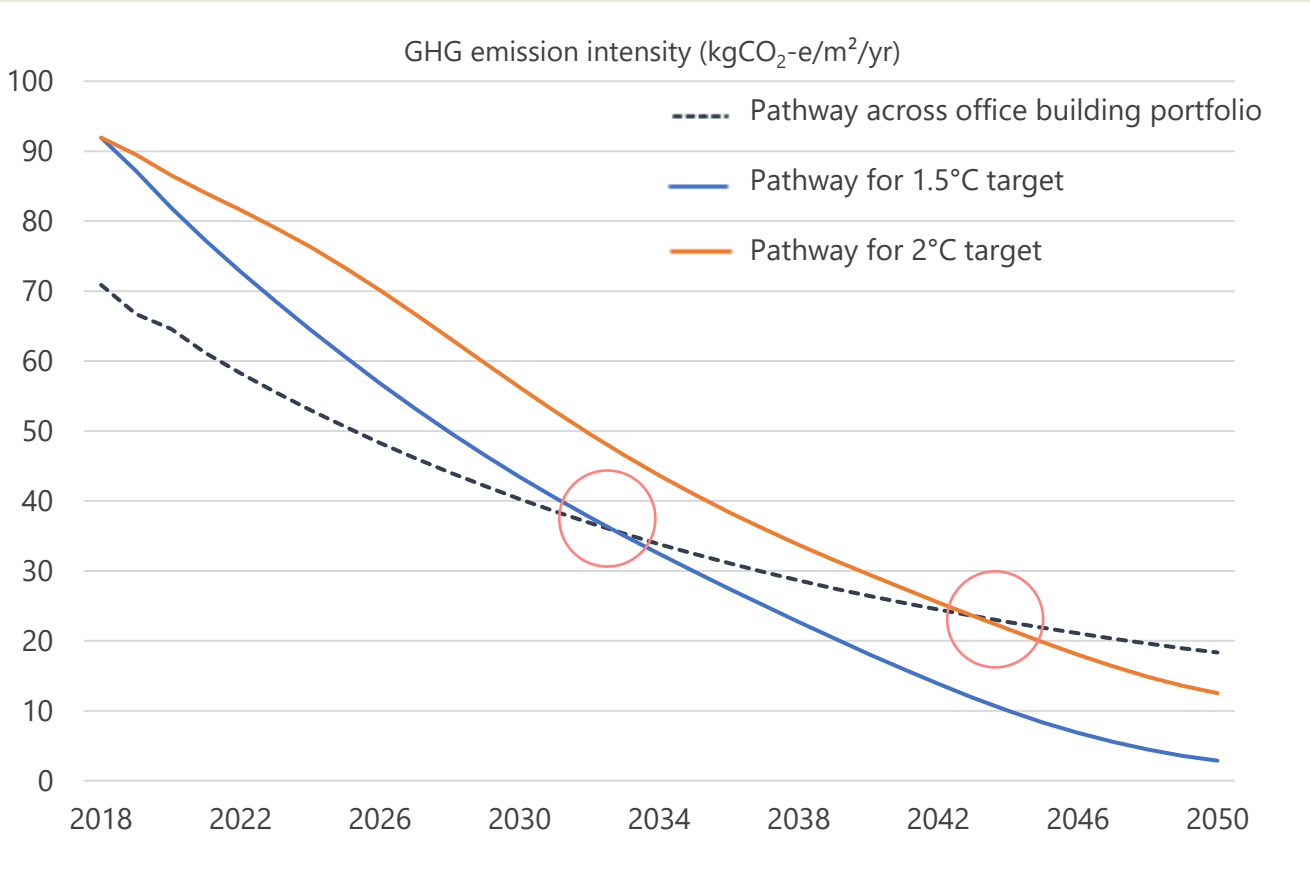
CRREM (Carbon Risk Real Estate Monitor) calculates and publishes GHG emissions pathways (carbon reduction pathways) up to 2050 consistent with the 2°C and 1.5°C targets of the Paris Agreement for each use of real estate in a total of 44 countries (as of August 2022) in Europe, North America and the Asia-Pacific region including Japan. This tool is expected to be utilized for operational improvement by comparing the property data analyzed and pathways to calculate the timing of assets becoming stranded (Note) and carbon costs for each property, and to grasp the scale of renovation required to address these issues.

Overview of CRREM Analysis Results for Office Building Portfolio

SHAM has targeted office buildings (excluding data centers, hereinafter referred to as “office building portfolio”) among the properties owned by SHR (as of March 2021) and analyzed the potential stranded asset risk of the office building portfolio for the following two cases using CRREM’s risk assessment tool. The analyses are based on the Asia-Pacific Tool (ver1.20) and adjusted for some parameters (e.g. electricity emission factors). The graph below shows a comparison of the office building portfolio with the 2°C target and the 1.5°C target for each path.

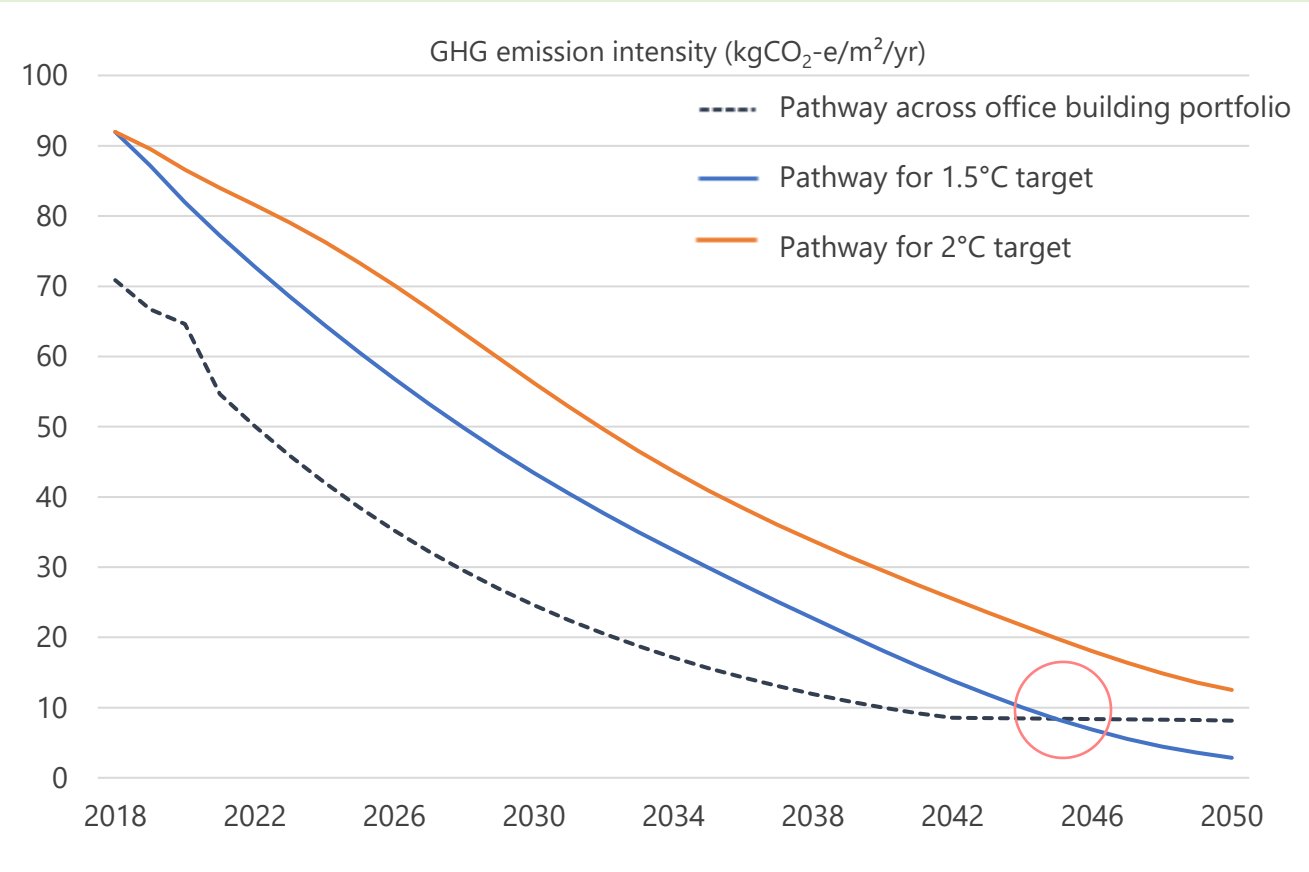
Cases in which the current performance is unchanged

(Calculated based on the past performance on the assumption that no future energy-savings measures are taken)



Cases in which the current reduction target pace is maintained

(Calculated on the assumption that energy consumption will be reduced by 4.2% each year compared to 2018)



- Since SHR’s office building portfolio has high environmental performance, emission intensity is low, and for the time being, it is below the 2°C and 1.5°C pathways.
- However, if no measures are taken in the future, the office building portfolio will exceed the 1.5°C pathway in 2034 and the 2°C pathway in 2044.
- If emission reductions proceed at the pace of the current target, the 2°C target will be achieved by 2050, but the 1.5°C target will not be achieved. Therefore, we will expand the scope of the CRREM analysis to the entire portfolio of SHR in the future and use this analysis to review our reduction targets and consider business strategies, including renovation, sale of properties and other initiatives.

(Note) Stranded assets are defined by Carbon Tracker Initiative as assets that turn out to be worth less than expected as a result of changes associated with the transition to a low-carbon economy (lower than anticipated demand/prices).

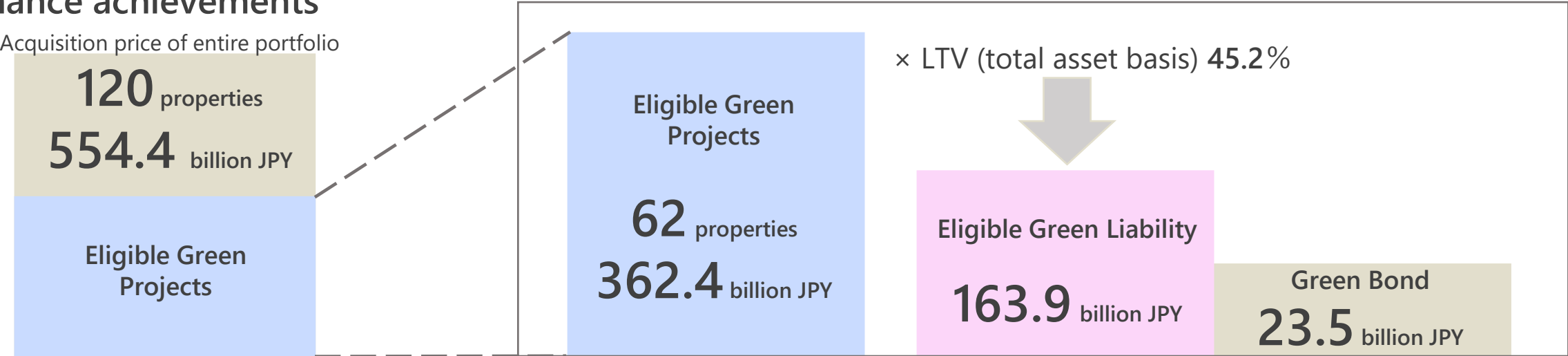
ESG Topic (3) Green Finance

Formulated a new framework for procuring funds through green bonds and green loans

► Green finance framework and third-party evaluation

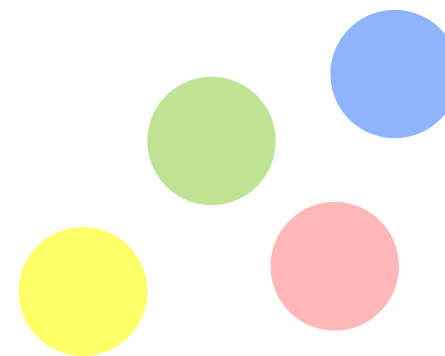
Use of funds	<ul style="list-style-type: none"> Funds for the acquisition of existing or new assets which satisfy Eligible Green Projects Funds for the refinancing of borrowings required for the acquisition of Eligible Green Projects or funds for the redemption of outstanding investment corporation bonds required for the acquisition of Eligible Green Projects 	Eligibility criteria : Assets that have any of the following third-party certifications or scheduled to acquire any of the following evaluations in third-party certifications in the future
Evaluation and selection process of Eligible Green Projects	It will be evaluated and selected by the Sustainability Committee, which is chaired by the president & representative director of SHAM, and participated by all full-time directors, in accordance with its management policy, the Sustainability Policy and eligibility criteria.	DBJ Green Building Certification: 3 Stars, 4 Stars, 5 Stars
Management of procured funds	It will be managed to ensure that the green finance balance does not exceed the Eligible Green Liability. Eligible Green Liability is calculated by multiplying total acquisition price of Eligible Green Projects by LTV (total asset basis) as of the end of the latest fiscal period.	Certification for CASBEE for Real Estate: B+ Rank, A Rank, S Rank
Reporting	<ul style="list-style-type: none"> Reporting related to the status of allocation of funds Status of allocation of funds procured through green finance Annual reports on the amount of Eligible Green Liability and the green finance balance Impact Reporting Annual reports on the number of Eligible Green Projects, third-party certification, total floor area, Eligible Green Liability, energy consumptions (Note), CO₂ emissions, and water consumption 	BELS Certification: 3 Stars, 4 Stars, 5 Stars
		BELS Certification: following assessment of ZEH and ZEB ZEH-M, Nearly ZEH-M, ZEH-M Ready, ZEH-M Oriented ZEB, Nearly ZEB, ZEB Ready, ZEB Oriented
		Third-party Evaluation
		Japan Credit Rating Agency, Ltd. (JCR) Acquired "Green 1(F)", the highest rating in "Green Finance Framework Evaluation"

► Green finance achievements



(Note) Limited to properties for which SHR has energy management authority.

Appendix



Balance Sheet

	FP 15 (April 30, 2022)	FP 16 (October 31, 2022)
Assets		
Current assets		
Cash and deposits	11,154,608	11,416,266
Cash and deposits in trust	16,033,132	16,340,838
Operating accounts receivable	188,420	198,066
Prepaid expenses	259,778	300,452
Other	159,040	58,286
Allowance for doubtful accounts	(1,022)	(2,653)
Total current assets	27,793,958	28,311,256
Non-current assets		
Property, plant and equipment		
Buildings in trust	180,182,133	184,641,536
Accumulated depreciation	(21,399,288)	(23,440,710)
Buildings in trust, net	158,782,845	161,200,826
Structures in trust	1,587,002	1,620,073
Accumulated depreciation	(302,079)	(333,254)
Structures in trust, net	1,284,922	1,286,818
Machinery and equipment in trust	2,424,138	2,387,047
Accumulated depreciation	(385,167)	(433,368)
Machinery and equipment in trust, net	2,038,970	1,953,678
Vehicles in trust	153	—
Accumulated depreciation	(153)	—
Vehicles in trust, net	0	—
Tools, furniture and fixtures in trust	774,779	870,024
Accumulated depreciation	(218,587)	(276,299)
Tools, furniture and fixtures in trust, net	556,192	593,724
Land in trust	385,124,884	368,656,815
Construction in progress in trust	12,859	17,859
Total property, plant and equipment	547,800,674	533,709,723
Intangible assets		
Leasehold rights in trust	2,348,619	6,034,763
Other	4,876	3,622
Total intangible assets	2,353,495	6,038,385
Investments and other assets		
Investment securities	—	486,179
Lease and guarantee deposits	801,516	1,530,346
Long-term prepaid expenses	641,322	625,332
Other	369,782	157,179
Total investments and other assets	1,812,621	2,799,038
Total non-current assets	551,966,791	542,547,147
Deferred assets		
Investment corporation bond issuance costs	121,255	107,395
Investment unit issuance costs	49,105	33,602
Total deferred assets	170,361	140,997
Total assets	579,931,111	570,999,401

	FP 15 (April 30, 2022)	FP 16 (October 31, 2022)
Liabilities		
Current liabilities		
Operating accounts payable	835,543	1,116,383
Short-term loans payable	13,700,000	7,700,000
Current portion of investment corporation bonds	3,000,000	—
Current portion of long-term loans payable	23,500,000	31,310,000
Accounts payable – other	1,043,814	1,169,452
Accrued expenses	190,432	217,054
Income taxes payable	580	584
Accrued consumption taxes	—	678,924
Advances received	697,331	712,064
Derivative debt	26,049	10,052
Other	34,121	12,758
Total current liabilities	43,027,874	42,927,275
Non-current liabilities		
Investment corporation bonds	31,500,000	31,500,000
Long-term loans payable	191,942,000	187,732,000
Tenant leasehold and security deposits in trust	14,669,870	14,353,152
Derivative debt	7,847	2,149
Other	871	—
Total non-current liabilities	238,120,589	233,587,302
Total liabilities	281,148,463	276,514,577

Net assets		
Unitholders' equity		
Unitholders' capital	161,283,304	161,283,304
Surplus		
Capital surplus	128,598,415	128,598,415
Deduction from capital surplus	—	(3,999,964)
Capital surplus, net	128,598,415	124,598,450
Voluntary retained earnings		
Reserve for reduction entry	388,798	993,722
Reserve for special account for reduction entry	1,195,848	—
Reserve for temporary difference adjustments	604,535	417,038
Total voluntary retained earnings	2,189,182	1,410,761
Unappropriated retained earnings	6,745,643	7,204,510
Total surplus	137,533,240	133,213,722
Total unitholders' equity	298,816,545	294,497,026
Valuation and translation adjustments		
Deferred hedging gain/loss	(33,897)	(12,202)
Total of valuation and translation adjustments	(33,897)	(12,202)
Total net assets	298,782,647	294,484,824
Total liabilities and net assets	579,931,111	570,999,401

* As of the date of this document, 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 not been completed.

Statement of Income and Retained Earnings

	FP 15 From November 1, 2021 to April 30, 2022	FP 16 From May 1, 2022 to October 31, 2022
(Unit: thousand JPY)		
Operating revenue		
Rent revenue – real estate	14,355,305	14,623,738
Other lease business revenue	401,481	459,098
Gain on sale of real estate properties	–	710,583
Gain on investments in silent partnership	–	3,650
Total operating revenue	14,756,787	15,797,070
Operating expenses		
Expenses related to rent business	5,892,357	6,275,960
Asset management fees	910,076	1,021,403
Asset custody fees	10,387	10,679
Administrative service fees	48,100	49,974
Directors' compensation	3,600	3,600
Provision of allowance for doubtful accounts	–	1,693
Bad debt expenses	154	–
Other operating expenses	266,172	355,107
Total operating expenses	7,130,848	7,718,418
Operating income	7,625,938	8,078,652
Non-operating income		
Interest income	160	131
Reversal of distribution payable	693	588
Interest on refund	–	539
Reversal of allowance for doubtful accounts	892	–
Total non-operating income	1,745	1,258
Non-operating expenses		
Interest expenses	609,966	639,740
Interest expenses on investment corporation bonds	77,431	76,266
Borrowing related expenses	124,916	122,424
Amortization of investment unit issuance costs	51,013	15,502
Amortization of investment corporation bond issuance costs	15,183	13,860
Other	2,924	7,001
Total non-operating expenses	881,435	874,796
Ordinary income	6,746,248	7,205,115
Income before income taxes	6,746,248	7,205,115
Income taxes – current	605	605
Total income taxes	605	605
Net Income	6,745,643	7,204,510
Unappropriated retained earnings	6,745,643	7,204,510

* As of the date of this document, 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 not been completed.

