

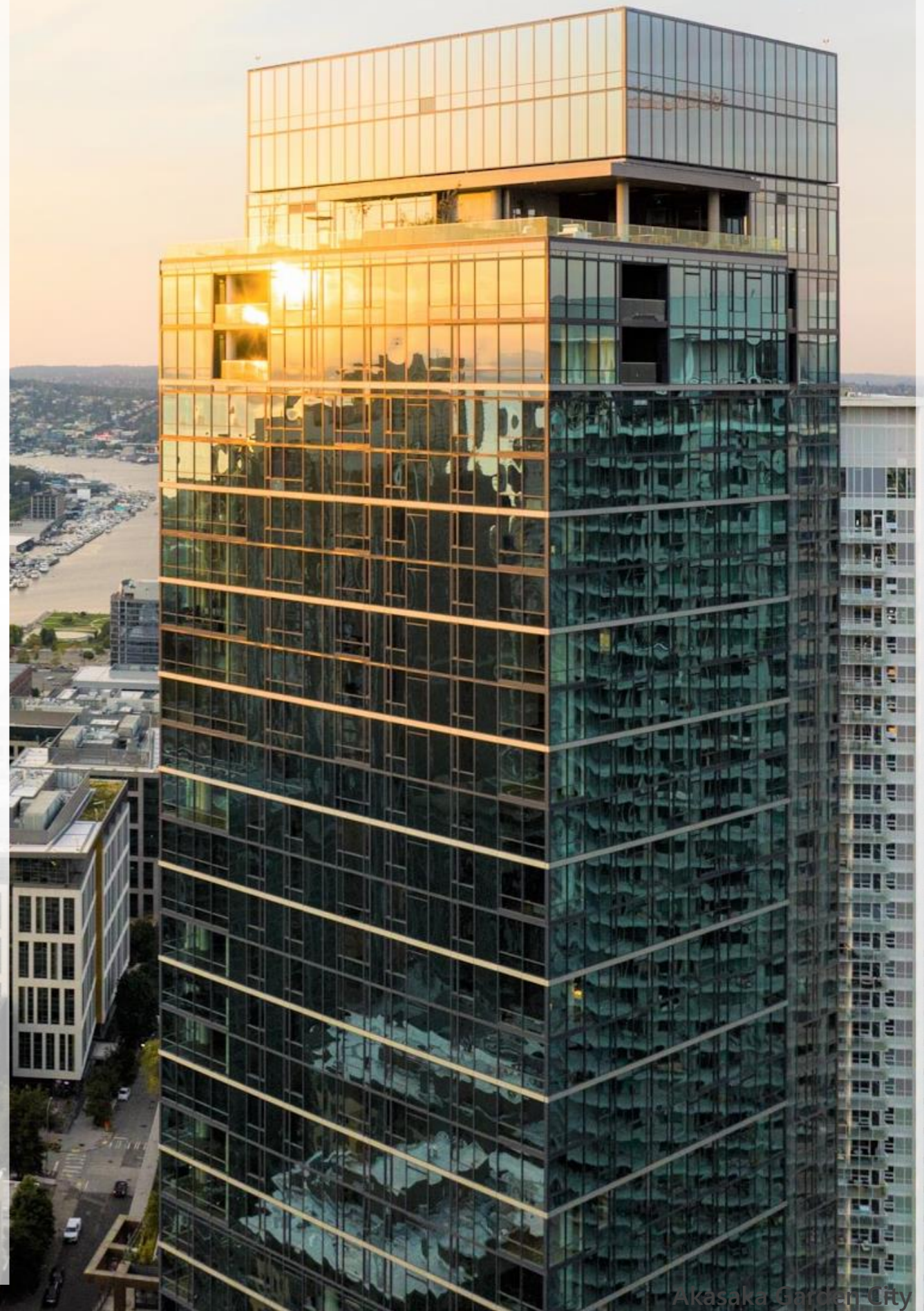
Fiscal Period Ended April, 2024

19th Financial Results Briefing



SEKISUI HOUSE REIT, INC.

June 17, 2024



Akasaka Garden City

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Operational Highlights and Future Initiatives

DPU (Long-term EPU)	FP 19 Results		FP 20 Forecast	FP 21 Forecast
	2,095 JPY (1,469 JPY)	vs FP 18 +119 JPY, vs FP 19 Guidance +260 JPY (guidance announced Dec. 21, 2023)	1,749 JPY (1,234 JPY)	2,252 JPY (1,273 JPY)
	Results	Environment Recognition	Policy & Strategy	
External Growth	<ul style="list-style-type: none"> Primary asset replacements in FP 19 <ul style="list-style-type: none"> ↳ Disposed: GC Shinagawa Gotenyama (51.0%) ↳ Disposed: Hommachi GC (Hotel portion) (100.0%) ↳ Acquired: 10 residences and 1 office building Primary asset replacements in FP 20 (as of June 17, 2024) <ul style="list-style-type: none"> ↳ Disposed: GC Shinagawa Gotenyama (49.0%) ↳ Disposed: Hommachi GC (Office bldg. portion) (65.0%) ↳ Acquired: 1 U.S. residence, 1 domestic residence 	<p>In the real estate transaction market,</p> <ul style="list-style-type: none"> Domestic: Residential properties continue to show signs of overheating; office buildings showing moderate recovery, and the overall trading market is steady Overseas (U.S.): Similar to Japan, real estate prices have continued to soar, but have since adjusted as cap rates increased due to monetary tightening 	<ul style="list-style-type: none"> Changed portfolio development policy, increasing the ratio of residential properties to 70%~100%, of which up to 30% may be acquired as U.S. residential properties In addition to the existing core asset of domestic residences, will incorporate new U.S. residences to achieve both "stable growth" in Japan and "proactive growth" in the U.S. 	
Internal Growth	<ul style="list-style-type: none"> ■ Residential <ul style="list-style-type: none"> Occupancy rate at the end of FP: 97.0% (Avg. occupancy rate during the period: 97.1%) Change in rent rate at the time of new contract +4.8% (+0.6pt. from the previous period) Change in rent rate at the time of renewed contract +0.6% (+0.3pt. from the previous period) ■ Office Building <ul style="list-style-type: none"> Occupancy rate at the end of FP: 96.6% <ul style="list-style-type: none"> ↳ Akasaka GC: 95.3% (end of FP 18: 93.5%) ↳ Hommachi Minami GC: 98.7% (end of FP 18: 100.0%) Acquired Certification for CASBEE Smart Wellness Office "Rank A" (Akasaka GC / Hommachi Minami GC) 	<ul style="list-style-type: none"> ■ Residential <ul style="list-style-type: none"> Tokyo 23 Wards showing concentrated population inflow, and major cities nationwide are also experiencing excess population outflows Both occupancy and rent expected to remain stable in the rental housing market due to the expected continued concentration of population in urban areas ■ Office Building <ul style="list-style-type: none"> While the market is on a gradual recovery trend and rents also show signs of bottoming out, selection by area, station distance, and other factors are progressing Costs are increasing due to inflation While the 5 central wards of Tokyo will continue to see a large supply, Osaka will not see much supply after 2025, and demand is expected to outstrip supply 	<ul style="list-style-type: none"> ■ Residential <ul style="list-style-type: none"> Continue to focus on increasing rents at the time of new and renewal of contracts Continue to increase rents through renovation and improve profitability through value enhancing initiatives ■ Office Building <ul style="list-style-type: none"> Continue leasing efforts by appealing property characteristics while capturing market changes in the area Consider ways to control increasing management costs For Tokyo properties, will pay close attention to the large supply impact; for Osaka properties, will prioritize occupancy, while also negotiating rent increases 	
Finance	<ul style="list-style-type: none"> Refinance for FP 19 (borrowings/avg. interest rate /avg. borrowing period) Fixed interest rate borrowing: 10.7 bil JPY/1.18%/7.3 yrs Floating interest rate borrowing: 8.0 bil JPY/0.38%/2.3 yrs LTV (total asset basis) as of the end of FP: 45.5% 	<ul style="list-style-type: none"> Interest rates have been on an upward trend due to the removal of the negative interest rate policy Possibility of BOJ reducing JGB purchases and raising interest rates in the future 	<ul style="list-style-type: none"> While long term fixed-rate funding is the basic policy, flexible financing will be implemented in line with interest rate conditions, such as controlling borrowing period and partial incorporation of floating interest rates LTV control policy (targeting 45-50% as cruising range) 	
ESG	<ul style="list-style-type: none"> Received "A-" in CDP Climate Change Assessment Selected as a "Sustainability Yearbook Member" for the first time Acquired SHR's first ZEH property 	<ul style="list-style-type: none"> Growing demand for medium to long term environmental considerations, such as efforts to combat climate change Increasing importance of ESG-related disclosure 	<ul style="list-style-type: none"> Working to resolve social issues through ESG conscious asset management Promote initiatives to achieve net zero by 2050 	

* "Long-term EPU (net income per unit)" is calculated by deducting gain/loss on disposition, impairment loss and asset management fees related to disposition from net income and adding allowance for temporary difference adjustments (ATA) (excluding dispositions and impairment losses) divided by the number of investment units issued and outstanding. The same applies throughout this document.

* "DPU" refers to "Distribution per Unit". The same applies throughout this document.

Future Growth Strategy/Policy

- Targeting DPU of 1,800 JPY and long-term EPU of 1,500 JPY level
- Aim for asset value of 600 billion JPY

- Socioeconomic changes associated with the expansion of COVID-19 have created uncertainty about the future of the office building leasing environment
- On the other hand, the residential sector is performing well, with occupancy rates recovering to pre-COVID-19 levels and the rate of change in rents at the time of new contracts on an upward trend

- Sekisui House, the sponsor, is a leading Japanese house manufacturer and has accumulated a great deal of experience and achievements in the U.S. urban rental housing (multi-family) development business
- Sekisui House develops rental housing in Japan and overseas that also meet SHR's investment criteria in terms of quality, competitiveness, location area, etc.

Shift to a more residential-oriented portfolio, increasing the residential ratio to 70%~100%

Of which up to 30% may be acquired overseas (U.S.) to capture both "stable growth" in Japan and "proactive growth" from overseas (U.S.)

"Stable growth" in Japan

- Consider acquisitions on a case-by-case basis that can expect to contribute to stable and continuous earnings
- Continue to acquire "Prime Properties" centered on "high-quality" residential properties in "strategic locations" by making the most of Sekisui House Group's real estate development and management capabilities, etc.

"Proactive growth" from overseas (U.S.)

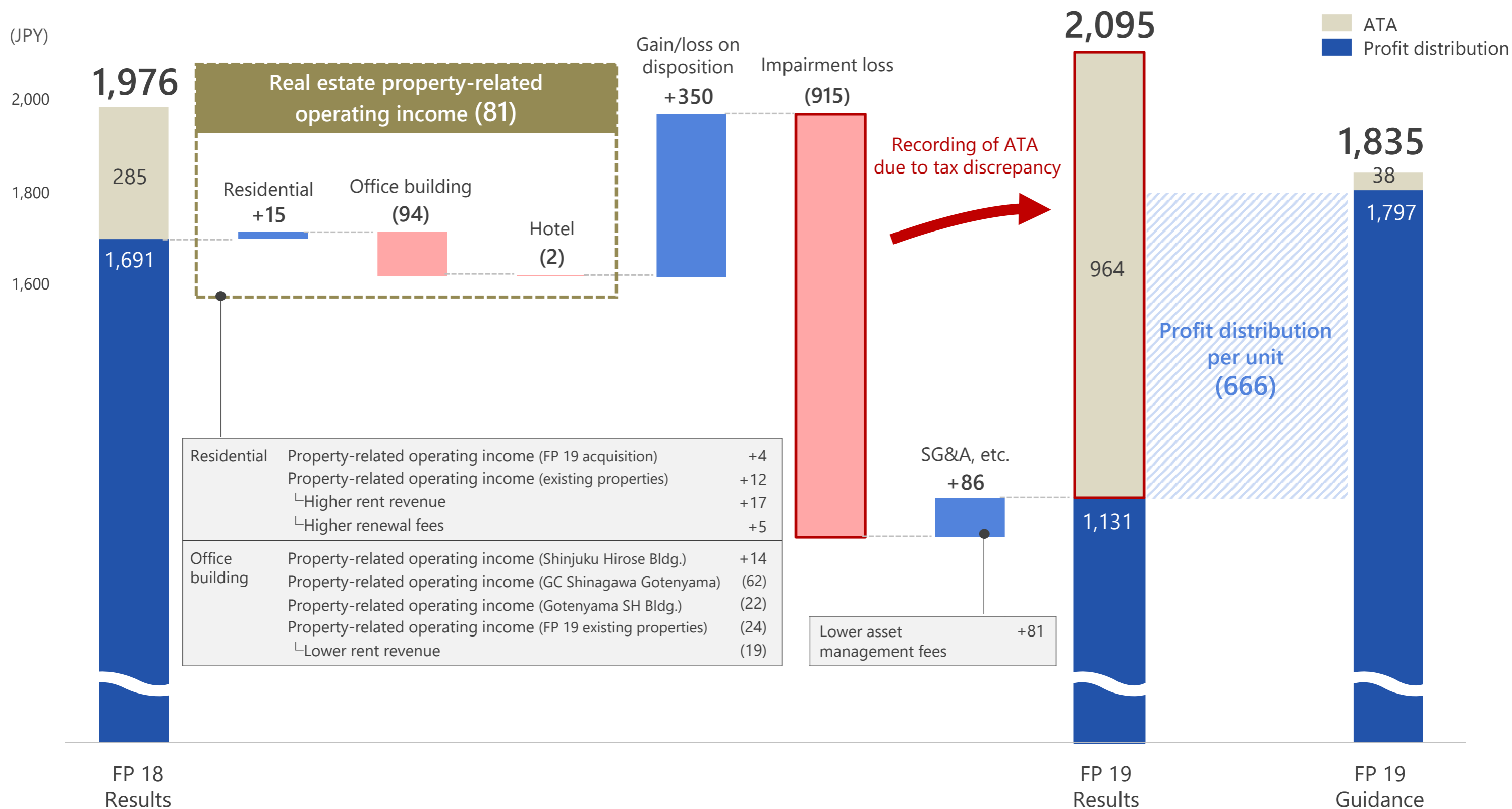
- The economic growth rate is high compared to Japan, and continued growth can be expected over the medium to long term with population growth, etc.
- Household incomes are rising to support higher housing rents even from a long term perspective

Financial Results/Forecasts



Analysis of Change Factors of DPU (Results)

Gain on disposition for Hommachi GC (Hotel portion) compensated for the loss of GC Shinagawa Gotenyama; Residential contributed to higher income with increased rent revenue and renewal fees



Profit and Loss Comparison (Results)

(unit: million JPY)

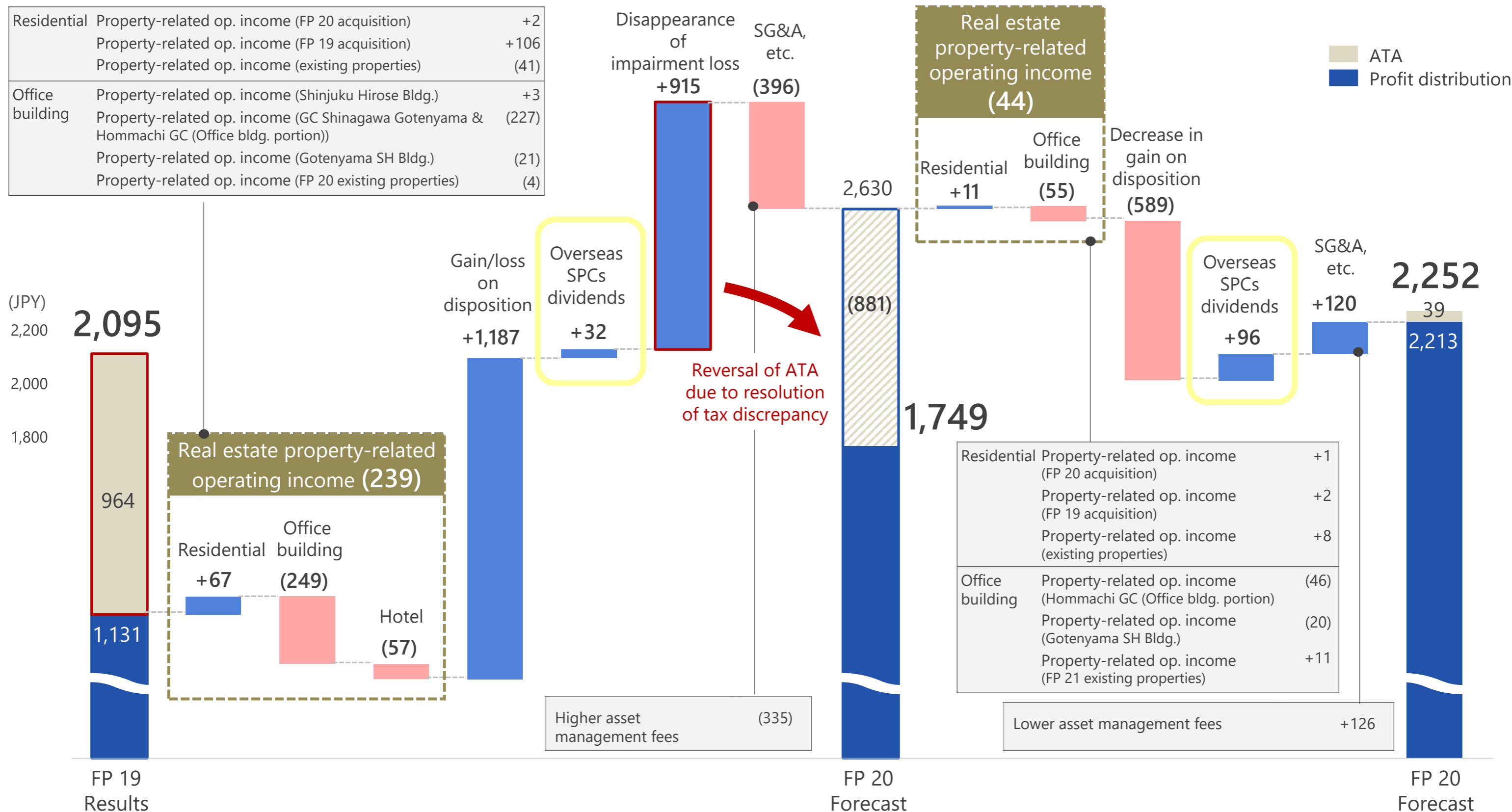
	FP 18 Results (A)	FP 19 Results (B)	vs. FP 18 Results (B-A)	Analysis of Change Factors	FP 19 Guidance (C)	vs. FP 19 Guidance (B-C)	Analysis of Change Factors
Residential (JP)							
Property-related operating revenue	8,690	8,875	+185	+74 Higher rent revenue (existing properties) +108 Higher rent revenue (FP 19 acquisition) +22 Higher renewal fees	8,684	+190	+49 Higher rent revenue (existing properties) +106 Higher rent revenue (FP 19 acquisition) +16 Higher non-refundable deposit fees
Property-related operating income and loss	4,472	4,537	+65	(50) Higher property management fees +9 Lower utilities expenses +2 Lower repair expenses	4,358	+179	+11 Higher renewal fees (27) Higher management fees +22 Lower utilities expenses
NOI	6,170	6,271	+101	(38) Higher other expenses related to lease business (leasing expenses, etc.)	6,081	+189	+16 Lower repair expenses
NOI yield	4.6%	4.3%	(0.3)pt.		4.4%	(0.1)pt.	
Average occupancy rate during the period	97.2%	97.1%	(0.1)pt.		97.0%	+0.1pt.	
Office building							
Property-related operating revenue	6,291	5,941	(350)	+77 Higher rent revenue (Shinjuku Hirose Bldg.) (84) Lower rent revenue (FP 19 existing properties)	6,149	(208)	(3) Lower rent revenue (FP 19 existing properties) (174) Lower rent revenue (GC Shinagawa Gotenyama)
Property-related operating income and loss	4,059	3,647	(412)	(177) Lower rent revenue (GC Shinagawa Gotenyama) (108) Lower rent revenue (Gotenyama SH Bldg.) (58) Lower utilities revenue	3,795	(148)	(30) Lower utilities revenue +42 Lower utilities expenses (81) Higher property tax, etc.
NOI	4,924	4,545	(379)	+48 Lower utilities expenses (86) Higher property tax, etc.	4,660	(115)	+94 Lower other expenses related to lease business (leasing expenses, etc.)
NOI yield	3.7%	3.5%	(0.2)pt.		3.5%	—	
Average occupancy rate during the period	93.6%	95.3%	+1.7pt.		93.6%	+1.7pt.	
Hotel							
Property-related operating revenue	402	400	(2)	(2) Lower rent revenue	402	(2)	(2) Lower rent revenue
Property-related operating income and loss	255	247	(7)	(3) Higher property tax, etc.	253	(5)	(3) Higher repair expenses
NOI	331	323	(7)		329	(5)	
NOI yield	3.9%	3.8%	(0.1)pt.		3.8%	—	
Average occupancy rate during the period	100.0%	100.0%	—		100.0%	—	
Entire portfolio NOI yield (JP)	4.1%	3.9%	(0.2)pt.		3.9%	—	
Entire portfolio avg. occupancy rate (JP)	96.4%	96.8%	+0.4pt.		96.3%	+0.5pt.	

* Please refer to the "DATABOOK" for details including the breakdown of the above "Profit and Loss Comparison (Results)" by account item. <https://sekisuihouse-reit.co.jp/en/ir/library.html>



Analysis of Change Factors of DPU (Forecast)

Overseas SPCs dividends are expected to contribute approx. 1 month in FP 20 and 4 months in FP 21



* Dividends related to overseas SPCs is assumed to be converted into yen at the spot rate of 1 USD = 155.90 JPY for the fiscal period ending October 2024 (FP 20) and at the forward exchange rate of 1 USD = 152.32 JPY for the fiscal period ending April 2025 (FP 21), both obtained from the MUFG Bank, Ltd. as of May 13, 2024.

Profit and Loss Comparison (Forecast)

(unit: million JPY)

	FP 19 Results (A)	FP 20 Forecast (B)	vs. FP 19 Results (B-A)	Analysis of Change Factors	FP 21 Forecast (C)	vs. FP 20 Forecast (C-B)	Analysis of Change Factors
Residential (JP)							
Property-related operating revenue	8,875	9,490	+615	+579 Higher rent revenue (FP 19 acquisition) +21 Higher utilities revenue	9,539	+49	+14 Higher rent revenue (FP 19 acquisition) +40 Higher rent revenue (existing properties)
Property-related operating income and loss	4,537	4,833	+295	(38) Higher utilities expenses (62) Higher repair expenses	4,881	+47	(10) Higher utilities expenses +50 Lower repair expenses
NOI	6,271	6,678	+407	(25) Higher other expenses related to lease business (leasing expenses, etc.)	6,768	+89	
NOI yield	4.3%	4.4%	+0.1pt.		4.4%	—	
Average occupancy rate during the period	97.1%	96.8%	(0.3)pt.		97.1%	+0.3pt.	
Office building							
Property-related operating revenue	5,941	3,977	(1,963)	+30 Higher rent revenue (Shinjuku Hirose Bldg.) (1,910) Lower rent revenue (GC Shinagawa Gotenyama & Hommachi GC (Office bldg. portion))	3,574	(402)	+66 Higher rent revenue (FP 21 existing properties) (316) Lower rent revenue (Hommachi GC (Office bldg. portion))
Property-related operating income and loss	3,647	2,554	(1,093)	(108) Lower rent revenue (Gotenyama SH Bldg.) +97 Lower outsourcing expenses +46 Lower property management fees	2,313	(240)	(108) Lower rent revenue (Gotenyama SH Bldg.) (43) Lower utilities revenue (12) Higher property management fees
NOI	4,545	3,067	(1,477)	+288 Lower property tax, etc. +22 Lower other expenses related to lease business (leasing expenses, etc.)	2,744	(323)	+25 Lower utilities expenses +38 Lower property tax, etc. +19 Lower other expenses related to lease business (leasing expenses, etc.)
NOI yield	3.5%	3.7%	+0.2pt.		3.8%	+0.1pt.	
Average occupancy rate during the period	95.3%	98.4%	+3.1pt.		98.7%	+0.3pt.	
Hotel							
Property-related operating revenue	400	—	(400)		—	—	
Property-related operating income and loss	247	—	(247)		—	—	
NOI	323	—	(323)		—	—	
NOI yield	3.8%	—	—		—	—	
Average occupancy rate during the period	100.0%	—	—		—	—	
Entire portfolio NOI yield (JP)	3.9%	4.1%	+0.2pt.		4.2%	+0.1pt.	
Entire portfolio avg. occupancy rate (JP)	96.8%	97.1%	+0.3pt.		97.4%	+0.3pt.	

