



SEKISUI HOUSE REIT, INC.

Sekisui House Reit, Inc.

Financial Results Briefing for the Fiscal Period Ended April 2026 (23rd Fiscal Period)

June 15, 2026

Event Summary

[Number of Speakers]	5	
	Toshimitsu Fujiwara	President and Chief Executive Officer, Sekisui House Asset Management, Ltd.
	Kimiyoshi Otani	Senior Executive Director, Corporate Strategy & Planning Department, Sekisui House Asset Management, Ltd.
	Nobuyoshi Sato	Senior Executive Director, Asset Management, Sekisui House Asset Management, Ltd.
	Sadaaki Takeuchi	Senior Executive Director, Acquisitions, Sekisui House Asset Management, Ltd.
	Atsuhiro Kida	Senior Executive Director, General Affairs Department and Accounting Department, Sekisui House Asset Management, Ltd.

Executive Summary for Fiscal Period Ended April 2026 (FP 23)

DPU ・ Adjusted EPU				NAV Per Unit		NOI Yield After Depreciation		
	FP 23 Results	FP 24 Forecast	FP 25 Forecast	FP 23 Results		FP 23 Results		
DPU	3,407 JPY	1,908 JPY	1,880 JPY	90,841 JPY		3.3%		
Adjusted EPU	1,475 JPY	1,521 JPY	1,491 JPY			(vs. FP 22 – pt.)		
(vs. FP 22)	(+87 JPY)	(+46 JPY)	((30)JPY)			Residential (JP)	Residential (U.S.)	Office Building
(vs. Guidance)	(+22 JPY)	((1) JPY)		Vs. FP 22 +1,507 JPY		3.3%	3.2%	3.6%

Adjusted EPU

Continue to target 1,600 JPY for FP ending October 2029 (FP 30)

FP 23 Results: Resulted above earlier forecast driven by outperformance in Residential (JP)

FP 24 Forecast: Profit growth by internal growth in Residential (JP) and contribution from additional acquisitions in Residential (U.S.)

FP 25 Forecast: Utilizing proceeds from the Gotenyama SH building disposition to raise adjusted EPU

Internal Growth

Residential(JP) Rent increase hit record highs: +14.4% for new leases, +3.6% for renewals

High occupancy and increasing rent to continue

Residential (U.S.) Recovered Occupancy Rate as of FP 23 end: 94.2% (+2.2pt vs. FP 22)

Targeting a dividend yield (Note) of 3.5%+ while maintaining high occupancy and driving rent growth

(Note) It refers to the yield on distributions paid from LLCs that own overseas real estate to SHR. The same applies throughout this document.

External Growth (Portfolio Repositioning)

Residential (JP) Portfolio repositioning with sponsor pipeline support

(12 dispositions / 7 acquisitions)

Additional Tokyo (23 wards, newer assets) acquisitions for FP 24 determined

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Fujiwara: Hello, everyone. My name is Fujiwara from Sekisui House Asset Management, Ltd. Thank you for joining us today for SHR's financial results briefing for the 23rd fiscal period ended April 2026.

Without further ado, I'd like to begin the financial results presentation. First, please turn to page three.

For the fiscal period ended April 2026, the adjusted EPU was JPY1,475, an increase of JPY87 from the previous fiscal period and JPY22 above the guidance. DPU, including gains on disposals, was JPY3,407.

We forecast an adjusted EPU of JPY1,521 for the fiscal period ending October 2026 and JPY1,491 for the fiscal period ending April 2027. With domestic residential properties serving as the driving force, we intend to steadily raise the bar to achieve our target of an adjusted EPU of JPY1,600.

Next, regarding internal growth, the rate of change in domestic residential rents has reached a record high for both new leases and renewals. Amid an inflationary economy, rent increases are becoming widespread, and we expect this trend to continue for the foreseeable future.

For US residential properties, occupancy rates continue to recover thanks to a leasing strategy that prioritizes occupancy. We expect that, supported by improvements in the supply-demand balance for rental properties, we will enter a phase of rent growth.

With regard to external growth, we are leveraging our sponsor pipelines to focus our investments on recently constructed, high-quality properties in the Greater Tokyo area. In addition to carrying out a portfolio repositioning between late January and early February, we have also announced a new decision to acquire a property developed by our sponsor.

Future Growth Strategy/Policy (1)

To enhance adjusted EPU to 1,600 JPY by FP Ending October 2029 (FP 30)



* The above objectives represent SHR's policy as of the date of this document and do not guarantee the maintenance or increase of distributions. They are also subject to change based on future economic conditions, market trends, and other factors. The same applies throughout this document.



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Please refer to page five.

During our previous financial results briefing, we announced that we had reached a milestone toward achieving our previous target of an adjusted EPU of JPY1,500; consequently, we set a new mid-term target of an adjusted EPU of JPY1,600 for the fiscal period ending October 2029.

Looking back on the operating environment over the past six months, the rise in long-term interest rates has outpaced expectations, making the increase in borrowing costs an even greater burden. On the other hand, given that rent growth for domestic residential properties is accelerating further and that US residential properties are also entering a phase of rent growth driven by improving occupancy rates, we remain steadfast in our goal of achieving an adjusted EPU of JPY1,600.

Future Growth Strategy/Policy (2)

Focus on internal growth as the primary driver, while maximizing unitholder value through disciplined capital allocation aligned with market conditions

Internal Growth	External Growth (Portfolio Repositioning)	Finance						
Approx. +140JPY per unit - Residential (JP) Closing the rent gap Change in rent rate - New leases +15% or more - Renewals +4% or more Renovation Actual results (FP ended April 2026 (FP 23)) Number of units 30units Change in rent rate +30.7% ROI 43.3% Cost control Fees, Repair cost, etc. - Residential (U.S.) Dividend yield 3.5% or more - Recover and maintain of occupancy rate - Shift to rent growth	Approx. +60JPY per unit Enhancing portfolio profitability through portfolio repositioning Disposition of low-growth, low-yield properties Acquire properties by leveraging debt capacity Reinvestment of proceeds from the phased dispositions of Gotenyama SH Bldg. Through Apr. 2028 (FP 27): disposals per period → Approx. 2.0 bn JPY to distributions → Approx. 5.0 bn JPY to reinvestment Total reinvestment capacity Approx. 20.0 bn JPY	Approx. (90)JPY per unit Mitigating increases in finance cost through utilizing floating-rate debt Maintain the fix-interest rate debt ratio as 70% or more Maintain the average period remaining to maturity as 3-4 years Managing leverage level between 45-50%						
Capital Allocation <table> <tr> <td>Enhancement of DPU and EPU</td><td>Enhancement of portfolio quality and profitability</td><td>Mitigating finance cost Enhancing debt capacity</td></tr> <tr> <td>Strategic buy-back implementation</td><td>Acquisition of high-growth, high-yield properties</td><td>Repayment of existing borrowings</td></tr> </table>			Enhancement of DPU and EPU	Enhancement of portfolio quality and profitability	Mitigating finance cost Enhancing debt capacity	Strategic buy-back implementation	Acquisition of high-growth, high-yield properties	Repayment of existing borrowings
Enhancement of DPU and EPU	Enhancement of portfolio quality and profitability	Mitigating finance cost Enhancing debt capacity						
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Please refer to page six.

As we work toward achieving an adjusted EPU of JPY1,600, we aim to increase the EPU by approximately JPY140 through internal growth.

The driving force behind this will be internal growth from domestic residential. In addition to closing the rent gap through rent increases, we will also strive to generate additional revenue through rent hikes resulting from renovations and strengthen our cost control measures, such as managing repair costs.

We will work toward quickly achieving our target dividend yield of 3.5% or higher for our US residential properties.