Trends of Major Management Indexes

Fiscal Period Month/Year		FP 12 Oct. 2020	FP 13 Apr. 2021	FP 14 Oct. 2021	FP 15 Apr. 2022	FP 16 Oct. 2022
Operating days	days	184	181	184	181	184
Profit from real estate leasing business	million JPY	14,826	14,925	14,474	14,756	15,082
Gain and loss on sale of real estate properties	million JPY	—	130	2,452	—	710
Leasing NOI	million JPY	11,610	11,687	11,160	11,354	11,380
Depreciation	million JPY	2,444	2,468	2,455	2,489	2,573
Net income	million JPY	6,992	7,103	8,520	6,745	7,204
Capital expenditures	million JPY	591	654	727	700	722
Total assets	million JPY	554,067	556,569	555,644	579,931	570,999
Total interest-bearing liabilities	million JPY	249,942	252,942	249,942	263,642	258,242
LTV (total asset basis)	%	45.1	45.4	45.0	45.5	45.2
LTV based on appraisal value	%	39.6	39.4	38.7	38.9	38.3
Net assets	million JPY	286,259	286,220	287,642	298,782	294,484
Total distributions	million JPY	7,226	7,183	7,732	7,524	7,509
ROE (annualized)	%	4.8	5.0	5.9	4.6	4.8
DSCR (Debt service coverage ratio)	times	12.7	13.3	12.1	13.6	13.8
FFO (Funds from operations)	million JPY	9,438	9,441	8,523	9,236	9,068
AFFO (Adjusted funds from operations)	million JPY	8,847	8,787	7,796	8,535	8,346
FFO pay out ratio	%	76.6	76.1	90.7	81.5	82.8
Total number of investment units issued	units	4,288,666	4,288,666	4,288,666	4,431,133	4,381,482
Net asset per unit	JPY	66,747	66,738	67,070	67,428	67,211
NAV per unit	JPY	83,169	85,064	86,323	87,809	89,088
Net income per unit	JPY	1,630	1,656	1,986	1,522	1,636
DPU (Distributions per unit)	JPY	1,685	1,675	1,803	1,698	1,714
FFO per unit	JPY	2,200	2,201	1,987	2,084	2,069
Reversal of internal reserve	million JPY	233	184	408	778	305
Reversal of RTA	million JPY	136	157	70	187	222
Reserve for internal reserve	million JPY	—	103	1,195	—	—
Internal reserve at the end of the period (after cash distributions paid)	million JPY	1,482	1,401	2,189	1,410	1,105
Period-end investment unit price (closing price)	JPY	73,000	91,000	86,200	76,200	80,100
Implied cap rate (based on period-end investment unit price)	%	4.2	3.8	3.7	3.9	3.8
Number of owned properties at period-end	units	121	123	117	119	120
Total acquisition price	million JPY	532,910	535,838	527,786	563,886	554,466
Total appraisal value	million JPY	600,728	610,153	605,508	647,973	643,093
Unrealized capital gains	million JPY	77,652	85,777	90,301	97,835	103,366
Unrealized capital gains as a percentage of portfolio value	%	14.8	16.4	17.5	17.8	19.2

- 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 assets + Unrealized capital gains) × 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) ÷ interest expense

- FFO = Net income + Depreciation +/- Gains or losses from the sale of real estate properties +/- 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 units issued
- 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)

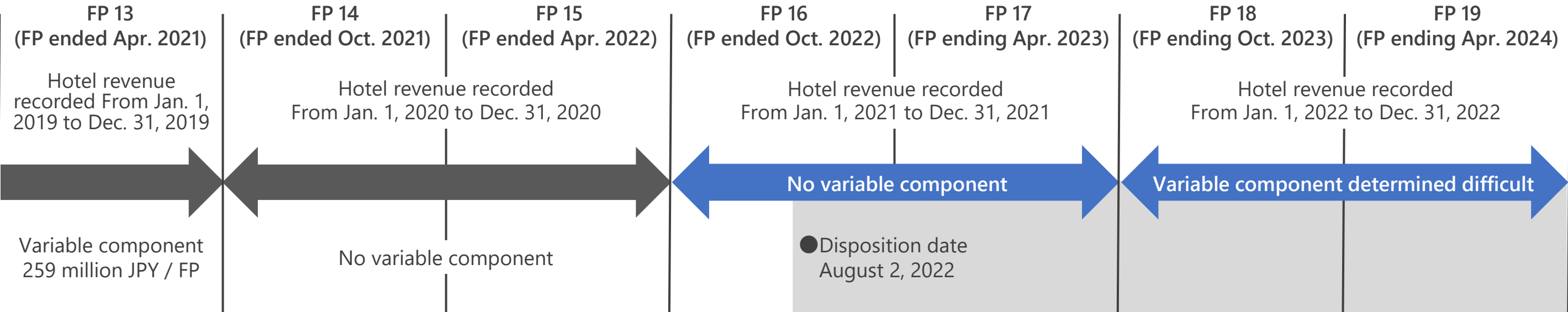
Strengthen Profitability Through Asset Replacement (Disposition)

Disposed of The Ritz-Carlton, Kyoto, which is not expected to generate variable component for some time, and recorded a gain of 710 million JPY
Will consider reacquisition once demand for travel recovers and stable income can be determined



- ▶ Reason for the disposition
 - The outlook for the timing of recovery in inbound travel demand is uncertain
 - There is a time lag between the hotel's operating period and the timing of variable component accrual (see figure below), and the period of non-accrual of variable component is expected to continue until at least FP ending April 2024 (FP 19)
 - NOI yield after depreciation 1.2%
 - Secured the source to stabilize distributions for FP 17 by booking a gain on disposition of 710 million JPY
- ▶ Future actions
 - Transferred to Sekisui House and returned to sponsor pipeline to retain preferential negotiating rights
 - Will consider reacquisition if it is determined that a recovery in demand for travel, including inbound travel, will generate stable revenues in the future

▶ The relationship between hotel revenue records and SHR's rental income



* This page is a reprint of the content described in the Fiscal Period Ended April, 2022 15th Financial Results Briefing. The amount of gain on disposition has been revised from the expected amount to be recorded to the actual amount.

Strengthen Profitability Through Asset Replacement (Acquisition)

Acquired two residential properties in Tokyo 23 wards developed by the sponsor, Sekisui House, utilizing the proceeds from the disposition of the hotel

R-123 Prime Maison EGOTANOMORI



- Located approx. a 10-minute walk from Shin-egota Station on the Toei Subway Oedo Line.
- It consists of five properties: rental condominiums for families, a rental condominium for students and single-persons, a serviced housing for the elderly, and a paid nursing home with long term care.
- Good living environment with elementary schools, junior high schools, libraries, etc. in the neighborhood, as well as a children’s club, a day-care center on the premises.

Location	3-14-1~5 Egota, Nakano-ku, Tokyo
Acquisition date	August 2, 2022
Acquisition price	10,500 million JPY
Appraisal value	10,800 million JPY (As of June 1, 2022)
Appraisal NOI yield	5.2%
Structure / Floors	RC • S / 14F
Completed / Building age	Jul. 2018 / 3.9 years (As of June 17, 2022)
Total leasable area	29,048.95㎡ (total 622 units (includes 3 stores))
Occupancy rate	96.4% (As of the end of April 2022)
Master lessor (type)	Sekisui House Real Estate Tokyo, Ltd. (Pass-through type)

R-124 Prime Maison Waseda dori



- Located approx. a three-minute walk from Waseda Station on the Tokyo Metro Tozai Line, and approximately a 12-minute walk from Edogawabashi Station on the Tokyo Metro Yurakucho Line, and Ushigome-yanagicho Station on the Toei Oedo Line, making it convenient to access Shinjuku and Shibuya.
- “Waseda” area is known as an educational district with Waseda University and Gakushuin Women’s College, etc.; the area is also well-equipped with various convenience facilities.
- Room types consist of 1R, 1K, and 1LDK.

Location	79-2 Wasedamachi, Shinjuku-ku, Tokyo
Acquisition date	August 2, 2022
Acquisition price	2,200 million JPY
Appraisal value	2,420 million JPY (As of June 1, 2022)
Appraisal NOI yield	3.7%
Structure / Floors	RC / 11F
Completed / Building age	Feb. 2020 / 2.3 years (As of June 17, 2022)
Total leasable area	1,819.35㎡ (total 65 units)
Occupancy rate	93.2% (As of the end of April 2022)
Master lessor (type)	Sekisui House Real Estate Tokyo, Ltd. (Pass-through type)

* This page is a reprint of the content described in the Fiscal Period Ended April, 2022 15th Financial Results Briefing. Please refer to P62 for the latest real estate appraisal value of each property and P59 for the occupancy rate.

Strengthen Profitability Through Asset Replacement (PM EGOTANOMORI)

Acquired SHR's first large-scale residence including senior housing "Prime Maison EGOTANOMORI"
Stable income expected as some of the properties include long term lease agreements and special fixed-rent agreement



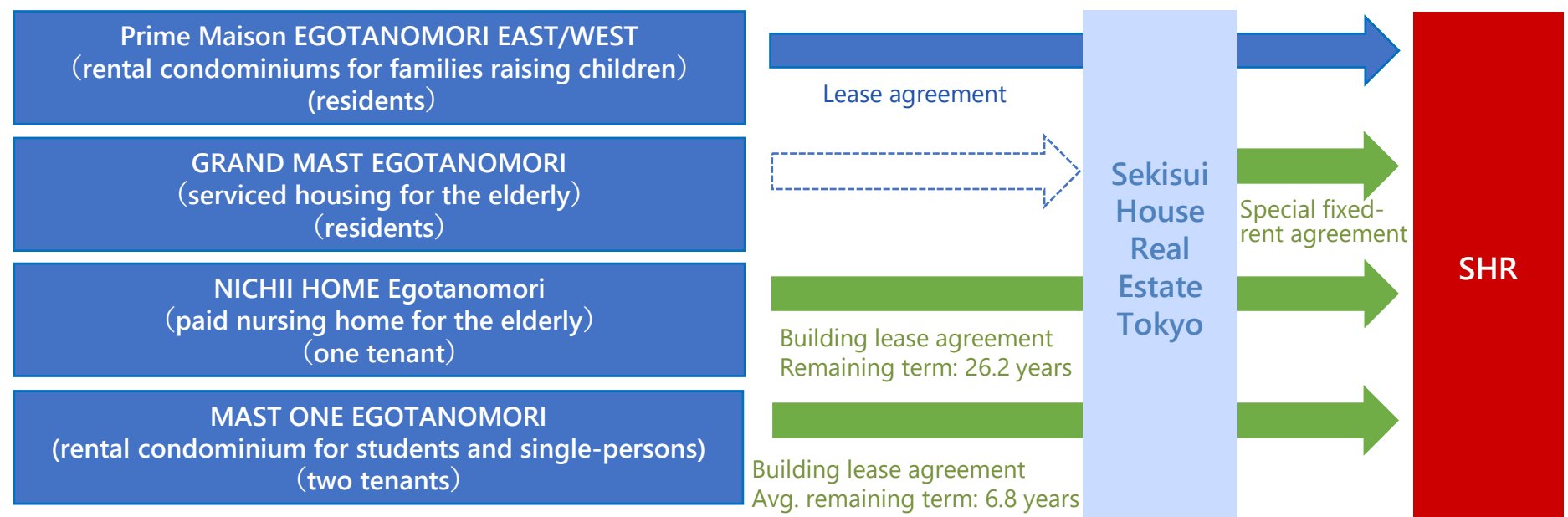
► Overview of the Asset

The community was developed under the concept of "creating a sustainable community nurtured by multiple generations" and has a children's club, a day-care center, a restaurant, a convenience store, and paid car sharing service on the premises.

"Egotanomori Project" won the "39th Green City Award in the Green Business Activities Category, Minister of Land, Infrastructure, Transport and Tourism Award", "2019 Good Design Award", "Urban Landscape Award in the Urban Space Category Excellence Award", and "2019 Kids Design Award in the Easy to have and raise children design category".

► Stable revenue scheme including long-term lease agreements and fixed-rent scheme

Assumes stable income from two senior housing facilities and rental condominium for students and single-persons with fixed-rents



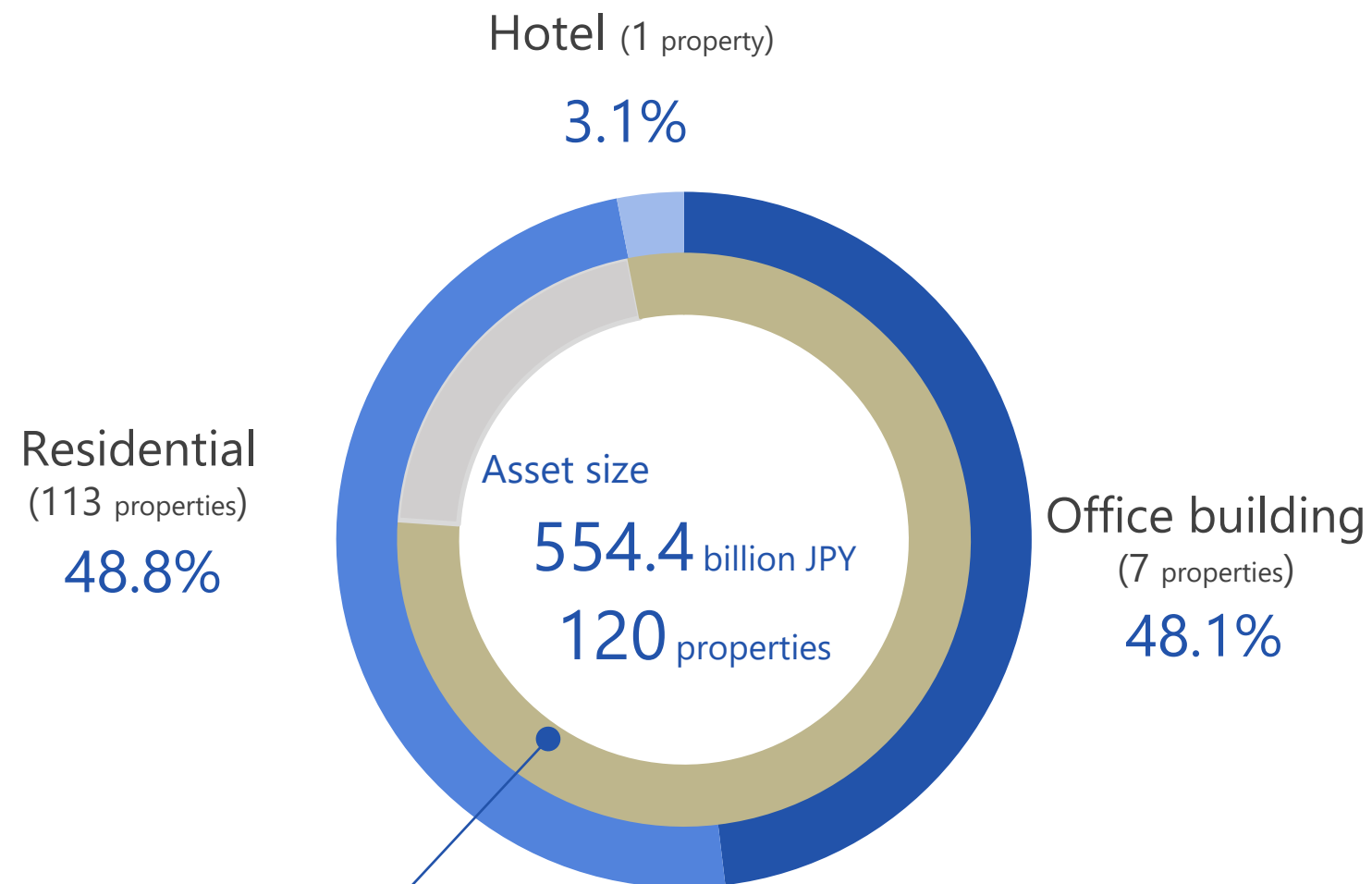
► Installation of ESG conscious features

Solar power generation is installed on the roof of Prime Maison EGOTANOMORI EAST and Prime Maison EGOTANOMORI WEST and used as part of the electricity for common areas; all units are equipped with ENE-FARM. This property is also equipped with a stockpile of disaster prevention equipment, a bench with oven function, and a well with access to water in case of a disaster.

SHR's Portfolio

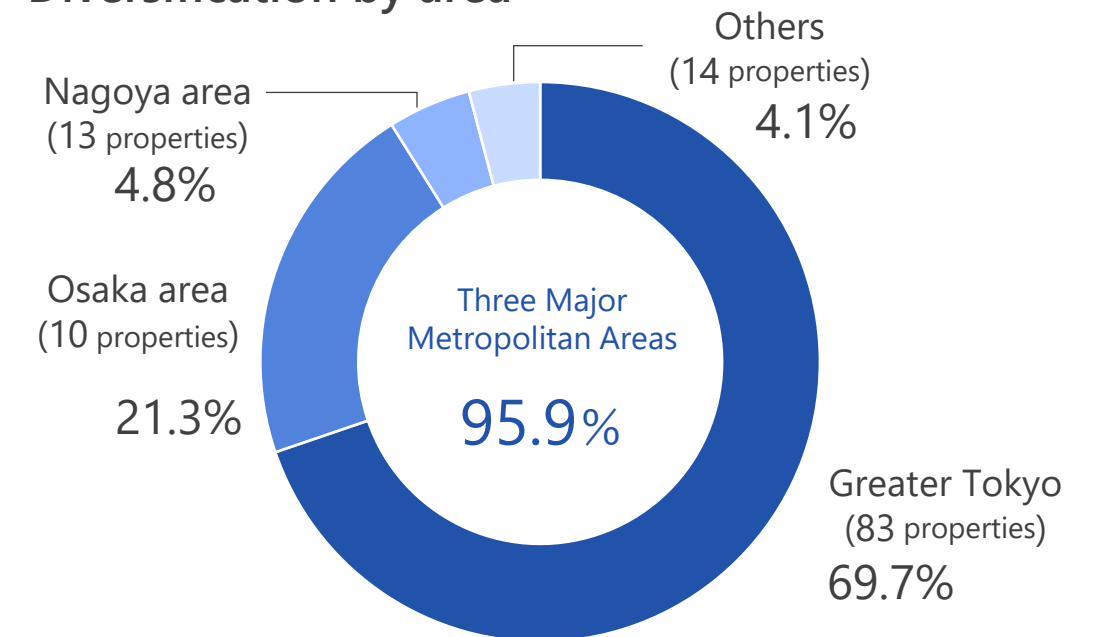
► Diversification of SHR's Portfolio (As of the end of FP 16 / Acquisition price basis)

■ Diversification by asset type



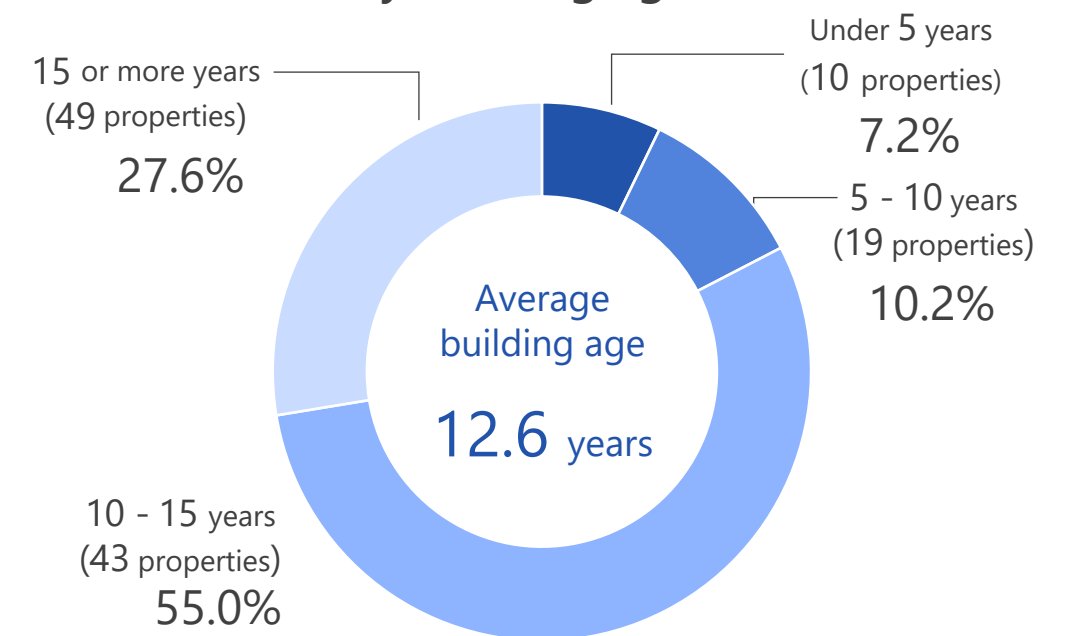
	Acquisition from Sekisui House Group 79.2%	
	439.2 billion JPY / 67 properties	
Sekisui House, Ltd.		397.0 billion JPY / 52 properties