* Please refer to the "DATABOOK" for details including the breakdown of the above "Profit and Loss Comparison (Forecast)" by account item. <https://sekisuihouse-reit.co.jp/en/ir/library.html>



External Growth



Change in Portfolio Development Policy

Shift to a residential-oriented portfolio incorporating Japan's "stable growth" and America's "proactive growth"

Change in Portfolio Development Policy: Review of Portfolio Investment Ratio

~Before~	Portfolio Investment Ratio (acquisition price basis)	Mid Term Target Investment Ratio	~After~	Portfolio Investment Ratio (acquisition price basis)	
Residence	50%~80%	Approx. 65%	Residence	70%~100%	
Office building	15%~45%	Approx. 30%		Domestic	70% or more
Hotel Retail, etc.	0%~15%	Approx. 5%		Overseas (U.S.)	30% or less
			Office building, etc.	0%~30%	

Reason for Change

Internal growth of residential properties are becoming more active in Japan; thus, aim to increase the ratio of residential properties to **increase profitability**

Sekisui House, the sponsor, has accumulated a great deal of experience and achievements in the U.S. urban rental housing (multi-family) development business. By turning its attention to the U.S., SHR can **make the most of Sekisui House Group's real estate development and management capabilities, etc.**

By incorporating **U.S. residences** into its existing core assets of domestic residences, SHR believes that it will be able to achieve **both "stable growth" in Japan and "proactive growth" in the U.S.**, thereby contributing to maximizing unitholder value

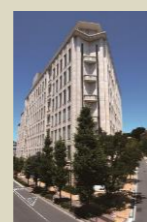
Asset Replacement: Overview

FP Ended Apr. 2024 (FP 19)

FP Ending Oct. 2024 (FP 20)

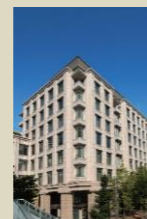
FP Ending Apr. 2025 (FP 21)

Disposition



Office building

Gotenyama SH Bldg.
2nd disposition
(10.0%)



Office building

Garden City
Shinagawa Gotenyama
(51.0%)



Hotel

Hommachi Garden City
(Hotel portion)
(100.0%)



Office building

Gotenyama SH Bldg.
3rd disposition
(10.0%)



Office building

Garden City
Shinagawa Gotenyama
(49.0%)



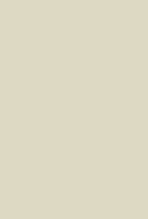
Office building

Hommachi Garden City
(Office building portion)
(65.0%)



Office building

Gotenyama SH Bldg.
4th disposition
(10.0%)



Office building

Hommachi Garden City
(Office building portion)
(35.0%)

(Planned) disposition price

59,460 million JPY

65,815 million JPY

22,575 million JPY

Gain/loss on disposition (expected)

+2,630 million JPY

+3,821 million JPY

+5,250 million JPY

Other Use of
Disposition Proceeds:

New Acquisitions

Maintain/expand asset size and improve profitability through acquisitions of mainly residential properties from sponsor pipeline and external sources

Investment Ratio

Residence
70%~100%
JP: 70% or more
US: 30% or less

Office building, etc.
0%~30%

Partial Repayment of Debt

Partial repayment of borrowings to control LTV

Acquisition/Cancellation of Own Investment Units

Consider acquisition and cancellation of own investment units in light of financial market trends

Acquisition

Residence



EM



EM



EM



PM



PM



PM

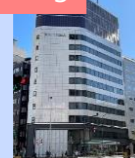
Omori Monzennakacho Akabane II Nakanosakaue Yushima Monzennakacho

Residence



【Overseas property】
The Ivey On Boren
(Overseas SPC 100.0%)

Office building



Shinjuku Hirose Building



PM Honancho

PM Asakusa EAST



PM Nishiwaseda



PM Sakurashinmachi

Residence



EM Minamigyotoku

Acquisition price

39,650 million JPY

51,479 million JPY

950 million JPY

Appraisal NOI yield after depreciation

3.0%

3.7%
(Expected dividend yield)

3.4%

• "Expected dividend yield" of "The Ivey on Boren" is calculated by deducting SPCs operating expenses, etc. estimated by SHAM from each NOI (each year from 1 to 10 in USD) based on the DCF method described in the appraisal report as of March 15, 2024, respectively, then divided by the acquisition price (USD) of 328 million USD to obtain the expected dividend yield for each year, and the simple average of these figures are shown above. The NOI is based on the assumption that operating revenues and operating expenses will increase by 3% each year. The same applies throughout this document.

Asset Replacement: Overview of (Planned) Dispositions

Improve portfolio profitability by divesting office buildings, etc. that are at risk of future decline

Dispositions



Quasi co-ownership interest	51.0%	49.0%
Disposition date	March 19, 2024	May 1, 2024
Disposition price	31,110 mm JPY	29,890 mm JPY
Book value (expected)	35,327 mm JPY	33,882 mm JPY
Gain/loss on disposition (expected)	(4,224) mm JPY	(4,008) mm JPY
NOI after depreciation	1,846 mm JPY	
NOI yield after depreciation	2.6%	
Acquisition price	71,950 mm JPY	

Main Reasons for Disposition

- ✓ Uncertainty in the supply-demand balance for large office buildings due to socioeconomic changes, such as the introduction of telework triggered by COVID-19
- ✓ Occupancy rate as of the end of January 2024 was 84.3%, and is expected to decrease to 49.8% due to the departure of a large tenant at the end of July 2024. As a result, profitability is also expected to decline due to a decrease in rental income
- ✓ Occupancy and profitability expected to take time to recover due to market conditions, which will push down distributions in the medium term



Quasi co-ownership interest	Hotel portion 100.0%	Office building portion 65.0%	Office building portion 35.0%
(Planned) disposition date	April 30, 2024	May 1, 2024	November 1, 2024
(Planned) disposition price	21,350 mm JPY	28,925 mm JPY	15,575 mm JPY
Book value (expected)	16,516 mm JPY	23,090 mm JPY	12,376 mm JPY
Gain/loss on disposition (expected)	+4,766 mm JPY	+5,734 mm JPY	+3,143 mm JPY
NOI after depreciation	514 mm JPY	1,161 mm JPY	
NOI yield after depreciation	3.0%	3.0%	
Acquisition price	17,200 mm JPY	38,600 mm JPY	

Main Reasons for Disposition

- 【Hotel portion】
- ✓ While the market is expecting an increase in rent due to the recovery of inbound demand, the property was under a fixed-rent master lease agreement, and cannot expect an increase in yield even if it changes to a pass-through master lease agreement due to the concerns of an increase in repair expenses, etc.
- 【Office building portion】
- ✓ One major tenant occupies nearly 70% of the leasable area, and the rent level of the said tenant exceeds the rent level of the surrounding area. Due to this, there is a risk that profitability will deteriorate in the future

Asset Replacement: Overview of JP Acquisitions (FP 19 & FP 20)

	 Office building	 Residence	 Residence	 Residence	 Residence	 Residence
	Shinjuku Hirose Building	Esty Maison Omori	Esty Maison Monzennakacho	Esty Maison Akabane II	Prime Maison Yushima	Prime Maison Nakanosakaue
Location	Shinjuku-ku, Tokyo	Ota-ku, Tokyo	Koto-ku, Tokyo	Kita-ku, Tokyo	Bunkyo-ku, Tokyo	Nakano-ku, Tokyo
Acquisition date	December 21, 2023	March 1, 2024	March 1, 2024	March 1, 2024	April 1, 2024	April 1, 2024
Acquisition price	5,000 mm JPY	3,600 mm JPY	1,570 mm JPY	980 mm JPY	10,000 mm JPY	5,490 mm JPY
Appraisal value	5,110 mm JPY	4,020 mm JPY	1,730 mm JPY	1,130 mm JPY	10,500 mm JPY	5,570 mm JPY
Appraisal NOI yield after depreciation	2.9%	3.0%	2.9%	3.1%	3.0%	2.9%
Completion date	June 1985	January 2024	January 2023	April 2023	February 2022	January 2022
Occupancy rate	100.0%	100.0%	86.4%	76.6%	96.2%	95.5%
	 Residence	 Residence	 Residence	 Residence	 Residence	 Residence
	Prime Maison Honancho	Prime Maison Monzennakacho	Prime Maison Nishiwaseda	Prime Maison Asakusa EAST	Prime Maison Sakurashinmachi	Esty Maison Minamigyotoku
Location	Nakano-ku, Tokyo	Koto-ku, Tokyo	Shinjuku-ku, Tokyo	Sumida-ku, Tokyo	Setagaya-ku, Tokyo	Ichikawa-shi, Chiba
Acquisition date	April 1, 2024	April 1, 2024	April 1, 2024	April 1, 2024	April 1, 2024	May 31, 2024
Acquisition price	3,220 mm JPY	3,200 mm JPY	2,570 mm JPY	2,180 mm JPY	1,840 mm JPY	950 mm JPY
Appraisal value	3,360 mm JPY	3,330 mm JPY	2,590 mm JPY	2,230 mm JPY	1,870 mm JPY	982 mm JPY
Appraisal NOI yield after depreciation	3.0%	3.0%	3.0%	3.0%	3.0%	3.4%
Completion date	March 2021	October 2021	August 2022	June 2022	August 2022	June 2008
Occupancy rate	90.0%	97.9%	93.8%	93.4%	90.9%	97.7%

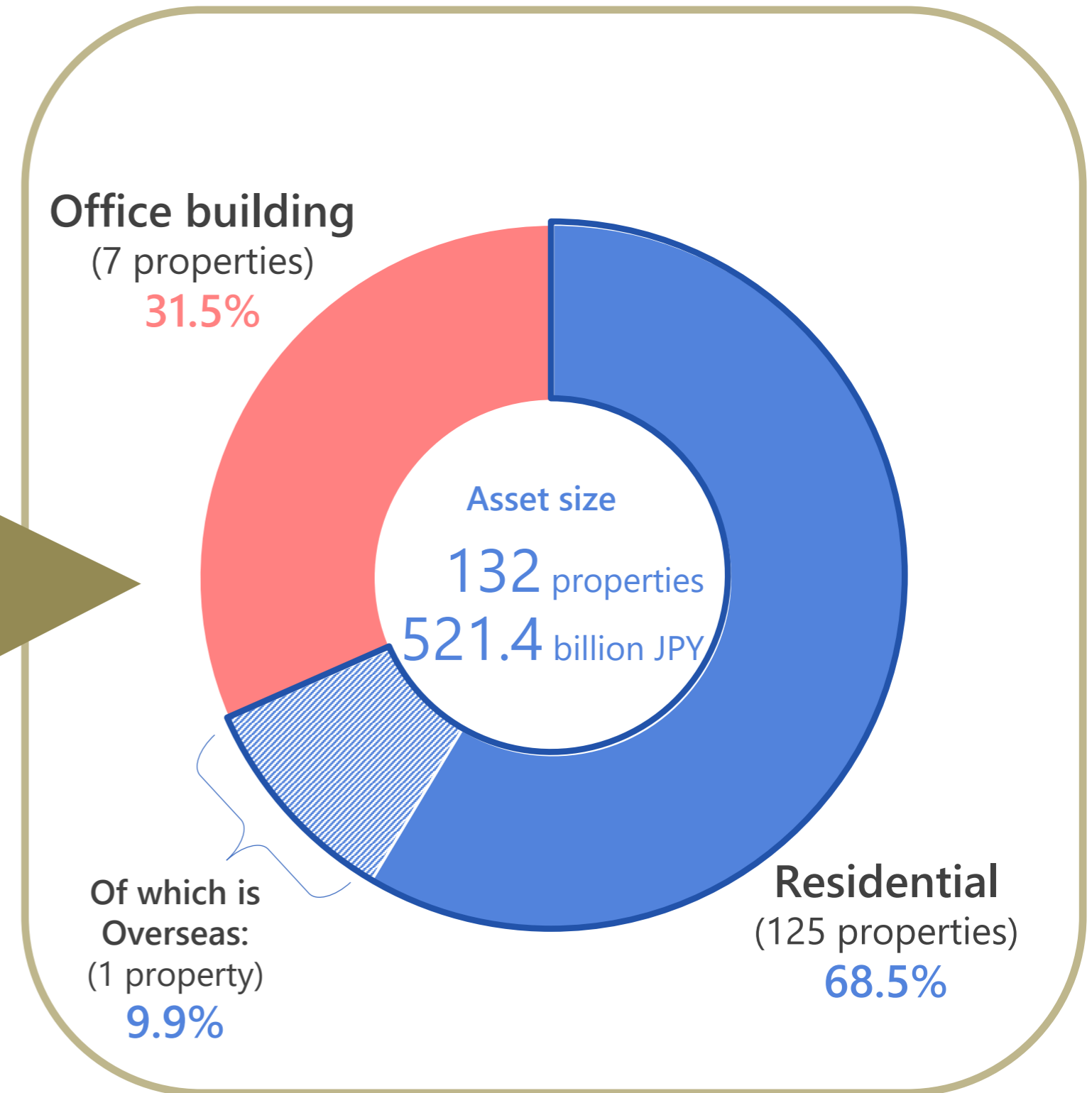
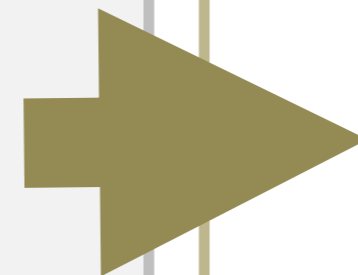
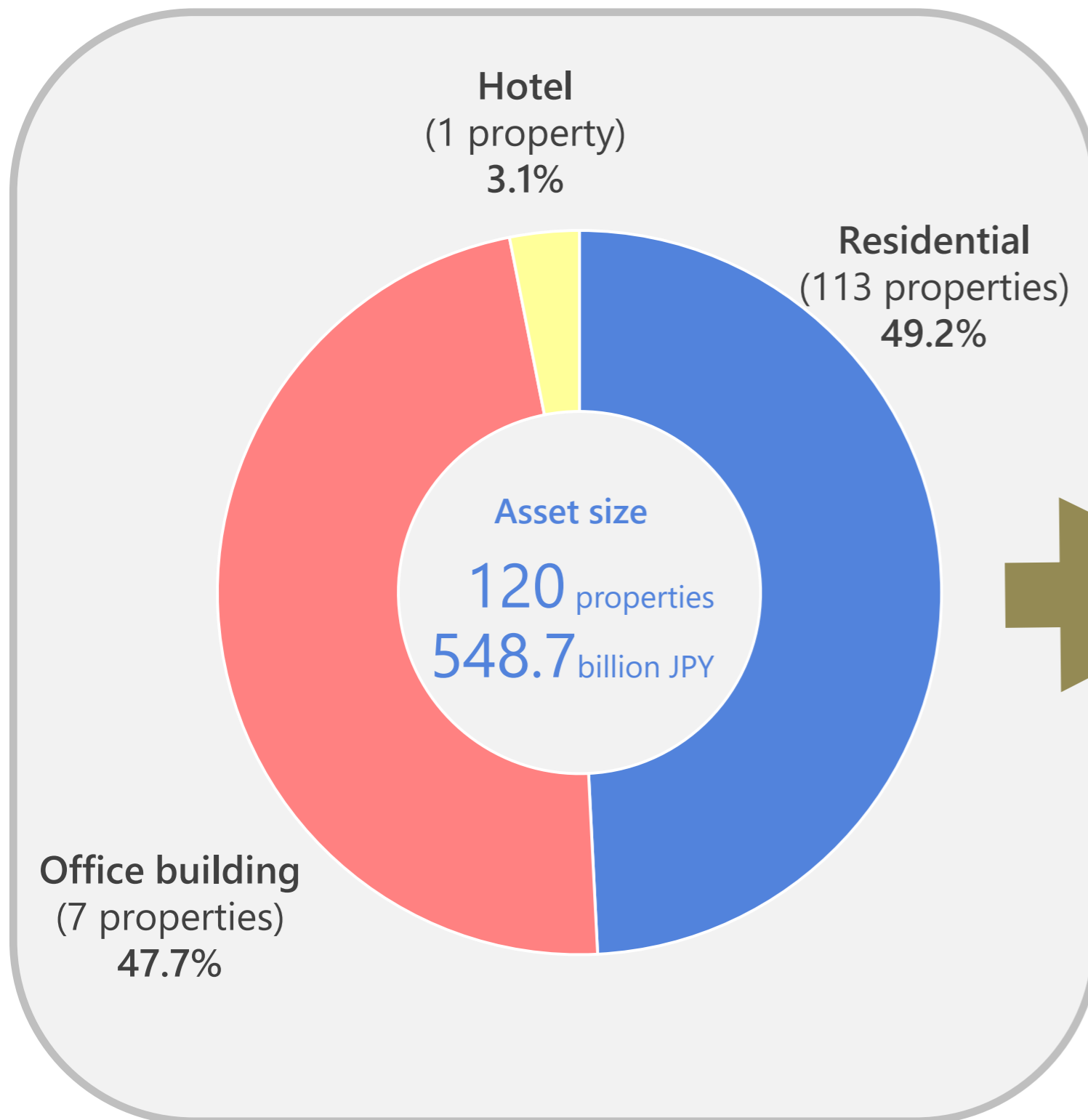
• "Occupancy rate" is as of the end of April 2024, except for "Esty Maison Omori", "Esty Maison Monzennakacho" and "Esty Maison Akabane II" which are the preliminary occupancy rates as of the end of May 2024, and may be subject to change.

Asset Replacement: Portfolio After Replacement

Closer to achieving the new target investment ratio with the first acquisition of U.S. property

As of the end of Oct. 2023 (FP 18)

As of the date of this document



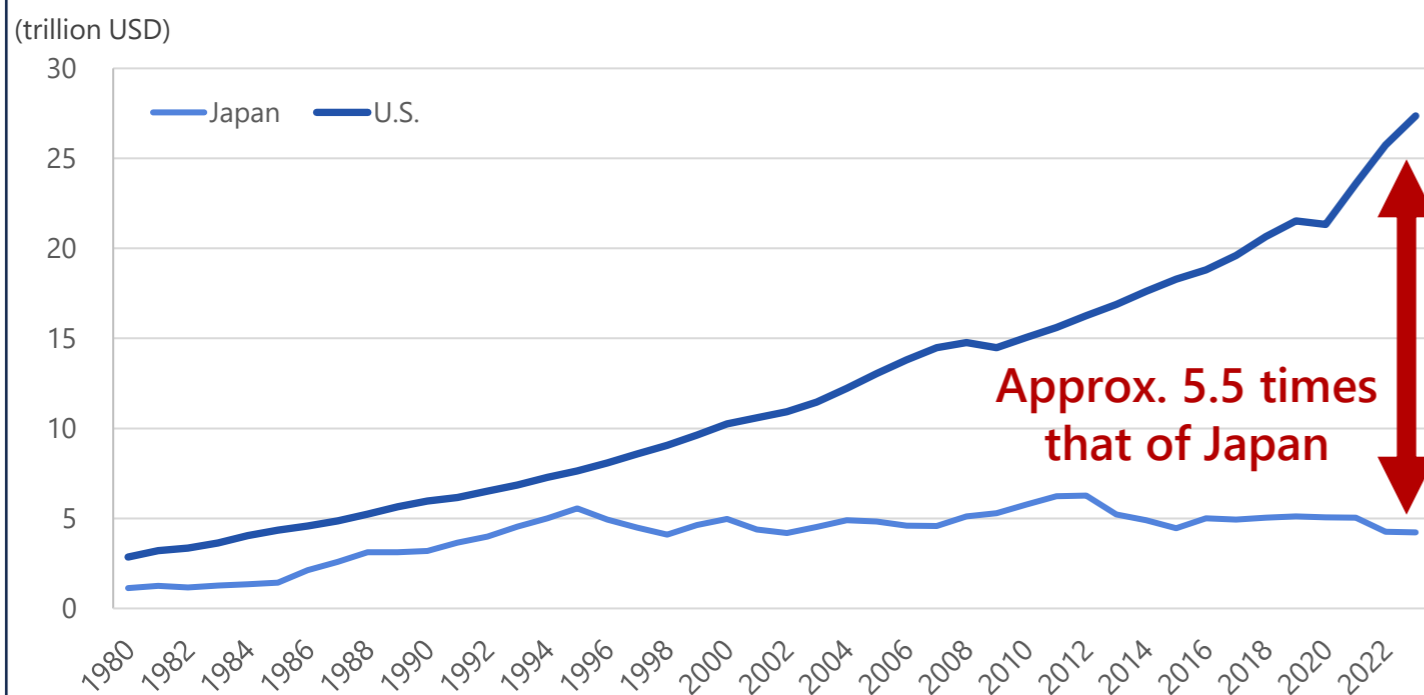
• Percentage is based on acquisition price.