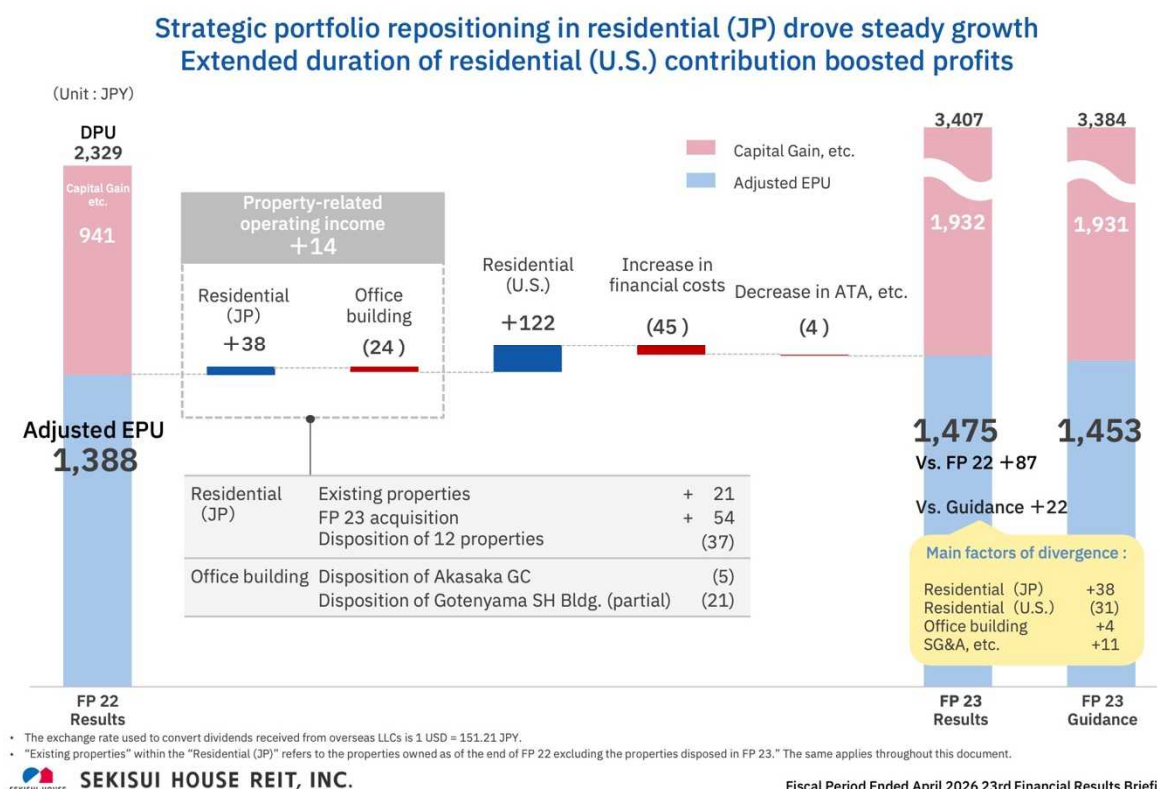
With regard to external growth, we aim to boost EPU by approximately JPY60 through portfolio repositioning. In connection with the phased dispositions of the Gotenyama SH Building, a total of JPY20 billion in funds has been secured through the fiscal period ending April 2028. In addition, proceeds from the sale of low-growth, low-yield properties, which are being disposed of as part of a portfolio repositioning strategy, will also serve as reinvestment capital.

Our basic policy is to reinvest those funds primarily in residential properties in the Greater Tokyo area, where we anticipate rent growth. However, given that unit prices have recently turned downward, we believe attention is once again focusing on capital allocation strategies.

We intend to take the optimal investment approach while closely monitoring market conditions. With yield gaps on property acquisitions continuing to narrow, we must decide whether to continue acquiring properties,

shift our focus to buying back our own investment units, or use the funds to repay borrowings in order to keep interest rates low and secure dry powder for the future.

Analysis of Change Factors of DPU and Adjusted EPU (Results)

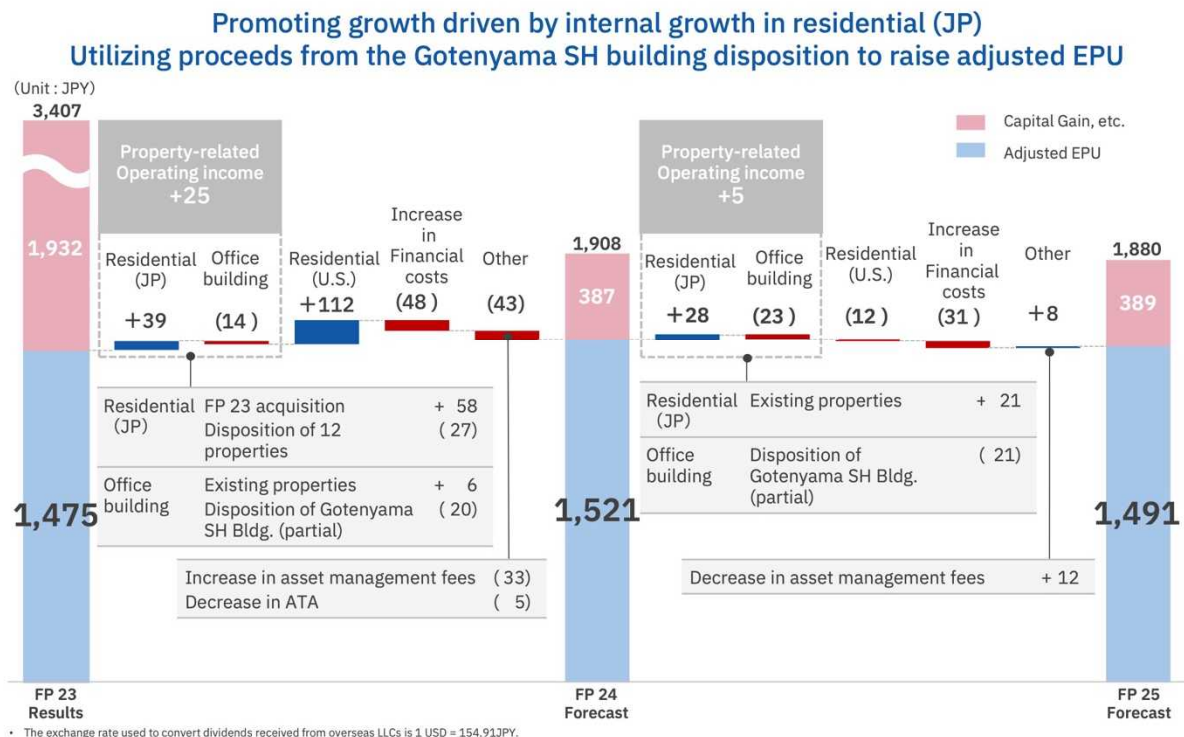


Please turn to page eight. I will explain the main factors affecting DPU and adjusted EPU performance.

First, regarding adjusted EPU, compared to the previous period's result of JPY1,388, it increased by JPY38 due to internal growth in domestic residential and portfolio repositioning, and a JPY122 increase from the expansion of the number of months contributing to the US residential business. This offset a JPY45 increase in borrowing costs, resulting in a YoY increase of JPY87 to JPY1,475.

As for DPU, it rose from JPY2,329 in the previous fiscal period to JPY3,407 in the current fiscal period due to the recognition of a gain from portfolio repositioning.

Analysis of Change Factors of DPU and Adjusted EPU (Forecast)



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Next, page refer to page nine. These are the earnings forecasts for the fiscal period ending October 2026 and the fiscal period ending April 2027.

We forecast an adjusted EPU of JPY1,521 for the fiscal period ending October 2026, representing an increase of JPY46 compared to the actual figure for the fiscal period ended April 2026. The main factors driving this change include a JPY39 increase resulting from the dispositioning of domestic residential properties in the 23rd period and new acquisitions in the 24th period, as well as an additional JPY112 increase due to the expanded contribution from US residential properties, which together offset the JPY48 increase in borrowing costs.

With regard to DPU, since gains from portfolio repositioning will no longer be included, leaving only the gain from the phased dispositions of the Gotenyama SH Building, it is expected to decrease from JPY3,407 in the fiscal period ended April 2026 to JPY1,908.

We forecast that the adjusted EPU for the fiscal period ending April 2027 will be JPY1,491, a decrease of JPY30 from the forecast for the fiscal period ending October 2026. These figures do not include the reinvestment of the approximately JPY5 billion in proceeds from the sale of the Gotenyama SH Building. We plan to use these funds for future property acquisitions and other purposes to increase our adjusted EPU.