■ Diversification by area



Three Major Metropolitan Areas by assets
Office building 100.0%/Residential 91.5%/Hotel 100.0%

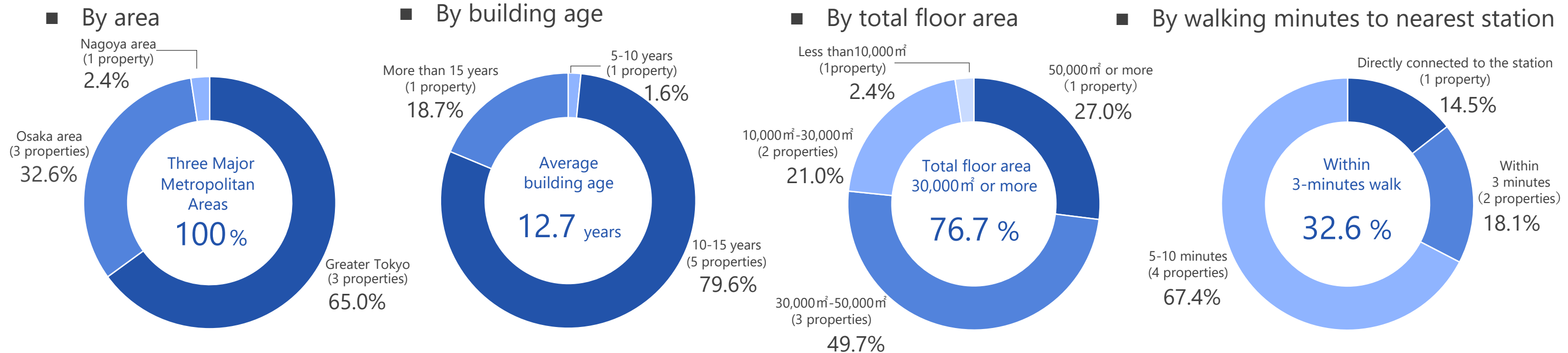
■ Diversification by building age



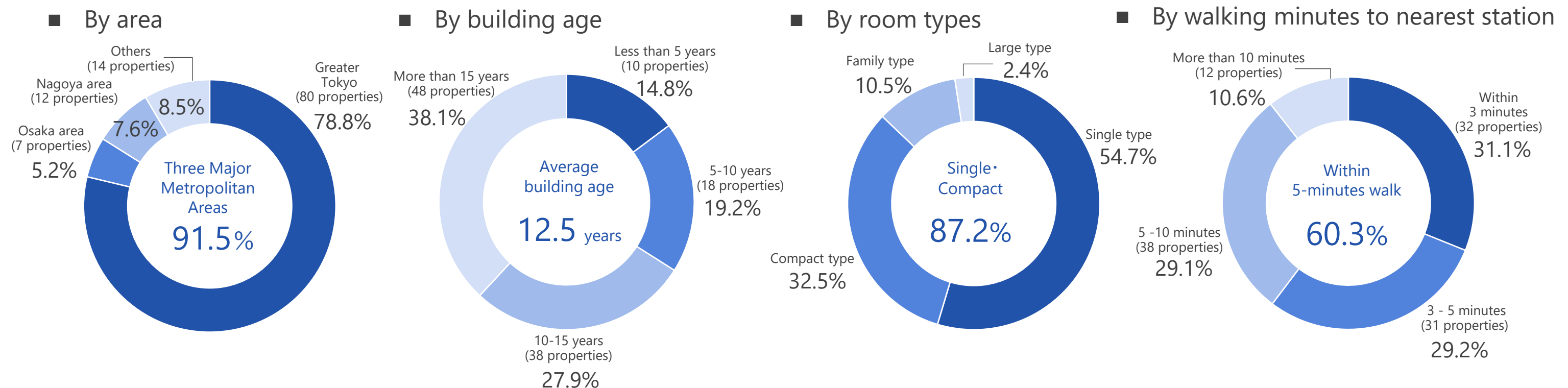
Average building age by assets
Office building 12.7 years/Residential 12.5 years/Hotel 12.5 years

Portfolio Structures by Asset Type

► Diversification of the office portfolio (As of the end of Oct. 2022 (FP 16) / Acquisition price basis)



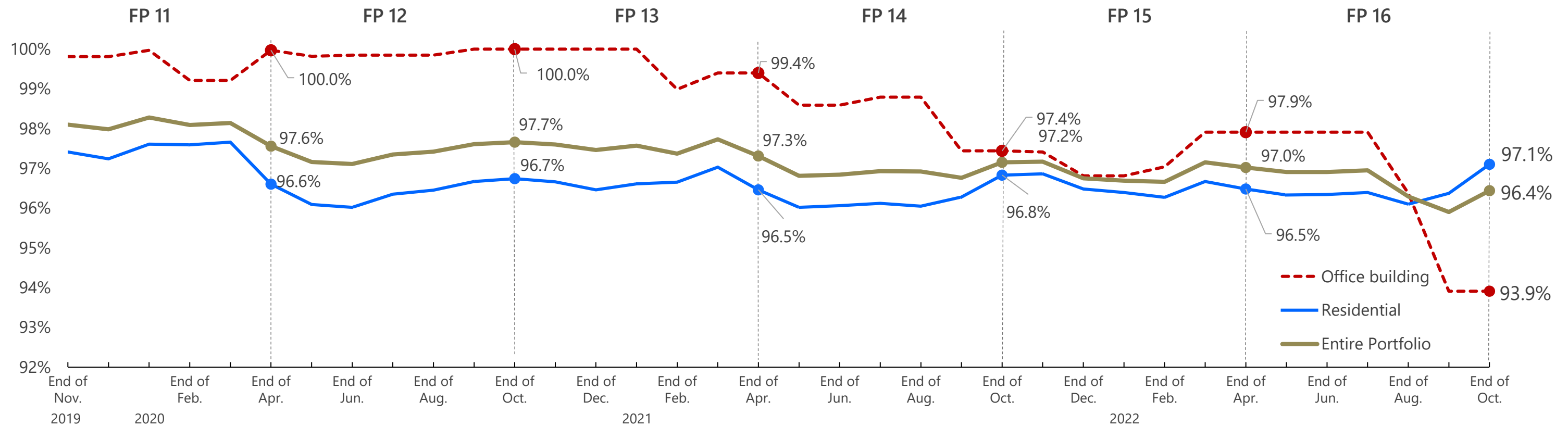
► Diversification of the residential portfolio (As of the end of Oct. 2022 (FP 16) / Acquisition price basis (By room types is "number of room" basis))



* Diversification by room types is calculated for subleased properties, single building rental properties, etc., and residential properties excluding retail and offices.

Occupancy Rate by Asset Type

Monthly trends in occupancy rate 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)			FP ended Oct. 2021 (FP 14)			FP ended Apr. 2022 (FP 15)			FP ended Oct. 2022 (FP 16)		
	End of the FP	Period-average	Highest	End of the FP	Period-average	Highest	End of the FP	Period-average	Highest	End of the FP	Period-average	Highest	End of the FP	Period-average	Highest	End of the FP	Period-average	Highest
Office building	100.0%	99.7%	End of Jan./Apr. 100.0%	100.0%	99.9%	End of Sep./Oct. 100.0%	99.4%	99.6%	End of Nov.-Jan. 100.0%	97.4%	98.3%	End of Jul./Aug. 98.8%	97.9%	97.3%	End of Mar./Apr. 97.9%	93.9%	96.3%	End of May-Jul. 97.9%
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%	96.8%	96.2%	End of Oct. 96.8%	96.5%	96.5%	End of Nov. 96.9%	97.1%	96.4%	End of Oct. 97.1%
Hotel	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
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%	97.2%	96.9%	End of Oct. 97.2%	97.0%	96.9%	End of Nov./Mar. 97.2%	96.4%	96.6%	End of Jul. 97.0%

* The occupancy rate is the ratio of the total leased area to the total leasable area of the operating assets per asset type owned by SHR at the end of each month from November 2019 to April 2022.

* Occupancy rate of Hotel is 100% as each hotels currently owned or owned in the past are leased as to one tenant as the entire building. This differs from the operating occupancy rate.

Office Building: Tenant Profile

► End tenant diversification (based on 82 end tenants in total of overall office building portfolio)

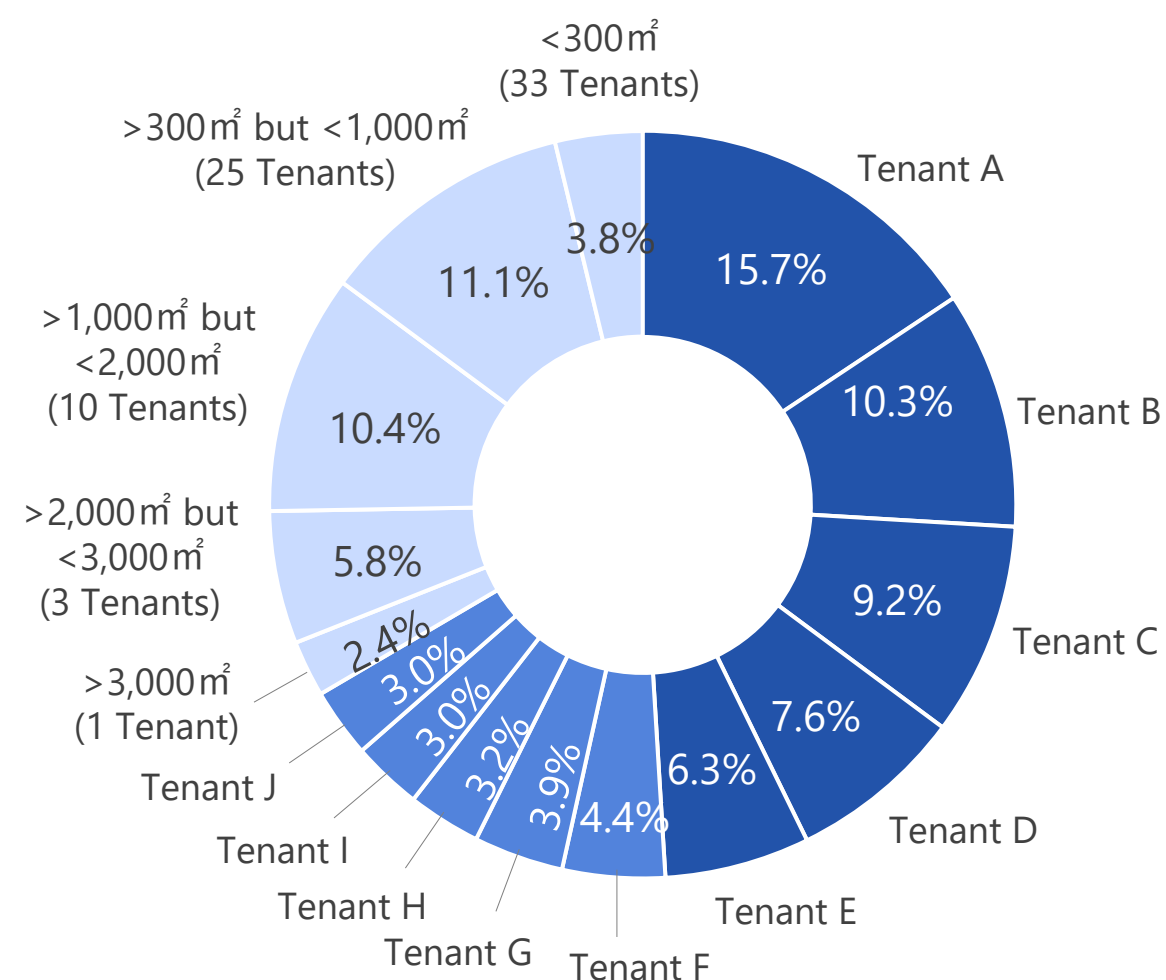
■ Top 5 tenants by leasable area 49.0%

Tenant	Industry	Leasable area	Property
A	IT	19,999.97 m ²	Gotenyama SH Bldg.
B	IT	13,126.72 m ²	GC Shinagawa Gotenyama
C	Retail (wholesale)	11,769.00 m ²	Hommachi GC
D	Finance & Insurance	9,690.83 m ²	Hommachi Minami GC
E	Retail (wholesale)	8,020.62 m ²	GC Shinagawa Gotenyama

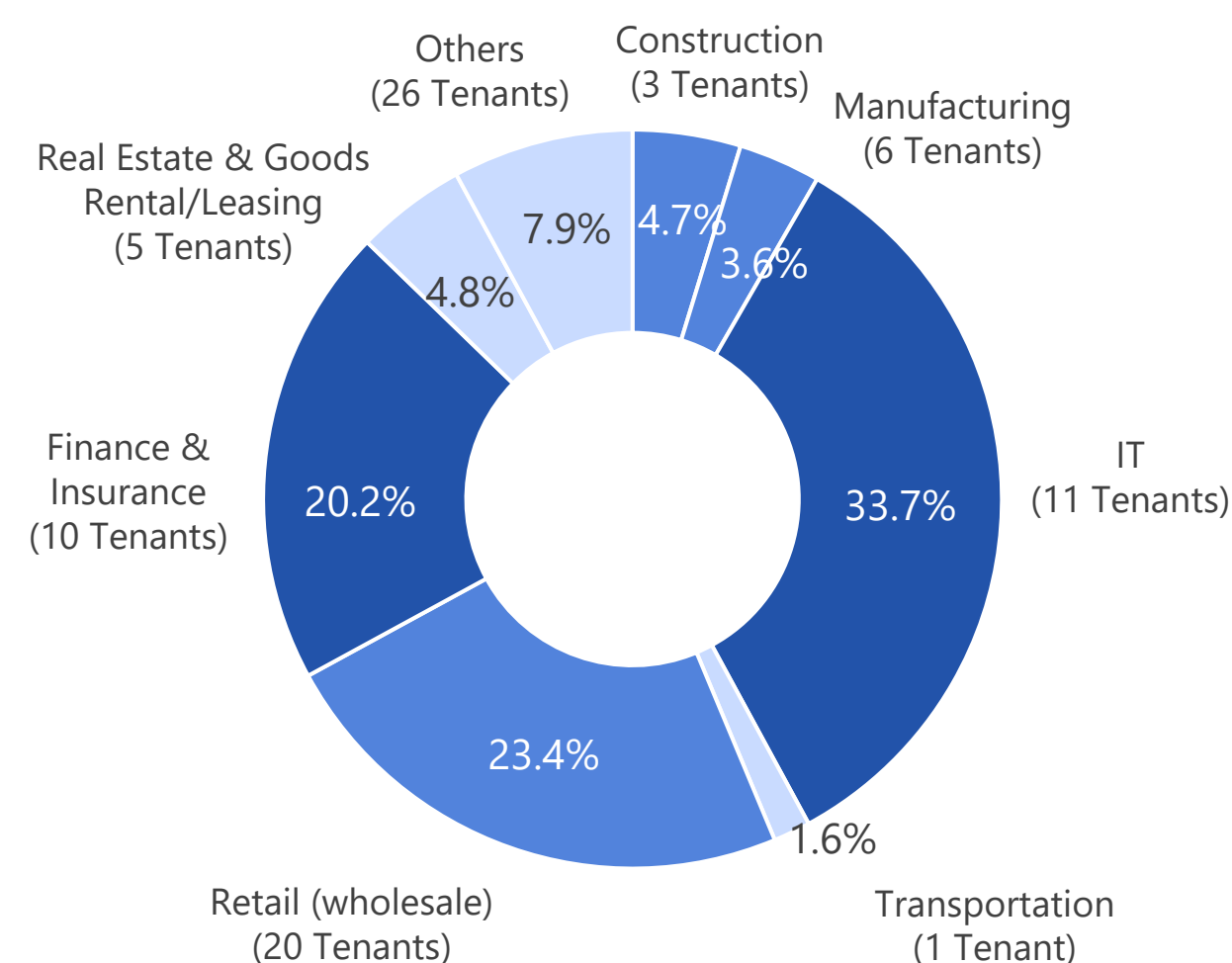
■ Top 10 tenants by leasable area 66.5%

Property	% of portfolio	Tenant(s)
GC Shinagawa Gotenyama	19.7 %	Tenants B, E, and H
Hommachi Minami GC	15.9 %	Tenants D, F, and G
Gotenyama SH Bldg.	15.7 %	Tenant A
Hommachi GC	9.2 %	Tenant C
Akasaka GC	6.0 %	Tenants I and J

■ Occupancy rate by tenant leasing area



■ Occupancy rate by tenant portfolio

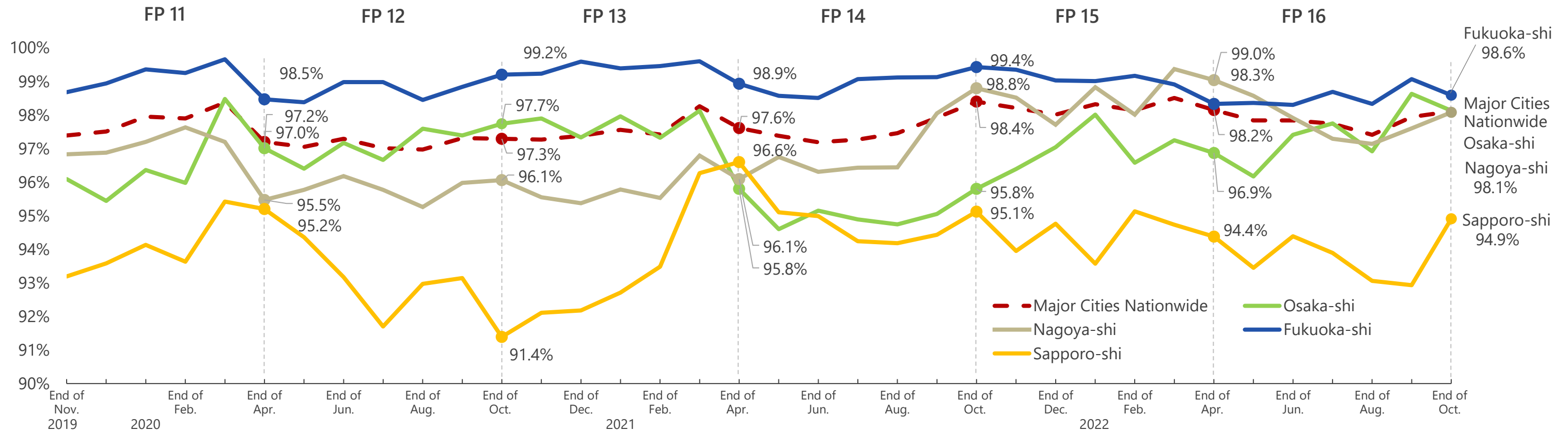


* End tenant diversification is calculated based on the office building portfolio as of the end of FP 16.

* The industry classification of end tenants is created by SHAM based on the "Japan Standard Industrial Classification".