Overseas Property: Growth Expectations (U.S. Overall)

Continued rental growth backed by high U.S. growth rate expected to boost portfolio profitability

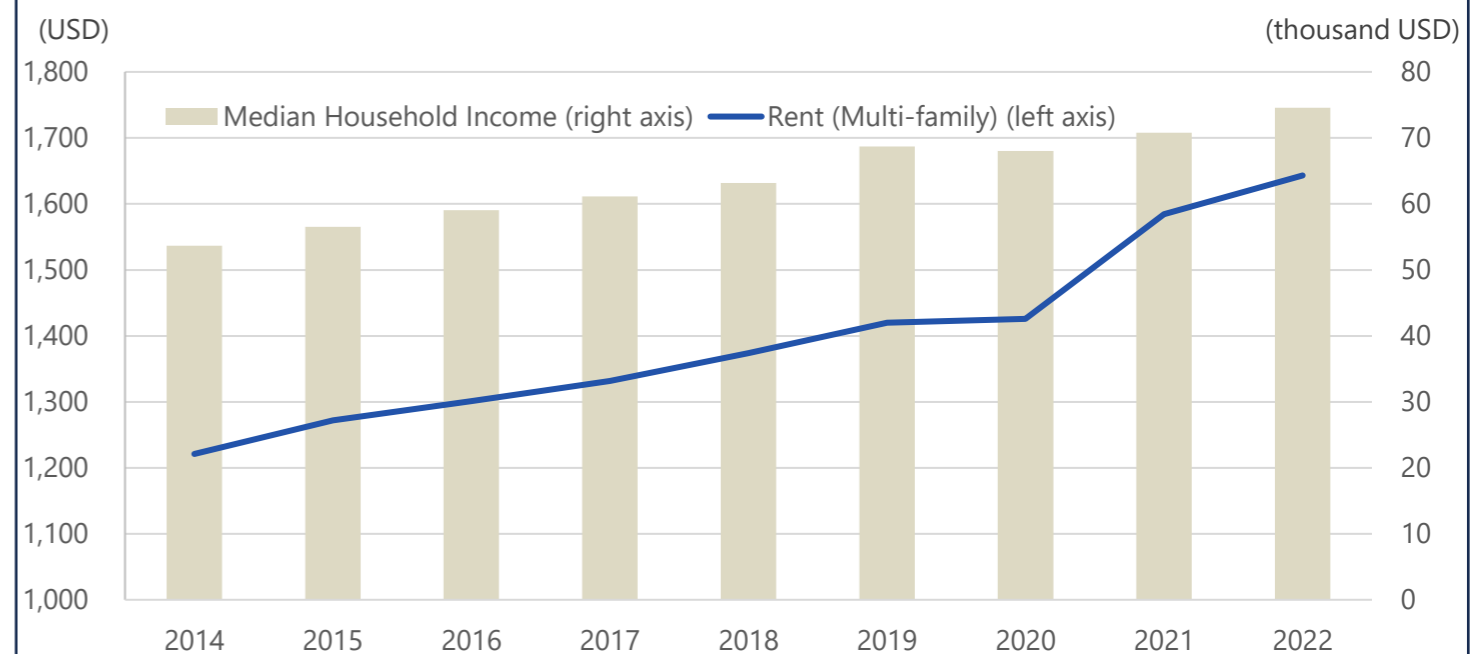
U.S. and Japan's Nominal GDP

The U.S. economy is approximately 3.2 times larger than that of Japan as of 2019, and **up to approximately 5.5 times in 2023**, confirming how the U.S. economy has maintained a higher growth rate than Japan



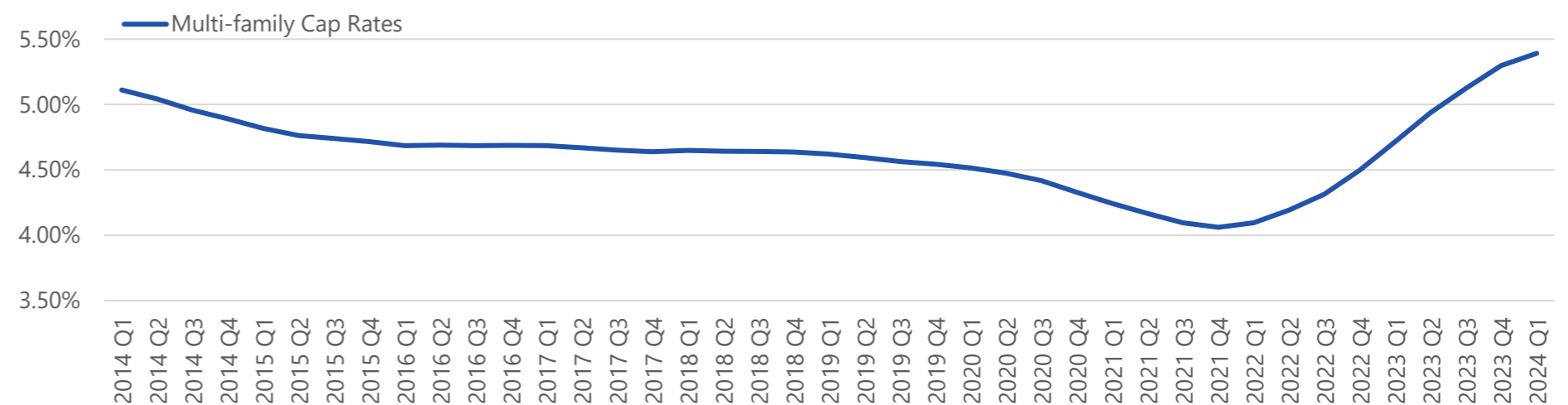
U.S. Household Income and Rents

While rents (multi-family) in the U.S. increased by 34.6% between 2014 and 2022, the median household income also increased by 39.0% over the same period, **realizing a region with continued rental growth**



Trends in U.S. Cap Rates

As in Japan, real estate prices in the U.S. has continued to soar; however, since the monetary tightening policy starting March 2022, real estate prices adjusted as cap rates increased, **making it possible to consider acquiring rental housing in the U.S. at price levels that meet SHR's investment criteria**



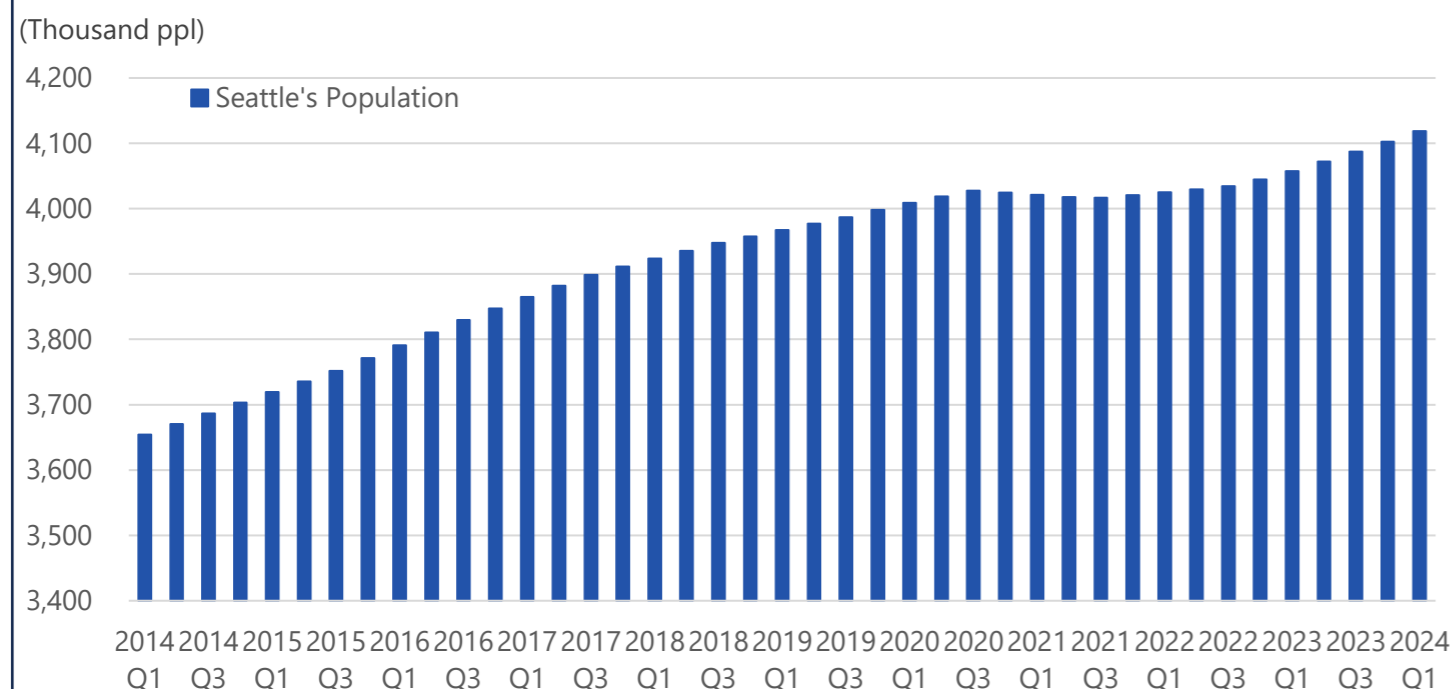
- "U.S. and Japan's Nominal GDP" was prepared by SHAM based on the GDP data of the U.S. and Japan published by the International Monetary Fund.
- "Median household Income" was prepared by SHAM based on the "Median Household Income by State: 1984 to 2022" data published by the U.S. Census Bureau. The same applies throughout this document.
- "Rents (Multi-family)" and "Trends in U.S. Cap Rates" was prepared by SHAM based on the real estate information analysis platform data provided by Costar Group

Overseas Property: Growth Expectations (Seattle)

Seattle boasts high population growth and household income; residential rents also remain high

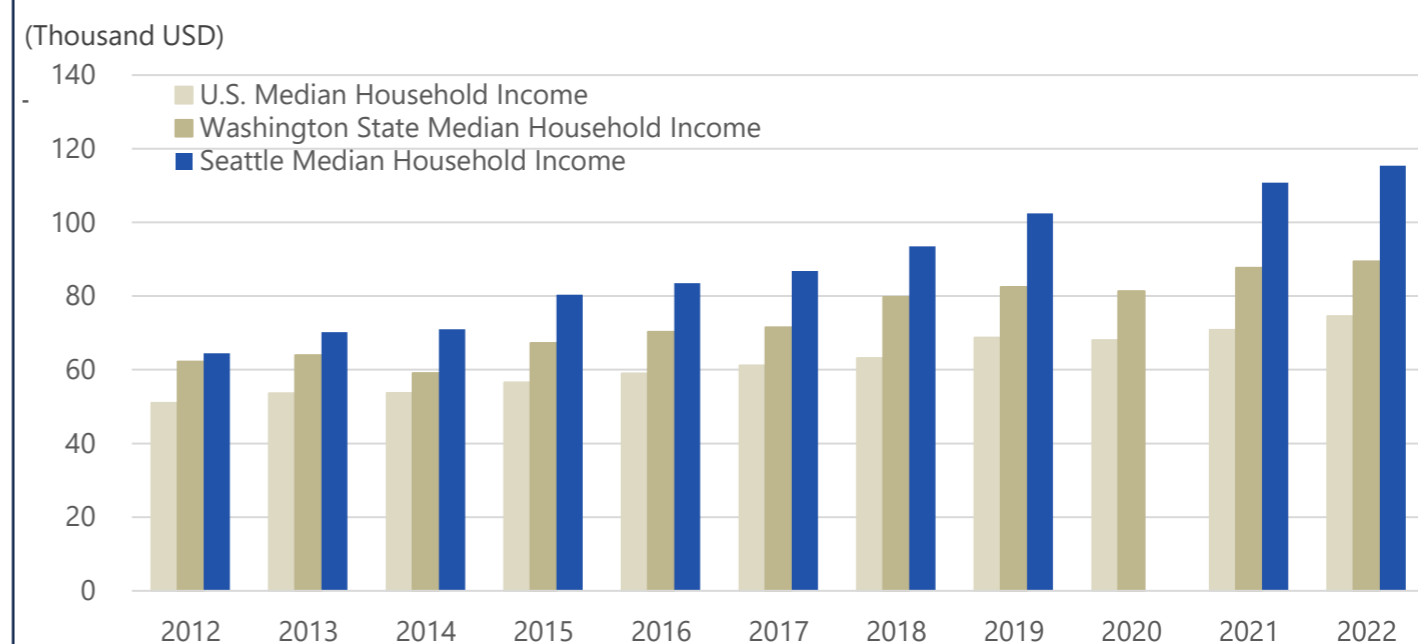
Seattle's Population

Seattle's **population grew 12.7% over the 10-year period** from 2014 Q1 to 2024 Q1, well above the 5.5% U.S. growth rate over the same period. Increase in immigrants is expected to boost Seattle's rental demand



Seattle's Household Income

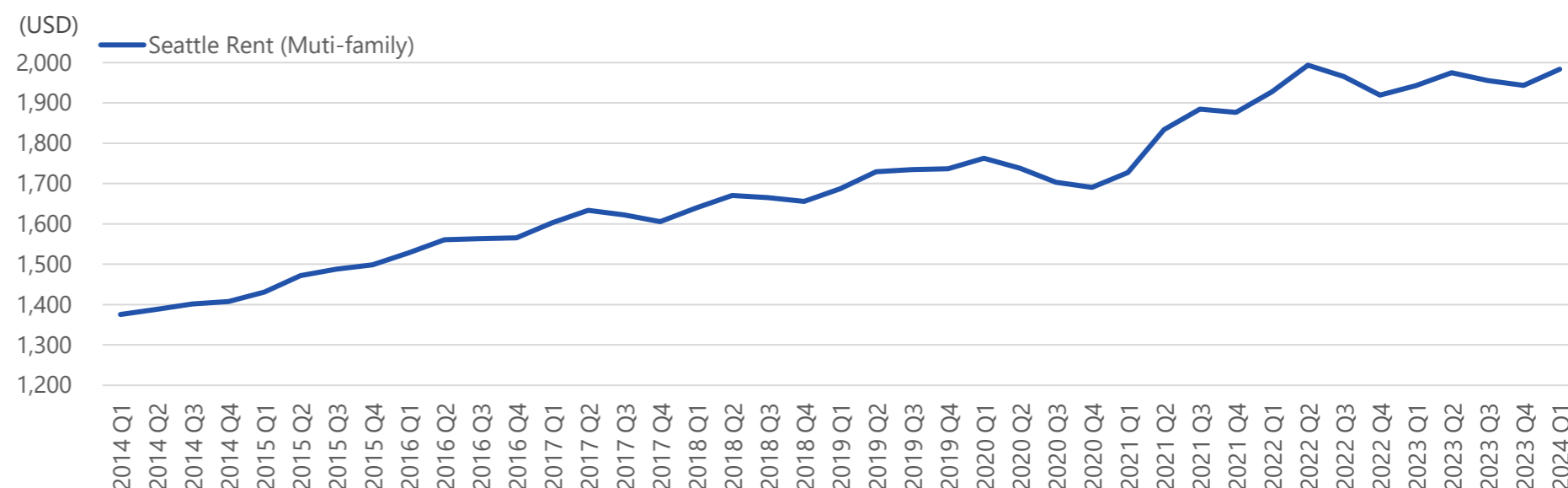
Compared to median U.S. household income over the past decade, Washington state consistently outperforms, with **Seattle's 2022 median income over 115,000 USD** showing economic strength to support high rents



*2020 Seattle Median Household Income data is not disclosed.

Seattle's Rent Trends (Residential)

The average rent in the Seattle rental housing market (multi-family) is 1,943 USD/month (as the end of 2023), making it one of the fastest growing regions in the U.S. Residential rent growth in Seattle **over the 10-year period from 2014 Q1 to 2024 Q1 increased by 44.2%**, and rent growth is also expected to continue due to strong population growth and high household incomes



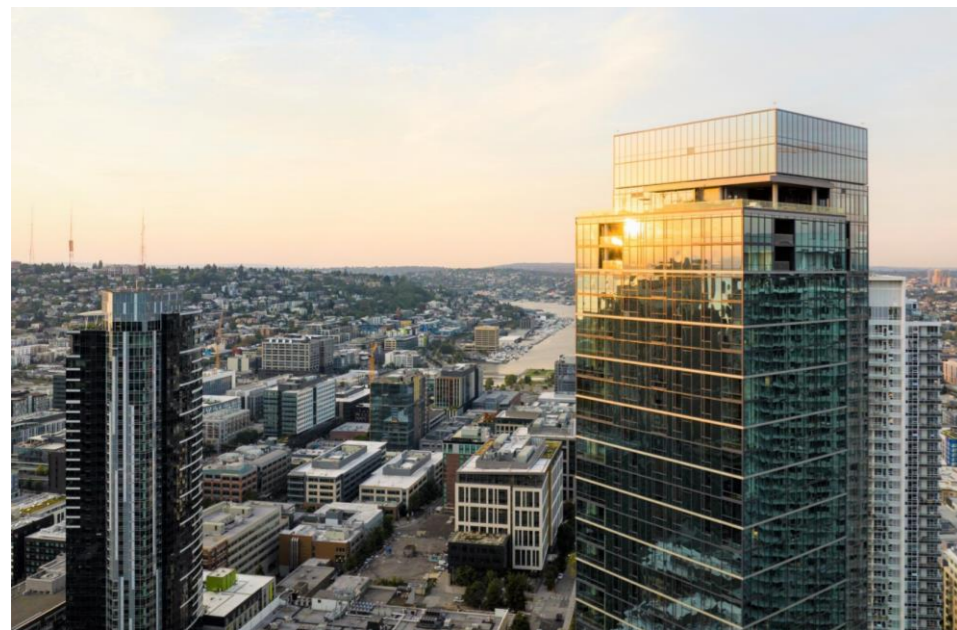
- "Seattle's Population" and "Seattle's Rent Trends (Residential)" were prepared by SHAM based on the real estate information analysis platform data provided by Costar Group.
- "Seattle's Household Income" was prepared by SHAM based on the "Median Household Income by State: 1984 to 2022" data published by the U.S. Census Bureau.

Overseas Property: Location of “The Ivey on Boren”

Located in Seattle, the most populous city in Washington State on the West Coast of the U.S.



Overseas Property: Overview of “The Ivey on Boren”



A-001 The Ivey on Boren

- Awarded “High-Rise Residential Development of the Year” at “NAIOP Night of the Stars” 2023
- Received LEED Gold, a U.S. green building certification that focuses on environmental impact reduction and energy efficiency
- Acquired Fitwel, a U.S. building performance rating system focused on human health and wellbeing



Overview

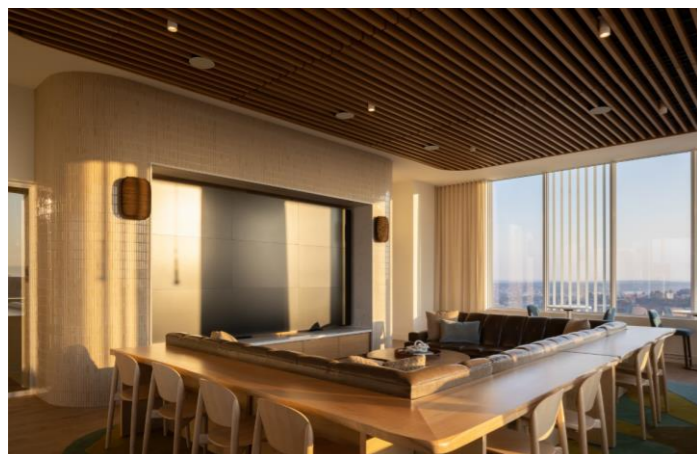
Location	2019 Boren Avenue, Seattle, Washington
Acquisition date	May 29, 2024
Acquisition price	328 million USD (51,479 million JPY)
Expected dividend yield	3.7%
Appraisal value (date of value)	329 million USD (51,636 million JPY) (March 15, 2024)
Construction completion	October 2022
Structure/Floors	RC, S/44F, B7F
Site area	21,234 Sq/Ft (1,972.63m ²)
Total floor area	643,349.61 Sq/Ft (59,767.17m ²)
Leasable area (units)	344,372 Sq/Ft (31,989.96m ²) (406 units)
Occupancy rate (date)	92.4% (as of the end of April 2024)
Property management company	Holland Residential, LLC
Seller	NASH – Holland Boren & Lenora, LLC

Reason for Acquisition

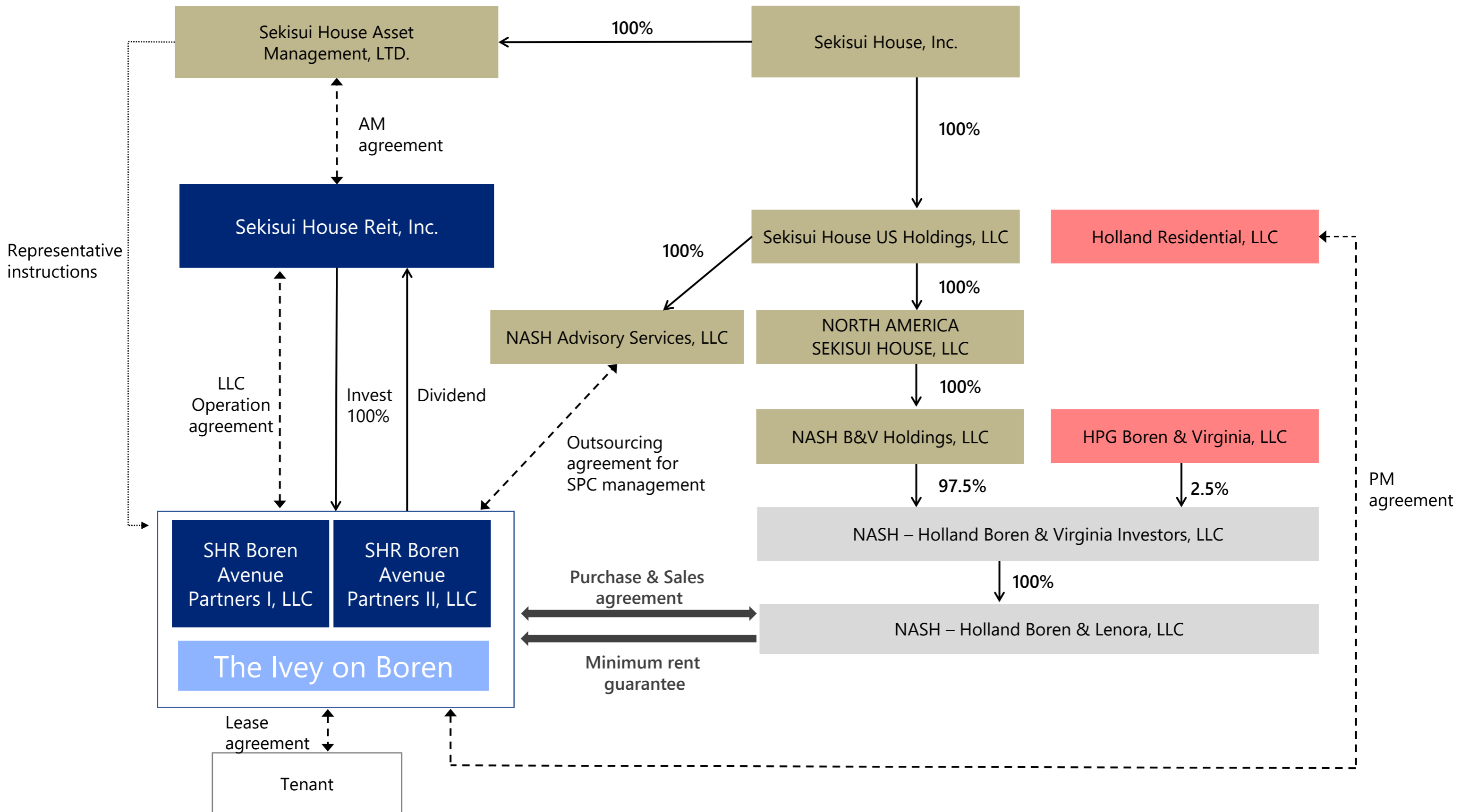
- **New Policy to Build a Residential-Oriented Portfolio:**
Portfolio construction policy changed to increase the residential ratio to 70%~100%, of which up to 30% can be overseas real estate
- **Maximize Sponsor Support and Strengths:**
Sekisui House, a leading house manufacturer in Japan, also operates multi-family developments in the U.S., making full use of the Sekisui House Group’s real estate development and management capabilities
- **Incorporate Overseas’ “Proactive Growth”:**
Determine that incorporating “proactive growth” through U.S. real estate, such as continuous rental growth backed by high economic growth rates, will contribute to maximizing unitholder value
- **Growth Expectations for Seattle:**
Seattle residential rents are expected to continue increasing due to the concentration of major IT companies and high population growth rates along with household incomes throughout the nation
- **Attractiveness of the Property:**
A luxury residence with high performance ratings and convenient features such as a floor dedicated to amenities (see next page)

* Of “The Ivey on Boren”, ownership interest in all of the exclusively-owned portions of the 5th floor through the 44th floor above ground and all of the exclusively-owned portions of the 1st floor through the 7th floor underground along with the land equivalent to 19,007 sq/ft (1,765.75 m²) which is the total site 21,234 sq/ft (1,972.63 m²) multiplied by the ownership interest ratio (89.51%) are subject to acquisition.