Overview of Portfolio Repositioning Measures

Strengthen earnings via Greater Tokyo acquisitions with strong rental growth

FP Ended Apr. 2026 (FP 23) Results		FP Ending Oct. 2026 (FP 24)		FP Ending Apr. 2027 (FP 25)		
Disposition	 Residential (JP) 12 properties • Including 4 properties in Nagoya • Avg. building age: 19.1 years EM HIGASHIBETSUIN and 11 other properties	 Office building Gotenyama SH Bldg. 6th disposition (10.0%)	 Office building Gotenyama SH Bldg. 7th disposition (10.0%)	 Office building Gotenyama SH Bldg. 8th disposition (10.0%)		
	(Planned) Disposition price	25,200 mm JPY	7,000 mm JPY	7,000 mm JPY	7,000 mm JPY	
	Gain/loss on disposition (expected)	+5,592 mm JPY	+2,141 mm JPY	+2,154 mm JPY	+2,168 mm JPY	
	NOI yield after depreciation (expected)	2.8%	3.4%	3.4%	3.4%	
	Acquisition	 Residential (JP) 7 properties • All located within Greater Tokyo • Avg. building age: 2.2 years • All are ZEH-M Oriented • Utilizing acquiring capacity approx. 15.0 bn JPY PM Kiyosumishirakawa and 6 other properties	 Residential (JP) • JR Keihin-Tohoku Line Approx. 4-minute walk from "Kawaguchi" Station EM Kawaguchi	 Residential (JP) • Various JR lines Approx. 13-minute walk from "Kawasaki" Station EM Kawasaki Honcho	 Residential (JP) • JR Sobu Line / Tokyo Metro Hanzomon Line Approx. 4-minute walk from "Kinshicho" Station • Building age: 1.1 years • All are ZEH-M Oriented PM Kinshicho	7/1 Planned Acquisition
(Planned) Acquisition price		30,040 mm JPY	2,590 mm JPY	1,810 mm JPY	4,270 mm JPY	
Appraisal NOI yield after depreciation		3.0%	3.6%	3.7%	3.0%	

* "Avg. building age" and "Building age" indicate the figures as of the date of acquisition decision or disposition decision.

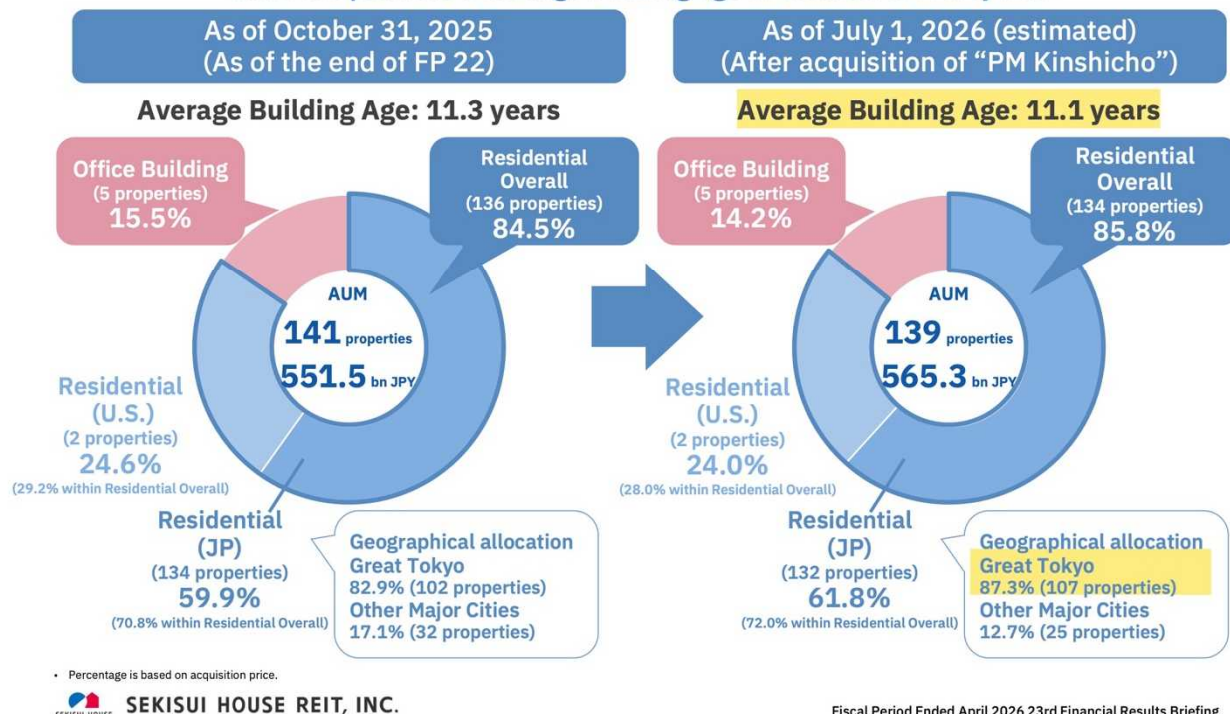
Please turn to page 11.

Along with our previous financial results announcement, we announced the sale of 12 properties, primarily in the Nagoya area, and the acquisition of seven recently constructed properties in the Tokyo area developed by our sponsor. These transactions were completed between January and February. Subsequently, we acquired Esty Maison Kawaguchi and Kawasaki Honcho in the Greater Tokyo area, where we anticipate rent growth.

Today, we announced the acquisition of Prime Maison Kinshicho, a sponsor-developed project, using proceeds from the phased dispositions of the Gotenyama SH Building. We are continuing to focus our investments on the Greater Tokyo area, which offers strong potential for rent growth.

Portfolio After Repositioning

Greater Tokyo ratio for residential (JP) rose to 87.3%,
while the portfolio's average building age decreased to 11.1 years



Next, please refer to page 12.

Following today's announcement of the acquisition of Prime Maison Kinshicho, our portfolio now consists of 139 properties with a total value of JPY565.3 billion. Of this total, residential properties account for 85.8% when domestic and US properties are combined.

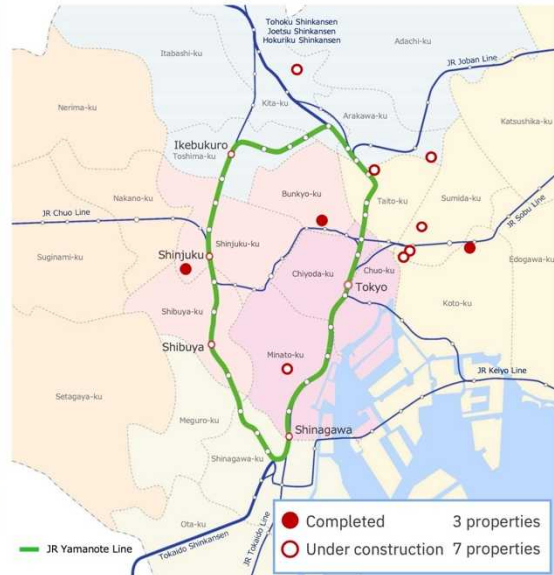
In addition, the proportion of domestic residential properties located in the Greater Tokyo area rose from 82.9% at the end of the previous period to 87.3%. The average building age has decreased from 11.3 years to 11.1 years, allowing the Company to maintain its competitive edge in terms of controlling repair costs and capital expenditures.

Sekisui House Group Sponsor Support

Residential pipelines totals approx. 100.0 bn JPY, mainly single and compact types
Four new properties are schedule to be completed within one year, all ZEH-certified

Sekisui House Development Pipeline of Main Residential Properties

	Property Name (Including Temporary Name)	Location	Units (Planned)	Total Floor Area(m ²) (Planned)	Completion Date (Planned) (YY/MM)
Completed	Prime Maison Nishishinjuku	Shinjuku-ku, Tokyo	104	4,344.00	25/12
	Prime Maison Bunkyo-hongo	Bunkyo-ku, Tokyo	26	1,079.39	26/3
	Prime Maison Kameido	Koto-ku, Tokyo	28	1,241.88	26/5
Under Construction	Prime Maison Minamiazabu	Minato-ku, Tokyo	163	18,582.90	26/6
	To be determined	Sumida-ku, Tokyo	93	4,064.14	26/12
	To be determined	Sumida-ku, Tokyo	49	2,449.86	27/3
	To be determined	Taito-ku, Tokyo	63	2,966.49	27/3
	To be determined	Sumida-ku, Tokyo	43	1,951.97	27/10
	To be determined	Kita-ku, Tokyo	109	4,630.00	27/10
	To be determined	Arakawa-ku, Tokyo	96	4,094.78	28/7
Under Planning	Located in Tokyo 23 wards				



- As of the date of this document, SHR has no specific plans to acquire the unacquired assets described on this page and acquisition by SHR is not obligated nor guaranteed.
- The information described on this page prepared based on information available as of April 30, 2026. However, its accuracy and completeness are not guaranteed, and it is subject to change without prior notice.