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)		FP ended Oct. 2021 (FP 14)		FP ended Apr. 2022 (FP 15)		FP ended Oct. 2022 (FP 16)	
	Period-average	End of the FP	Period-average	End of the FP	Period-average	End of the FP	Period-average	End of the FP	Period-average	End of the FP	Period-average	End of the FP
Greater Tokyo	97.1%	96.2%	95.9%	96.4%	96.0%	95.6%	95.2%	95.7%	95.3%	95.3%	95.5%	96.5%
Tokyo 23 wards	96.9%	95.8%	95.4%	96.0%	95.6%	95.2%	94.8%	95.3%	94.9%	95.0%	95.3%	96.4%
Major Cities Nationwide	97.7%	97.2%	97.2%	97.3%	97.6%	97.6%	97.6%	98.4%	98.2%	98.2%	97.8%	98.1%
Osaka-shi	96.6%	97.0%	97.2%	97.7%	97.4%	95.8%	95.0%	95.8%	97.0%	96.9%	97.5%	98.1%
Nagoya-shi	96.9%	95.5%	95.8%	96.1%	95.9%	96.1%	97.1%	98.8%	98.6%	99.0%	97.8%	98.1%
Fukuoka-shi	99.1%	98.5%	98.8%	99.2%	99.4%	98.9%	99.0%	99.4%	99.0%	98.3%	98.6%	98.6%
Sapporo-shi	94.2%	95.2%	92.8%	91.4%	93.9%	96.6%	94.7%	95.1%	94.4%	94.4%	93.8%	94.9%
Entire Area	97.4%	96.6%	96.4%	96.7%	96.6%	96.5%	96.2%	96.8%	96.5%	96.5%	96.4%	97.1%

Residential : Rent Trends by Area

► Rent trends by investment area (unit rent per tsubo)

Based on the residential properties held from the end of the previous FP to the end of the current FP for each period					
	FP ended April 2022 (end of FP 15) (A)	FP ended October 2022 (end of FP 16) (B)	Change		
			(B) – (A)	((B)-(A))/(A)	
Greater Tokyo	13,982 JPY/ tsubo	14,004 JPY/ tsubo	+22 JPY/ tsubo	+ 0.2 %	
Tokyo 23 Wards	14,302 JPY/ tsubo	14,319 JPY/ tsubo	+17 JPY/ tsubo	+ 0.1 %	
Others	11,080 JPY/ tsubo	11,091 JPY/ tsubo	+11 JPY/ tsubo	+ 0.1 %	
Major Cities Nationwide	7,082 JPY/ tsubo	7,097 JPY/ tsubo	+15 JPY/ tsubo	+ 0.2 %	
Total	12,047 JPY/ tsubo	12,084 JPY/ tsubo	+37 JPY/ tsubo	+0.3 %	

► Rent trends in new contracts by investment area and building age

FP ended April 2022 (end of FP 16)			
	Number of new contracts	Change in rent (net)	Ratio of change in rent
By Area			
Greater Tokyo	750	+ 905 thousand JPY	+ 0.8 %
Tokyo 23 Wards	693	+ 824 thousand JPY	+ 0.8 %
Others	57	+ 81 thousand JPY	+ 1.3 %
Major Cities Nationwide	168	+ 246 thousand JPY	+ 1.4 %
Total	918	+1,151 thousand JPY	+ 0.9 %
By Building Age (Tokyo 23 Wards)			
Less than 5 years	128	(112) thousand JPY	(0.5) %
5 - 10 years	183	(249) thousand JPY	(0.8) %
10 - 15 years	196	+ 994 thousand JPY	+ 3.4 %
More than 15 years	186	+ 191 thousand JPY	+ 0.7 %
Total	693	+ 824 thousand JPY	+ 0.8 %

► Rent gap

Based on the residential held as of the end of FP 16
(Target units for which market rent has not been achieved)

	Rent Gap
Greater Tokyo	4.5 % lower
Tokyo 23 Wards	4.5 % lower
Others	3.4 % lower
Major Cities Nationwide	5.6 % lower
Total	4.7 % 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 by the years of construction as of the fiscal period ended October 2022 (FP 16).

ESG: Materiality, KPI and Achievements

	Materiality	Target (KPI)	Achievements
Environment	Promoting response to climate change	<ul style="list-style-type: none"> Reduce CO₂ emissions intensity of portfolio Middle term target: Reduce 50% by FY 2030 compared to FY 2018 Long term target: Achieve carbon neutrality by FY 2050 Reduce 5% energy consumption intensity of portfolio by FY 2023 (Note 1) compared to FY 2018 Promote green lease 	FY 2021 results • CO ₂ emissions intensity : Reduced 25% compared to FY 2018 • Energy consumption intensity : Reduced 5.2% compared to FY 2018 • Waste emissions intensity : Reduced 55.9% compared to FY 2018 • Water use intensity : Reduced 10.4% compared to FY 2018 • Green certification : 64.9% (As of the date of this document)
	Coexistence of humankind and nature and activities for the resources environment	<ul style="list-style-type: none"> Advance greenification and respect biodiversity Avoid increasing waste emission intensity of portfolio compared to FY 2018 Avoid increasing water use intensity of portfolio compared to FY 2018 	
	Investing in real estate with excellent environmental performance	<ul style="list-style-type: none"> Achieve 70% or more of the portfolio with green certification in FY 2022 (Note 2) Promote ZEH alternatives 	
Social	Providing residents and tenants with secure and comfortable space that offers peace of mind	<ul style="list-style-type: none"> Periodic surveys on resident and tenant satisfaction and promote initiatives to improve satisfaction Promote certification acquisition for comfort and health of buildings (spaces) Periodic assessment of earthquake risk and flood damage risk and the implementation of measures to reduce such risk Periodic assessment of initiatives toward ESG in the supply chain and the promotion of collaborative initiatives 	• Implement measures to improve service in light of satisfaction survey results • Portfolio seismic PML rating : 2.0% (As of the end of Oct. 2022) • Percentage of portfolio with water immersion risk (0.5m or more water immersion) : 64.1% (As of the end of Oct. 2022) • 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 • "Sekisui House Matching Program" participation rate: 41.9% (FY 2021 results (Note 3))
	Contributing to society	<ul style="list-style-type: none"> As a member of society, contributing to greater vitality in the community and countermeasures aimed at preventing damage from natural and other disasters By FY 2023, "Sekisui House Matching Program" (a joint donation system for employees and the company) participation rate: 40% 	
	Creating a rewarding workplace	By FY 2023, a. Percentage of female managers: 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% • Annual participation in external training events per person : twice • Annual internal training participation rate : 100% • Practicing Sekisui House Group Human Rights Policy	
Governance	Strengthening corporate governance system	<ul style="list-style-type: none"> Enhance effectiveness of executive committee and board of directors Conducting effectiveness evaluation questionnaire (once/year) Penetration of compliance Conducting compliance training by external experts etc. (four times/year) participation rate : 100% Strengthening internal controls structure Conducting Internal Audit (twice/year) Strengthen risk management system Conducting risk management meeting (twice/year) 	FY 2021 results (Note 3) • Conducted compliance training by external experts : Six times • Conducted Internal Audit : Twice • Conducted risk management meeting : Twice • Issued SHR's ESG report in January 2022 • Released a special website for individual investors in February 2022 • IR activities in the fiscal periods ended April and October 2021 IR meetings with domestic institutional investors : 126 times IR meetings with overseas institutional investors : 43 times Seminars for individual investors : 3 times
	Information disclosure and engagement with stakeholders	<ul style="list-style-type: none"> Timely and appropriate disclosure of information and enhanced utility of disclosures Building relationships of trust with stakeholders 	

Note 1: Will set reduction targets every 5 years after FY 2023 and continue promotion of reduction in energy consumption intensity of portfolio.

Note 2: Will continue to maintain 70% or more after FY 2022.

Note 3: FY 2021 results refer to the actual results of SHAM for the period from Feb. 2021 to Jan. 2022.

ESG: External Certifications and International Initiatives

GRESB Assessment 2022

- Acquired “3 Stars” under the GRESB Real Estate Assessment
- Acquired highest rank “A” under the GRESB Disclosure Assessment



MSCI ESG Rating

- Inclusion in the MSCI Japan ESG Select Leaders Index (as of June 2022)
- Acquired “A” under the MSCI ESG rating (as of March 2022)



PRI (Principles for Responsible Investing)

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

Signatory of:



TCFD (The Task Force on Climate-related Financial Disclosures)

- 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



MUFG ESG Rating Certificate for J-REIT supported by JCR

- SHR and SHAM reacquired the highest “S Rank” (as of April 2022)
- Highly praised for reducing CO₂ emissions, collaborating with residents, tenants, tenant companies, and local communities, and thorough compliance awareness

United Nations Global Compact

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



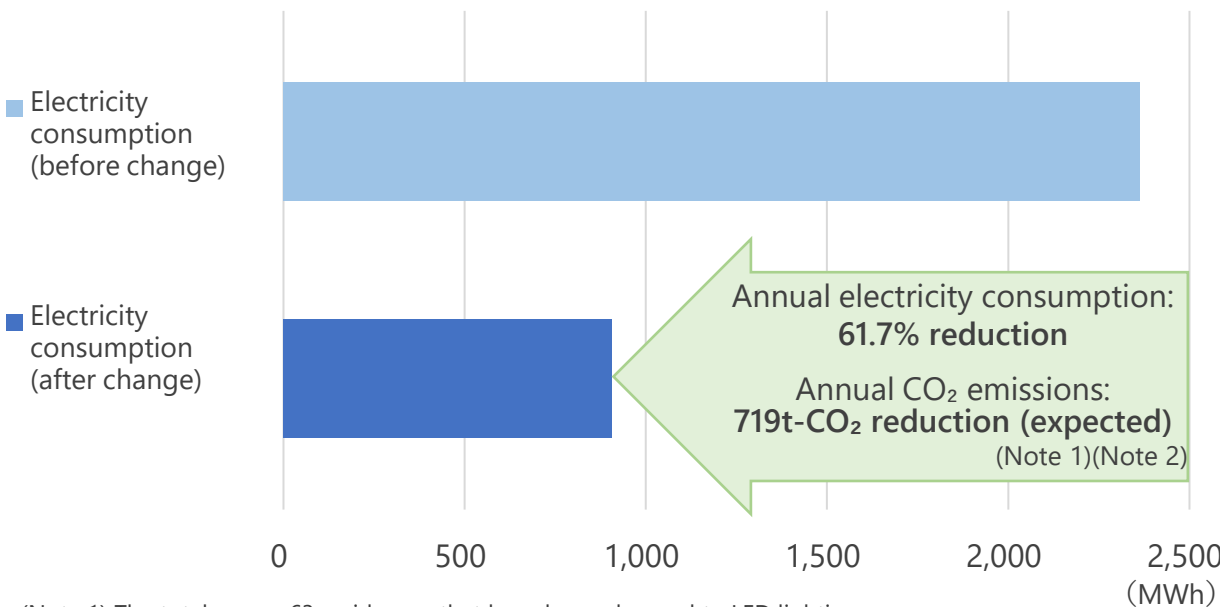
ESG: Environment

■ Initiatives to reduce CO₂ emissions (as of the end of October 2022)

- Cumulative introduction of environmentally-friendly equipment

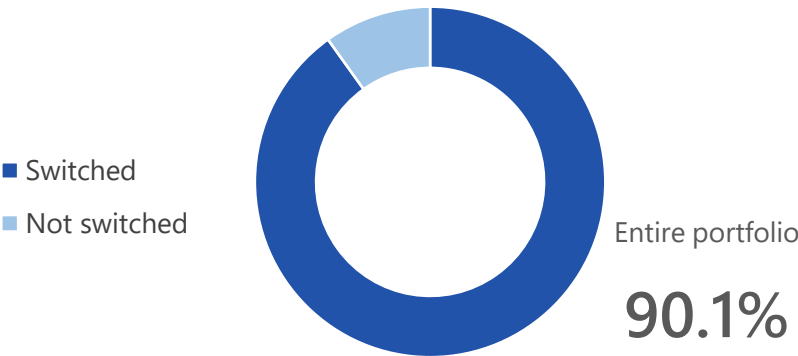
Introduction of environmentally-friendly equipment such as LED lighting and energy-saving air conditioners

- Switched to LED lighting 63 properties

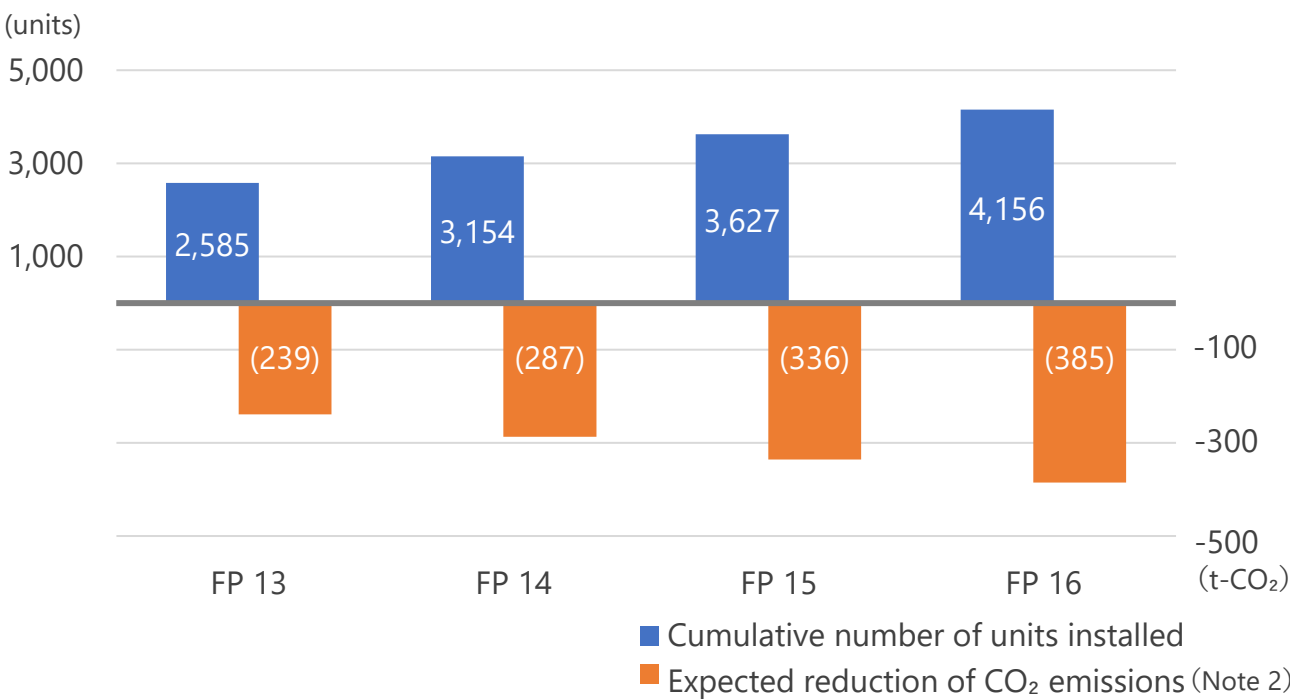


(Note 1) The total covers 63 residences that have been changed to LED lighting.
(Note 2) The estimated reduction figures are calculated by SHAM based on materials proposed by the replacement contractor or materials released by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry, and there is no guarantee that the expected reduction effect will be surely realized.

- **Status of switching to electricity plans derived from renewable energy (as of the date of this document)**
Replacement of 106 residential (common area) properties and 3 office properties with renewable energy-derived power plans has been implemented. Switchover was completed for 90.1% of the total portfolio as of the date of this document (93.8% of the residential portfolio and 37.5% of the office portfolio).



- Switched to energy-saving air conditioners 4,156 units



- Acquisition status of external certifications

Acquisition ratio (based on total floor area)			
64.9%			
DBJ Green Building Certification		Certification for CASBEE for Real Estate	
★★★★★	1	S rank	7
★★★★	20		
★★★	35		
★★	1		

ESG: Social

■ Contributions to society

- Matching employee donations program
“Sekisui House Matching Program”

From May 2021, introduced the Sekisui House Matching Program in which employees contribute the desired amount from their salaries, starting from 100 JPY per unit, and Sekisui House adds the same amount of subsidies to make donations. In FY 2022, 45.8 million JPY in subsidies were donated to 94 citizen's groups recommended by employees nationwide, focusing on collaboration with employees and activities related to SDGs.

- Participation in the Minato-ku Adopt Program

Signed an agreement with Minato-ku, Tokyo, where SHAM's office is located, to regularly conduct cleanup activities around the office through participation in the “Minato-ku Adopt Program”

- Other donation activities

In addition to collecting PET bottle caps and used stamps, donations were made to outside parties to recycle calendars and notebooks. In FY 2022, we donated 6.4 kilograms of PET bottle caps to an NPO through UNICEF to help provide vaccines to children worldwide.



Education system promotion activities for children in rural Cambodia

Children's Fund

Aiming to nurture children who will lead the next generation, we support activities related to the sound development of children



Coastal forest restoration activities in Sammu-shi, Chiba, which suffered salt damage from the tsunami on March 11, 2011

Environmental Fund

Supporting activities related to global warming prevention, ecosystem conservation, and resource recycling with the aim of contributing to the resolution of environmental issues

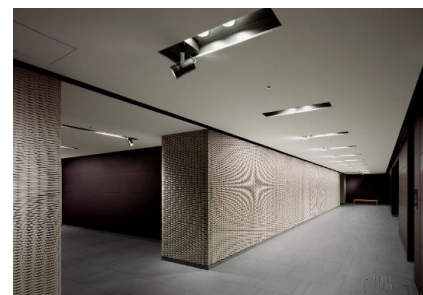


■ Tenant safety, comfort and peace of mind

- Building certified under the barrier-free law : Hommachi Minami GC

- First office building in Osaka city to be certified under the barrier-free law
- Design based on the Building Movement Facilitation Guidance Standard
- Wide corridor width and three wheelchair-accessible parking spaces in the parking lot for wheelchair users

* The barrier-free law is the law on promotion of smooth transportation for the elderly and persons with disabilities.



■ Contribution to local communities

- Implementation of tenant satisfaction surveys
- Implementation of bicycle sharing
- Implementation of electric kickboards
- Implementation of food trucks



ESG: Governance

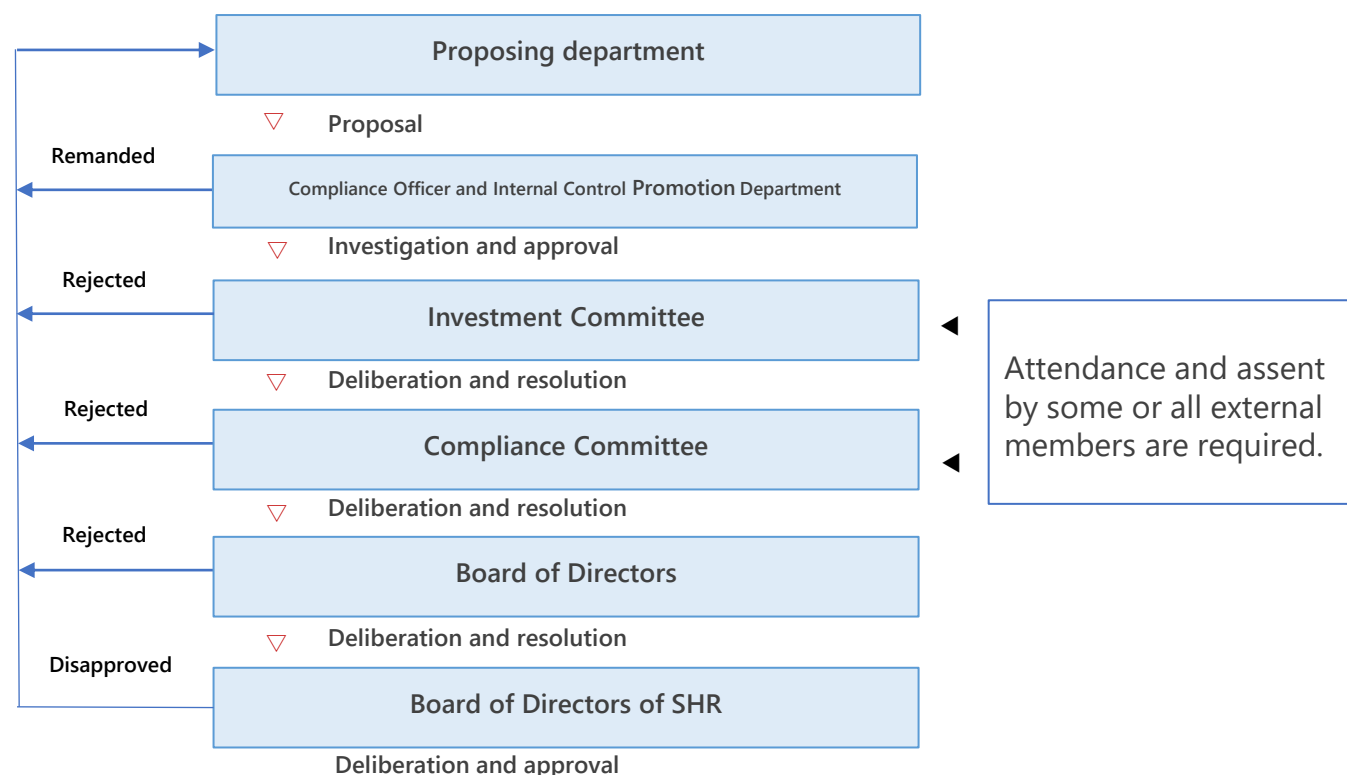
Strengthening the Corporate Governance System

Promoting diversity among directors

Based on the idea that diversity is important to SHR, we promote diversity in the composition of directors. In January 2022, a female Supervisory Director (Rei Yamashita) was appointed, and the ratio of female directors rose to 33.3%.