Overseas Property: Attractiveness of “The Ivey on Boren”

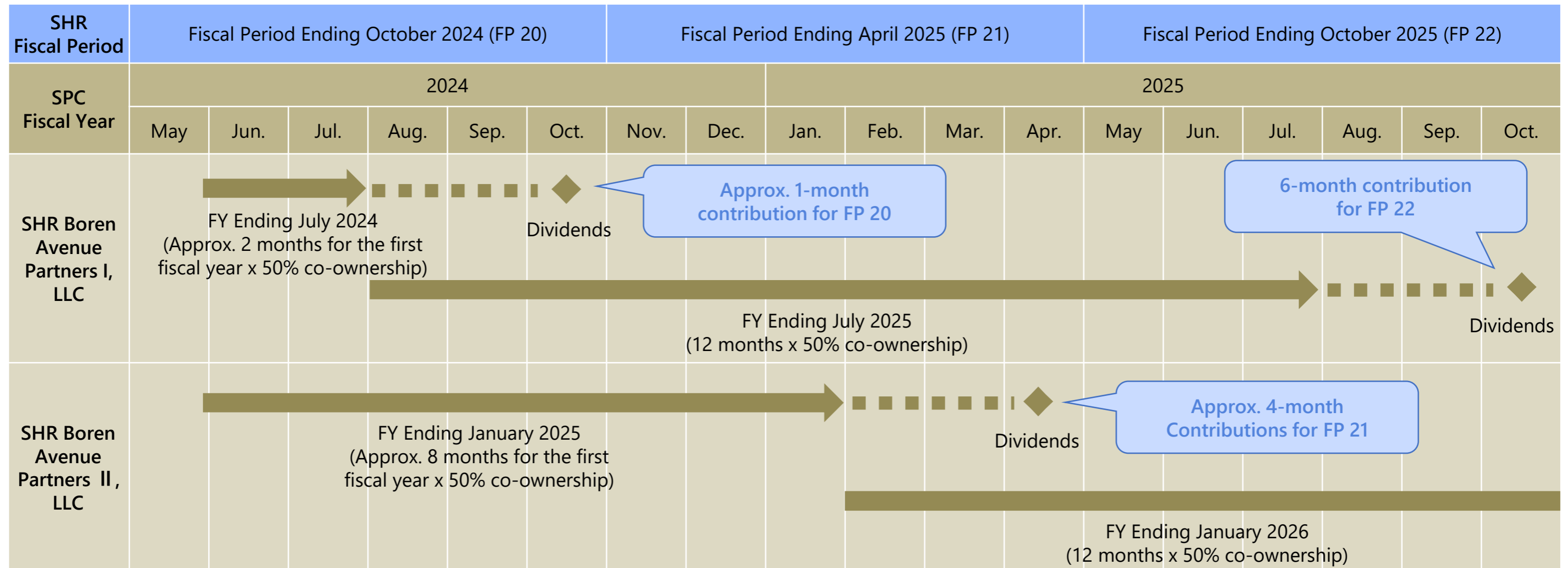


Overseas Property: Investment Structure



Overseas Property: Revenue Recognition and Hedging of FX Risks

Each SPC will own 50% of the ownership interest in the underlying asset, “The Ivey on Boren”, with each SPC’s accounting period staggered to receive dividends in each SHR fiscal period



Scope of Hedging Foreign Exchange Risk and Ratio

- Will flexibly adjust the scope of hedging FX risk and hedge ratio when receiving distributions from equity interests in overseas real estate holding corporations in accordance with market conditions, etc. Moreover, FX risk is not hedged for equity interests in overseas real estate holding corporations
- Assuming that distributions and cash flows from equity interests in overseas real estate holding corporations will be received during a certain period of time, consider hedging FX fluctuation risk for each period by using FX reserves, etc.

Fluctuation Risk in Earnings Due to the Impact of Foreign Exchange Rates

Exchange rate	130 JPY	140 JPY	150 JPY	160 JPY	170 JPY
Expected dividend yield	3.1%	3.3%	3.5%	3.8%	4.0%



Sekisui House Group Sponsor Support/Strengths

Secure many property acquisition opportunities by leveraging the sponsor's real estate development capabilities

Pipeline Total	Approx. 240 billion JPY
Of which, Residentials	Approx. 90 billion JPY
Of which, Office Buildings, etc.	Approx. 150 billion JPY
No. of Completed Residentials	7 properties (746 units)
Total Floor Area of Completed Residentials	36,468.21m ²

Strengths of the Sponsor

1. Quality of "Prime Property"

- Develops "high quality" residentials, office buildings, hotels and commercial properties, etc., located in "strategic locations", which is a priority investment target for SHR
- Secure a pipeline of environmentally friendly properties through active development of ZEH properties

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

Developments of Sekisui House's Main Residential Properties

	Property Name (Including Temporary Name)	Location	Units (Planned)	Total Floor Area (m ²) (Planned)
Completed Residentials 7 properties (746 units)	Prime Maison Yokohama WEST	Yokohama-shi, Kanagawa	145	8,700.56
	ZEH Prime Maison Morishita WEST	Koto-ku, Tokyo	144	7,061.54
	ZEH Prime Maison Kiyosumishirakawa	Koto-ku, Tokyo	75	2,999.69
	ZEH Prime Maison Kamata	Ota-ku, Tokyo	141	5,793.71
	ZEH Prime Maison Nihonbashibakurocho	Chuo-ku, Tokyo	45	2,076.31
	ZEH Prime Maison Yoga Kinutakoen	Setagaya-ku, Tokyo	122	6,303.39
	ZEH Prime Maison Iriya	Taito-ku, Tokyo	74	3,533.01
Residentials Under Construction 4 properties (394 units)	ZEH Prime Maison Kiyosumi	Koto-ku, Tokyo	42	1,459.00
	ZEH Prime Maison Kinshicho	Sumida-ku, Tokyo	85	3,976.00
	ZEH Prime Maison Nishishinjuku	Shinjuku-ku, Tokyo	104	4,344.00
	ZEH Prime Maison Minamiazabu	Minato-ku, Tokyo	163	18,582.90
Residentials Under Planning 7 properties	ZEH All properties are located in Tokyo 23 wards and are ZEH properties			



PM Yokohama WEST
(Yokohama-shi, Kanagawa)



PM Morishita WEST
(Koto-ku, Tokyo)



PM Kiyosumi shirakawa
(Koto-ku, Tokyo)



PM Kamata
(Ota-ku, Tokyo)



PM Nihonbashi bakurocho
(Chuo-ku, Tokyo)



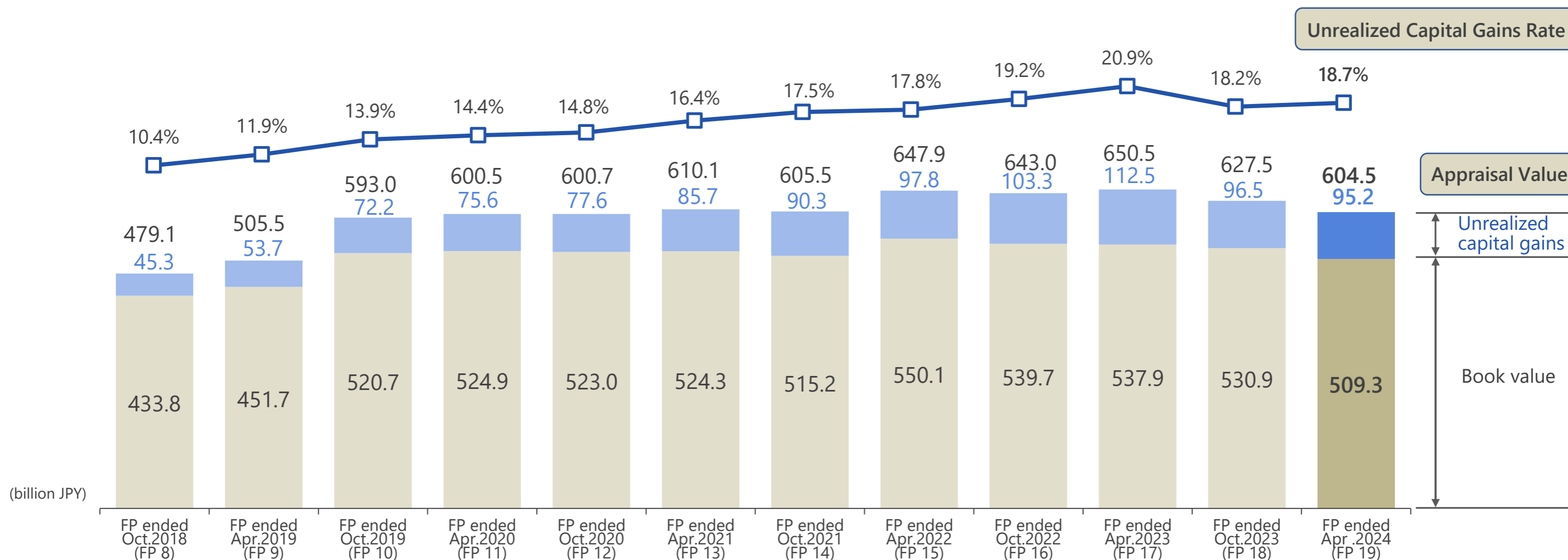
PM Iriya
(Taito-ku, Tokyo)

* 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.

* **ZEH** stands for ZEH-M Oriented which refers to "condominiums that aim to realize significant energy savings while maintaining indoor environmental quality through the introduction of highly efficient facilities, as well as greatly improving insulation performance, etc. and reducing primary energy consumption by 20% or more throughout the condominium, including common areas".

Trends of Appraisal Value

Unrealized capital gains decreased by 1.3 billion JPY from the previous period to 95.2 billion JPY due to a decrease in appraisal value as a result of asset replacement

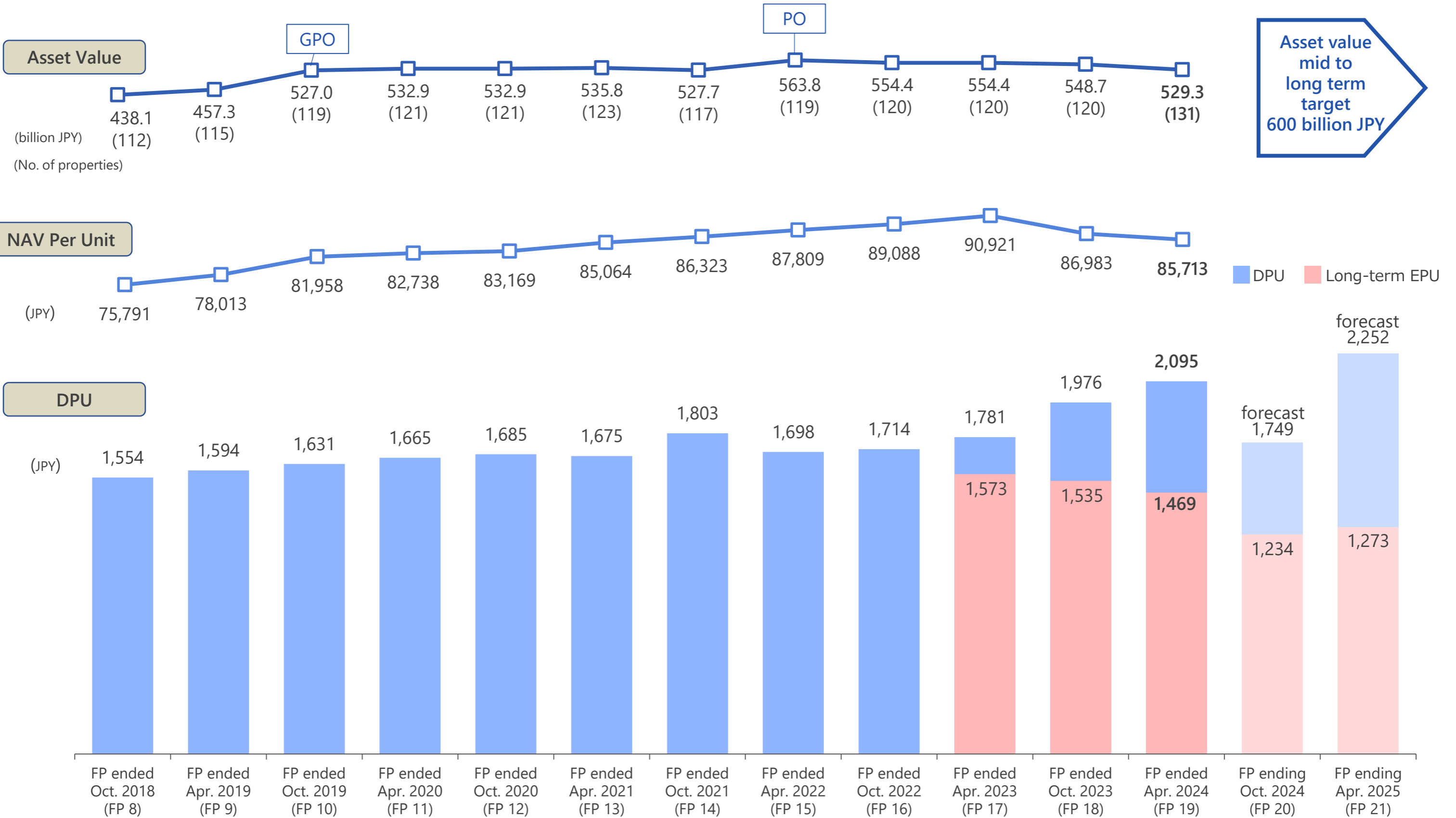


Breakdown of appraisal value by asset type as of FP 19

	Residential		Office building		Entire portfolio	
	FP 19 Result	vs. FP 18	FP 19 Result	vs. FP 18	FP 19 Result	vs. FP 18
Appraisal value	359.0 Billion JPY	+37.3 Billion JPY	245.5 Billion JPY	(43.6) Billion JPY	604.5 Billion JPY	(22.9) Billion JPY
Average cap rate	3.5 %	—	3.3 %	—	3.4 %	—
Unrealized capital gains	60.9 Billion JPY	+2.4 Billion JPY	34.2 Billion JPY	(3.6) Billion JPY	95.2 Billion JPY	(1.3) Billion JPY
Unrealized capital gains rate	20.4 %	(1.8) pt.	16.2 %	+1.1 pt.	18.7 %	+0.5 pt.

DPU and NAV Per Unit

NAV per unit decreased by 1,270 JPY from the previous period to 85,713 JPY, mainly due to the impact of asset replacement and decrease in unrealized capital gains



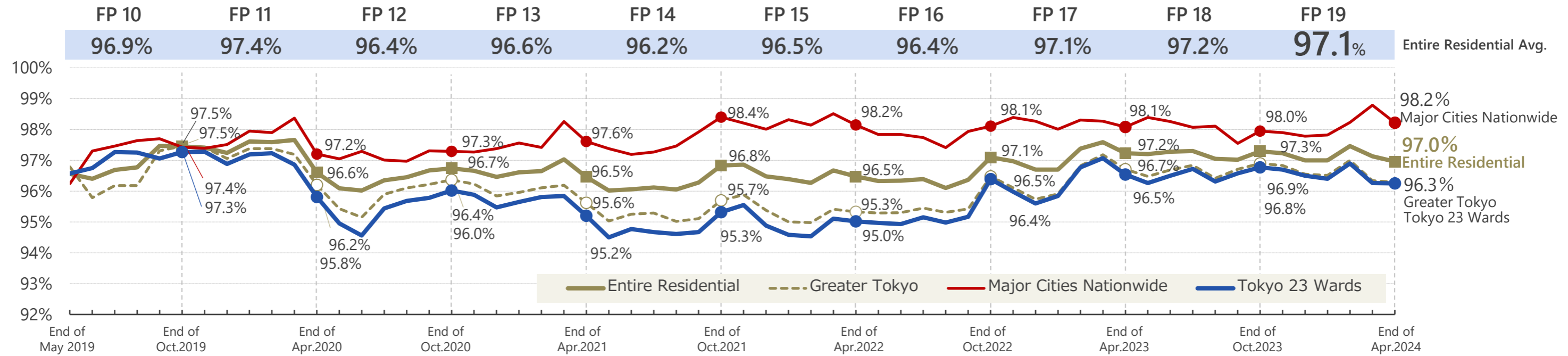
Internal Growth



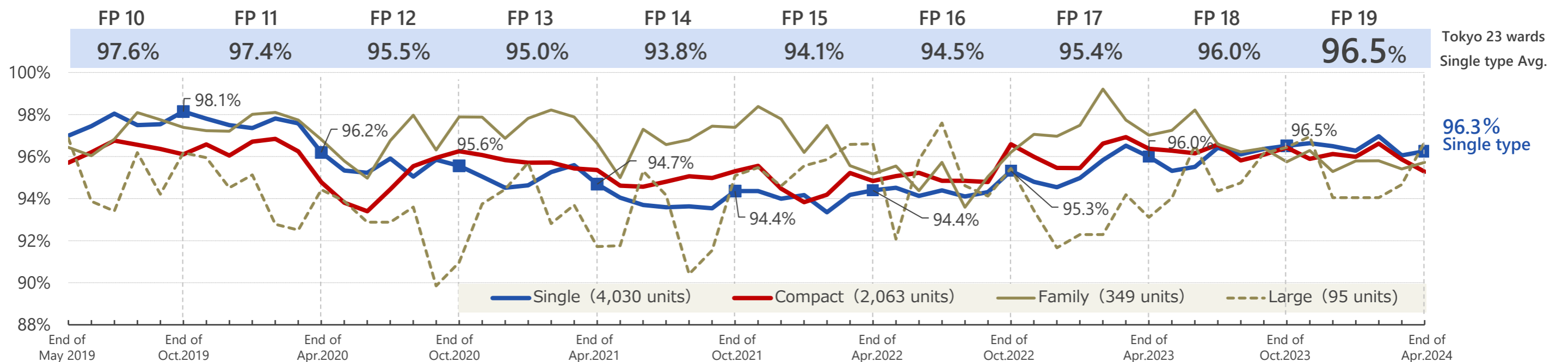
Residential: Occupancy Rate Trends

Average occupancy rate during the period remained high at 97.1% for entire residential and 96.5% for single type in Tokyo 23 wards

Residential occupancy rate by area



Residential occupancy rate by room type in Tokyo 23 wards

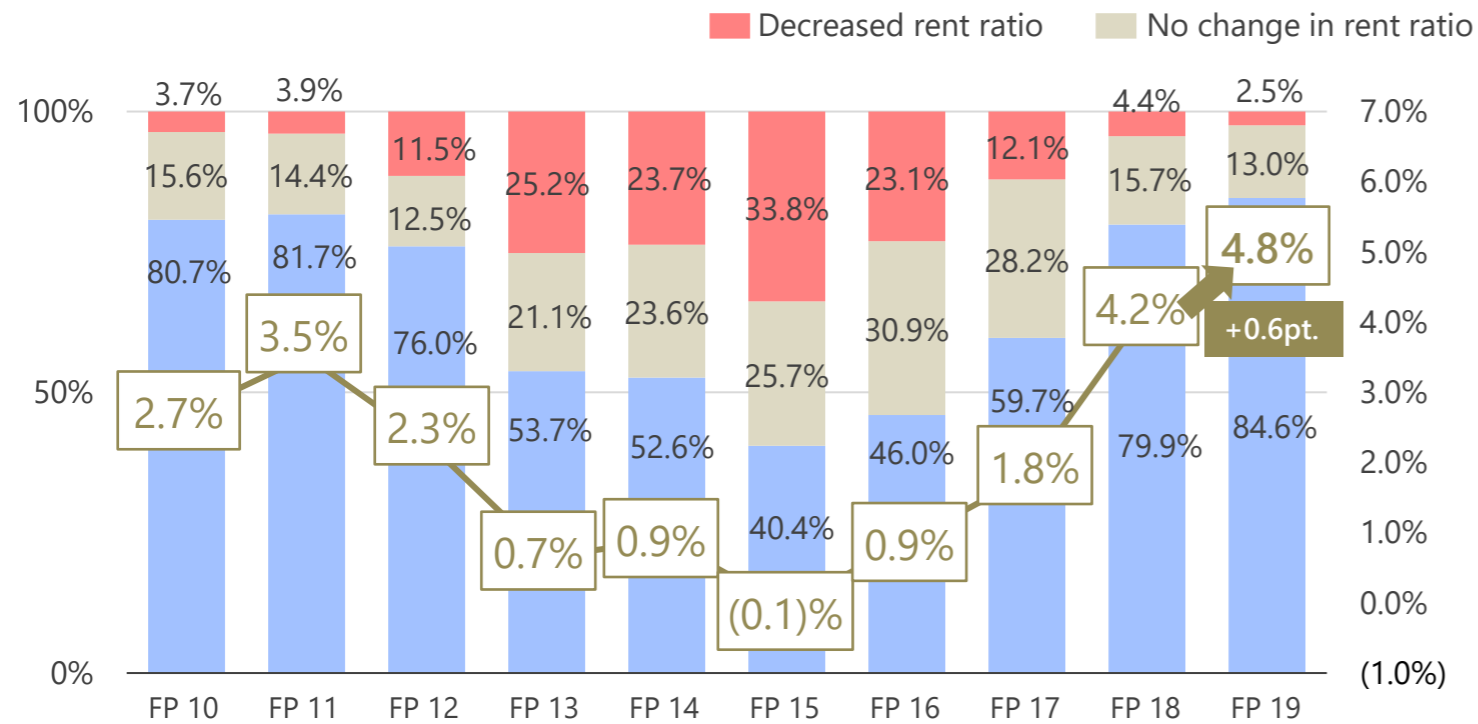


* For the definitions of "Single type", "Compact type", "Family type", and "Large type", please refer to P.63.
 * The number of units in Residential occupancy rate by room type in Tokyo 23 wards is as of the end of April 2024.