Please turn to page 13.

This is our sponsor, Sekisui House's pipelines. Its residential pipelines are valued at JPY100 billion, and there continue to be abundant opportunities for external growth. Three of these properties have already been completed, and four more are scheduled for completion within the next year. All of these are ZEH properties with excellent environmental performance, located within Tokyo's 23 wards.

Residential (JP): Operational Results (1)

Slowdown in near-term internal growth due to rising repair costs and rent growth initiatives, recovery expected from FP ending April 2027 (FP 25)



(All based on existing properties, Change rate compared to the previous period (annualized))

- "Existing Properties" on this page refers to properties held as of the end of each fiscal period that have been continuously held since the end of the fiscal period two periods prior.
- "Expense ratio" is calculated by dividing operating expenses (excluding depreciation) by operating income, rounded to the first decimal place.
- "Depreciation expense ratio" is calculated by dividing depreciation expense by operating income and rounded to first decimal place.

Next, let's move on to internal growth. Please turn to page 15. First, here are our domestic operational results.

This slide compares the trends in rent revenue, NOI, and NOI after depreciation for our existing portfolio on a same-store basis. All figures are annualized compared to the previous period.

First, total rent revenue increased by 2.9% in the fiscal period ended April 2026, driven by accelerated rent increases at the time of tenant turnover and lease renewals, with momentum continuing to gain steam.

We expect growth of 1.6% for the fiscal period ending October 2026, representing a slight slowdown. While this is partly due to an increase in vacancies, it is strictly a temporary phenomenon, and there are no signs of a slowdown in the strength of the rental market. We expect growth to accelerate to 3.5% for the fiscal period ending April 2027.

Looking at NOI, it increased by 1.8% in the current period, marking a slowdown from the 3.9% increase in the previous period. This is due to seasonal fluctuations, as the current period coincides with the peak season, during which restoration costs and advertising expenses typically rise.

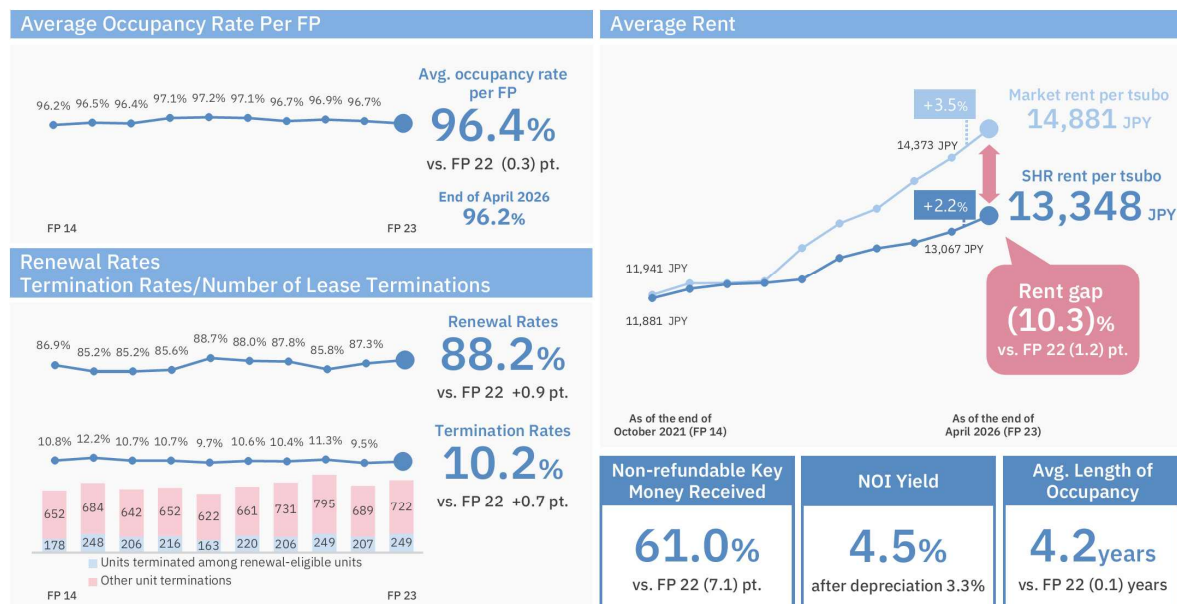
Growth is expected to slow further to 0.4% for the fiscal period ending October 2026. This is because, although the current fiscal period is a slow season, we have experienced a number of corporate contract cancellations and have factored in the associated move-in and move-out costs. However, we view this as a temporary phenomenon and expect it to converge toward our normal expense ratio by the fiscal period ending April 2027.

NOI after depreciation closely mirrors the trend in NOI before depreciation. We recorded a 1.5% increase for the current period, expect it to remain flat for the fiscal period ending October 2026, and project a recovery to a 3.7% increase for the fiscal period ending April 2027.

Because the average building age of the residential properties of SHR is relatively low, the burden of depreciation expenses is relatively light, and the depreciation rate is on a downward trend.

Residential (JP): Operational Results (2)

Although SHR rent increased, market rent is outpacing this trend



- "Renewal Rates", "Termination Rates", "Number of Lease Terminations", "Market rent per tsubo" and "SHR rent per tsubo" are calculated based on the residential properties, excluding those subject to a fixed-rent master lease, single building leases and commercial/office spaces.
- "Rent gap" is the difference in percentage between contract rents with the end tenant and the market rents (estimated new lease rents assessed by Style Act Co., Ltd.) as of the end of each fiscal period.
- All indicators related to residential (JP) are calculated using monthly rent including utilities. The same applies throughout this document.
- "The cancellation rate" is calculated by summing, for each month in the period, the ratio of the number of termination units to the total leasable units as of each month-end.

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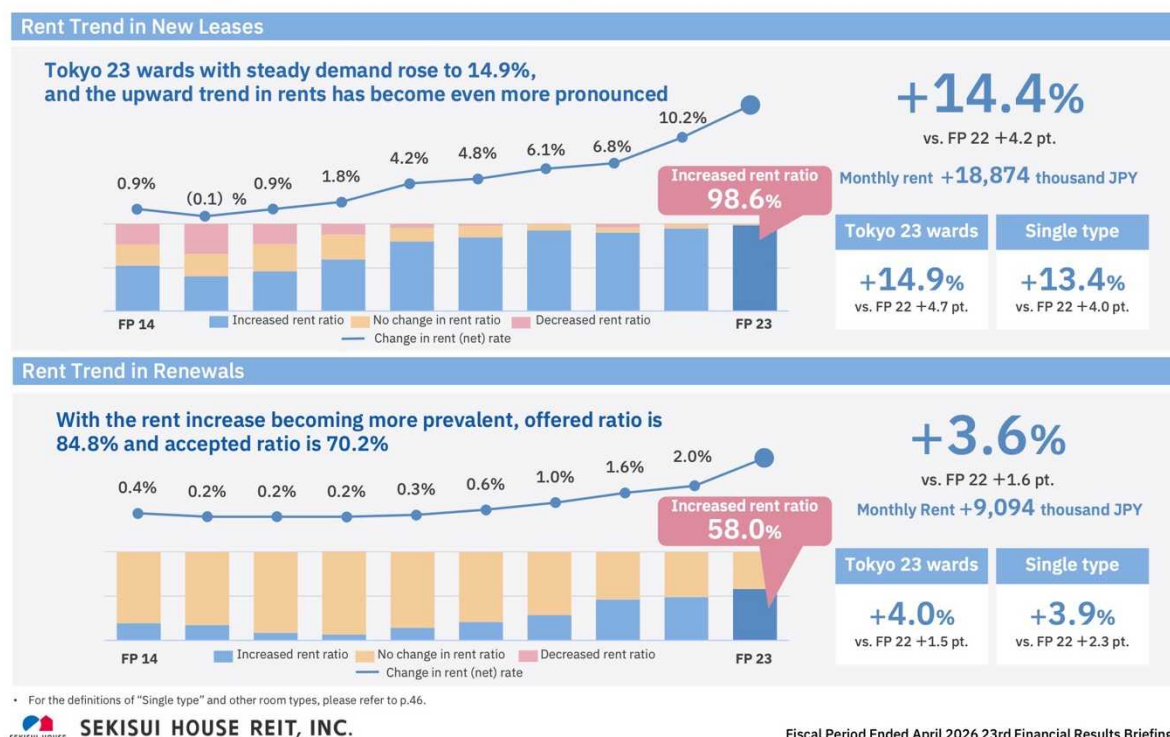
Regarding the operational status of our domestic residential properties, the average occupancy rate for the period remained at a high level of 96.4%.