Conflicts of interest policy

Decision making flow



The investment committee and the compliance committee require the attendance and approval of outside committee members, respectively, to ensure fairness, objectivity, and appropriateness in the committee's decision-making.

Evaluation of the effectiveness of SHR's and SHAM's Board of Directors

SHR and SHAM have set forth in KPI "Improving the Effectiveness of the Board of Directors" and "Conducting an Effective Assessment Questionnaire." In order to verify whether the functions expected of the Board of Directors of SHR and the Board of Directors of SHAM are being properly performed and to improve such functions, an assessment of the effectiveness of the Board of Directors is conducted.

Initiatives that link to unitholder interests

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

Sekisui House ownership (units) (Percentage of outstanding shares)
200,750 (4.6%)

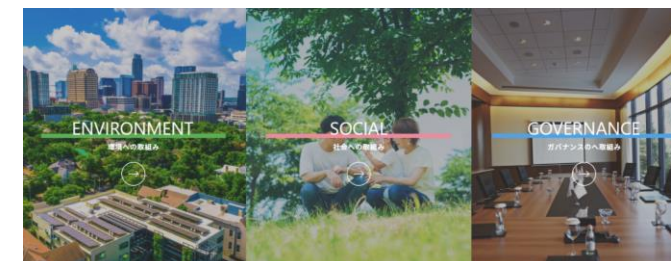
- Performance-linked type is adopted as part of asset management fee

(1) Linked to asset size and investment units performance
Total Assets × (0.14% (annual) + rate of performance versus TSE REIT Index) ^{Note 1}
(2) Linked to DPU and operating income
(DPU ^{Note 2} × operating Income ^{Note 3} × 0.002%) × 2 (split ratio)

Disclosure of information to stakeholders

- Renewal of ESG special website
- Special website for individual investors

Scheduled to be released
at the end of December



Available in Japanese only



Note 1: The rate varies depending on the performance-comparison of SHR's investment units and the Tokyo Stock Exchange 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

Portfolio Development Policy

▶ Portfolio composition by asset type

Building a portfolio with “Residential” as a base for a sustainable lifestyle and “Office buildings” as a base for sustainable business activities as core assets.

Asset Type	Examples of Specific Asset Type	Portfolio Investment Ratio (acquisition price basis)	Mid to Long Term Target Investment Ratio*	As of the Date of This Document
Core assets				
Office building	Office building Data center	30~55%	About 45%	48.1%
Residential	Residential Student and corporate dormitories	30~55%	About 45%	48.8%
Hotel	Hotel	0~30%	About 15% (Hotel at about 10%)	3.1%
Retail, etc.	Retail Serviced apartments Senior housing (Serviced housing for the elderly, Paid nursing homes, Adult day care centers)	0~10%		—

* Mid to Long Term Target Ratio is stated as medium to long term target investment ratio. It is not guaranteed or promised that those targets will be achieved, and the actual investment ratios may differ substantially from the targets.

▶ Investment area by asset type

Asset Type	Priority Investment Area	Investment Ratio by Area (acquisition price basis)	As of the Date of This Document
Office building, Hotel, Retail, etc.	Three major metropolitan areas (Greater Tokyo, Osaka, Nagoya)	80% or more	100.0%
Residential	Greater Tokyo	70% or more	78.8%

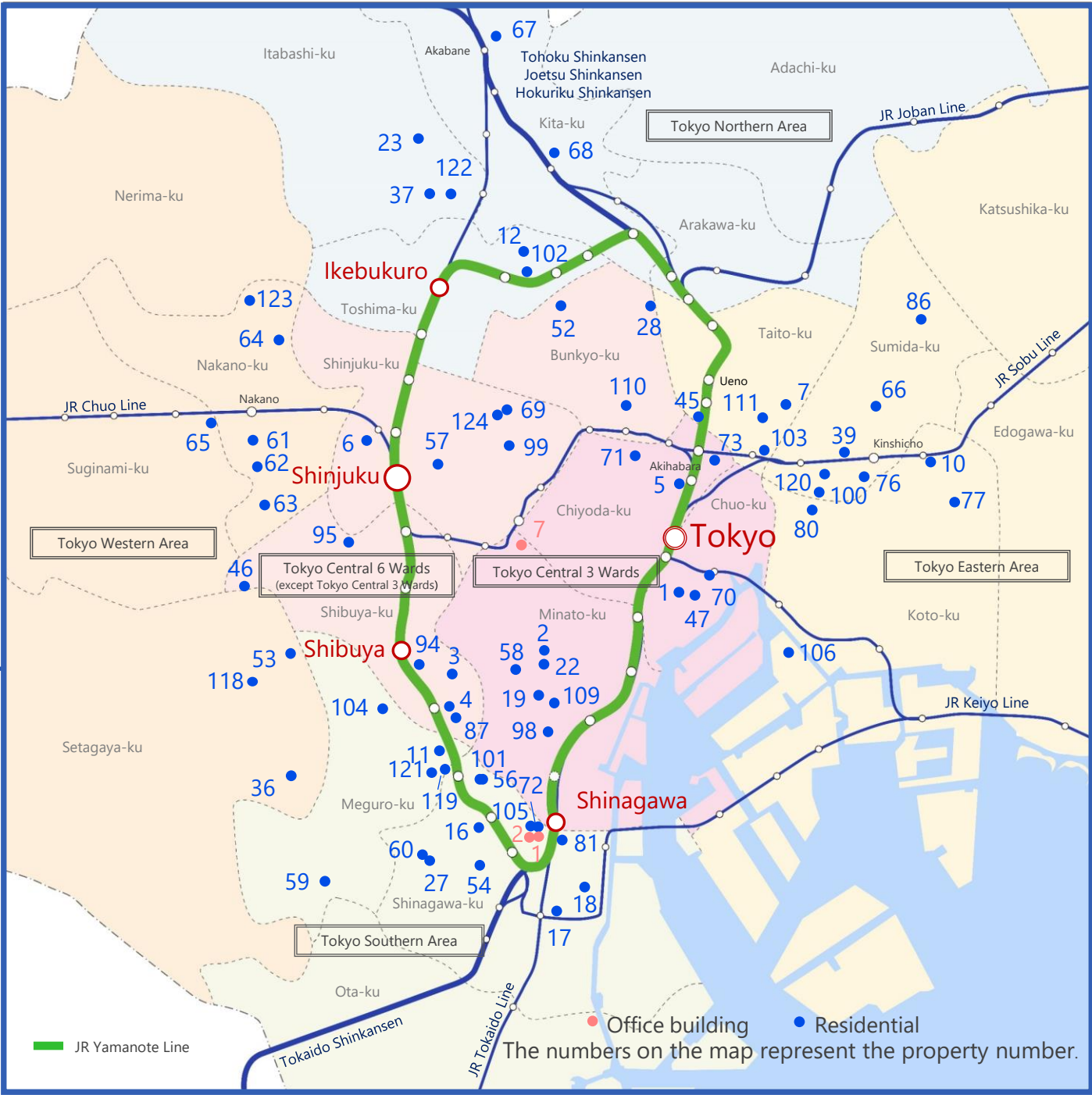
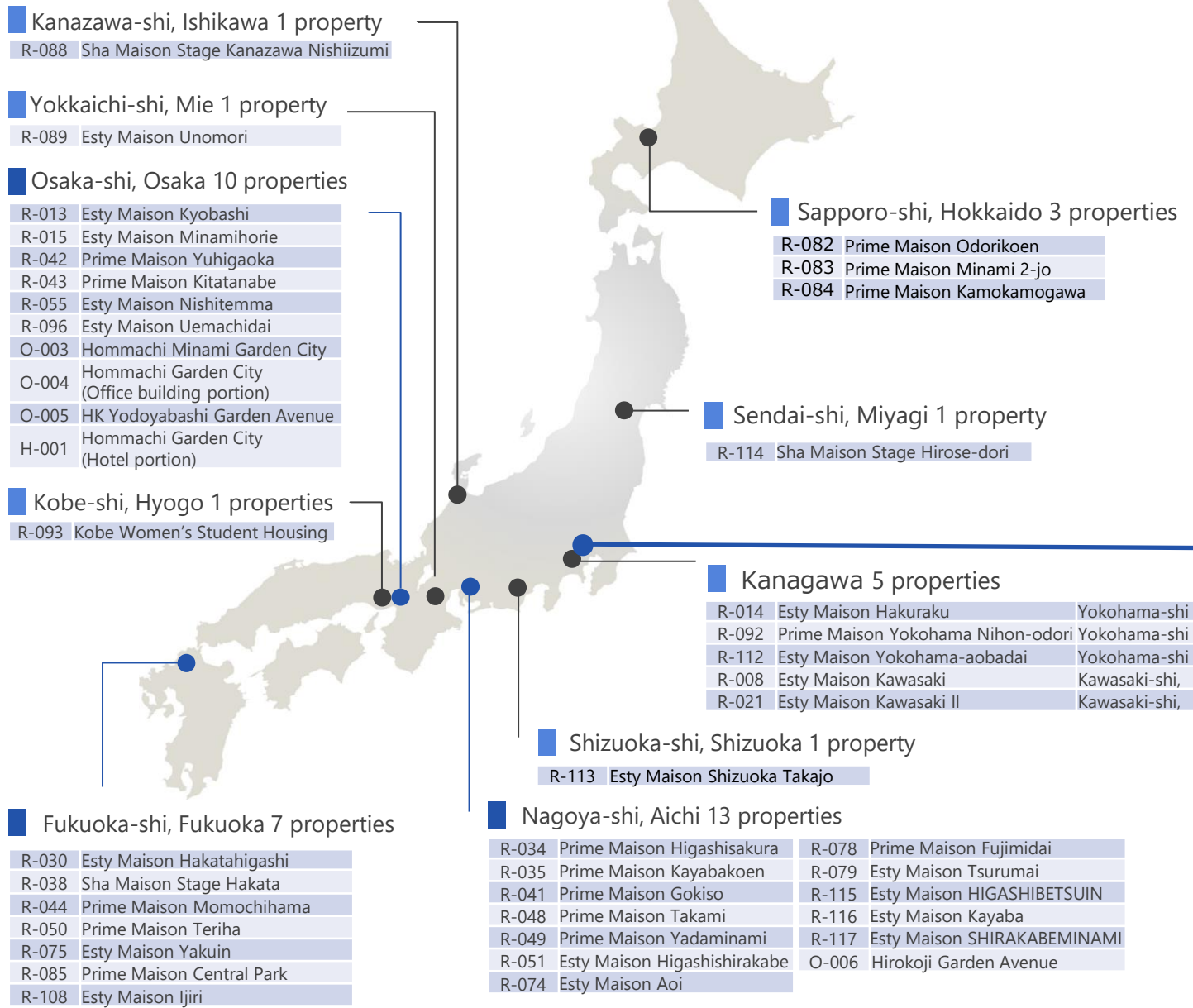
Appendix

Portfolio MAP

(End of FP 16)

Total 120 properties

Total Acquisition Price 554.4 billion JPY



■ Tokyo 23 wards
75 properties

■ Other than Tokyo 23 wards
3 properties

Tokyo 23 wards
rate : 66.4%
(Acquisition price basis)

Central 3 wards	R-005 Esty Maison Kanda	Chiyoda-ku	R-087 Prime Maison Ebisu	Shibuya-ku	R-066 Esty Maison Oshiage	Sumida-ku	R-072 Prime Maison Gotenyama East	Shinagawa-ku	R-063 Esty Maison Nakanofujimicho	Nakano-ku
	R-071 Prime Maison Jimbocho	Chiyoda-ku	R-094 Prime Maison Shibuya	Shibuya-ku	R-076 Esty Maison Kinshicho II	Sumida-ku	R-081 Prime Maison Shinagawa	Shinagawa-ku	R-064 Esty Maison Tetsugakudo	Nakano-ku
	R-073 Sha Maison Stage Akihabara	Chiyoda-ku	R-095 Prime Maison Hatsudai	Shibuya-ku	R-086 Sha Maison Stage Yahiro	Sumida-ku	R-101 Prime Maison Shirokanedai Tower	Shinagawa-ku	R-123 Prime Maison EGOTANOMORI	Nakano-ku
	R-001 Esty Maison Ginza	Chuo-ku	R-006 Esty Maison Kitashinjuku	Shinjuku-ku	R-100 Esty Maison Morishita	Sumida-ku	R-105 Prime Maison Gotenyama West	Shinagawa-ku	R-065 Esty Maison Koenji	Suginami-ku
	R-047 Prime Maison Ginza East	Chuo-ku	R-057 Esty Maison Higashishinjuku	Shinjuku-ku	R-120 Prime Maison Ryogoku	Sumida-ku	O-001 Garden City Shinagawa Gotenyama	Shinagawa-ku	R-012 Esty Maison Sugamo	Toshima-ku
	R-070 Prime Maison Hatchobori	Chuo-ku	R-069 Prime Maison Waseda	Shinjuku-ku	R-010 Esty Maison Kameido	Koto-ku	O-002 Gotenyama SH Building	Shinagawa-ku	R-102 Prime Maison Otsuka	Toshima-ku
	R-002 Esty Maison Azabunagasaka	Minato-ku	R-099 Prime Maison Ichigayayamabushicho	Shinjuku-ku	R-077 Esty Maison Ojima	Koto-ku	R-011 Prime Maison Meguro	Meguro-ku	R-067 Esty Maison Akabane	Kita-ku
	R-019 Esty Maison Minamiazabu	Minato-ku	R-124 Prime Maison Waseda dori	Shinjuku-ku	R-080 Prime Maison Morishita	Koto-ku	R-059 Esty Maison Meguro	Meguro-ku	R-068 Esty Maison Oji	Kita-ku
	R-022 Esty Maison Azabujuban	Minato-ku	R-028 Esty Maison Sendagi	Bunkyo-ku	R-106 Esty Maison Toyosu Residence	Koto-ku	R-104 Esty Maison Toritsudaigaku	Meguro-ku	R-023 Esty Maison Itabashihoncho	Itabashi-ku
	R-058 Esty Maison Motoazabu	Minato-ku	R-052 Esty Maison Sengoku	Bunkyo-ku	R-016 Esty Maison Gotanda	Shinagawa-ku	R-119 Prime Maison Daikanyama	Meguro-ku	R-037 Esty Maison Itabashi C6	Itabashi-ku
Central 6 wards	R-098 Prime Maison Shirokane-takanawa	Minato-ku	R-110 Prime Maison Hongo	Bunkyo-ku	R-017 Esty Maison Oisendaizaka	Shinagawa-ku	R-121 Prime Maison Nakameguro	Meguro-ku	R-122 Prime Maison Itabashi	Itabashi-ku
	R-109 Prime Maison Mitatsunamachi	Minato-ku	R-007 Esty Maison Asakusakomagata	Taito-ku	R-018 Esty Maison Shinagawa Seaside	Shinagawa-ku	R-036 Esty Maison Sangenjaya II	Setagaya-ku	R-040 Esty Maison Musashikoganei	Koganei-shi
	O-007 Akasaka Garden City	Minato-ku	R-045 Esty Maison Akihabara	Taito-ku	R-027 Esty Maison Musashikoyama	Shinagawa-ku	R-053 Esty Maison Daizawa	Setagaya-ku	R-033 Prime Maison Musashinonomori	Kodaira-shi
	R-003 Esty Maison Ebisu II	Shibuya-ku	R-103 Prime Maison Asakusabashi	Taito-ku	R-054 Esty Maison Togoshi	Shinagawa-ku	R-118 Prime Maison Shimokitazawa	Setagaya-ku	R-091 Sha Maison Stage Hino	Hino-shi
	R-004 Esty Maison Ebisu	Shibuya-ku	R-111 Prime Maison Kuramae	Taito-ku	R-056 Esty Maison Shirokanedai	Shinagawa-ku	R-061 Esty Maison Nakano	Nakano-ku		
	R-046 Esty Maison Sasazuka	Shibuya-ku	R-039 Esty Maison Kinshicho	Sumida-ku	R-060 Esty Maison Musashikoyama II	Shinagawa-ku	R-062 Esty Maison Shinnakano	Nakano-ku		

Appendix

Portfolio List (1)

Overview of portfolio

Asset type	Number of properties	Number of PP	PP ratio (%) (Acquisition price base)	Acquisition price (million JPY)	Investment ratio (%)	Leasable area (㎡)	Occupancy rate (%)	Average building age
Office building	7	7	100.0	266,800	48.1	135,975.13	93.9	12.7
Residential	113	88	84.5	270,466	48.8	422,988.49	97.1	12.5
Hotels	1	1	100.0	17,200	3.1	18,092.98	100.0	12.5
Total	120	95	92.4	554,466	100.0	557,056.60	96.4	12.6