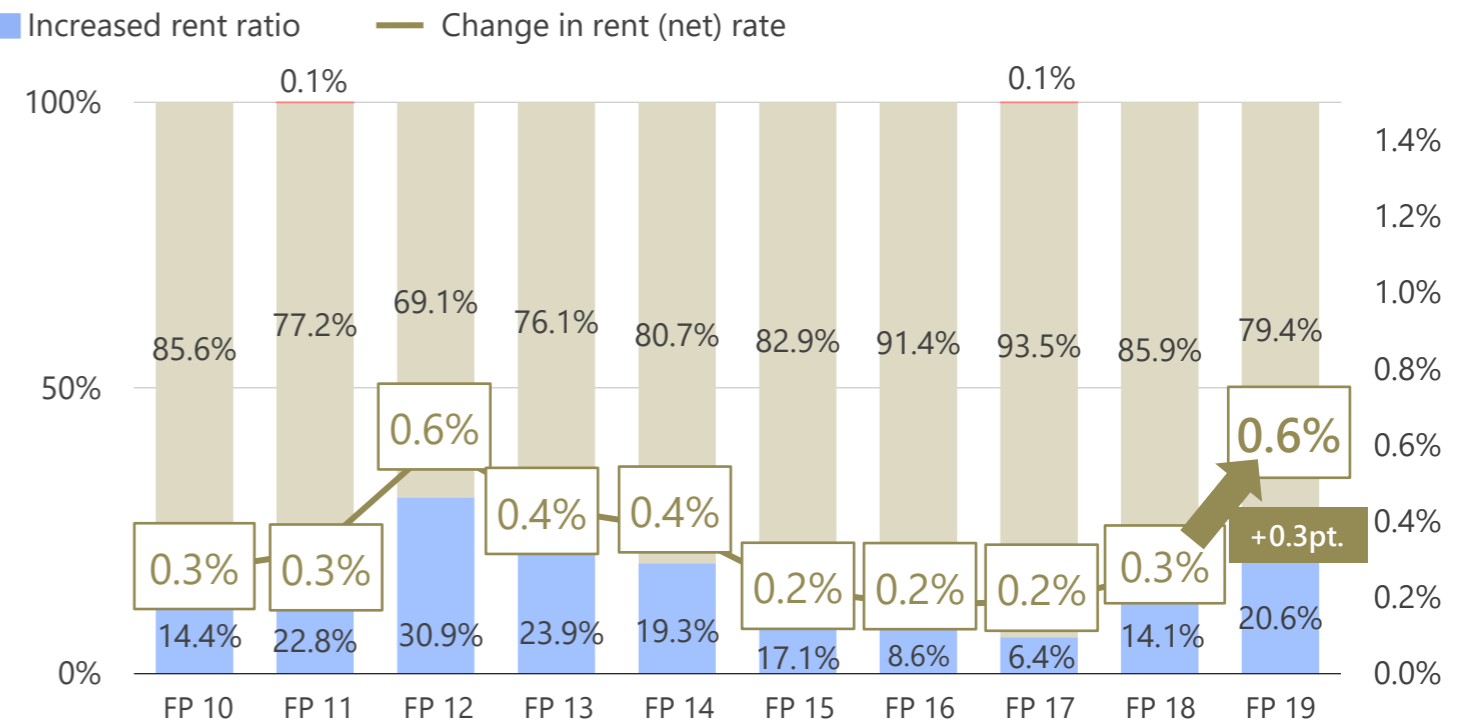
Residential: Rent Status (1)

Record high of 4.8% change in rent and 84.6% rent increase for new contracts; Change in rent for renewals also went from flat to increasing with increased rent ratio up to 20.6%

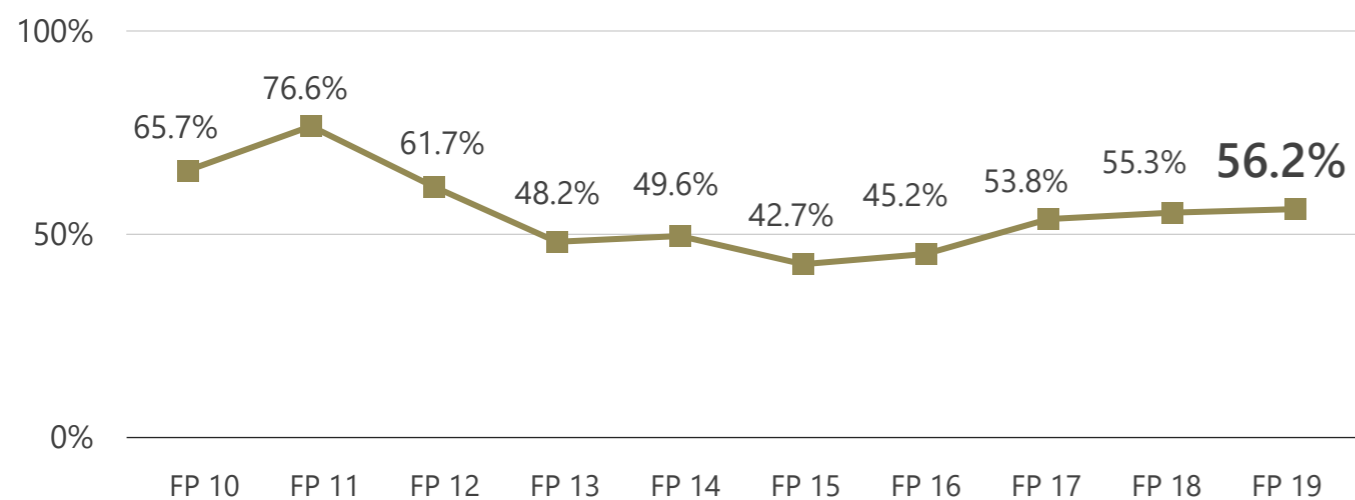
Rent trend in new contract



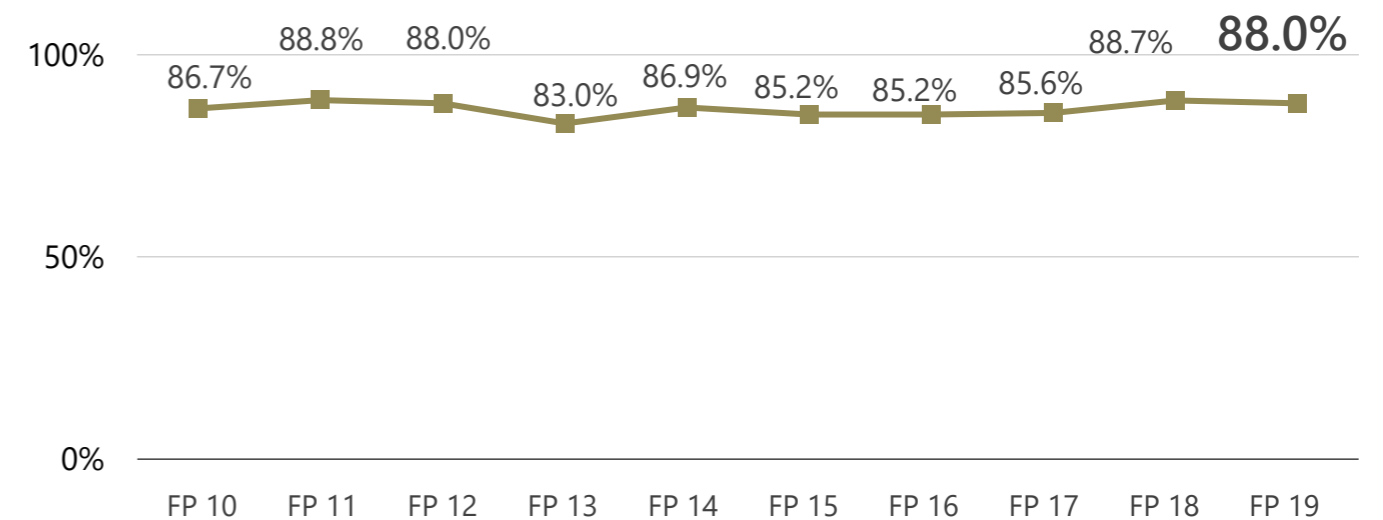
Rent trend in renewal contract



Non-refundable deposit received



Rate of renewal



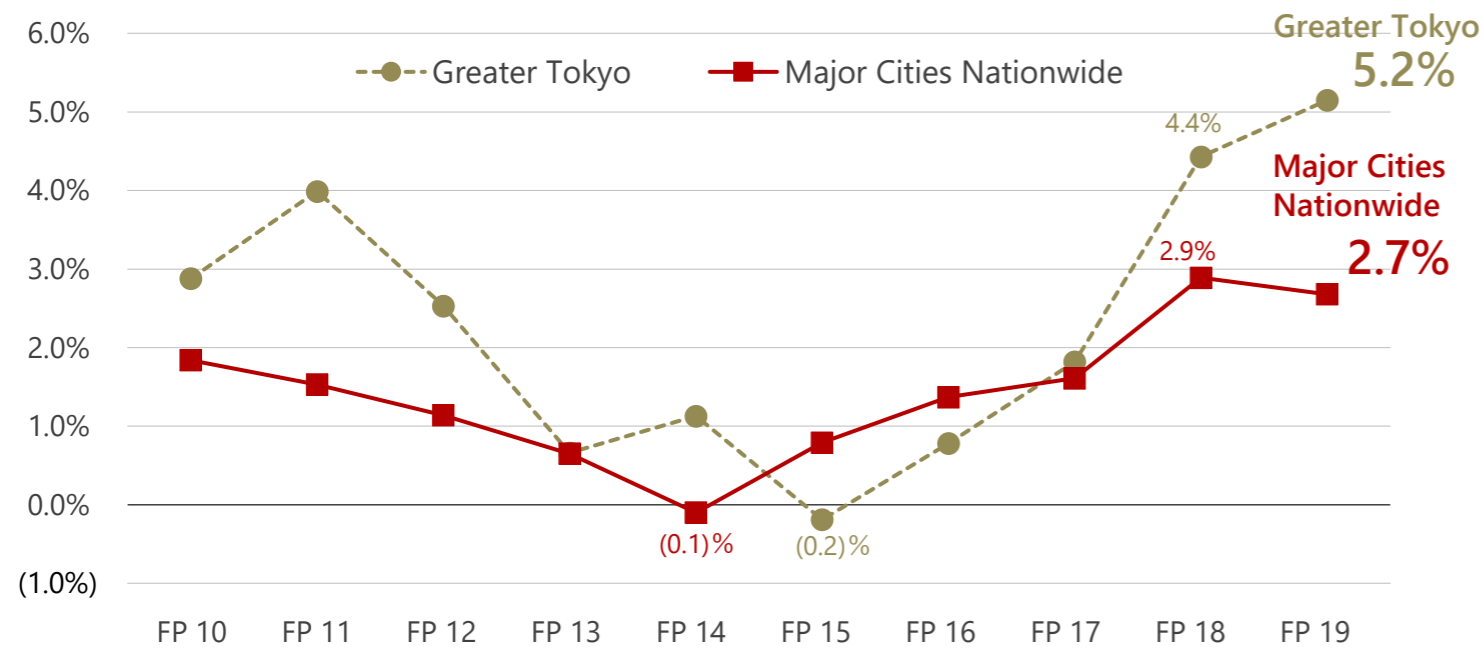
* Monthly rent comparison of new contract and renewal contract is calculated including utilities. The same applies throughout this document.

* The "Change in rent rate" in "Rent trend in new contract" is calculated by excluding units that were vacant at the time of acquisition in FY 19. The same applies throughout this document.

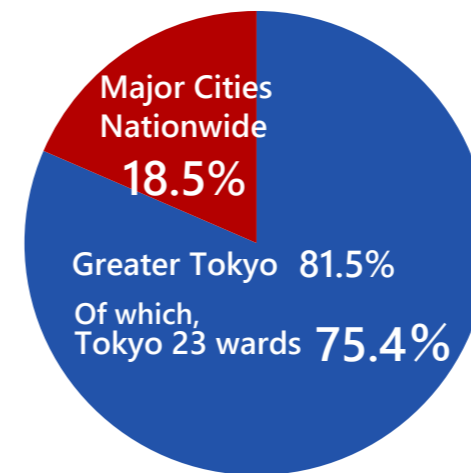
Residential: Rent Status (2)

Change in rent rate in Tokyo 23 wards with high investment ratio was +5.2% and led the entire rate; Major cities nationwide also continued to be on an upward trend

Change in rent (net) rate in new contract by area



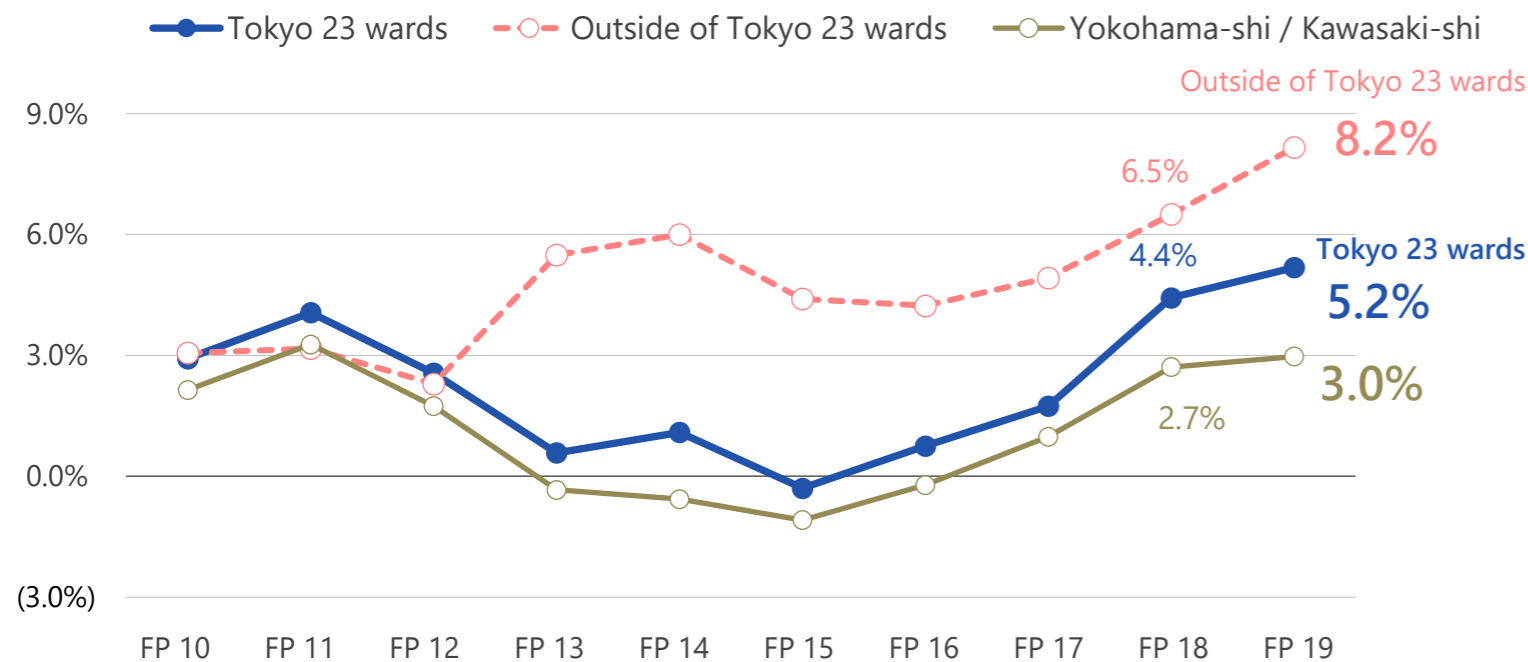
Investment ratio of residential properties by area (Acquisition price basis / As of the end of Apr. 2024 (FP 19))



Area	No. of properties	Investment Ratio
Greater Tokyo	91	81.5%
Tokyo 23 wards	82	75.4%
Outside of Tokyo 23 wards	3	1.7%
Yokohama-shi/ Kawasaki-shi	6	4.5%
Major Cities Nationwide	32	18.5%
Osaka-shi	6	2.7%
Nagoya-shi	12	6.7%
Fukuoka-shi	7	4.3%
Sapporo-shi	3	2.1%
Others	4	2.7%
Total	123	100.0%

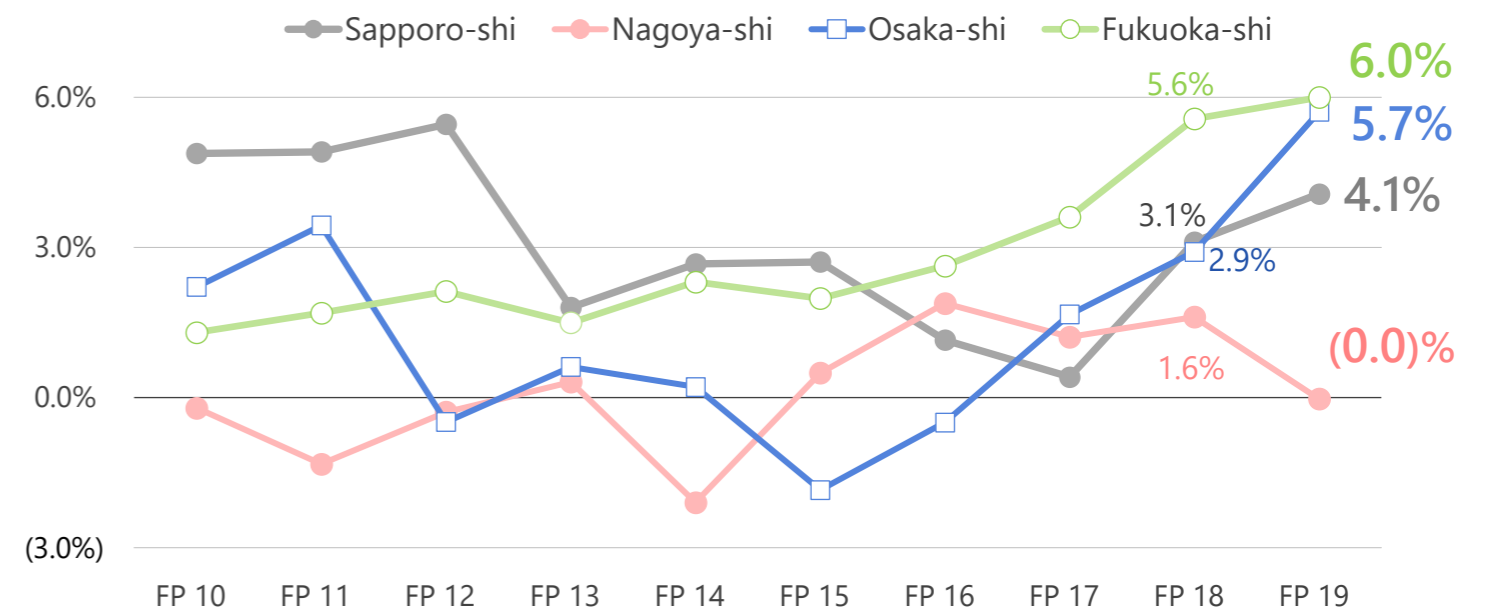
Greater Tokyo

Change in rent rate for outside of Tokyo 23 wards further increased



Major Cities Nationwide

Change in rent rate in Fukuoka-shi was +6.0%; Sapporo-shi and Osaka-shi was significantly higher than FP 18; despite some weakness in Nagoya-shi, increased rent ratio was at 63.0% with signs of an upward trend



Residential: Operation Status (1)

Rental housing market to remain strong; Applied various initiatives to raise rents and reduce costs

Looking Back on FP 19

Occupancy status of three residential properties unoccupied at the time of acquisition in FP 19

Close to lease-up in a short period of time by capturing corporate demand in popular areas for company housing and developing measures to improve appeal

Installed town maps and aroma diffusers



	R-126 Esty Maison Omori	R-127 Esty Maison Monzennakacho	R-128 Esty Maison Akabane II
Location	Ota-ku, Tokyo	Koto-ku, Tokyo	Kita-ku, Tokyo
Acquisition Date	March 1, 2024		
Occupancy Rate as of the end of May 2024	100.0%	86.4%	76.6%
Completion Date	Jan. 2024	Jan. 2023	Apr. 2023

Significant rent increase due to renovation

Renovations that embrace Sekisui House Group's global vision:
"Make home the happiest place in the world"

Offering a variety of interior tastes to grasp residents' affection



Large-capacity closet



Housekeeping space and work/study space



Selected units that are over 15 years old and family types with a good location;

Change in rent rate was **+44.0%**

(As of the date of this document)

Number of Units Renovated in FP 19	11 units
Average Building Age	24.1 years
Construction Costs	60,420 thousand JPY
Number of Contracted Units	11 units
Change in Rent (Monthly)	+607 thousand JPY
Change in Rent Rate	+44.0%

* Includes properties which are on a fixed-rent master lease

Initiatives to reduce costs

Reduction in building management fees

Reviewed maintenance contractors for mechanical parking

Cost for Parking maintenance
Significant reduction of approx. **40%**

Cost reduction for high-cost construction

Achieved significant reductions in high-cost construction such as intercom system upgrades through the introduction of construction support services

Through enhanced competitiveness, achieved cost reduction of **approx. 50%** from the original proposal

Initiatives to increase rent

Pursuing opportunities of internal growth

Sha Maison Stage Akihabara

Fixed-rent master lease ⇒ Changed to Pass-through type master lease in January 2024

Change in rent rate with two new contracts **+8.9%**

Non-refundable deposit received **100%**

Residential: Operation Status (2)

Notable rent increase through planning and renovation to create an attractive living environment

Examples of renovations

Prime Maison Momochihama

« Renovations that leverage the Group's strengths »

Analyzed residents' needs and lifestyles through surveys
Planned with an interior coordinator of Sekisui House who won the renovation competition



Prime Maison Momochihama

Each unit was planned with a concept and renovated with multiple tastes. Some units were decorated with an image of a seaside property. Changed room types to provide a comfortable living space, such as housekeeping space and a large closet.



Esty Maison Shirokanedai

« Renovated into an ideal space »

Installments of facilities and interior materials with high satisfaction in an area that demands high-class status
LDK to enjoy the view and communication
Replanning with special attention to lighting



Esty Maison Shirokanedai

A counter kitchen facing the sunny living room creates a connection with the family. The trendy interiors with light tones creates a relaxing living space with a view of the greenery outside the window.