The 0.3-point decline from the previous period is due to the fact that, as we actively pursue rent increases during tenant turnover, downtime has increased slightly. From the perspective of balancing rent and occupancy rates, as the average tenancy duration continues to lengthen, it is crucial to secure solid rent increases during tenant turnover. Therefore, while we are willing to tolerate some downtime, we intend to continue pursuing a leasing strategy that prioritizes securing higher rents.

The average rent per tsubo has been rising steadily, reflecting actual rent increases, and stood at JPY13,348 for the current period. As mentioned in the next slide, we are stepping up our efforts to increase rents at renewal to close the rent gap. However, due to the nature of standard residential lease agreements, rent increases inevitably lag behind market rates, resulting in the rent gap widening to 10.3% at present.

Residential (JP): Operational Results (3)

Change in rent rates hit record highs for both new leases and renewals



Next, page refer to page 17.

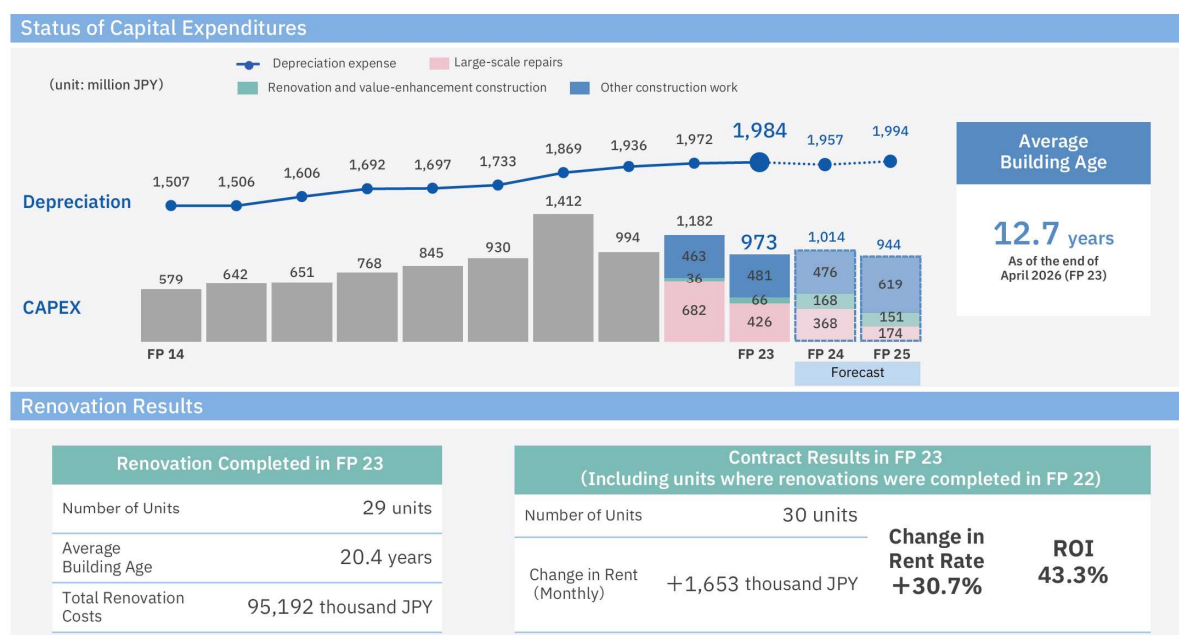
The rate of rent increase was 14.4% for new leases and 3.6% for renewals, both of which set new record highs. As inflation becomes entrenched across the economy, our approach to rent increases is proving effective.

During the current period, we proposed rent increases to 84.8% of tenants whose leases were up for renewal, and 70.2% of them accepted the proposal. As a result, the percentage of cases involving an increase rose to 58%.

During this period, we not only raised our initial offered ratio but also began proposing more aggressive rent increases based on the rent gap. We had been closely monitoring whether this would affect the accepted ratio, but the result was an acceptance rate exceeding 70%, which was a promising outcome in terms of the success of the rent increase.

Residential (JP): Operational Results (4)

Enhancing profitability by strategic renovation works to unlock the value potential



* "ROI" is calculated by dividing the annual increase in monthly rent from the first lease agreement signed after renovation by the portion of the construction cost that qualifies as capital expenditure.

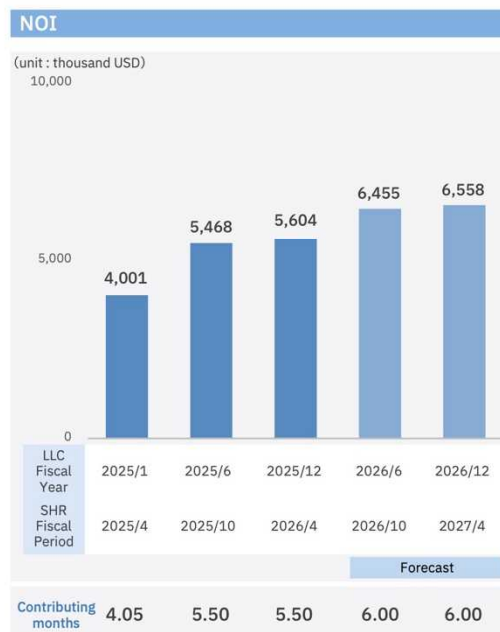
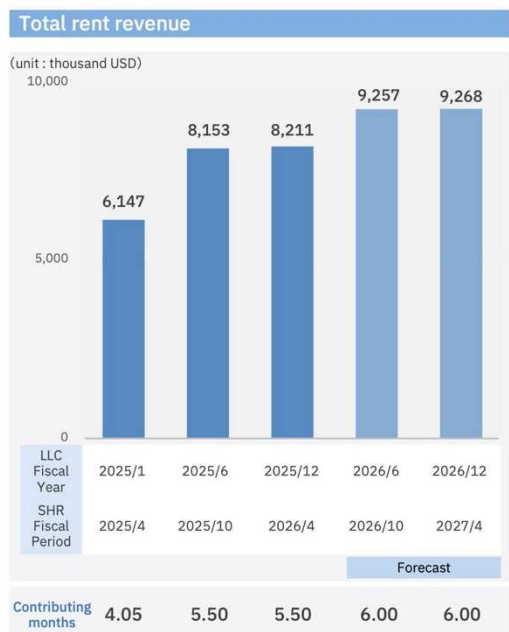
Please turn to page 18.

With regard to capital expenditures, we anticipate allocating approximately JPY1 billion from the annual depreciation expense of just under JPY2 billion. While the number of units undergoing renovation is not particularly large, we are focusing our efforts on this area as a strategy to further boost internal growth, given its high return on investment.

Regarding the return on investment for renovations, our results for the current period show a 30.7% increase in rent and an ROI of 43.3%.

Residential (U.S.): “The Ivey on Boren” Operational Status (1)

Revenue and NOI of LLCs continue steady growth; further upside projected from June 2026
The minimum rent guarantee period was ended on May 31, 2026



Please turn to page 19. This is about residential properties in the US.

First, regarding The Ivey on Boren in Seattle, total rent revenue and NOI of the local LLCs have been growing steadily. The minimum rent guarantee period expired at the end of May, and we have switched to a pass-through type starting in June.

As I will explain on the next slide, due to weak occupancy this winter, the actual rent revenue fell slightly short of the minimum guaranteed level, resulting in a pass-through arrangement. The local rental market is currently quite tight, so we can expect a recovery in the near future.

Residential (U.S.): “The Ivey on Boren” Operation Status (2)

Occupancy has risen to nearly fully occupied level; Change in rent is expected to rise in the long-term, supported by tight supply and demand conditions



- “Change in rent for new + renewals is calculated taking into account free rent. The same applies throughout this document.
- “Average Rent (PSF)” is calculated without considering free rent. The same applies throughout this document.
- “26 2Q” refers results for April 2026 only. The same applies P.22.

Next, please refer to page 20.

From Q4 of last year through Q1 of this year, as inquiries from prospective tenants began to slow, we shifted our leasing strategy to prioritize occupancy rates by offering extended rent-free periods. Consequently, while the occupancy rate remained generally stable during the period, the rate of change in rent, after adjusting for rent-free periods, turned negative in Q1 of this year when combining new leases and renewals.