Owned properties

Property No.	PP	Property name	Location	Acquisition price (million JPY)	Investment ratio (%)	Leasable area (㎡)	Occupancy rate (%)	Completion date
O-001	★	Garden City Shinagawa Gotenyama	Shinagawa-ku, Tokyo	71,950	13.0	38,577.99	84.5	Feb. 2011
O-002	★	Gotenyama SH Building	Shinagawa-ku, Tokyo	51,500	9.3	19,999.97	100.0	Feb. 2011
O-003	★	Hommachi Minami Garden City	Osaka-shi, Osaka	44,000	7.9	29,657.53	100.0	Feb. 2011
O-004	★	Hommachi Garden City (Office portion)	Osaka-shi, Osaka	38,600	7.0	17,006.94	100.0	May 2010
O-005	★	HK Yodoyabashi Garden Avenue	Osaka-shi, Osaka	4,400	0.8	4,554.52	100.0	Jul. 2015
O-006	★	Hirokoji Garden Avenue	Nagoya-shi, Aichi	6,350	1.1	4,442.75	100.0	Mar. 2011
O-007	★	Akasaka Garden City	Minato-ku, Tokyo	50,000	9.0	21,735.43	89.4	Jan. 2006
Office building Subtotal				266,800	48.1	135,975.13	93.9	
R-001	★	Esty Maison Ginza	Chuo-ku, Tokyo	6,540	1.2	5,515.43	97.3	Feb. 2005
R-002	★	Esty Maison Azabunagasaka	Minato-ku, Tokyo	1,790	0.3	2,019.10	95.6	Jan. 2004
R-003	★	Esty Maison Ebisu II	Shibuya-ku, Tokyo	2,040	0.4	2,062.10	92.8	Jun. 2003
R-004	★	Esty Maison Ebisu	Shibuya-ku, Tokyo	873	0.2	781.02	100.0	Oct. 2004
R-005	★	Esty Maison Kanda	Chiyoda-ku, Tokyo	1,610	0.3	1,706.54	92.2	Feb. 2004
R-006	★	Esty Maison Kitashinjuku	Shinjuku-ku, Tokyo	1,590	0.3	1,881.19	95.3	Aug. 2004
R-007	★	Esty Maison Asakusakomagata	Taito-ku, Tokyo	2,190	0.4	2,978.28	96.4	Jul. 2004
R-008		Esty Maison Kawasaki	Kawasaki-shi, Kanagawa	2,400	0.4	3,741.01	96.8	Jul. 2004
R-010	★	Esty Maison Kameido	Koto-ku, Tokyo	1,580	0.3	2,279.21	99.0	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	95.0	Feb. 2007
R-013	★	Esty Maison Kyobashi	Osaka-shi, Osaka	2,970	0.5	4,613.04	98.9	Mar. 2006
R-014		Esty Maison Hakuraku	Yokohama-shi, Kanagawa	931	0.2	1,285.83	94.7	Feb. 2006
R-015	★	Esty Maison Minamihorie	Osaka-shi, Osaka	1,060	0.2	1,804.48	100.0	Feb. 2007
R-016	★	Esty Maison Gotanda	Shinagawa-ku, Tokyo	3,110	0.6	3,871.15	96.4	Mar. 2006
R-017	★	Esty Maison Oisendaizaka	Shinagawa-ku, Tokyo	2,720	0.5	2,979.85	94.7	Aug. 2006
R-018		Esty Maison Shinagawa Seaside	Shinagawa-ku, Tokyo	2,050	0.4	2,602.30	91.7	Jun. 2006

(As of the end of Oct. 2022 (FP 16))

Property No.	PP	Property name	Location	Acquisition price (million JPY)	Investment ratio (%)	Leasable area (㎡)	Occupancy rate (%)	Completion date
R-019	★	Esty Maison Minamiazabu	Minato-ku, Tokyo	1,250	0.2	1,082.12	86.5	Aug. 2006
R-021		Esty Maison Kawasaki II	Kawasaki-shi, Kanagawa	1,910	0.3	2,824.86	96.7	Feb. 2007
R-022		Esty Maison Azabujuban	Minato-ku, Tokyo	2,690	0.5	1,755.31	97.4	Feb. 2007
R-023		Esty Maison Itabashihoncho	Itabashi-ku, Tokyo	937	0.2	1,274.49	95.4	Feb. 2007
R-027		Esty Maison Musashikoyama	Shinagawa-ku, Tokyo	1,050	0.2	1,176.78	98.3	Nov. 2007
R-028	★	Esty Maison Sendagi	Bunkyo-ku, Tokyo	698	0.1	897.30	100.0	Jan. 2008
R-030	★	Esty Maison Hakatahigashi	Fukuoka-shi, Fukuoka	2,400	0.4	9,106.08	99.0	Nov. 2007
R-033	★	Prime Maison Musashinonomori	Kodaira-shi, Tokyo	1,850	0.3	3,924.58	93.5	Dec. 2007
R-034	★	Prime Maison Higashisakura	Nagoya-shi, Aichi	1,500	0.3	3,118.11	97.8	Feb. 2008
R-035	★	Prime Maison Kayabakoen	Nagoya-shi, Aichi	801	0.1	2,163.98	100.0	Nov. 2006
R-036	★	Esty Maison Sangenjaya II	Setagaya-ku, Tokyo	785	0.1	894.64	92.1	Jan. 2008
R-037	★	Esty Maison Itabashi C6	Itabashi-ku, Tokyo	2,560	0.5	4,036.66	92.4	Mar. 2008
R-038	★	Sha Maison Stage Hakata	Fukuoka-shi, Fukuoka	2,360	0.4	9,614.80	100.0	Jan. 2005
R-039	★	Esty Maison Kinshicho	Sumida-ku, Tokyo	1,260	0.2	1,611.54	97.2	Sep. 2006
R-040	★	Esty Maison Musashikoganei	Koganei-shi, Tokyo	1,790	0.3	2,275.24	95.1	Feb. 2005
R-041	★	Prime Maison Gokiso	Nagoya-shi, Aichi	1,950	0.4	4,427.65	98.3	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	96.1	Jun. 2006
R-044	★	Prime Maison Momochihama	Fukuoka-shi, Fukuoka	1,940	0.3	7,514.76	100.0	Feb. 1996
R-045	★	Esty Maison Akihabara	Taito-ku, Tokyo	1,930	0.3	2,324.65	96.2	Feb. 2006
R-046		Esty Maison Sasazuka	Shibuya-ku, Tokyo	3,340	0.6	3,701.70	95.4	Sep. 2004
R-047	★	Prime Maison Ginza East	Chuo-ku, Tokyo	6,250	1.1	6,177.20	93.5	Feb. 2006
R-048	★	Prime Maison Takami	Nagoya-shi, Aichi	1,050	0.2	2,016.79	100.0	Aug. 2008
R-049	★	Prime Maison Yadaminami	Nagoya-shi, Aichi	812	0.1	2,168.59	100.0	Jul. 2007
R-050	★	Prime Maison Teriha	Fukuoka-shi, Fukuoka	1,260	0.2	6,728.20	100.0	Aug. 2005
R-051	★	Esty Maison Higashishirakabe	Nagoya-shi, Aichi	1,580	0.3	4,014.07	100.0	Feb. 2006
R-052	★	Esty Maison Sengoku	Bunkyo-ku, Tokyo	1,360	0.2	1,498.13	95.6	Aug. 2009
R-053	★	Esty Maison Daizawa	Setagaya-ku, Tokyo	2,270	0.4	2,352.90	97.7	Feb. 2010
R-054		Esty Maison Togoshi	Shinagawa-ku, Tokyo	1,770	0.3	1,943.17	98.8	Jun. 2009
R-055	★	Esty Maison Nishitemma	Osaka-shi, Osaka	1,680	0.3	2,877.90	96.9	Nov. 2007
R-056	★	Esty Maison Shirokanedai	Shinagawa-ku, Tokyo	2,400	0.4	2,675.11	92.5	Sep. 2003
R-057	★	Esty Maison Higashishinjuku	Shinjuku-ku, Tokyo	1,680	0.3	1,889.50	96.3	Apr. 2009
R-058	★	Esty Maison Motoazabu	Minato-ku, Tokyo	1,540	0.3	1,199.86	100.0	Nov. 2009
R-059		Esty Maison Toritsudaigaku	Meguro-ku, Tokyo	861	0.2	1,035.78	100.0	Feb. 2009
R-060	★	Esty Maison Musashikoyama II	Shinagawa-ku, Tokyo	1,030	0.2	1,073.59	95.2	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	96.1	Oct. 2009

Appendix

Portfolio List (2)

								(As of the end of Oct. 2022 (FP 16))					
Property No.	PP	Property name	Location	Acquisition price (million JPY)	Investment ratio (%)	Leasable area (m ²)	Occupancy rate (%)	Completion date					
R-063		Esty Maison Nakanofujimicho	Nakano-ku, Tokyo	984	0.2	1,299.60	93.2	Feb. 2009					
R-064		Esty Maison Tetsugakudo	Nakano-ku, Tokyo	1,160	0.2	1,531.89	95.2	Oct. 2009					
R-065		Esty Maison Koenji	Suginami-ku, Tokyo	1,160	0.2	1,527.52	100.0	Mar. 2009					
R-066	★	Esty Maison Oshiage	Sumida-ku, Tokyo	2,490	0.4	3,180.90	95.0	Apr. 2010					
R-067	★	Esty Maison Akabane	Kita-ku, Tokyo	3,290	0.6	4,302.84	99.4	Nov. 2009					
R-068		Esty Maison Oji	Kita-ku, Tokyo	1,650	0.3	2,289.44	97.7	Jul. 2010					
R-069	★	Prime Maison Waseda	Shinjuku-ku, Tokyo	1,580	0.3	1,650.66	97.6	Nov. 2012					
R-070	★	Prime Maison Hatchobori	Chuo-ku, Tokyo	1,460	0.3	1,382.32	88.8	Nov. 2012					
R-071	★	Prime Maison Jimbocho	Chiyoda-ku, Tokyo	1,960	0.4	1,819.90	100.0	Mar. 2013					
R-072	★	Prime Maison Gotenyama East	Shinagawa-ku, Tokyo	2,910	0.5	2,512.91	100.0	Jan. 2011					
R-073	★	Sha Maison Stage Akihabara	Chiyoda-ku, Tokyo	555	0.1	803.36	100.0	Oct. 2006					
R-074	★	Esty Maison Aoi	Nagoya-shi, Aichi	2,460	0.4	4,809.68	96.3	Oct. 2007					
R-075	★	Esty Maison Yakuin	Fukuoka-shi, Fukuoka	2,430	0.4	5,213.51	95.0	Feb. 2006					
R-076	★	Esty Maison Kinshicho II	Sumida-ku, Tokyo	8,250	1.5	9,469.65	99.1	Jan. 2008					
R-077	★	Esty Maison Ojima	Koto-ku, Tokyo	8,630	1.6	9,905.97	95.9	Sep. 2007					
R-078	★	Prime Maison Fujimidai	Nagoya-shi, Aichi	2,070	0.4	5,704.63	88.7	Apr. 2007					
R-079	★	Esty Maison Tsurumai	Nagoya-shi, Aichi	4,490	0.8	13,812.40	100.0	Nov. 1999					
R-080	★	Prime Maison Morishita	Koto-ku, Tokyo	1,930	0.3	2,180.78	97.7	May 2013					
R-081	★	Prime Maison Shinagawa	Shinagawa-ku, Tokyo	1,960	0.4	2,107.88	100.0	Feb. 2014					
R-082	★	Prime Maison Odorikoen	Sapporo-shi, Hokkaido	3,160	0.6	7,360.37	90.1	Dec. 2008					
R-083	★	Prime Maison Minami 2-jo	Sapporo-shi, Hokkaido	1,930	0.3	6,019.09	98.5	Nov. 2009					
R-084	★	Prime Maison Kamokamogawa	Sapporo-shi, Hokkaido	1,250	0.2	4,102.08	98.2	Oct. 2009					
R-085	★	Prime Maison Central Park	Fukuoka-shi, Fukuoka	2,309	0.4	10,268.74	96.6	Feb. 2011					
R-086	★	Sha Maison Stage Yahiro	Sumida-ku, Tokyo	1,910	0.3	3,409.16	100.0	Jan. 2011					
R-087	★	Prime Maison Ebisu	Shibuya-ku, Tokyo	4,360	0.8	3,010.66	98.6	Jun. 2014					
R-088		Sha Maison Stage Kanazawa Nishiizumi	Kanazawa-shi, Ishikawa	1,080	0.2	4,634.50	100.0	Sep. 2007					
R-089		Esty Maison Unomori	Yokkaichi-shi, Mie	830	0.1	2,280.00	100.0	Apr. 2009					
R-091	★	Sha Maison Stage Hino	Hino-shi, Tokyo	1,390	0.3	2,827.55	98.1	Jan. 2010					
R-092	★	Prime Maison Yokohama Nihon-odori	Yokohama-shi, Kanagawa	4,870	0.9	5,461.13	98.2	Jun. 2014					
R-093		Kobe Women's Student Housing	Kobe-shi, Hyogo	5,880	1.1	15,341.68	98.9	Feb. 2002					
R-094	★	Prime Maison Shibuya	Shibuya-ku, Tokyo	2,430	0.4	1,972.59	94.8	Jul. 2014					
R-095	★	Prime Maison Hatsudai	Shibuya-ku, Tokyo	3,010	0.5	2,879.20	98.2	Dec. 2014					
R-096		Esty Maison Uemachidai	Osaka-shi, Osaka	1,040	0.2	2,225.52	100.0	Aug. 2005					
R-098	★	Prime Maison Shirokane-takanawa	Minato-ku, Tokyo	4,900	0.9	3,923.76	95.6	Jun. 2015					
R-099	★	Prime Maison Ichigayayamabushicho	Shinjuku-ku, Tokyo	4,220	0.8	4,099.04	93.0	Oct. 2015					
R-100	★	Esty Maison Morishita	Sumida-ku, Tokyo	655	0.1	748.92	100.0	Feb. 2017					
R-101	★	Prime Maison Shirokanedai Tower	Shinagawa-ku, Tokyo	7,950	1.4	6,772.89	95.2	May 2016					
R-102	★	Prime Maison Otsuka	Toshima-ku, Tokyo	3,700	0.7	3,921.35	92.4	Jan. 2017					

								(As of the end of Oct. 2022 (FP 16))					
Property No.	PP	Property name	Location	Acquisition price (million JPY)	Investment ratio (%)	Leasable area (m ²)	Occupancy rate (%)	Completion date					
R-103	★	Prime Maison Asakusabashi	Taito-ku, Tokyo	1,680	0.3	2,033.06	97.5	Oct. 2016					
R-104	★	Prime Maison Daikanyama	Meguro-ku, Tokyo	2,520	0.5	1,779.17	97.4	Jan. 2017					
R-105	★	Prime Maison Gotenyama West	Shinagawa-ku, Tokyo	3,400	0.6	3,569.73	95.9	Jan. 2011					
R-106	★	Esty Maison Toyosu Residence	Koto-ku, Tokyo	6,050	1.1	23,538.73	96.8	Feb. 2008					
R-108		Esty Maison Ijiri	Fukuoka-shi, Fukuoka	390	0.1	1,430.60	100.0	Jan. 2008					
R-109	★	Prime Maison Mitatsunamachi	Minato-ku, Tokyo	2,040	0.4	1,387.12	90.6	Oct. 2017					
R-110	★	Prime Maison Hongo	Bunkyo-ku, Tokyo	2,600	0.5	2,423.46	100.0	Mar. 2018					
R-111	★	Prime Maison Kuramae	Taito-ku, Tokyo	2,190	0.4	2,259.40	97.7	Nov. 2018					
R-112	★	Esty Maison Yokohama-aobadai	Yokohama-shi, Kanagawa	3,020	0.5	6,808.84	100.0	Jul. 1990					
R-113		Esty Maison Shizuoka Takajo	Shizuoka-shi, Shizuoka	660	0.1	1,731.52	100.0	Feb. 2006					
R-114		Sha Maison Stage Hirose-dori	Sendai-shi, Miyagi	865	0.2	2,552.40	100.0	Jan. 2006					
R-115		Esty Maison HIGASHIBETSUIN	Nagoya-shi, Aichi	2,190	0.4	4,856.22	100.0	Feb. 2009					
R-116	★	Esty Maison Kayaba	Nagoya-shi, Aichi	900	0.2	2,170.80	100.0	Feb. 2012					
R-117	★	Esty Maison SHIRAKABEMINAMI	Nagoya-shi, Aichi	660	0.1	1,240.28	100.0	Jan. 2014					
R-118	★	Prime Maison Shimokitazawa	Setagaya-ku, Tokyo	2,580	0.5	1,991.72	94.3	Dec. 2019					
R-119	★	Prime Maison Meguro	Meguro-ku, Tokyo	2,310	0.4	1,335.62	100.0	Aug. 2018					
R-120	★	Prime Maison Ryogoku	Sumida-ku, Tokyo	1,530	0.3	1,499.10	86.6	Feb. 2019					
R-121	★	Prime Maison Nakameguro	Meguro-ku, Tokyo	10,000	1.8	6,033.98	96.8	Nov. 2019					
R-122	★	Prime Maison Itabashi	Itabashi-ku, Tokyo	4,800	0.9	4,557.89	95.8	Feb. 2019					
R-123	★	Prime Maison EGOTANOMORI	Nakano-ku, Tokyo	10,500	1.9	29,048.95	97.4	Jul. 2018					
R-124	★	Prime Maison Waseda dori	Shinjuku-ku, Tokyo	2,200	0.4	1,819.35	97.8	Feb. 2020					
Residential Subtotal				270,466	48.8	422,988.49	97.1						
H-001	★	Hommachi Garden City (Hotel portion)	Osaka-shi, Osaka	17,200	3.1	18,092.98	100.0	May 2010					
Hotel Subtotal				17,200	3.1	18,092.98	100.0						

■ Reference: Investment Securities

Asset Name	Underlying asset	Location	Investment price (million JPY)	Equity interest ratio (%)	Completion date
Godou Kaisha Gemini1 (Silent Partnership Equity Interests)	Akasaka Garden City	Minato-ku, Tokyo	480	12.4	Jan. 2006

* 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.

Period-end Appraisal Values (1)

(As of the end of Oct. 2022 (FP 16))