Residential: Operation Status (3)

Under proper cost management, carried out large-scale repairs aimed at maintaining asset value and improving performance

■ Status of large-scale repair work

FP 19 Result

(Unit: Million JPY)

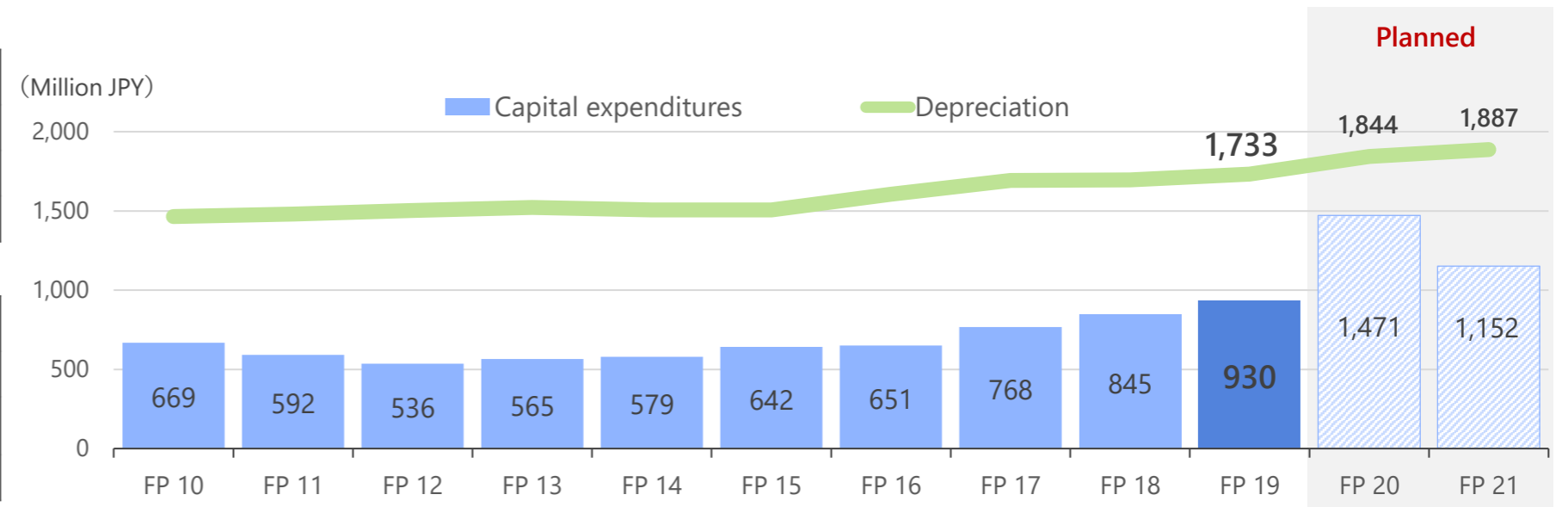
Property Name	Location	Completion Date	Capital Expenditures
Prime Maison Central Park	Fukuoka-shi, Fukuoka	Feb. 2011	268
Esty Maison Shizuoka Takajo	Shizuoka-shi, Shizuoka	Feb. 2006	71
Esty Maison Toritsudaigaku	Meguro-ku, Tokyo	Feb. 2009	44

FP 20 & FP 21 Construction Schedule

(Unit: Million JPY)

Property Name	Location	Completion Date	Capital Expenditures
Esty Maison Toyosu Residence	Koto-ku, Tokyo	Feb. 2008	672
Kobe Women's Student Housing	Kobe-shi, Hyogo	Feb. 2002	276
Esty Maison HIGASHIBETSUIN	Nagoya-shi, Aichi	Feb. 2009	121

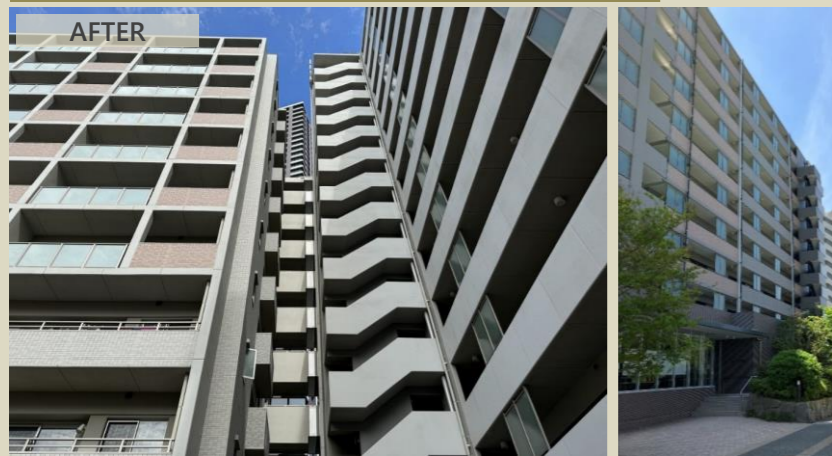
■ Status of capital expenditures



* Of the 672 million JPY in capital expenditures for Esty Maison Toyosu Residence, 232 million JPY has already been paid in FP 19.

Examples of large-scale repair work

Prime Maison Central Park



Changed to a stylish color scheme with chic tones



Elevator hall changed into a space where the property's high quality can be felt

Esty Maison Toritsudaigaku



Changed the color of the entrance door and added handrails to the slope to prevent falls

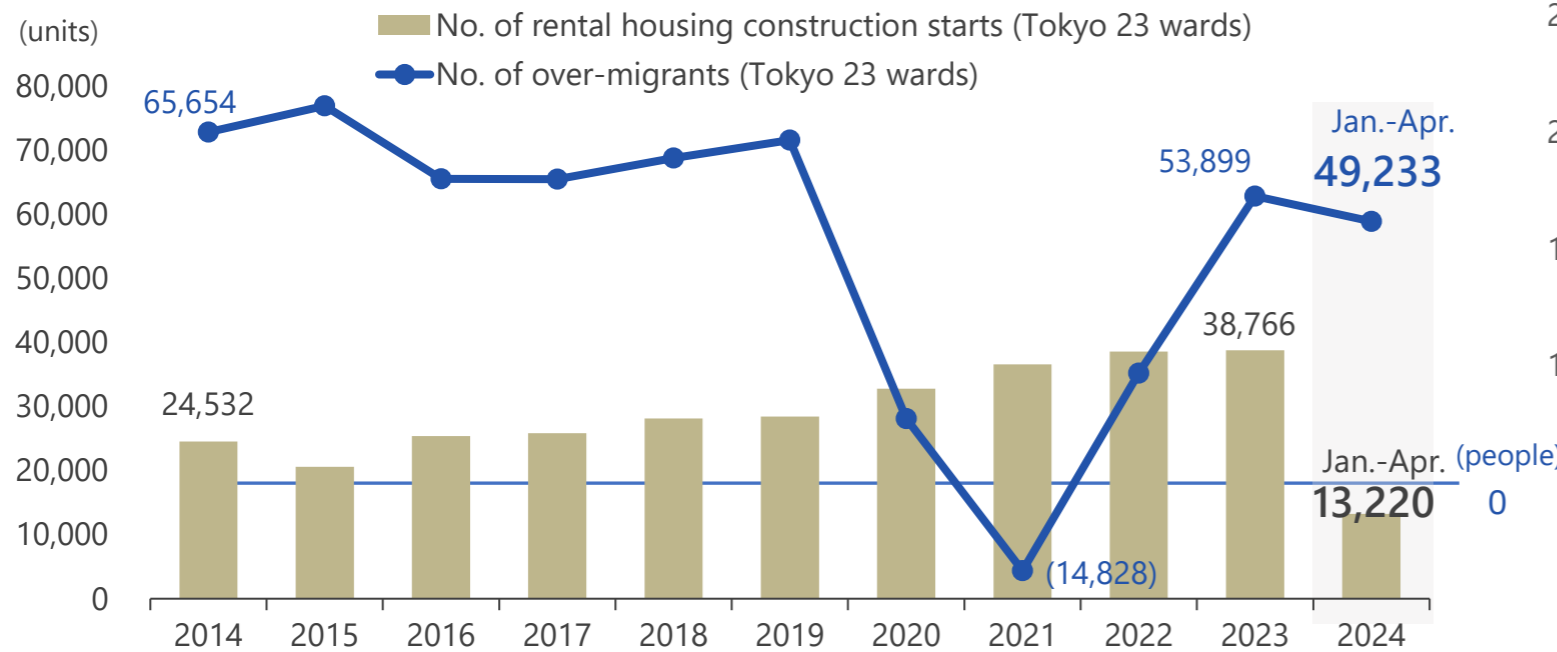


Installed interior materials that create a sense of luxury in the elevator

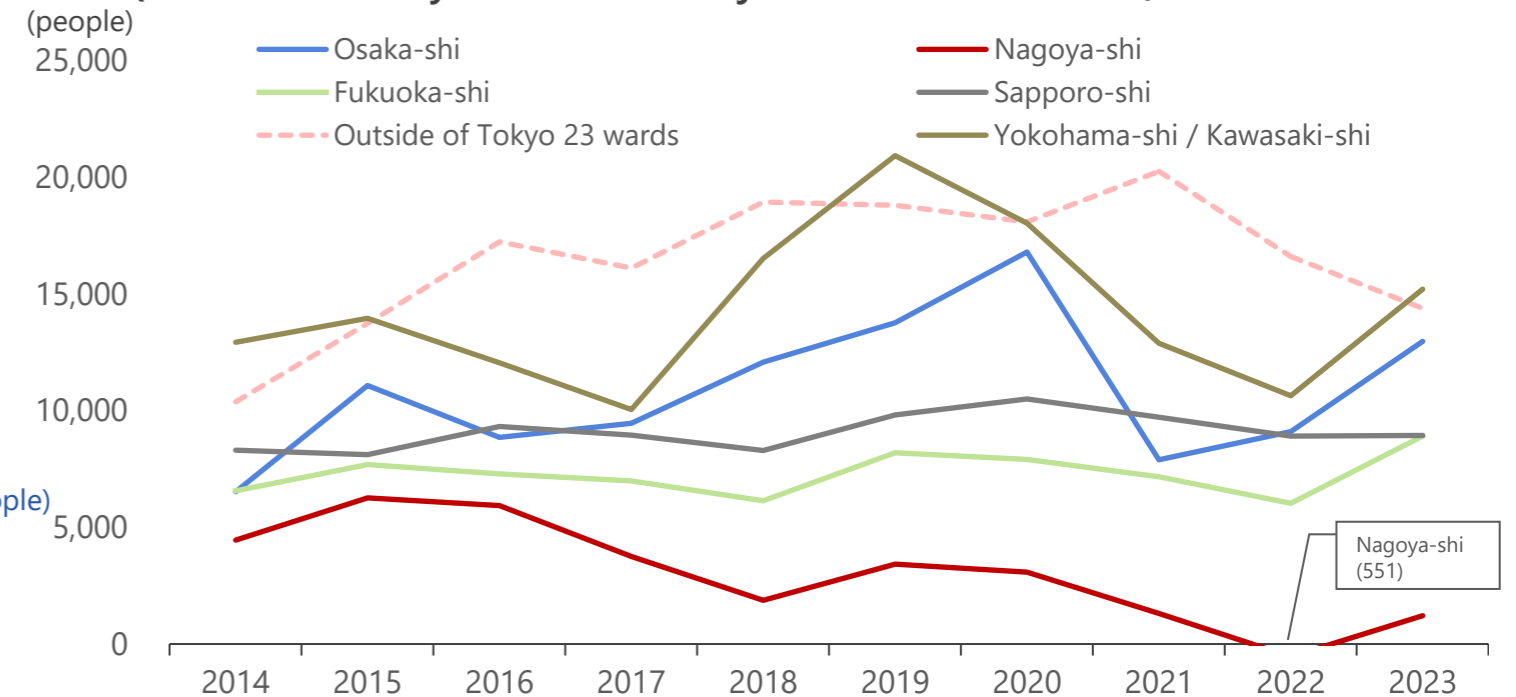
Residential: Market Trends

Population inflows concentrated in Tokyo 23 wards; all major cities nationwide showing outflows

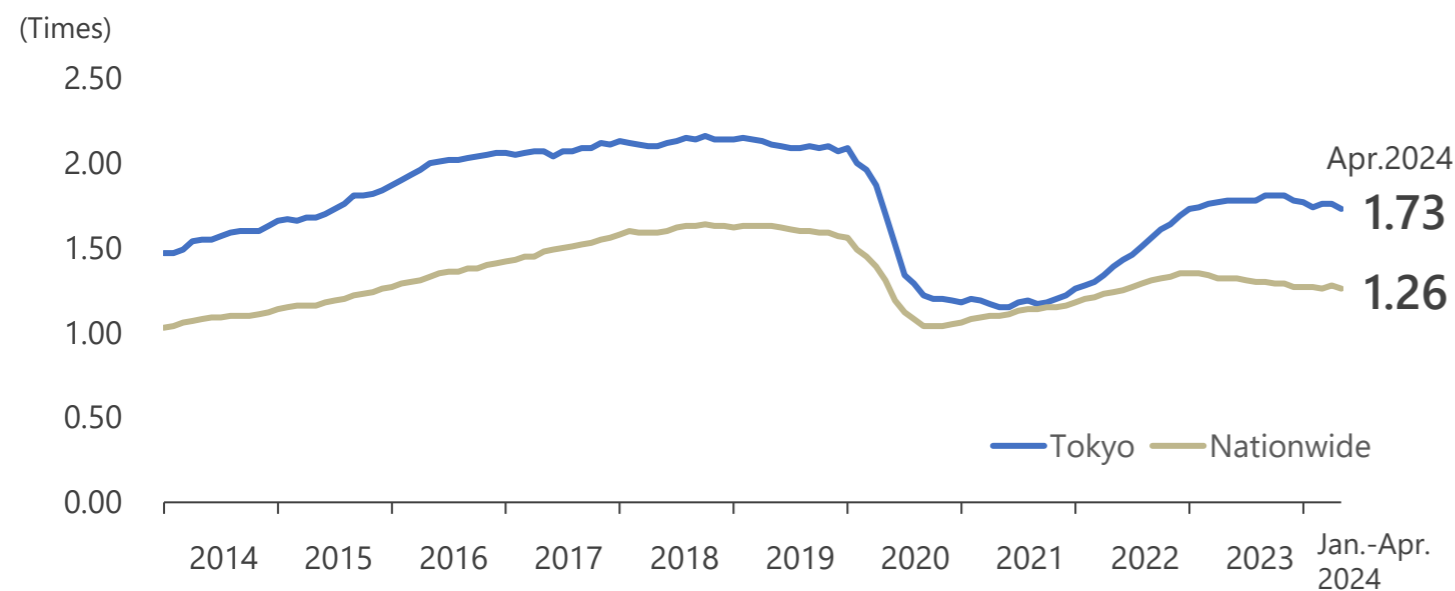
▶ Population change & rental housing construction starts (Tokyo 23 wards)



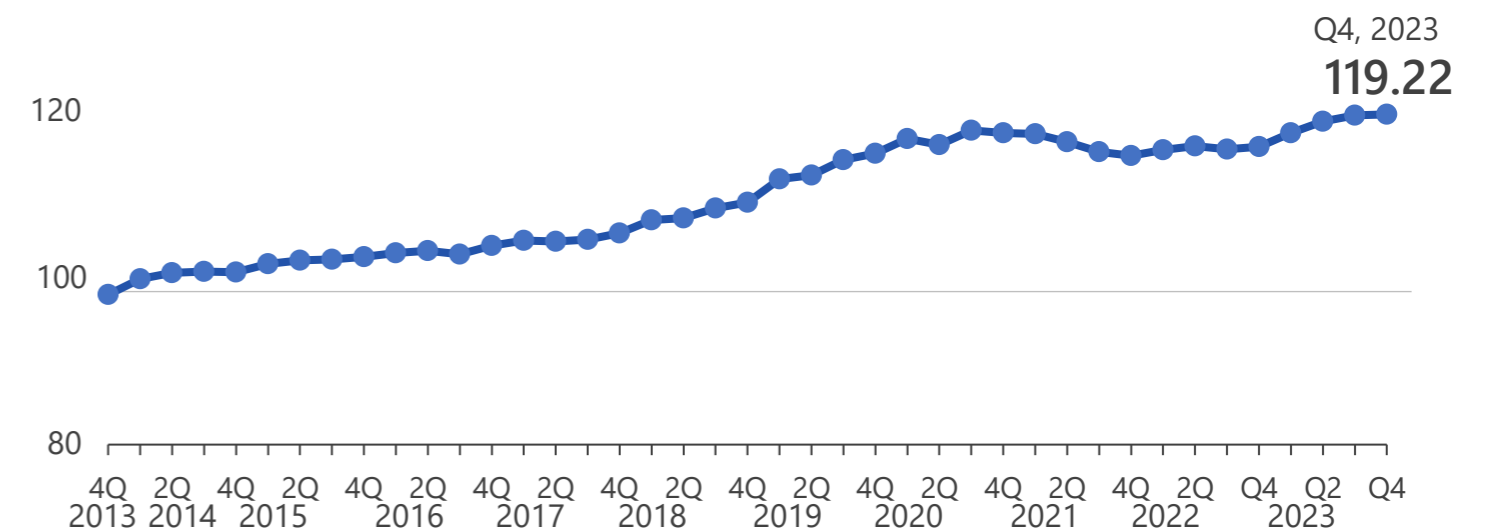
▶ Population change (Outside of Tokyo 23 wards/Major Cities Nationwide)



▶ Jobs-to-applicants ratio (seasonally adjusted)



▶ Apartment rent index (Tokyo 23 wards)



* 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

Office Building: Portfolio Status

▶ Portfolio list

(As of the end of Apr. 2024 (FP 19))

	Location	Acquisition Price		Leasable Area		Average Rent (JPY/Tsubo)		Occupancy Rate	
		(million JPY)	%	(m ²)	%	End of FP 18	End of FP 19	End of FP 18	End of FP 19
Akasaka Garden City	Minato-ku, Tokyo	50,000	9.4%	21,735.42	3.9%	27,760	27,124	93.5 %	95.3 %
Hommachi Minami Garden City	Osaka-shi, Osaka	44,000	8.3%	29,657.53	5.3%	22,937	22,904	100.0 %	98.7 %
HK Yodoyabashi Garden Avenue	Osaka-shi, Osaka	4,400	0.8%	4,554.52	0.8%	17,950	18,075	100.0 %	100.0 %
Hirokoji Garden Avenue	Nagoya-shi, Aichi	6,350	1.2%	4,442.75	0.8%	23,552	23,493	100.0 %	100.0 %
Shinjuku Hirose Building	Shinjuku-ku, Tokyo	5,000	0.9%	3,120.48	0.6%	–	18,101	–	100.0 %
Hommachi Garden City (office building portion)	Osaka-shi, Osaka	38,600	7.3%	17,006.94	3.0%	29,280	29,280	100.0 %	100.0 %
Gotenyama SH Building	Shinagawa-ku, Tokyo	41,200	7.8%	15,999.98	2.9%	30,000	30,000	100.0 %	100.0 %
Garden City Shinagawa Gotenyama	Shinagawa-ku, Tokyo	35,255	6.7%	18,903.22	3.4%	25,763	25,057	84.3 %	86.9 %
Office Building Portfolio Total		224,805	42.5%	115,420.84	20.7%	26,138	25,686	94.4 %	96.6 %

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

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

	FP 17 (2023/4)	FP 18 (2023/10)	FP 19 (2024/4)	FP 20 (Forecast) (2024/10)	FP 21 (Forecast) (2025/4)	FP 22 (Forecast) (2025/10)
Sections Due for Renewal	4,854.75m ² (6)	17,303.50m ² (8)	20,050.74m ² (15)	10,187.70m ² (9)	4,426.69m ² (4)	18,423.62m ² (15)
Renewed	3,640.13m ² (4)	17,108.83m ² (7)	17,127.63m ² (12)	8,666.94m ² (7)	– (–)	– (–)
Vacated	(14,341.34)m ² (4)	(194.67)m ² (1)	(1,851.31)m ² (3)	– (–)	– (–)	126.14m ² (1件)
Space Returned	(1,253.90)m ² (1)	– (–)	(1,071.80)m ² (2)	– (–)	– (–)	– (–)
New/Additional Lease	13,903.72m ² (2)	2,689.05m ² (5)	2,237.01m ² (5)	– (–)	– (–)	– (–)
Change in Lease Area	(1,691.52)m ²	+2,494.38m ²	(686.10)m ²	– (–)	–	(126.14)m ²
Rate of Rent Change	(1.1) %	(4.1) %	(5.4) %	–	–	–

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

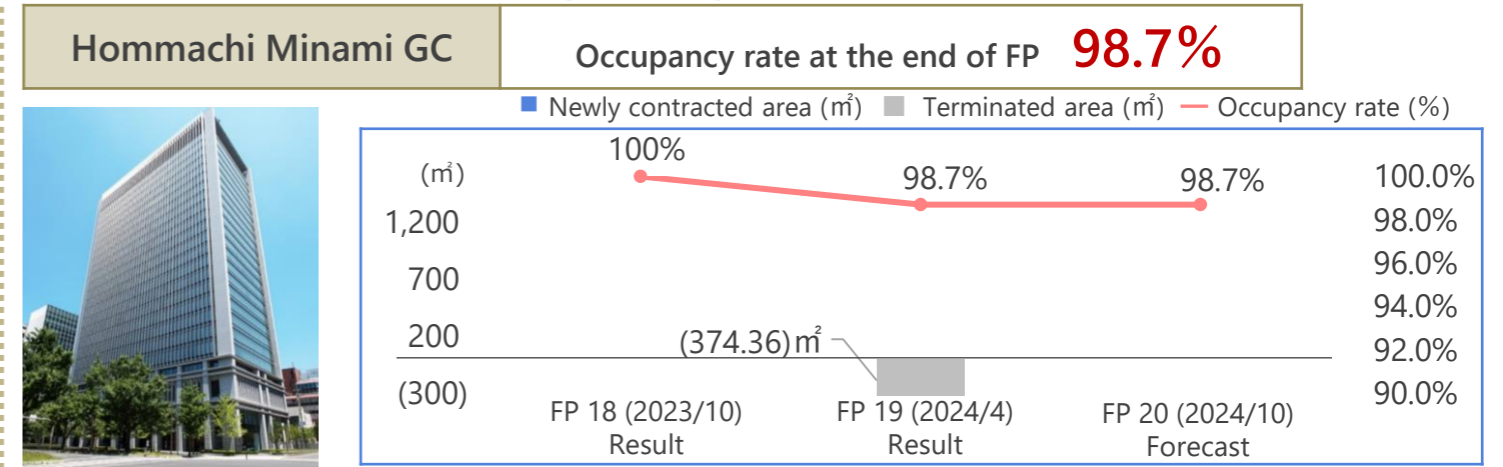
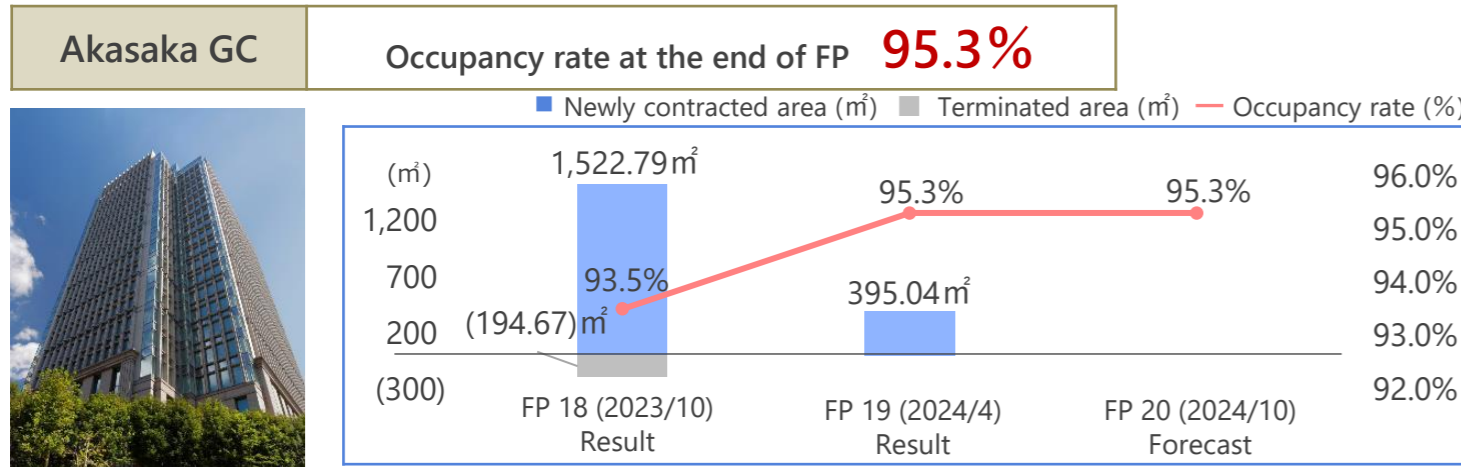
* Although a pass-through master lease agreement has been executed for Hommachi GC (office building portion), the amount SHR receive as revenue is effectively fixed based on an agreement between SHR and the Buyer. Therefore, the "Average Rent (JPY/Tsubo)" indicates the fixed unit rent, and the "Occupancy Rate" is 100.0%.

* Figures for "Renewal result and trends in leases (including existing tenants returning or adding spaces)" excludes retail tenants of each office building. In addition, Hommachi GC (office building portion) is not included from FP 20 onward because a disposition agreement has already been executed.