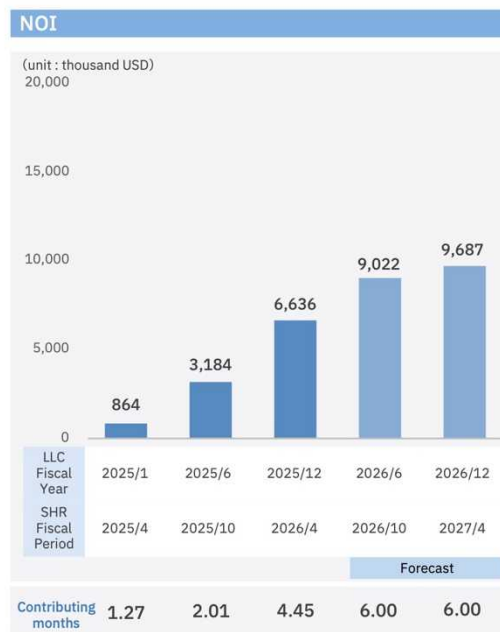
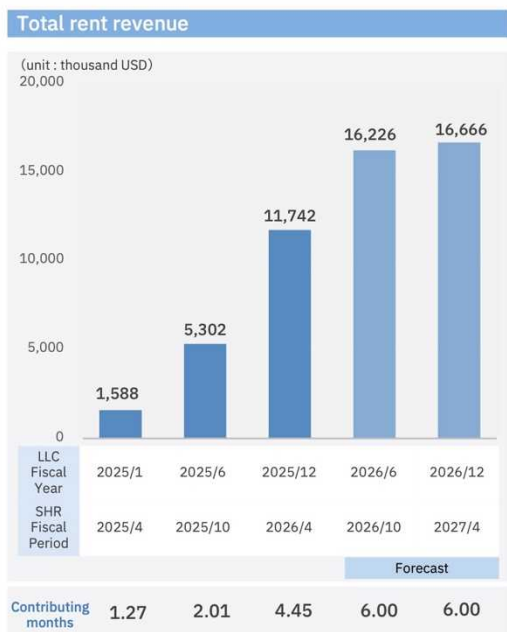
While the US multifamily market typically experiences seasonal fluctuations, with occupancy rates and rents declining during the winter off-season, this winter was affected not only by those factors but also by a softening in the job market, particularly in the IT sector.

Under those circumstances, the market descended into a price war featuring increasingly generous rent-free periods, even among competing properties in the neighborhood. However, as the busy spring season began, demand rebounded sharply, and the market has since tightened to the point where vacancies are now virtually nonexistent across the entire area.

Looking back, I feel we may have overreacted to the immediate employment situation and leased properties at too low a price. However, while there will be new supply in the surrounding area, a sense of scarcity is spreading throughout the region as a whole, so I expect we are entering a phase of rent growth.

Residential (U.S.): “City Ridge” Operational Status (1)

Total rent revenue and NOI has been increasing, driven by additional acquisitions
Minimum rent guarantee in effect through November 30, 2027



• Including the effect of additional acquisition.
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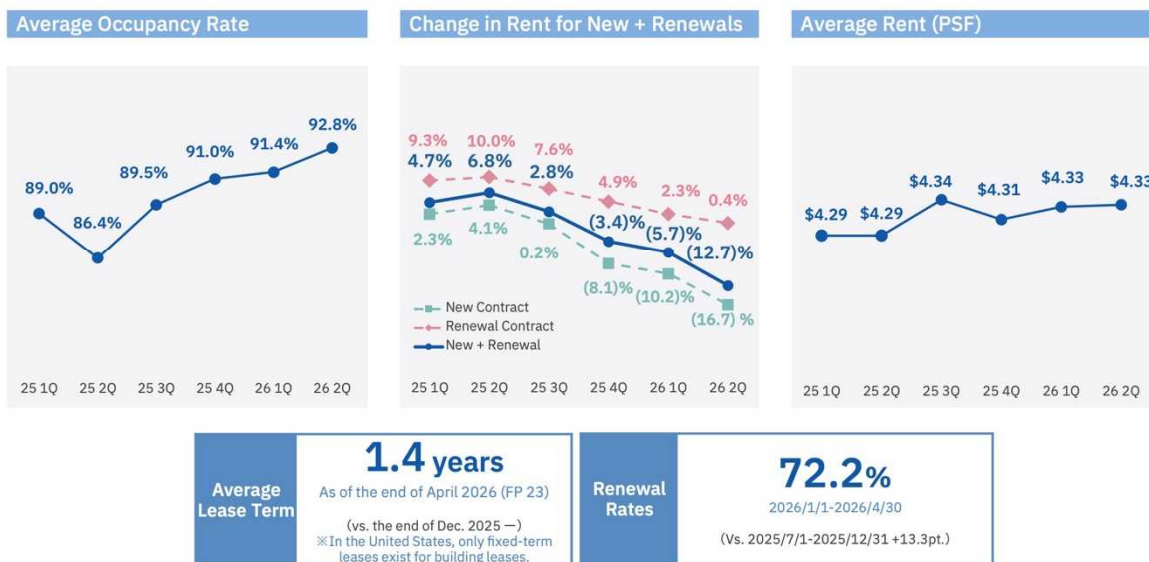
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Please turn to page 21. This is City Ridge in Washington, D.C.

Total Rent Revenue and NOI from the local LLC’s leasing business continue to grow as a result of additional property acquisitions and the extension of the period over which these properties contribute to earnings. Since there is a minimum rent guarantee in place through the end of November 2027, rent revenue will remain stable. However, actual rent revenue remains at just over 80% of the guaranteed minimum level, so the challenge will be how to recover this shortfall over the remaining year and a half.

Residential (U.S.): “City Ridge” Operation Status (2)

Occupancy rate has risen thanks to generous concessions such as free rent



Please refer to page 22.

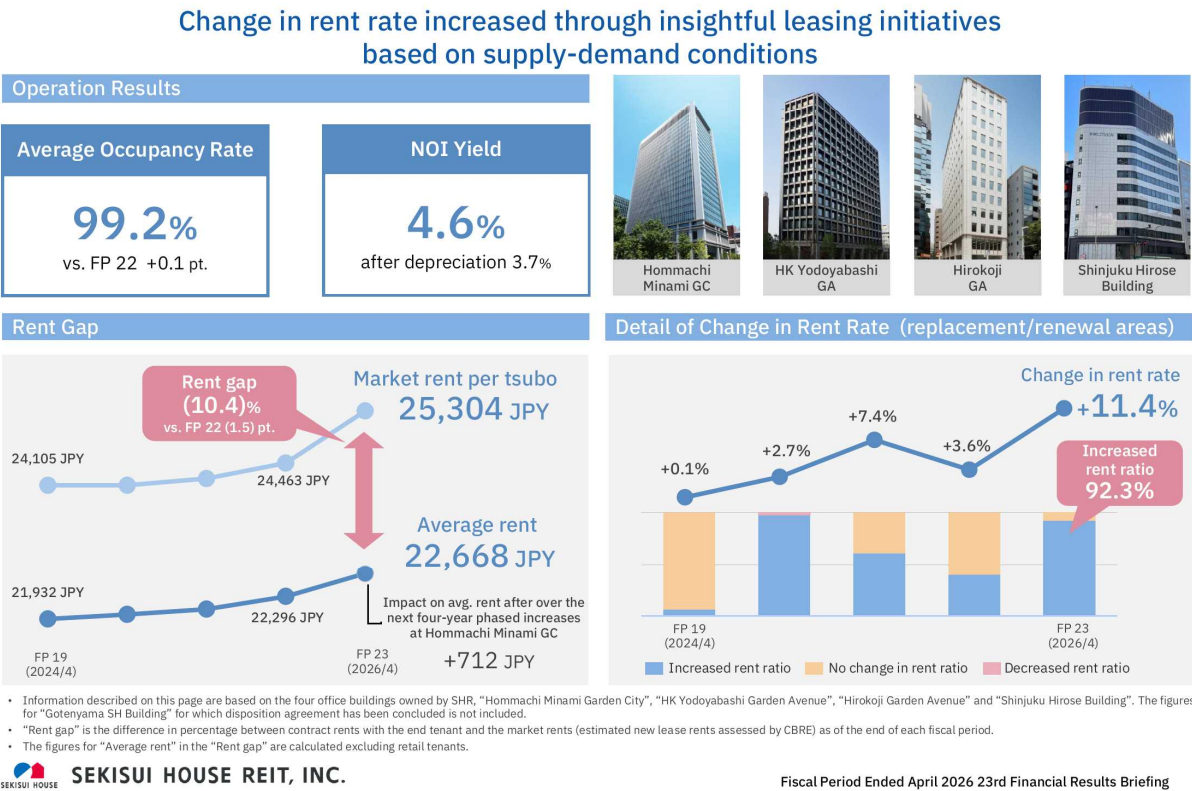
Since the Trump administration took office, uncertainty in the US economy has grown due to factors such as federal government job cuts, and rental demand has remained sluggish.