Property No.	Property name	Estimated value (million JPY)		Book value (million JPY)	Unrealized capital gain/loss (million JPY)	Profit return method			Discounted cash flow method				Appraisal NOI (million JPY)	
		Period-on-period	Revenue price (million JPY)			Direct capitalization yield (%)		Revenue price (million JPY)	Discount rate (%)		Final capitalization yield (%)			
				Period-on-period		Period-on-period			Period-on-period	Period-on-period	Period-on-period			
O-001	Garden City Shinagawa Gotenyama	87,900	(1,800)	69,754	18,145	90,900	3.1	—	86,600	2.9	—	3.3	—	2,837
O-002	Gotenyama SH Building	61,700	—	49,326	12,373	63,200	3.3	—	61,100	3.3	—	3.5	—	2,062
O-003	Hommachi Minami Garden City	54,800	(1,200)	42,112	12,687	56,100	3.5	—	54,200	3.2	—	3.7	—	1,995
O-004	Hommachi Garden City (Office portion)	45,000	—	36,064	8,935	45,900	3.4	—	44,100	3.2	—	3.6	—	1,561
O-005	HK Yodoyabashi Garden Avenue	6,230	(110)	4,174	2,055	6,380	3.6	—	6,160	3.7	—	3.8	—	235
O-006	Hirokoji Garden Avenue	7,370	—	6,131	1,238	7,510	3.9	(0.1)	7,310	3.7	(0.1)	4.1	(0.1)	299
O-007	Akasaka Garden City	51,900	700	50,055	1,844	54,800	3.3	(0.1)	50,700	3.1	(0.1)	3.5	(0.1)	1,797
Office building Subtotal		314,900	(2,410)	257,621	57,278	324,790	—	—	310,170	—	—	—	—	10,789
R-001	Esty Maison Ginza	7,770	220	6,595	1,174	8,020	3.3	(0.1)	7,660	3.5	(0.1)	3.5	(0.1)	273
R-002	Esty Maison Azabunagasaka	2,000	60	1,762	237	2,050	3.4	(0.1)	1,980	3.5	(0.1)	3.6	(0.1)	74
R-003	Esty Maison Ebisu II	2,430	60	2,021	408	2,500	3.4	(0.1)	2,400	3.5	(0.1)	3.6	(0.1)	88
R-004	Esty Maison Ebisu	935	15	914	20	962	3.3	(0.1)	923	3.4	(0.1)	3.5	(0.1)	34
R-005	Esty Maison Kanda	1,910	50	1,545	364	1,950	3.4	(0.1)	1,890	3.5	(0.1)	3.6	(0.1)	68
R-006	Esty Maison Kitashinjuku	1,850	50	1,528	321	1,880	3.6	(0.1)	1,840	3.6	(0.1)	3.8	(0.1)	69
R-007	Esty Maison Asakusakomagata	2,530	60	2,071	458	2,570	3.6	(0.1)	2,510	3.6	(0.1)	3.8	(0.1)	96
R-008	Esty Maison Kawasaki	2,840	70	2,367	472	2,890	3.7	(0.1)	2,820	3.7	(0.1)	3.9	(0.1)	112
R-010	Esty Maison Kameido	1,910	30	1,479	430	1,940	3.9	(0.1)	1,900	3.7	(0.1)	4.1	(0.1)	80
R-011	Esty Maison Meguro	1,360	40	1,067	292	1,380	3.3	(0.1)	1,340	3.1	(0.1)	3.4	(0.1)	47
R-012	Esty Maison Sugamo	1,880	40	1,587	292	1,910	3.6	(0.1)	1,840	3.4	(0.1)	3.8	(0.1)	72
R-013	Esty Maison Kyobashi	3,110	(10)	2,908	201	3,160	4.2	—	3,090	4.1	—	4.3	—	138
R-014	Esty Maison Hakuraku	980	4	881	98	995	4.1	(0.1)	973	3.9	(0.1)	4.3	(0.1)	44
R-015	Esty Maison Minamihorie	1,170	30	1,112	57	1,190	3.9	(0.1)	1,140	3.7	(0.1)	4.1	(0.1)	50
R-016	Esty Maison Gotanda	3,600	90	3,025	574	3,620	3.8	(0.1)	3,590	3.5	(0.1)	4.0	(0.1)	142
R-017	Esty Maison Oisendaizaka	3,040	30	2,696	343	3,100	3.6	(0.1)	3,020	3.4	(0.1)	3.8	(0.1)	116
R-018	Esty Maison Shinagawa Seaside	2,540	70	2,108	431	2,590	3.6	(0.1)	2,480	3.4	(0.1)	3.8	(0.1)	97
R-019	Esty Maison Minamiazabu	1,420	40	1,288	131	1,450	3.3	(0.1)	1,380	3.1	(0.1)	3.5	(0.1)	50
R-021	Esty Maison Kawasaki II	2,470	40	1,879	590	2,520	3.8	(0.1)	2,420	3.6	(0.1)	4.0	(0.1)	97
R-022	Esty Maison Azabujuban	3,050	10	2,706	343	3,150	3.3	(0.1)	3,000	3.1	(0.1)	3.5	(0.1)	104
R-023	Esty Maison Itabashihoncho	1,050	20	973	76	1,070	3.7	(0.1)	1,030	3.5	(0.1)	3.9	(0.1)	42
R-027	Esty Maison Musashikoyama	1,220	30	1,004	215	1,240	3.7	(0.1)	1,190	3.5	(0.1)	3.9	(0.1)	47
R-028	Esty Maison Sendagi	822	21	674	147	837	3.7	(0.1)	806	3.5	(0.1)	3.9	(0.1)	33
R-030	Esty Maison Hakatahigashi	2,680	70	2,188	491	2,710	4.4	(0.1)	2,660	4.4	(0.1)	4.5	(0.1)	130
R-033	Prime Maison Musashinonomori	2,260	80	1,766	493	2,270	4.1	(0.1)	2,250	4.0	(0.1)	4.3	(0.1)	99
R-034	Prime Maison Higashisakura	1,730	30	1,545	184	1,740	4.1	(0.1)	1,720	4.1	—	4.3	(0.1)	76
R-035	Prime Maison Kayabakoen	959	10	814	144	967	4.3	(0.1)	956	4.3	—	4.5	(0.1)	45
R-036	Esty Maison Sangenjaya II	932	40	758	173	954	3.6	(0.1)	922	3.7	(0.1)	3.8	(0.1)	36
R-037	Esty Maison Itabashi C6	2,900	60	2,449	450	2,940	3.8	(0.1)	2,880	3.6	(0.1)	4.0	(0.1)	119
R-038	Sha Maison Stage Hakata	2,830	10	2,332	497	2,830	4.4	—	2,830	3.7	(0.1)	4.6	0.1	139
R-039	Esty Maison Kinshicho	1,430	60	1,191	238	1,460	3.7	(0.1)	1,420	3.5	(0.1)	3.9	(0.1)	56
R-040	Esty Maison Musashikoganei	2,100	(40)	1,739	360	2,160	3.7	(0.1)	2,080	3.8	(0.1)	3.9	(0.1)	85
R-041	Prime Maison Gokiso	2,200	20	1,934	265	2,220	4.2	—	2,190	4.2	—	4.4	—	99
R-042	Prime Maison Yuhigaoka	1,120	30	863	256	1,130	3.9	(0.1)	1,110	3.7	(0.1)	4.0	(0.1)	45
R-043	Prime Maison Kitatanabe	711	11	611	99	715	4.1	(0.1)	706	3.9	(0.1)	4.2	(0.1)	31
R-044	Prime Maison Momochihama	2,240	60	1,902	337	2,250	4.3	(0.1)	2,230	4.0	(0.1)	4.5	(0.1)	109
R-045	Esty Maison Akihabara	2,130	40	1,890	239	2,150	3.7	(0.1)	2,120	3.5	(0.1)	3.9	(0.1)	85
R-046	Esty Maison Sasazuka	3,830	50	3,369	460	3,900	3.6	(0.1)	3,800	3.4	(0.1)	3.8	(0.1)	143
R-047	Prime Maison Ginza East	7,320	150	6,169	1,150	7,440	3.5	(0.1)	7,270	3.3	(0.1)	3.7	(0.1)	267

Period-end Appraisal Values (2)

(As of the end of Oct. 2022 (FP 16))

Property No.	Property name	Estimated value (million JPY)		Book value (million JPY)	Unrealized capital gain/loss (million JPY)	Profit return method			Discounted cash flow method					Appraisal NOI (million JPY)
		Period-on-period	Revenue price (million JPY)			Direct capitalization yield (%)		Revenue price (million JPY)	Discount rate (%)		Final capitalization yield (%)			
						Period-on-period	Period-on-period		Period-on-Period	Period-on-period	Period-on-period			
R-048	Prime Maison Takami	1,160	—	1,052	107	1,170	4.1	—	1,150	4.2	—	4.3	—	51
R-049	Prime Maison Yadaminami	926	16	839	86	936	4.3	(0.1)	921	4.3	—	4.5	(0.1)	42
R-050	Prime Maison Teriha	1,340	20	1,160	179	1,340	4.7	(0.1)	1,340	4.5	(0.1)	4.9	(0.1)	73
R-051	Esty Maison Higashishirakabe	1,790	40	1,598	191	1,820	4.2	(0.1)	1,770	4.1	(0.2)	4.4	(0.1)	79
R-052	Esty Maison Sengoku	1,480	10	1,328	151	1,510	3.5	(0.1)	1,470	3.3	(0.1)	3.7	(0.1)	55
R-053	Esty Maison Daizawa	2,580	70	2,213	366	2,630	3.5	(0.1)	2,560	3.3	(0.1)	3.7	(0.1)	94
R-054	Esty Maison Togoshi	2,060	40	1,711	348	2,110	3.5	(0.1)	2,040	3.6	(0.1)	3.7	(0.1)	76
R-055	Esty Maison Nishitemma	1,800	40	1,596	203	1,830	3.9	(0.1)	1,780	4.0	(0.1)	4.1	(0.1)	75
R-056	Esty Maison Shirokanedai	3,050	70	2,366	683	3,070	3.4	(0.1)	3,020	3.2	(0.1)	3.5	(0.1)	108
R-057	Esty Maison Higashishinjuku	2,000	80	1,593	406	2,050	3.5	(0.1)	1,980	3.6	(0.1)	3.7	(0.1)	74
R-058	Esty Maison Motoazabu	1,820	70	1,506	313	1,860	3.3	(0.1)	1,800	3.4	(0.1)	3.5	(0.1)	63
R-059	Esty Maison Toritsudaigaku	1,000	29	837	162	1,030	3.4	(0.1)	992	3.5	(0.1)	3.6	(0.1)	36
R-060	Esty Maison Musashikoyama II	1,160	30	989	170	1,180	3.6	(0.1)	1,150	3.4	(0.1)	3.8	(0.1)	43
R-061	Esty Maison Nakano	2,050	40	1,806	243	2,080	3.6	(0.1)	2,040	3.4	(0.1)	3.8	(0.1)	79
R-062	Esty Maison Shinnakano	1,100	30	976	123	1,120	3.7	(0.1)	1,090	3.5	(0.1)	3.9	(0.1)	42
R-063	Esty Maison Nakanofujimicho	1,090	30	947	142	1,120	3.6	(0.1)	1,070	3.7	(0.1)	3.8	(0.1)	41
R-064	Esty Maison Tetsugakudo	1,260	20	1,102	157	1,280	3.7	(0.1)	1,250	3.5	(0.1)	3.9	(0.1)	49
R-065	Esty Maison Koenji	1,350	60	1,121	228	1,370	3.5	(0.1)	1,340	3.6	(0.1)	3.7	(0.1)	49
R-066	Esty Maison Oshiage	2,820	70	2,384	435	2,870	3.7	(0.1)	2,800	3.7	(0.1)	3.9	(0.1)	111
R-067	Esty Maison Akabane	3,640	90	3,087	552	3,700	3.8	(0.1)	3,620	3.6	(0.1)	4.0	(0.1)	147
R-068	Esty Maison Oji	1,860	10	1,557	302	1,890	3.8	(0.1)	1,850	3.6	(0.1)	4.0	(0.1)	75
R-069	Prime Maison Waseda	1,910	50	1,493	416	1,930	3.4	(0.1)	1,890	3.2	(0.1)	3.5	(0.1)	68
R-070	Prime Maison Hatchobori	1,660	30	1,370	289	1,680	3.4	(0.1)	1,640	3.2	(0.1)	3.5	(0.1)	59
R-071	Prime Maison Jimbocho	2,180	50	1,853	326	2,210	3.6	(0.1)	2,160	3.4	(0.1)	3.8	(0.1)	82
R-072	Prime Maison Gotenyama East	3,420	60	2,860	559	3,450	3.4	(0.1)	3,410	3.2	(0.1)	3.6	(0.1)	121
R-073	Sha Maison Stage Akihabara	624	16	587	36	635	3.7	(0.1)	619	3.5	(0.1)	3.9	(0.1)	25
R-074	Esty Maison Aoi	2,600	70	2,336	263	2,640	4.1	(0.1)	2,580	4.1	(0.1)	4.3	(0.1)	114
R-075	Esty Maison Yakuin	2,700	60	2,545	154	2,750	3.9	(0.1)	2,680	4.0	(0.1)	4.1	(0.1)	114
R-076	Esty Maison Kinshicho II	10,100	240	7,868	2,231	10,200	3.5	(0.1)	10,000	3.3	(0.1)	3.6	(0.1)	369
R-077	Esty Maison Ojima	11,400	400	8,261	3,138	11,500	3.5	(0.1)	11,200	3.3	(0.1)	3.6	(0.1)	413
R-078	Prime Maison Fujimidai	2,220	40	2,141	78	2,250	4.5	(0.1)	2,210	4.3	(0.1)	4.7	(0.1)	108
R-079	Esty Maison Tsurumai	5,070	110	4,484	585	5,120	4.6	(0.1)	5,050	4.4	(0.1)	4.8	(0.1)	249
R-080	Prime Maison Morishita	2,220	40	1,817	402	2,250	3.6	(0.1)	2,210	3.6	(0.1)	3.8	(0.1)	84
R-081	Prime Maison Shinagawa	2,230	60	1,875	354	2,260	3.6	(0.1)	2,210	3.4	(0.1)	3.8	(0.1)	82
R-082	Prime Maison Odorikoen	3,200	20	3,018	181	3,220	4.2	(0.1)	3,170	4.0	(0.1)	4.3	(0.1)	151
R-083	Prime Maison Minami 2-jo	2,020	60	1,799	220	2,030	4.3	(0.1)	2,010	4.1	(0.1)	4.4	(0.1)	101
R-084	Prime Maison Kamokamogawa	1,250	30	1,172	77	1,250	4.3	(0.1)	1,250	4.1	(0.1)	4.4	(0.1)	64
R-085	Prime Maison Central Park	2,464	—	2,126	337	2,340	4.7	—	2,330	4.5	—	4.8	—	128
R-086	Sha Maison Stage Yahiro	2,080	40	1,806	273	2,100	4.0	(0.1)	2,070	3.8	(0.1)	4.2	(0.1)	87
R-087	Prime Maison Ebisu	5,560	170	4,238	1,321	5,620	3.1	(0.1)	5,490	2.9	(0.1)	3.2	(0.1)	178
R-088	Sha Maison Stage Kanazawa Nishiizumi	978	22	999	(21)	990	5.0	(0.1)	973	4.8	(0.1)	5.2	(0.1)	55
R-089	Esty Maison Unomori	832	18	757	74	840	5.1	(0.1)	828	4.9	(0.1)	5.3	(0.1)	46
R-091	Sha Maison Stage Hino	1,550	40	1,285	264	1,550	4.2	(0.1)	1,550	4.0	(0.1)	4.3	(0.1)	69
R-092	Prime Maison Yokohama Nihon-odori	5,160	130	4,578	581	5,250	3.8	(0.1)	5,060	3.6	(0.1)	4.0	(0.1)	210
R-093	Kobe Women's Student Housing	6,310	140	5,198	1,111	6,340	4.4	(0.1)	6,280	4.2	(0.1)	4.5	(0.1)	320
R-094	Prime Maison Shibuya	2,720	40	2,372	347	2,780	3.4	(0.1)	2,660	3.2	(0.1)	3.6	(0.1)	97
R-095	Prime Maison Hatsudai	3,280	80	2,897	382	3,350	3.5	(0.1)	3,210	3.3	(0.1)	3.7	(0.1)	122

Period-end Appraisal Values (3)

(As of the end of Oct. 2022 (FP 16))

Property No.	Property name	Estimated value (million JPY)		Book value (million JPY)	Unrealized capital gain/loss (million JPY)	Profit return method			Discounted cash flow method				Appraisal NOI (million JPY)	
		Period-on-period	Revenue price (million JPY)			Direct capitalization yield (%)		Revenue price (million JPY)	Discount rate (%)		Final capitalization yield (%)			
						Period-on-period	Period-on-period		Period-on-period	Period-on-period	Period-on-period	Period-on-period		
R-096	Esty Maison Uemachidai	1,200	20	1,051	148	1,210	4.0	(0.1)	1,190	3.7	(0.1)	4.2	(0.1)	50
R-098	Prime Maison Shirokane-takanawa	5,380	80	4,766	613	5,500	3.4	(0.1)	5,260	3.2	(0.1)	3.6	(0.1)	193
R-099	Prime Maison Ichigayayamabushicho	4,260	10	4,086	173	4,370	3.5	(0.1)	4,210	3.3	(0.1)	3.7	(0.1)	159
R-100	Esty Maison Morishita	711	(15)	627	83	721	3.8	(0.1)	706	3.6	(0.1)	4.0	(0.1)	27
R-101	Prime Maison Shirokanedai Tower	10,800	300	7,894	2,905	11,000	3.3	(0.1)	10,700	3.4	(0.1)	3.5	(0.1)	367
R-102	Prime Maison Otsuka	4,640	70	3,658	981	4,740	3.5	(0.1)	4,600	3.6	(0.1)	3.7	(0.1)	168
R-103	Prime Maison Asakusabashi	2,100	30	1,667	432	2,150	3.5	(0.1)	2,080	3.6	(0.1)	3.7	(0.1)	76
R-104	Prime Maison Daikanyama	3,310	100	2,506	803	3,390	3.3	(0.1)	3,270	3.4	(0.1)	3.5	(0.1)	113
R-105	Prime Maison Gotenyama West	4,670	140	3,389	1,280	4,730	3.4	(0.1)	4,640	3.5	(0.1)	3.6	(0.1)	164
R-106	Esty Maison Toyosu Residence	7,460	210	5,721	1,738	7,630	—	—	7,380	3.8	(0.1)	—	—	359
R-108	Esty Maison Ijiri	431	10	388	42	433	4.4	(0.1)	430	4.2	(0.1)	4.6	(0.1)	20
R-109	Prime Maison Mitatsunamachi	2,460	70	2,038	421	2,500	3.6	(0.1)	2,440	3.4	(0.1)	3.8	(0.1)	91
R-110	Prime Maison Hongo	3,000	110	2,588	411	3,030	3.6	(0.1)	2,980	3.4	(0.1)	3.8	(0.1)	111
R-111	Prime Maison Kuramae	2,510	40	2,175	334	2,550	3.7	(0.1)	2,490	3.5	(0.1)	3.9	(0.1)	95
R-112	Esty Maison Yokohama- aobadai	3,490	90	2,998	491	1,650	4.1	(0.1)	1,620	3.9	(0.1)	4.3	(0.1)	153
						1,890	4.2	(0.1)	1,840	4.0	(0.1)	4.4	(0.1)	
R-113	Esty Maison Shizuoka Takajo	663	1	662	0	670	4.9	(0.1)	660	4.7	(0.1)	5.1	(0.1)	36
R-114	Sha Maison Stage Hirose-dori	934	5	870	63	946	4.2	(0.1)	929	4.0	(0.1)	4.4	(0.1)	44
R-115	Esty Maison HIGASHIBETSUIN	2,210	10	2,262	(52)	2,220	4.3	(0.1)	2,200	4.1	(0.1)	4.5	(0.1)	102
R-116	Esty Maison Kayaba	949	2	935	13	958	4.5	(0.1)	945	4.3	(0.1)	4.7	(0.1)	45
R-117	Esty maison SHIRAKABEMINAMI	692	10	681	10	697	4.3	(0.1)	690	4.1	(0.1)	4.5	(0.1)	30
R-118	Prime Maison Shimokitazawa	2,670	60	2,639	30	2,740	3.3	(0.1)	2,640	3.4	(0.1)	3.5	(0.1)	91
R-119	Prime Maison Meguro	2,420	50	2,356	63	2,480	3.3	(0.1)	2,390	3.4	(0.1)	3.5	(0.1)	82
R-120	Prime Maison Ryogoku	1,580	30	1,573	6	1,610	3.5	(0.1)	1,560	3.6	(0.1)	3.7	(0.1)	57
R-121	Prime Maison Nakameguro	10,800	200	10,212	587	11,100	3.3	(0.1)	10,700	3.4	(0.1)	3.5	(0.1)	369
R-122	Prime Maison Itabashi	5,000	140	4,965	34	5,110	3.5	(0.1)	4,950	3.6	(0.1)	3.7	(0.1)	181
R-123	Prime Maison EGOTANOMORI	10,900	100	11,173	(273)	10,700	—	—	11,000	4.2	—	—	—	549
R-124	Prime Maison Waseda dori	2,520	100	2,261	258	2,530	3.3	(0.1)	2,510	3.1	(0.1)	3.4	(0.1)	83
Residential Subtotal		310,093	6,605	265,414	44,678	314,566	—	—	307,149	—	—	—	—	12,387
H-001	Hommachi Garden City (Hotel portion)	18,100	—	16,691	1,408	18,400	3.6	—	17,800	3.4	—	3.8	—	670
Hotel Subtotal		18,100	—	16,691	1,408	18,400	—	—	17,800	—	—	—	—	670
Portfolio Total		643,093	4,195	539,726	103,366	657,756	—	—	635,119	—	—	—	—	23,847

* Estimated value, revenue price, direct capitalization yield, discount rate, final capitalization yield and appraisal NOI are based on respective real estate appraisal documents or real estate price survey documents, which is the result of price survey not follow real estate appraisal evaluation standards.