* "FP 20 (forecast)", "FP 21 (forecast)" and "FP 22 (forecast)" are 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

Akasaka GC: Backfilled 395.04m², occupancy rate recovered to 95.3%; the remaining leasing parcels have been vacant for an extended time; will focus on handling long term vacant parcels



Property characteristics

- Able to meet a variety of needs by dividing the space up to 4 sections per floor with no pillars
- Located right in front of Akasaka Imperial Palace, designed to blend in with the lush green cityscape
- In addition to two restaurants and a convenience store, kitchen cars are offered on different days of the week
- Certification for CASBEE for Real Estate "Rank S"/ Smart Wellness Office "Rank A"

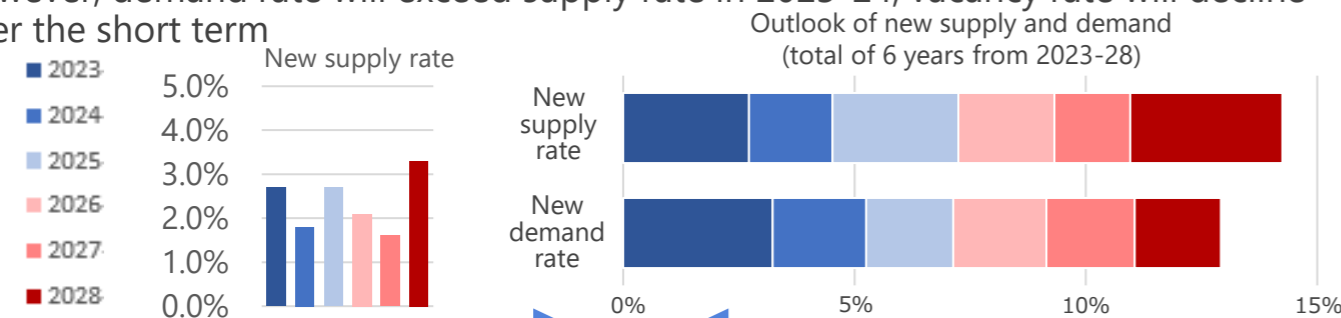
Property characteristics

- Able to meet a variety of needs by dividing the space up to 5 sections per floor with no pillars
- Conveniently located approx. a 3-min. walk to the nearest station with 3 subway lines
- High visibility due to it being located along Midosuji Ave., the main street of central Osaka
- Certification for CASBEE for Real Estate "Rank S"/ Smart Wellness Office "Rank A"

Outlook of new supply

5 wards of central Tokyo

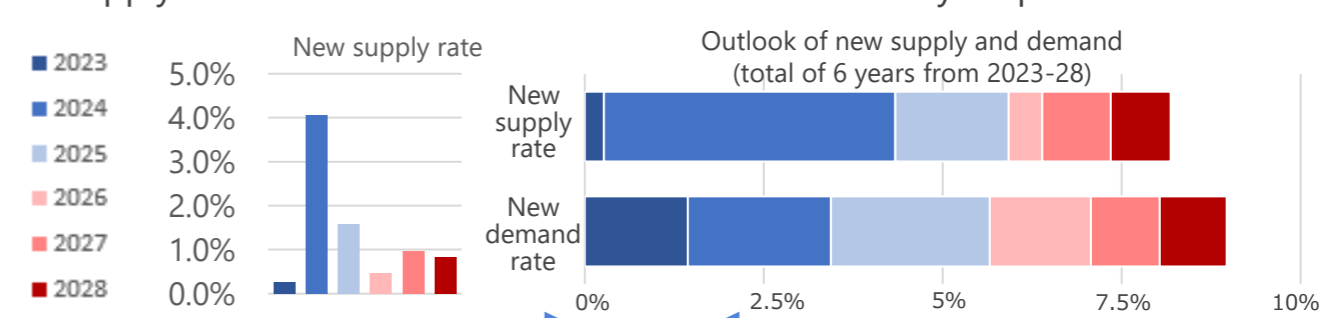
- Following 2023, there will be a large supply in 2025-26 and 2028
- New supply rate exceeds demand rate for the 6-year period from 2023-28
- However, demand rate will exceed supply rate in 2023-24; vacancy rate will decline over the short term



Outlook of new supply

Osaka

- Vacancy rate expected to temporarily increase due to over 4% supply in 2024
- However, not much supply after 2025
- New supply rate will be lower than demand rate for the 6-year period from 2023-28



Future strategy

- The remaining leasing parcels have been vacant for a long period of time and are struggling. Will continue to work on leasing by appealing the property's characteristics, but will also consider various measures in light of the outlook for new supply
- Will prioritize occupancy when renewing/re-contracting leases, while keeping in mind market rents

Future strategy

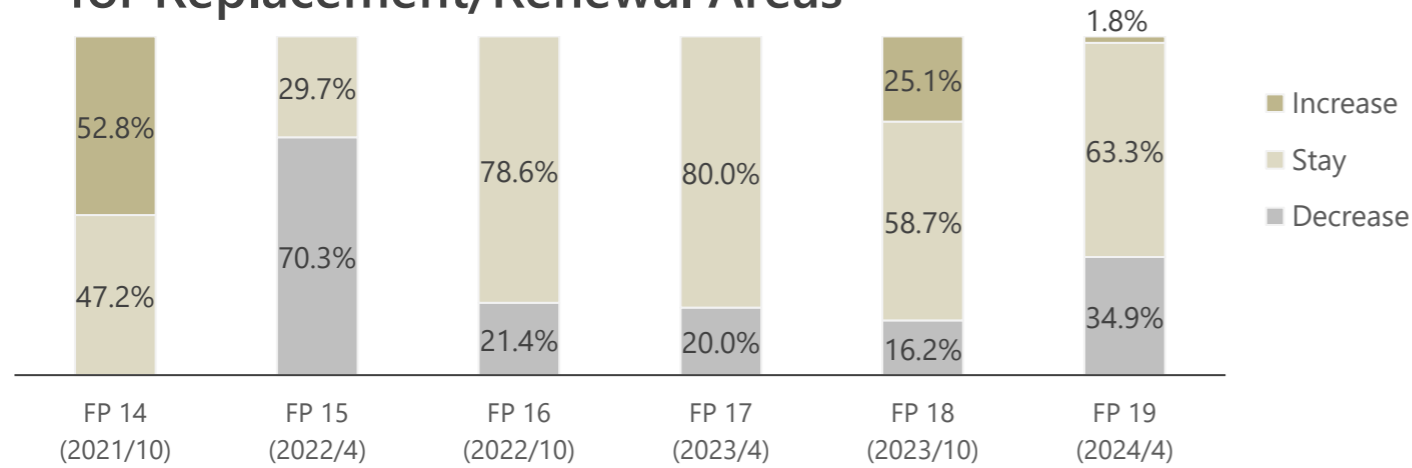
- Will consider various measures to secure rent levels and achieve early closing
- Consider flexible rent conditions depending on the status of inquiries
- Will prioritize occupancy when renewing/re-contracting leases, while consider negotiating rent increases for tenants with rent gaps

* Information on "New supply rate" and "Outlook of new supply and demand" are prepared by SHAM based on the Real Estate Market Research Report (as of November 2023) by Sumitomo Mitsui Trust Research Institute Co., Ltd.
 * "New supply rate" is calculated by dividing the new supply area by the total rental area.
 * "New demand rate" is calculated by dividing the new demand area by the total occupancy area.

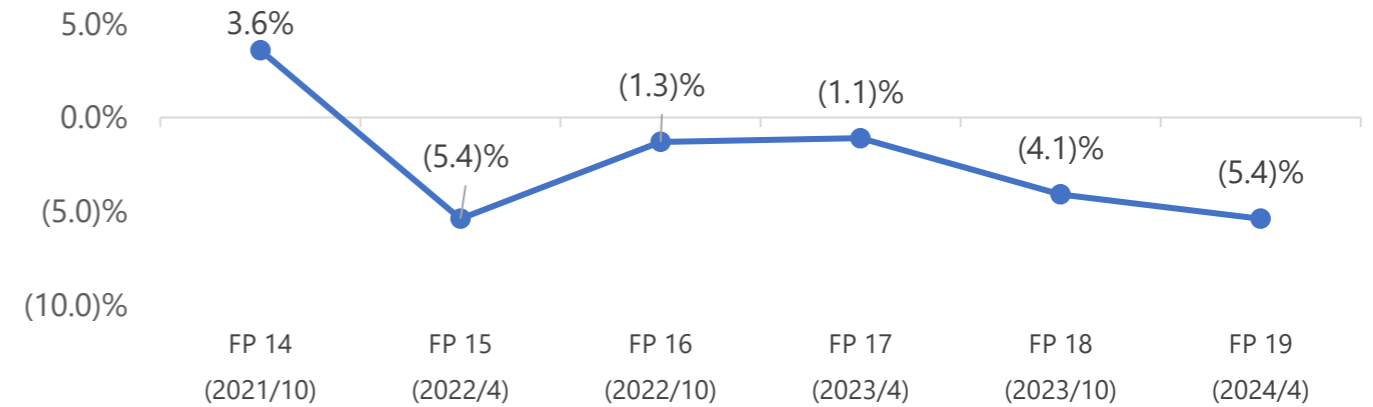
Office Building: Rent Status

Rate of rent change remains weak; Greater Tokyo area rent gap resolved due to asset replacements

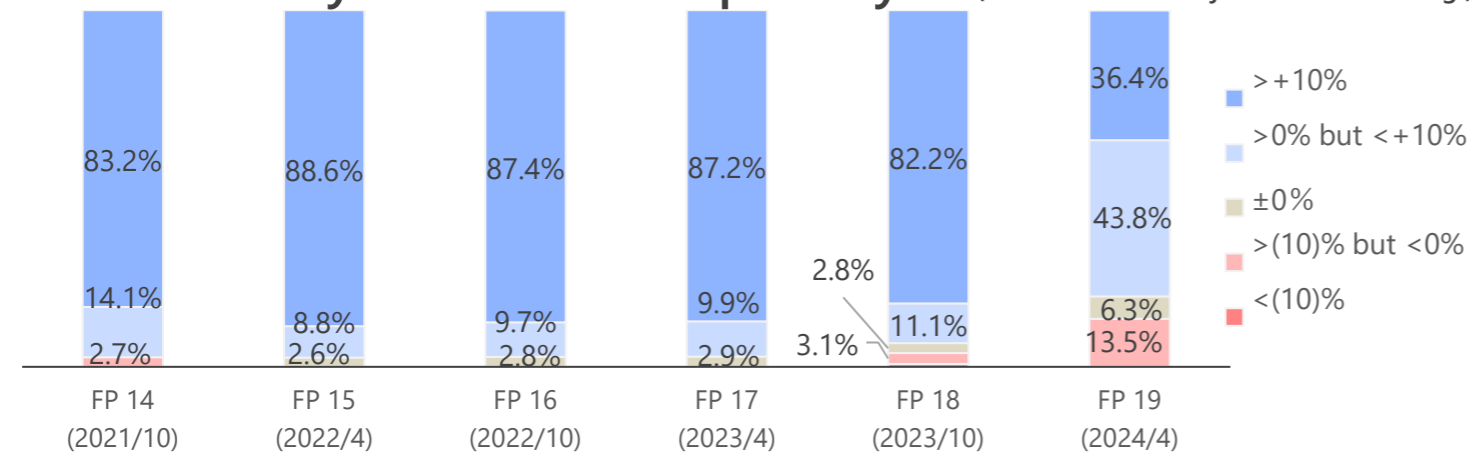
Rent Increase/Decrease Analysis for Replacement/Renewal Areas



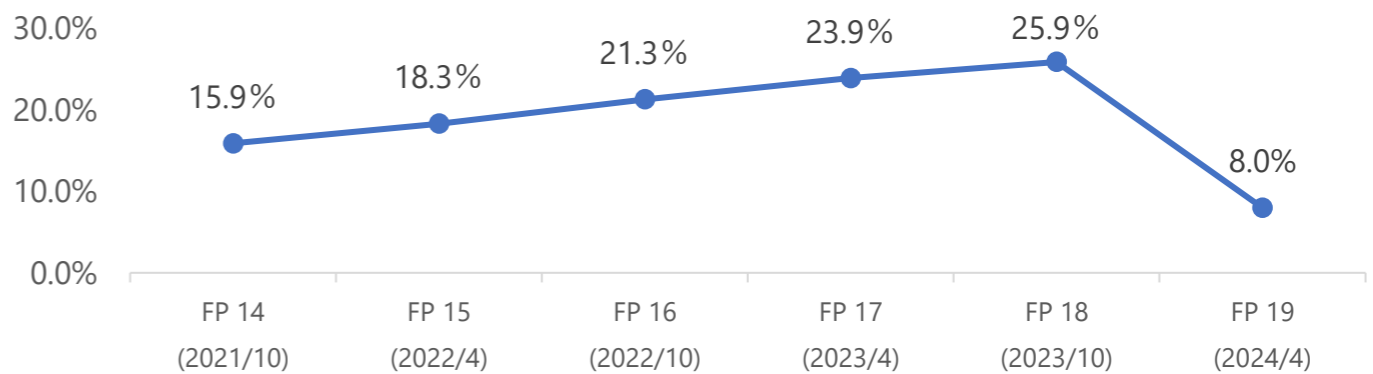
Rate of Rent Change



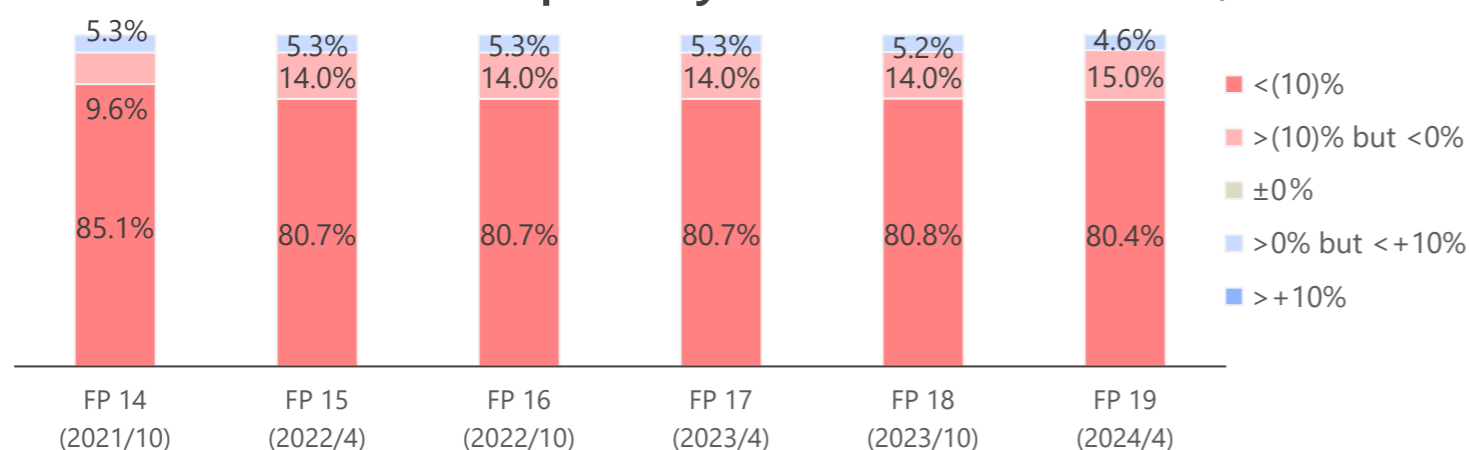
Greater Tokyo Area Rent Gap Analysis (Akasaka GC / Shinjuku Hirose Building)



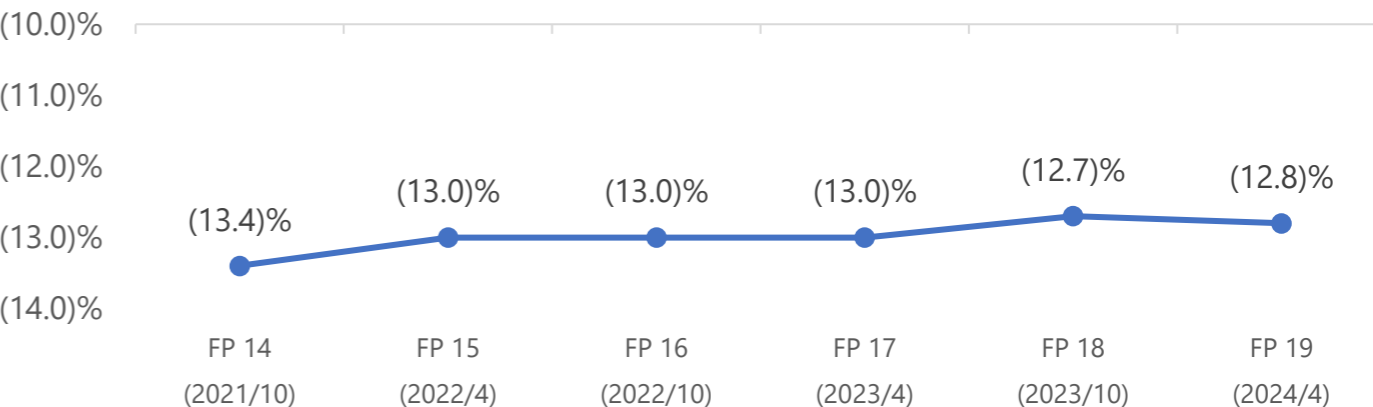
Rent Gap



Osaka Area Rent Gap Analysis (Hommachi Minami GC / HK Yodoyabashi GA)



Rent Gap

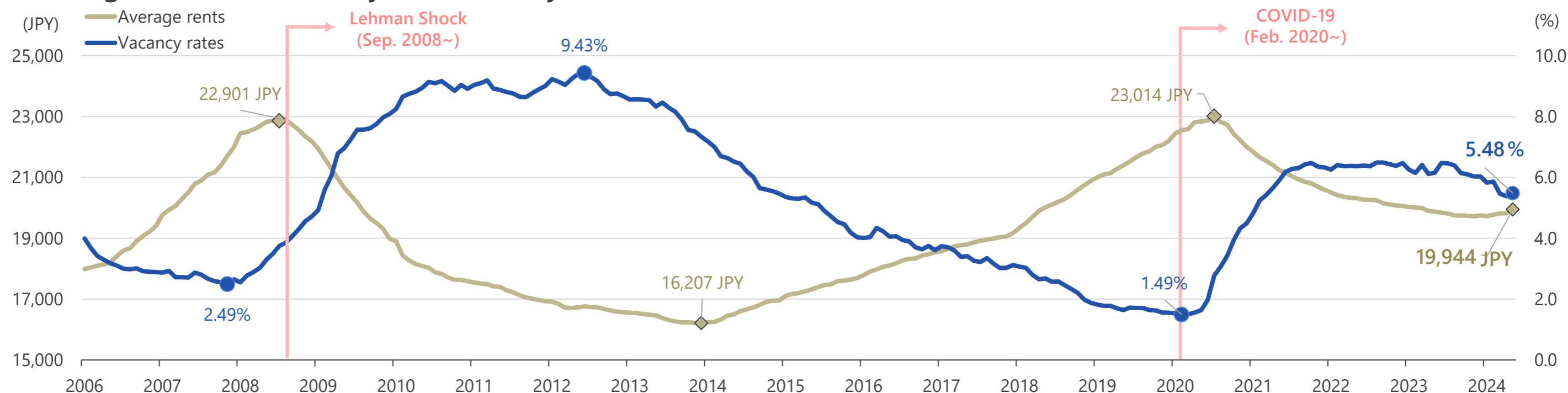


* Rent gap in the Greater Tokyo area was calculated for Akasaka GC and GC Shinagawa Gotenyama until the fiscal period ended October 2023 (FP 18), but due to the disposition of GC Shinagawa Gotenyama and the acquisition of Shinjuku Hirose Building during the fiscal period ended April 2024 (FP 19), rent gap during FP 19 is calculated for Akasaka GC and Shinjuku Hirose Building.

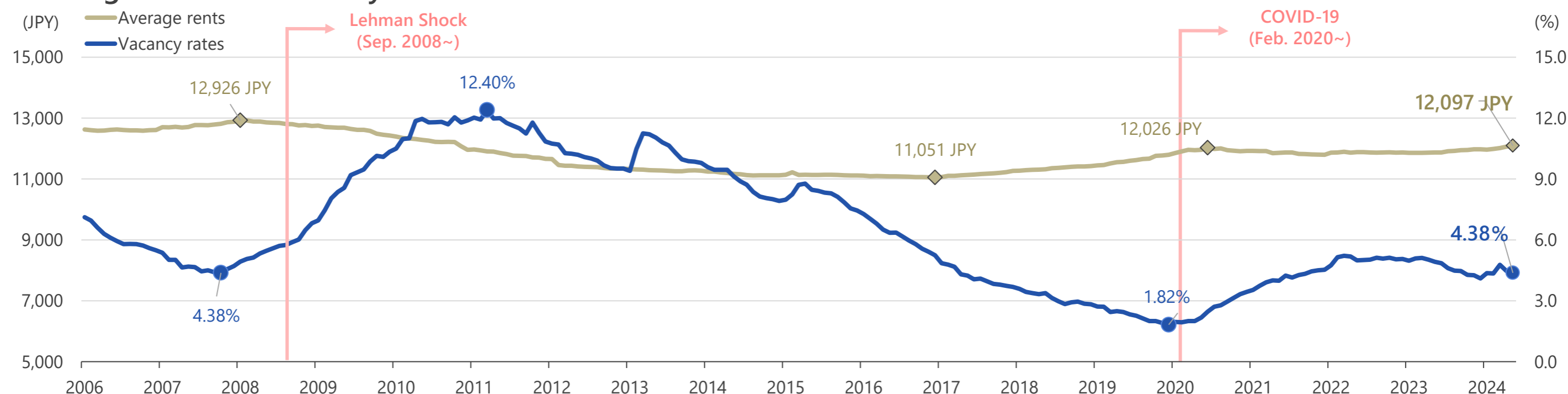
Office Building: Market Trends

Although vacancy rate declined to 5% level for Tokyo's business district, will need to pay close attention to the large supply impact

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" and "Average rents and vacancy rates in Osaka's business districts" are prepared by SHAM based on Office Market Data (as of May 2024) 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)

Finance



Financial Situation (1)

Conducted refinancing totaling 18.8 billion JPY to achieve an optimal balance between fixed-rate, floating-rate and borrowing period

Financial indicators

	As of the end of April 2024 (FP 19)	As of the end of October 2023 (FP 18)
Total Interest-Bearing Liabilities	257.2 billion JPY	257.2 billion JPY
Long term Debt Ratio	98.0%	98.8%
Fixed Interest Rate Debt Ratio	90.1%	93.3%
Average Period Remaining to Maturity	3.4 years	3.6 years
Average Interest Rate	0.63%	0.61%
LTV (Total Asset Basis)	45.5%	45.2%

Refinance in the fiscal period ended April 2024 (FP 19)

		Amount	Average Interest Rate	Average Borrowing Period
Repayment	Fixed-rate	18.84 billion JPY	0.65%	7.2 years
	Floating-rate	–	–	–
		Amount	Average Interest Rate	Average Borrowing Period
Procurement	Fixed-rate	10.78 billion JPY	1.18%	7.3 years
	Floating-rate	8.06 billion JPY	0.38%	2.3 years

Recent financial activities (FP 19 (from Nov. 1, 2023 to Apr. 30, 2024))