Recently, SHR has been working to boost occupancy rates by shifting to a leasing strategy that prioritizes occupancy, with the primary goal of retaining tenants. As a result, the current occupancy rate has risen to 92.8%, the highest level since the property was acquired.

On the other hand, regarding rent levels, because we have taken a flexible approach, including extending rent-free periods, the current trend shows that rent fluctuation rates have fallen into negative territory.

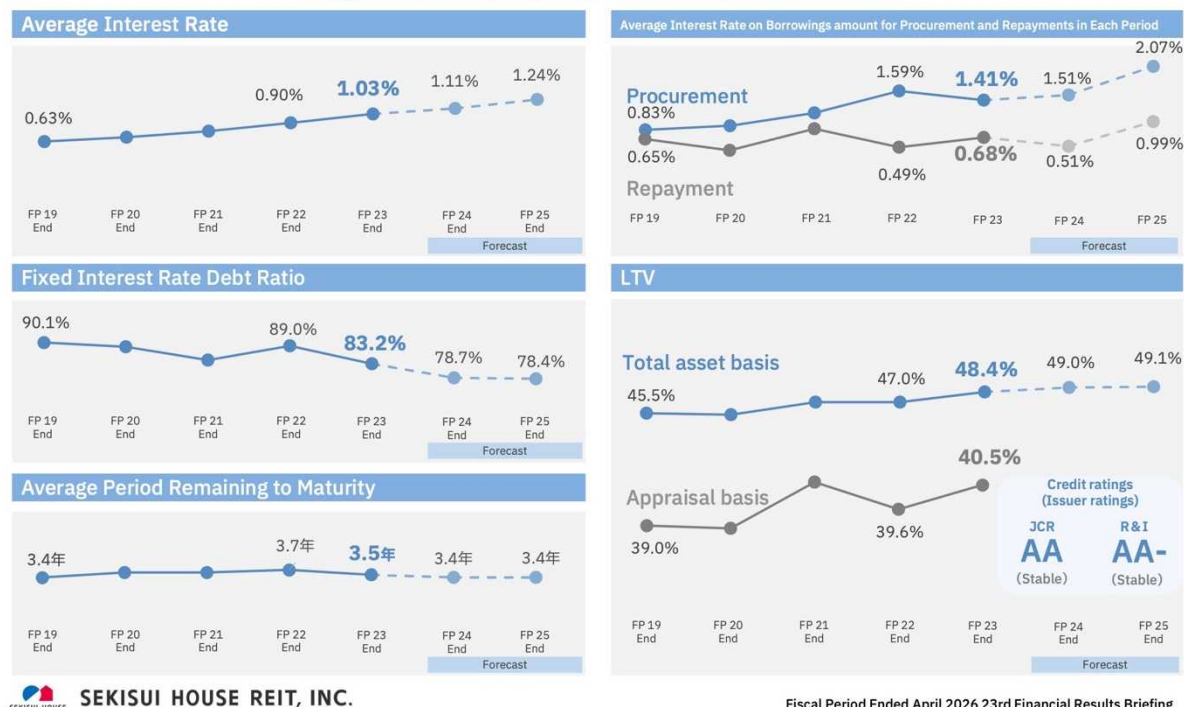
In terms of market conditions, the supply-demand balance is gradually improving, driven by the expectation that rental demand will recover gradually as the employment situation stabilizes, as well as the fact that new supply is likely to dry up for the foreseeable future due to rising construction costs. We expect market rents to begin rising in H2 of this year or, at the latest, next year.

Office Building: Operation Status



Financial Situation (1)

Keep fixed-rate debt $\geq 70\%$ and an average period remaining to maturity $\geq 3\text{--}4$ years
Target an LTV of 45–50% on a total asset basis



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Next, please turn to page 25 to review our financial situation.

Given the recent sharp rise in long-term interest rates, we plan to increase our use of floating-rate financing in order to keep the average cost of funding from rising. On the other hand, since it is also important to manage interest rate sensitivity, we aim to maintain a fixed-rate ratio of at least 70%.

In our earnings forecast, we assume that the average interest rate will rise from 1.03% at the end of the current fiscal period to 1.24% two fiscal periods from now. For the fiscal period ending October 2026, we plan to refinance all loans at floating-rates, with an assumed interest rate of 1.51%. For the fiscal period ending April 2027, we plan to refinance with a mix of floating and fixed-rate loans, with an assumed interest rate of 2.07%. We will continue to adhere to our existing policies regarding average remaining loan terms and LTV.

Financial Situation (2)

Forecasts incorporate two rate hikes within the year
Mitigate borrowing cost increases through floating-rate debt

Interest Rate Assumptions in the Forecasts		Assumed Impact on Borrowing Costs from Interest Rate Changes	
	Policy Rate	10Y JGB Yield	Assuming a ± 10 bp change in interest rates (per unit)
FP October 2026 (FP 24)	Rate hike in June 2026 (0.75%→1.00%)	2.60%~ 2.70% range	FP October 2026 (FP 24) ± 18 million JPY (± 4.3 JPY)
FP April 2027 (FP 25)	Rate hike in December 2026 (1.00%→1.25%)		FP April 2027 (FP 25) ± 31 million JPY (± 7.3 JPY)

Diversification of Repayment Deadlines



Next, please turn to page 26.

During our previous financial results presentation, we received many questions from investors regarding the interest rate scenarios factored into our earnings forecasts. Therefore, this slide summarizes our current interest rate assumptions and sensitivity analysis.

We anticipate that the policy interest rate will be raised by 25bp in both June and December, and that long-term interest rates will trend between 2.6% and 2.7%, resulting in a bear flattening of the yield curve.

Additionally, our sensitivity analysis indicates that a 10bp change in the policy interest rate would result in a fluctuation of JPY4.3 in the adjusted EPU for the fiscal period ending October 2026 and JPY7.3 for the fiscal period ending April 2027. Please refer to these figures.

Sustainability Initiatives

Promoting the continued advancement and enhancement of sustainability initiatives

Certification for Eco-Action 21

Certified for an environmental management system (EMS) formulated by the Ministry of the Environment

Strengthen operations of EMS



Certification for KENKO Investment for Health

Asset management company

Highlighting companies with outstanding health and productivity management



Reduction of GHG Emissions

KPI Regarding total GHG emissions with 2023 as the base year
By 2030 **Reduce 42% of Scope 1+2 emissions**
Reduce 25% of Scope 3 emissions
By 2050 **Achieve net-zero**; Reduce 90% or more of Scope 1+2+3 and neutralize residual emissions



SEKISUI HOUSE REIT, INC.

Installation of Used Item Collection Boxes

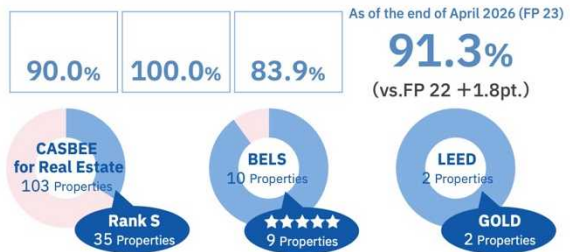
Tracking reuse and recycling rates based on the total volume of collected clothing and goods



Encourage resource circulation and collaboration through tenant feedback

Acquisition of Green Certifications

KPI Maintain **90% or more** of the portfolio with green certification (floor area basis)



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Next, please refer to page 28, we'll look at our sustainability initiatives.

This past May, we successfully obtained certification under Eco-Action 21, an environmental management system recognized by the Ministry of the Environment. We will continue to advance initiatives aimed at reducing our environmental impact, such as cutting GHG emissions, by strengthening the operation of our environmental management system.