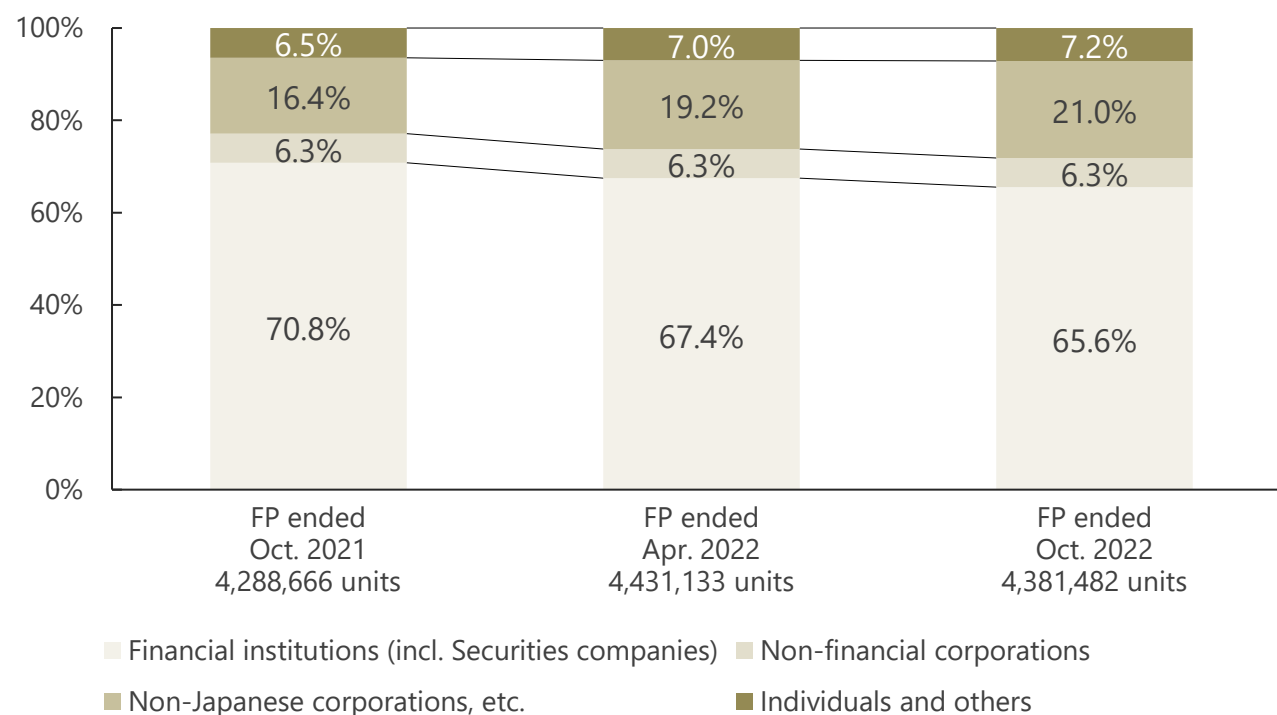
* In calculating "period-on-period", for properties owned at the end of FP 15, the comparison between the end of April 2022 (FP 15) and the end of October 2022 (FP 16) is recorded, and for properties acquired on August 2, 2022, the comparison between June, 1 2022, the date in which the appraisal report was obtained at the time of the acquisition, and the end of October 2022 is recorded. The total change is recorded for the office buildings subtotal, residential subtotal, hotel subtotal, and portfolio total as of the end of October 2022.

Unitholders Composition

Number of investment units by unitholder type and unitholders

Unitholder type	Investment Units						Unitholders				
	FP ended Apr. 2022		FP ended Oct. 2022		Change		FP ended Apr. 2022		FP ended Oct. 2022		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	311,312	7.0%	313,526	7.2	+2,214	+0.2	19,944	95.5%	20,205	95.5	+261
Financial institutions	2,766,973	62.4%	2,728,418	62.3	(38,555)	(0.1)	208	1.0%	204	1.0	(4)
City banks	—	—	—	—	—	—	—	—	—	—	—
Regional banks	356,839	8.1%	339,080	7.7	(17,759)	(0.4)	45	0.2%	44	0.2	(1)
Trust banks	2,061,769	46.5%	2,039,837	46.6	(21,932)	+0.1	10	0.0%	8	0.0	(2)
Life insurers	70,074	1.6%	70,144	1.6	+70	—	6	0.0%	6	0.0	—
Casualty insurers	—	—	—	—	—	—	—	—	—	—	—
Shinkin banks	115,942	2.6%	121,698	2.8	+5,756	+0.2	72	0.3%	71	0.3	(1)
Others	162,349	3.7%	157,659	3.6	(4,690)	(0.1)	75	0.4%	75	0.4	—
Non-financial corporations	278,813	6.3%	275,592	6.3	(3,221)	—	383	1.8%	392	1.9	+9
Non-Japanese corporations, etc.	852,468	19.2%	918,266	21.0	+65,798	+1.8	316	1.5%	332	1.6	+16
Securities companies	221,567	5.0%	145,680	3.3	(75,887)	(1.7)	25	0.1%	21	0.1	(4)
Total	4,431,133	100.0%	4,381,482	100.0	(49,651)	—	20,876	100.0%	21,154	100.0	+278

Change ratio in investment units by holder



Top 5 unitholders (FP ended October 2022 (FP 16))

Company name	No. of investment units owned	Ratio
Custody Bank of Japan, Ltd. (Trust Account)	1,130,285	25.8%
The Master Trust Bank of Japan, Ltd. (Trust Account)	689,267	15.7%
Sekisui House, Ltd.	200,750	4.6%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	190,116	4.3%
STATE STREET BANK WEST CLIENT-TREATY 505234	64,016	1.5%

Incorporated global index

- FTSE EPRA Nareit Global Real Estate Index Series
- FTSE Global Equity Index Mid Cap
- MSCI Japan Small Cap Index
- MSCI Japan ESG Select Leaders Index
- S&P Global Property
- TSE REIT Core Index
- Thomson Reuters GPR/APREA Investable 100 Index
- GPR 250 Index/GPR 250 REIT Index

Overview of Asset Management Company

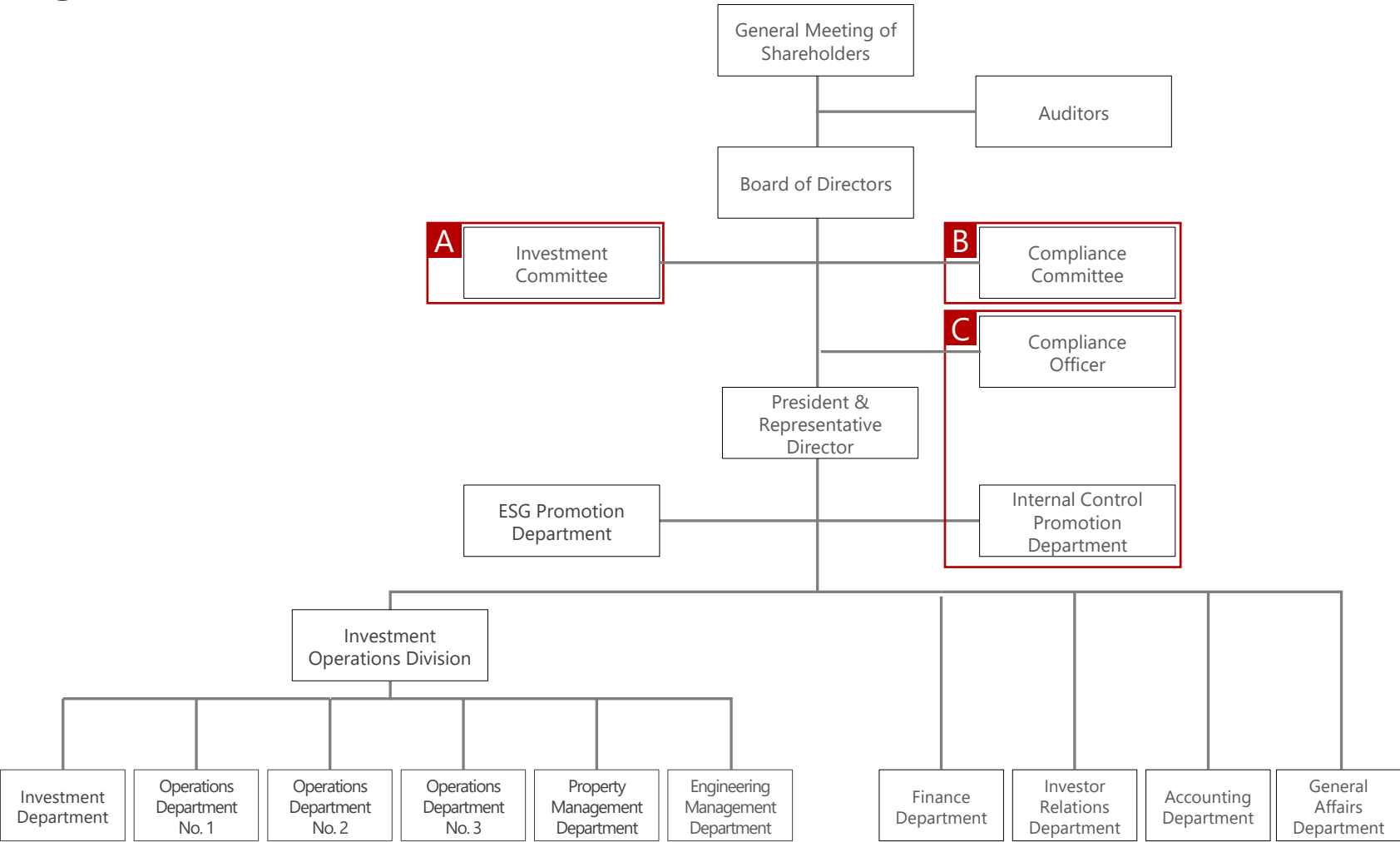
Overview of Asset Management Company



President &
Representative Director
Toru Abe

- Corporate name: Sekisui House Asset Management, Ltd.
- Head office: 4-15-1 Akasaka, Minato-ku, Tokyo
- Date of Establishment: February 17, 2014
- Capital: 400 million JPY
- Number of Directors and Employees: 66 (As of the end of FP 16)
- 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-General of Kanto Local Finance Bureau
- Website: <https://sekisuihouse-am.co.jp/en/>

Organization chart



Asset management fee

- Management Fee I (linked to total assets and unit price performance):
Total assets × 0.12%-0.16% (annual) ^{Note 1}
 - Management Fee II (linked to DPU and Operating income):
DPU^{Note 2} × Operating income^{Note 3} × 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: President & Representative Director (chairman), all full-time Directors, including the Compliance Officer who holds the position of Director; the Chief Manager of the ESG Promotion Dept.; the Chief Manager of the Internal Control Promotion Dept.; the Chief Manager of the Investment Operations Div.; the Chief Managers of the Finance Dept., IR Dept., Accounting Dept., and General Affairs Dept.; and external committee members ^(Note). While the appointment and dismissal of external committee members is carried out by resolution from the Board of Directors of SHAM, but it is necessary to obtain the approval of the Board of Directors of SHR before or after the resolution of the Board of Directors of SHAM.

Note : The external committee members are qualified as real estate appraisers or attorneys who have no significant stakeholder relationship with SHAM, SHAM's directors and employees, nor its related parties, have excellent personality and insight, and are capable of fulfilling their duties. However, one or more persons are qualified as real estate appraisers.

B

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

Compliance committee
Committee members: Compliance Officer (chairman) , President & Representative Director, all full-time Directors, and the external committee members^(Note). While the appointment and dismissal of external committee members is carried out by resolution of the Board of Directors of SHAM, but it is necessary to obtain approval from the Board of Directors of SHR before or after the resolution of the Board of Directors of SHAM.

Note : The external committee members are qualified as attorneys or public Accountant who have no significant stakeholder relationship with SHAM, SHAM's directors and employees, nor its related parties, have excellent personality and insight, are capable of fulfilling their duties and are familiar with compliance.

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.1 Operational Highlights and Future Initiatives

- “Results”, except for the “External Growth” column, are as of the fiscal period ended October 2022 (FP 16), unless otherwise stated.
- “1 Hotel property” refers to The Ritz-Carlton, Kyoto and “2 Residential properties” refers to “Prime Maison EGOTANOMORI” and “Prime Maison Waseda dori” within the external growth replacement measures. The same applies throughout this document.
- “Average building age” of “2 Residential Properties” is calculated by weighted average of each building age as of June 17, 2022, using the acquisition price. The same applies throughout this document.
- “Average appraisal NOI yield” for the “2 Residential Properties” is calculated by dividing each appraisal NOI based on each appraisal report as of June 1, 2022, by each appraisal price, and the weighted average of each calculated appraisal yield by the acquisition price. The same applies throughout this document.

P.2 Asset Replacement: Overview (FP 16 Results)

- “NOI yield” and “NOI yield after depreciation” for “1 hotel property” are the sum of NOI and post-depreciation NOI for the fiscal periods ended October 2021 (FP 14) and ended April 2022 (FP 15) divided by the aggregate acquisition price of 22.12 billion JPY and rounded to the first decimal place.
- “Building age” of “1 hotel property” refers to the building age as of June 17, 2022.
- “Average appraisal NOI yield after depreciation” of “2 residential properties” is calculated by dividing the amount obtained by deducting the sum of the annualized amounts of estimated depreciation costs in the forecasts of performance for the fiscal period ended October 2022 (FP 16) and April 2023 (FP 17) published in the “Financial Report for the Fiscal Period Ended April 30, 2022” released on June 15, 2022 from the appraisal NOI based on the respective appraisal report as of June 1, 2022 by each acquisition price, then taking the weighted average by the acquisition price and rounded to the first decimal place.
- “Percentage of total number of units issued and outstanding before cancellation” is the percentage of “total number of investment units acquired” to the total number of investment units issued and outstanding before cancellation of 4,431,133 units, rounded to the first decimal place. The same applies throughout this document.
- “Underlying asset” of “Godo Gaisha Gemini1 (Silent Partnership Equity Interests)” refers to the 34.55% quasi co-ownership interest of the trust beneficiary interest in real estate regarding the compartmentalized ownership interest in all of the exclusively-owned portions of the 1st floor underground through 4th floor above ground and 11th floor through 19th floor above ground of the “Akasaka Garden City” building as well as the accompanying right of site (ratio of right of site: 662,768/1,000,000 (or approximately 66.3%)), and has not yet been acquired by SHR. The same applies hereinafter. Of the property, SHR holds 65.45% quasi co-ownership interest of the trust beneficiary interest in real estate regarding the compartmentalized ownership interest in all of the exclusively-owned portions of the 1st floor underground through 4th floor above ground and 11th floor to 19th floor above ground as well as the accompanying right of site (ratio of right of site: 662,768/1,000,000 (approximately 66.3%)), and the trust beneficiary interest in real estate regarding the compartmentalized ownership interest in all of the exclusively-owned portions of the 5th to 9th floor as well as the accompanying right of site (ratio of right of site) : 273,490/1,000,000 (approximately 27.3%), and 96.05% quasi co-ownership interest of the trust beneficiary interest in real estate regarding the compartmentalized ownership interest in all of the exclusively owned portions of the 10th floor and the accompanying right of site (ratio of right of site: 54,698/1,000,000 (approximately 5.5%)).

P.4 Asset Replacement: Silent Partnership Equity Interests

- “Applicable Underlying Asset” is the area obtained by multiplying the leasable area of each exclusively-owned portion related to the quasi-co-ownership interest of the trust beneficiary interest in real estate by 34.55%, which is the quasi-co-ownership interest in the real estate trust beneficiary right underlying the property, rounded to the nearest second decimal place and totaled.

P.5 Analysis of Change of Factors of DPU (Results)

- “NOI yield” is calculated by dividing the annualized amount of actual NOI by the total acquisition price of the owned assets (including disposed and acquired assets during the period). “Average occupancy rate during the period” is the average of actual occupancy rates for the end of each month belonging to each period. The same applies throughout this document.

P.7 Analysis of Change of Factors of DPU (Forecast)

- “NOI yield” is calculated by dividing the annualized amount of expected NOI by the total acquisition price of the owned assets (including assets expected to be disposed or acquired during the period). “Average occupancy rate during the period” is the average of the expected occupancy rates for the end of each month belonging to each period. The same applies throughout this document.

P.10 Office Building: Portfolio Status

- “End-Tenant Average Rent” within the “Portfolio list” refers to the total monthly rent based on each lease agreement with each end tenant (including utilities, but excludes usage fees for parking lots, warehouses, signboards, etc.) divided by the 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 previous year.
- “End-Tenant Average Rent” of the “Office Building Portfolio Total (Fixed-Rent Master Lease Taken Into Consideration)” within the “Portfolio list” is calculated by taking the weighted average of the end tenant average rent unit price of each property by the leased area (however, for Hommachi Garden City (office portion), the rent unit price is based on the fixed-rent master lease contract).

About the Terminology Used in this Presentation

P.13 Office Building: Operational Status (3)

- “Remaining term” of the lease agreement for Gotenyama SH Building indicates the number of years remaining as of the date of this document. The same applies throughout this document.

P.14 Office Building: Market Trends

- “Rent gap” is the difference in percentage between contract rents with end tenant at the end of each period and market rents (expected new contract rents per floor assessed by CBRE). The calculation is based on the office building portfolio at the end of each period, excluding Gotenyama SH Building of which the whole building is rented out to 1 tenant, and Hommachi Garden City (office portion) which employs fixed-rent ML.

P.17 Residential: Occupancy Rate Trends

- “Occupancy rate by room types” covers the residential portfolio (excluding retail, offices, and residential buildings leased out as one building, etc., or subleased) based on the following matrix 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 rooms*	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+					F	F	F	F	L

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

P.26 Sekisui House Sponsor Support/Strengths

- “Sekisui House Group” refers to the corporate group consisting of Sekisui House, its consolidated subsidiaries and equity-method affiliates. The same applies throughout this document.
- “Sekisui House Real Estate companies (6 companies)” refers to Sekisui House Real Estate Tohoku, Ltd., Sekisui House Real Estate Tokyo, 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., collectively.

P.27 Trends of Appraisal Value

- “Average cap rate” is calculated by taking the weighted average of the capitalization rate of each property under the direct capitalization method by the appraisal value of each property. For details on the capitalization rate and appraisal value of each property, please refer to pages 60 through 62.

P.28 DPU and NAV Per Unit

- “NAV per unit” is calculated based on NAV which is obtained by deducting the total amount of distributions from the amount of net assets on a market value basis, which is the net assets on the balance sheet at the end of each period plus unrealized gains. The same applies throughout this document.
- Due to the 2-for-1 split of investment units on May 1, 2018, DPU and NAV on and prior to FP 7 are adjusted by dividing the actual figures by 2.

P.44 Strengthen Profitability Through Asset Replacement: PM EGOTANOMORI

- “Senior housing” refers to serviced housing for the elderly, paid nursing homes and adult care centers. The same applies throughout this document.
- The remaining term of the lease agreement for “NICHII HOME Egotanomori” is the number of years remaining as of June 17, 2022.
- The average remaining term of lease agreements for “MAST ONE EGOTANOMORI” is the average remaining term of lease agreements with each tenant as of June 17, 2022, weighted by the leased area.

About the Terminology Used in this Presentation

P.45 SHR's Portfolio

- "Average building age" is calculated by averaging the building age as of the end of the fiscal period ended October 2022 (FP 16), weighted by acquisition price.
- The distribution status by building age for "Esty Maison Yokohama Aobadai" is calculated with the north building and south building each considered as 1 property. The same applies throughout this document.
- Unless otherwise specified, when calculating figures by usage for "Hommachi Garden City", the office building portion and the hotel portion are each treated as 1 property, and the calculation method for the entire portfolio, by area and distribution by building age is treated as 1 property. The same applies throughout this document.

P.50 Residential: Rent Trends by Area

- "Rent gap" is expressed as the percentage difference between contract rents with end tenants as of the end of October 2022 (FP 16) and market rents (expected new rents on standard floors assessed by Style Act). In addition, the calculation excludes end tenants whose contract rents exceeds the market rents.

P.53 ESG: Environment

- The number of properties that installed "LED lighting" within the "total number of introduction of environmental consideration facilities" indicates the number of residential properties which installed LED lighting in the common areas.

P.58-59 Portfolio List

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

P.60-62 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" and "Prime Maison EGOTANOMORI", 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, "direct capitalization yield" or "final capitalization yield" have not been established. For the sake of convenience, the "discount rate" provided is the discount rate out to the holding period expiration for "Esty Maison Toyosu Residence", and for "Prime Maison EGOTANOMORI", listed for the first through the tenth years.

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.
- Percentages in bar graphs and pie charts throughout this document are rounded to the first decimal place. Therefore, the total percentage of each item may not equal 100%.

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