Last but not least, I understand that the decline in the Tokyo Stock Exchange REIT Index over the past few months stems from growing concerns that internal growth will not be sufficient to offset rising interest costs, driven by the sharp rise in long-term interest rates.

We are confident in the internal growth potential of both our domestic and US residential businesses, and we will continue to devote our full efforts to achieving an adjusted EPU of JPY1,600. We look forward to your continued support of SHR's future initiatives.

Thank you for your attention.

Question & Answer

[Q]: I have two questions.

First, regarding the distribution strategy: while the current distributions significantly exceed the EPU because they currently include capital gains, this trend is expected to continue only until the fiscal period ending April 2028, at which point the recognition of capital gains is expected to cease. You still have about a year, a year and a half, or two years left, but I think you're starting to reach the point where you need to start thinking about what comes next.

Regarding what happens next, I would like to ask whether you would generally proceed based on the EPU. Alternatively, I would like to ask whether you are also considering generating significant and sustained capital gains from new sales.

My second question concerns your future property acquisition and portfolio repositioning strategy. While it was mentioned on page 13 that your sponsor pipelines amount to approximately JPY100 billion, on the other hand, if you consider only properties that have already been completed, the number is limited to just three. I would like to ask about your approach to property acquisitions, specifically, whether you plan to consider acquiring additional properties overseas in the future, or if your focus will remain strictly on the domestic market. These are my two questions.

Fujiwara [A]: First, regarding your first question: When we announced this mid-term plan last time, we noted that we were entering a phase where the growth of our adjusted EPU would be put to the test, so we set goals focused on strengthening our adjusted earnings power.

In that sense, things haven't really changed, but while we do have capital gains of about JPY2 billion from the sale of the SH Building, our stance is that we won't set any specific targets for the period following the completion of that transaction; instead, we ask that you focus solely on the EPU.

That said, this does not mean we will not sell any properties. Some of the residential properties in our portfolio are older. As I mentioned previously, we generally intend to proceed with the sale of our office properties by the end of this mid-term plan. Therefore, we remain in an environment where we can continue to generate capital gains from such sales.

On the other hand, since we are a company that cannot retain earnings, it is quite difficult for us to explicitly set and achieve DPU targets in a planned manner, unlike other companies. In that sense, our basic approach is to focus on increasing our adjusted EPU. However, since we will continue to make portfolio repositioning, we expect to generate capital gains going forward. Depending on the circumstances, we may even see a significant amount, similar to the previous fiscal period.

Given the recent softness in stock prices, while we continue to prioritize EPU and adjusted earnings power, I believe that, depending on market conditions, we may once again find ourselves in a situation where generating DPU through capital gains, as we have done in the past, will be crucial. We intend to respond flexibly to these developments while closely monitoring market conditions. However, our primary focus is on adjusted EPU.

Moving on to your second question regarding portfolio repositioning: while our sponsor pipelines for domestic properties amount to approximately JPY100 billion, our basic policy is to focus on acquiring sponsor-developed properties, primarily in the Greater Tokyo area. As for overseas investments, given that we have set a cap of 30% of our residential portfolio and have already utilized nearly all of that allocation, please

understand that we do not plan to make any significant new acquisitions in the future. Therefore, we plan to focus on sponsor-developed properties, all of which are located within the 23 wards of the Greater Tokyo area, as well as continuing to source properties from external sources. That's all.

[Q]: I have just one question. Regarding residential properties in the US, you just provided a fairly detailed explanation of specific factors, such as the competitive landscape for the two properties and the impact of the Trump administration in Washington, D.C. I would also like to ask how you view other factors, both positive and negative, affecting the US rental housing market.

For example, Sekisui House seems to be struggling quite a bit because mortgage rates for single-family homes in the US have risen to 6.5%, but on the other hand, there are people who can't afford to buy a home and are giving up on that idea in favor of renting. So, I think there are factors at play that generally work in favor of the rental housing market.

As for the US, there are factors such as trends in annual income and affordability to consider, so I imagine there are various positive and negative factors at play. While this is a somewhat general topic, I would appreciate it if you could elaborate a bit on the current supply and demand dynamics in the US rental market. Thank you.

Fujiwara [A]: Regarding the US rental apartment market, since it's such a large country, conditions vary significantly by region and year. However, looking at the big picture, interest rates remain high, and construction costs are rising. As a result, the construction boom that characterized the era of low interest rates has come to an end, and we are now entering a phase where supply is set to decline rapidly.

On the other hand, looking at demand, as you rightly pointed out, mortgage rates remain high, making it difficult for people to purchase single-family homes, which is causing a slowdown in first-time home purchases. Put another way, I think this suggests that demand for rental housing is solid, or rather, that it is being supported.

Looking at the economy as a whole, aside from the debate over the relationship between interest rates and home purchases, we also need to consider the state of the job market and income levels. However, the temporary slump in demand we saw from last fall through winter wasn't limited to Seattle and Washington, D.C., the markets we operate in, but was a nationwide phenomenon that caused a temporary slowdown.

I imagine you recall that the employment figures were somewhat weak at that time, and I think this was partly due to a temporary slowdown across the US during the winter months.

On the other hand, recent employment figures have been quite strong, and while we're currently in the middle of the busy season this year, I think there's good reason to be optimistic about a sustained increase in demand going forward.

In that sense, I believe we are entering a phase where, as supply declines, demand will rebound, or rather, be supported by a recovery in employment. So, overall, I think the multifamily and rental apartment markets are heading toward an environment where we can be quite optimistic about supply and demand.

[Q]: I have two questions.

The first question concerns capital allocation. You mentioned that you plan to consider acquiring properties, buying back shares, and repaying borrowings in the future. Given the current stock price level, what would the situation look like if you compared the financial impact of each of these measures?

When it comes to economic benefits, you can refer to the impact on the DPU, or perhaps the adjusted EPU would be fine as well, but while I understand that decisions regarding that impact, as well as the specific actions to be taken, aren't made solely based on economic benefits, I would appreciate a bit more explanation regarding the rationale behind implementing each of these measures.

My other question is about City Ridge. I believe you explained that the current rent level is just over 80% of the minimum guaranteed level. There are about two years, or maybe a year and a half, left, and since the minimum guarantee expires at the end of next year, it seems like it'll be quite a challenge to fill just under 20% of the gap. I would appreciate it if you could explain your outlook for future rent increases and the likelihood of such increases. Thank you.

Fujiwara [A]: First, regarding the use of capital. Generally speaking, as outlined here, the options are either acquiring additional investment units, allocating funds to property acquisitions, or repaying borrowings. However, since our resources are limited, we intend to make decisions with a view to maximizing the impact on DPU.

As I have mentioned previously, if the P/NAV ratio consistently falls below 0.9, we will proceed with the acquisition of our own investment units; our analysis regarding this matter remains essentially unchanged. As I mentioned earlier regarding property acquisitions, while the yield gap is narrowing, NOI yields at the time of acquisition remain tight even amid rising interest rates. Therefore, I believe the relative effectiveness of property acquisitions may weaken somewhat. In any case, I think we'll have to decide between these two options based on the operational environment at the time.

On the other hand, while repaying borrowings is certainly an option, I believe that giving priority to that would only be appropriate in a truly urgent situation. While this is theoretically a possibility, I hope you understand that it is not currently a high priority.

Next, regarding City Ridge, in terms of actual market value, it currently stands at around the low 80% range of the minimum rent guarantee level. In that sense, we'll need to raise it by about 15% over the next year and a half or so, and if you look at it just from that perspective, I imagine it might seem like a very high hurdle to clear.

Ultimately, the key factor here is the trend in rent-free periods. The reality is that, for the past year or so, since the Trump administration took office, landlords have been offering quite generous rent-free periods. To be specific, we currently have about two months' worth, or roughly eight weeks' worth, of new leases on hand. However, prior to the Trump administration taking office, we only had about two weeks' worth, so we consider that to be our normal operating level.

Since this is a 15-month lease, reducing the rent-free period by even one month would effectively increase the effective rent by about 7%. While a 15% increase might seem like a long way off, we actually expect that simply reducing the rent-free period to a normal level, as the supply-demand balance recovers, will have a significant upward effect on the rent.

We still have a year and a half left, so we believe it is entirely achievable if we don't give up, or rather, if we continue to implement asset management strategies while maintaining strict cost control. That's all.

[END]

Document Notes

Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company.

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