Borrowing Amount (Billion JPY)	Interest Rate	Drawdown Date	Borrowing Period (Years)
3.3	Floating Base rate (JBA 1-month JPY TIBOR +0.190%)	Nov. 30, 2023	2.0
2.6	Floating Base rate (JBA 1-month JPY TIBOR +0.190%)	Nov. 30, 2023	4.0
Green Loan 1.1	1.195%	Nov. 30, 2023	7.0
Green Loan 0.5	1.145%	Nov. 30, 2023	7.0
Green Loan 1.8	1.195%	Nov. 30, 2023	7.0
1.5	Floating Base rate (JBA 1-month JPY TIBOR +0.170%)	Feb. 28, 2024	1.0
Green Loan 1.5	1.255%	Feb. 28, 2024	8.5
0.6	Floating Base rate (JBA 1-month JPY TIBOR +0.170%)	Feb. 29, 2024	1.0
Green Loan 1.0	1.115%	Feb. 29, 2024	7.0
Green Loan 0.9	1.065%	Feb. 29, 2024	7.0
Green Loan 2.9	1.180%	Feb. 29, 2024	7.5
Green Loan 0.8	1.180%	Feb. 29, 2024	7.5

Sustainability finance balance

As of the end of April 2024 (FP 19)	As of the end of October 2023 (FP 18)
76.2 billion JPY	65.5 billion JPY

Credit ratings (Issuer ratings)

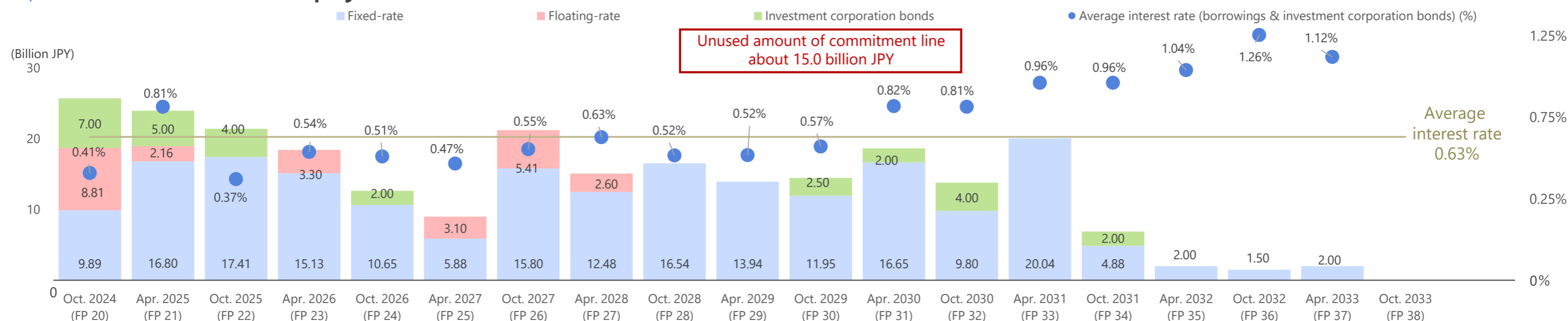
(As of the end of April 2024 (FP 19))

AA (Stable) JCR
AA- (Stable) R&I

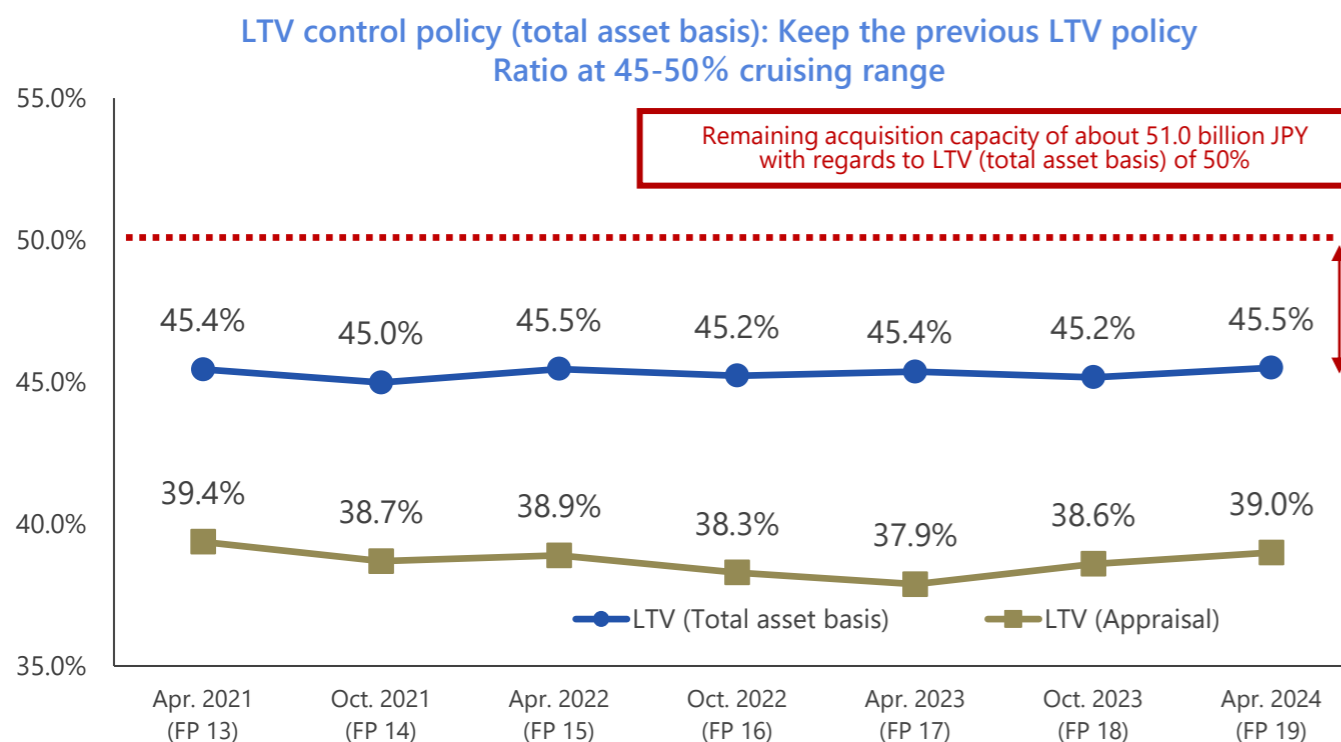
Financial Situation (2)

Appropriate control of LTV (total asset basis) at 45-50% cruising range

► Diversification of repayment deadlines (as of the end of April 2024 (FP 19))



► LTV trends (end of each fiscal period)



► Distribution of lenders (as of the end of April 2024 (FP 19))

Lender	Borrowing Amount (Billion JPY)	Ratio (%)	Lender	Borrowing Amount (Billion JPY)	Ratio (%)
MUFG Bank, Ltd.	49.5	21.7	The 77 Bank, Ltd.	3.0	1.3
Mizuho Bank, Ltd.	39.0	17.1	The Senshu Ikeda Bank, Ltd.	2.0	0.9
Sumitomo Mitsui Banking Corporation	35.9	15.7	The Shizuoka Bank, Ltd.	1.8	0.8
Sumitomo Mitsui Trust Bank, Limited	21.0	9.2	The Hiroshima Bank, Ltd.	1.8	0.8
Mizuho Trust & Banking Co., Ltd.	15.7	6.9	Aozora Bank, Ltd.	1.2	0.5
Resona Bank, Limited.	13.9	6.1	THE NISHI-NIPPON CITY BANK, LTD.	0.8	0.3
The Norinchukin Bank	12.3	5.4	The Juhachi - Shinwa Bank, Ltd.	0.5	0.2
Development Bank of Japan Inc.	11.7	5.2	The Joyo Bank, Ltd.	0.5	0.2
Nippon Life Insurance Company	5.5	2.4	Financial Institution Total	228.7	88.9
The Bank of Fukuoka, Ltd.	4.5	2.0	Investment corporation bonds	28.5	11.1
Shinkin Central Bank	4.1	1.8	Total	257.2	100
The Yamaguchi Bank, Ltd.	3.6	1.6			

* 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 ended April 2024 (FP 19) (with fixed interest rate for borrowings under interest rate swap agreements). It is calculated by 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 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: External Evaluation and Initiatives, etc. (1)

Received high external evaluation in FP 19 (Ended Apr. 2024) in recognition of continuous efforts

▶ First participation in CDP Climate Change Assessment

Received a score of **"A- (Leadership)"** in the 2023 assessment by CDP, an international environmental NGO. SHR's GHG (Greenhouse Gas) emission reduction initiatives, governance, and risk management are considered to have been particularly well received.



▶ Sustainalytics ESG Risk Ratings

Assessed to be at **Negligible Risk, the highest rank**, in ESG Risk Rating which Morningstar Sustainalytics provides for institutional investors to evaluate the industry-specific ESG risks which companies are exposed and status of management for those risks.



▶ Selected as a "Sustainability Yearbook Member" and a constituent of the "Dow Jones Sustainability Asia/Pacific Index"

In "The Sustainability Yearbook 2024", which annually evaluates companies with excellent sustainability performance, SHR was selected for the first time as a **"Sustainability Yearbook Member"**, one of the top 15% of highly rated companies in each industry. In addition, SHR was also selected for the first time as a constituent of the **"Dow Jones Sustainability Asia/Pacific Index"**.



▶ PRI (Principles for Responsible Investment) Assessment result in 2023

Acquired **"5 stars", the highest rating**, in two categories on PRI's annual assessment in 2023.

Main Assessment Points

- Policy Governance and Strategy
- Direct – Real estate
- Confidence building measures



ASSESSMENT REPORT :

https://sekisuihouse-reit.co.jp/assets/esg/pdf/PRI_Assessment_Report.pdf

PRIVATE TRANSPARENCY REPORT :

https://sekisuihouse-reit.co.jp/assets/esg/pdf/PRI_Transparency_Report.pdf

Signatory of:



ESG: External Evaluation and Initiatives, etc. (2)

Initiatives

PRI
(Principles for
Responsible Investment)

Signatory of:



Advance



TCFD
(Task Force on Climate-related
Financial Disclosures)



Science Based Targets
Initiative (SBTi) Validation



Expressed Support
for the UN Global Compact



* These are Initiatives of SHR, SHAM and Sekisui House Group.

External Evaluation

FP 19

CDP Climate
Change Assessment



A-

MSCI ESG Rating



GRESB Assessment



FP 19

Sustainalytics
ESG Risk Ratings



Negligible Risk

FP 19

S&P Global
Sustainability Yearbook Member



ESG Index

MSCI Japan ESG Select Leaders Index

2024 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

FP 19

Dow Jones
Sustainability Index

Member of
Dow Jones
Sustainability Indices

Powered by the S&P Global CSA

FTSE4Good
Index Series



FTSE4Good

ESG: ZEH (Net Zero Energy House)

Acquired the first ZEH property to be owned by SHR in FP 19 (Ended Apr. 2024) and will actively acquire more ZEH properties in the future

▶ Prime Maison Asakusa EAST <ZEH-M Oriented >



28% reduction in energy consumption for this residential building. It is a third-party certification based on the notification of the Ministry of Land, Infrastructure, Transport and Tourism dated December 17, 2021.

▶ Characteristics of Prime Maison Asakusa EAST

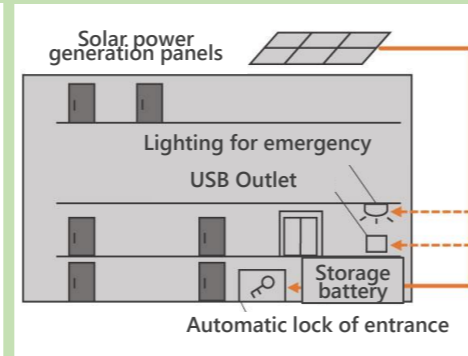
- ✓ Performance for energy conservation (compared to primary energy consumption)
 - Entire building: reduces the energy consumption by 28%
 - Each unit: reduces the energy consumption by 21% to 36%
- ✓ Installment of the Low-E double glazed windows with high thermal insulation capabilities
- ✓ Installment of the LED lighting resulting the reduction of the power consumption
- ✓ Solar power generation supplements partial electricity supply for common areas
- ✓ Stockpiling power for emergencies by installment of energy storage systems



Solar power generation



Emergency power supply by storage batteries



Automatic lock even during emergencies

About "ZEH-M Oriented"

ZEH-M Oriented refers to "a condominiums that aim to realize significant energy savings while maintaining indoor environmental quality through the introduction of highly efficient facilities, as well as greatly improving insulation performance, etc. and reducing primary energy consumption by 20% or more throughout the condominium, including common areas".

Prime Maison Asakusa East received a 5-star rating, the highest rank in "BELS", and acquired the certification for ZEH-M.

*BELS (Building-Housing Energy-efficiency Labeling System) is a system which a third-party organization evaluates and discloses the performance for energy conservation of buildings based on the "Act on the Improvement of Energy Consumption Performance of Building (Building Energy Efficiency Act)".

▶ Main developments of ZEH properties by Sekisui House

	Property Name (Including Temporary Name)	Location	Units (Planned)	Total Floor Area (m ²) (Planned)
Completed Residentials 6 properties (601 units)	Prime Maison Morishita WEST	Koto-ku, Tokyo	144	7,061.54
	Prime Maison Kiyosumishirakawa	Koto-ku, Tokyo	75	2,999.69
	Prime Maison Kamata	Ota-ku, Tokyo	141	5,793.71
	Prime Maison Nihonbashibakurocho	Chuo-ku, Tokyo	45	2,076.31
	Prime Maison Yoga Kinutakoen	Setagaya-ku, Tokyo	122	6,303.39
	Prime Maison Iriya	Taito-ku, Tokyo	74	3,533.01
Residentials Under Construction 4 properties (394 units)	Prime Maison Kiyosumi	Koto-ku, Tokyo	42	1,459.00
	Prime Maison Kinshicho	Sumida-ku, Tokyo	85	3,976.00
	Prime Maison Nishishinjuku	Shinjuku-ku, Tokyo	104	4,344.00
	Prime Maison Minamiazabu	Minato-ku, Tokyo	163	18,582.90
Residentials Under Planning 7 properties	All properties are located in Tokyo 23 wards			

* The figures for "Performance for energy conservation (compared to primary energy consumption)" are evaluated by BELS.

* As of the date of this document, SHR has no specific plans to acquire the unacquired assets described on "Main developments of ZEH properties by Sekisui House". In addition, acquisition by SHR is not obligated nor guaranteed.

Appendix



Trends of Major Management Indexes

Fiscal Period Month/Year		FP 15 Apr. 2022	FP 16 Oct. 2022	FP 17 Apr. 2023	FP 18 Oct. 2023	FP 19 Apr. 2024
Operating days	days	181	184	181	184	182
Profit from real estate leasing business	million JPY	14,756	15,082	15,358	15,384	15,216
Gain or loss on sale of real estate properties/Impairment loss	million JPY	–	710	–	1,097	(1,378)
Leasing NOI	million JPY	11,354	11,380	11,442	11,425	11,140
Depreciation	million JPY	2,489	2,573	2,627	2,637	2,707
Net income	million JPY	6,745	7,204	6,637	7,408	4,954
Capital expenditures	million JPY	700	722	896	1,016	1,026
Total assets	million JPY	579,931	570,999	569,205	569,478	565,030
Total interest-bearing liabilities	million JPY	263,642	258,242	258,242	257,242	257,242
LTV (total asset basis)	%	45.5	45.2	45.4	45.2	45.5
LTV based on appraisal value	%	38.9	38.3	37.9	38.6	39.0
Net assets	million JPY	298,782	294,484	293,617	293,226	289,526
Total distributions	million JPY	7,524	7,509	7,803	8,657	9,179
ROE (annualized)	%	4.6	4.8	4.6	5.0	3.4
DSCR (Debt service coverage ratio)	times	13.6	13.8	14.4	13.4	12.7
FFO (Funds from operations)	million JPY	9,236	9,068	9,266	8,951	9,042
AFFO (Adjusted funds from operations)	million JPY	8,535	8,346	8,369	7,934	8,016
FFO pay out ratio	%	81.5	82.8	84.2	96.7	101.5
Total number of investment units issued	units	4,431,133	4,381,482	4,381,482	4,381,482	4,381,482
Net asset per unit	JPY	67,428	67,211	67,013	66,924	66,079
NAV per unit	JPY	87,809	89,088	90,921	86,983	85,713
Net income per unit	JPY	1,522	1,636	1,514	1,690	1,130
DPU (Distributions per unit)	JPY	1,698	1,714	1,781	1,976	2,095
FFO per unit	JPY	2,084	2,069	2,114	2,043	2,063
Reversal of internal reserve	million JPY	778	305	1,105	–	–
Reversal of RTA	million JPY	187	222	194	–	–
Internal reserve at the end of the period (after cash distributions paid)	million JPY	1,410	1,105	–	–	–
Period-end investment unit price (closing price)	JPY	76,200	80,100	77,100	79,600	81,000
Implied cap rate (based on period-end investment unit price)	%	3.9	3.8	4.0	3.9	3.9
Number of owned properties at period-end	units	119	120	120	120	131
Total acquisition price	million JPY	563,886	554,466	554,466	548,726	529,331
Total appraisal value	million JPY	647,973	643,093	650,544	627,534	604,559
Unrealized capital gains	million JPY	97,835	103,366	112,554	96,548	95,206
Unrealized capital gains as a percentage of portfolio value	%	17.8	19.2	20.9	18.2	18.7

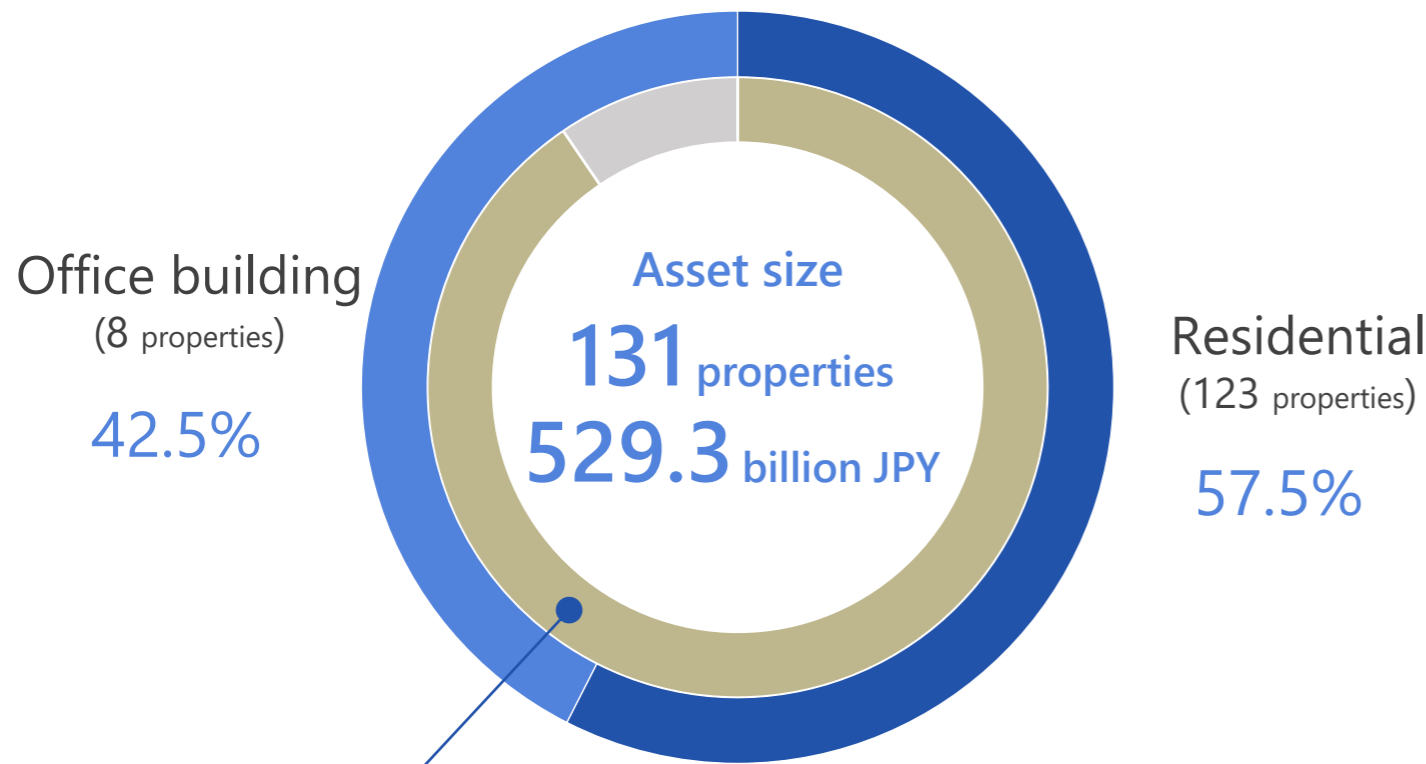
- Leasing NOI = Property-related operating revenue - Property-related operating expenses + Depreciation
- Total asset LTV = Total interest-bearing liabilities ÷ Total asset × 100
- LTV based on appraisal value = Total interest-bearing liabilities ÷ (Total assets + Unrealized capital gains) × 100
- ROE = 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 +/- Gain or loss on sale of real estate properties + Impairment loss) ÷ interest expense
- "Gain or loss on sale of real estate properties" and "FFO" are stated after taking into account impairment losses.


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

SHR's Portfolio

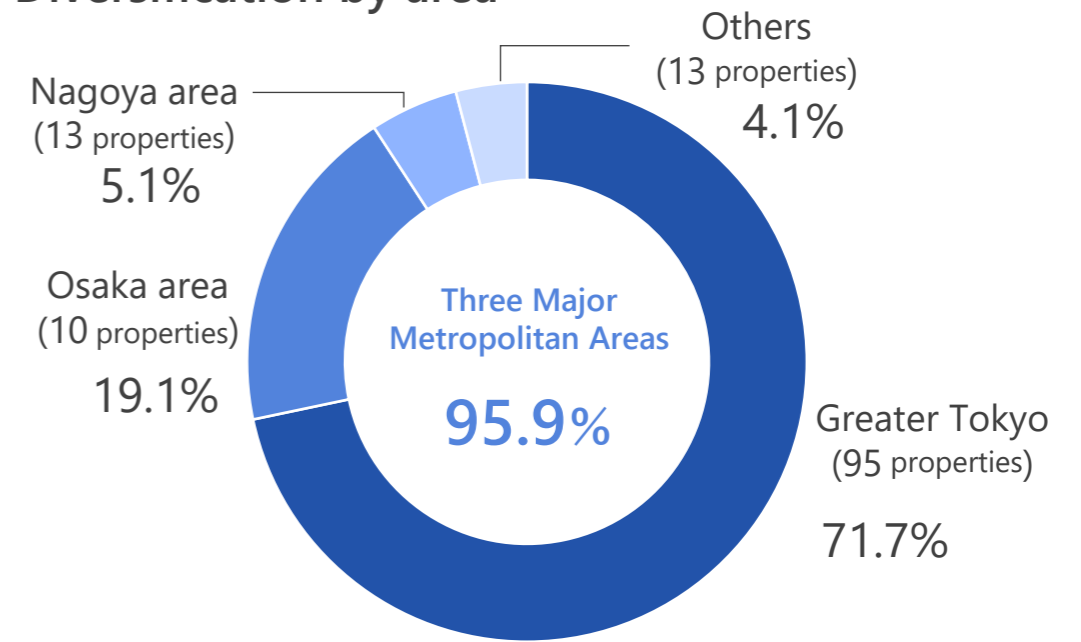
▶ Diversification of SHR's Portfolio (As of the end of Apr. 2024 (FP 19) / Acquisition price basis)

■ Diversification by asset type



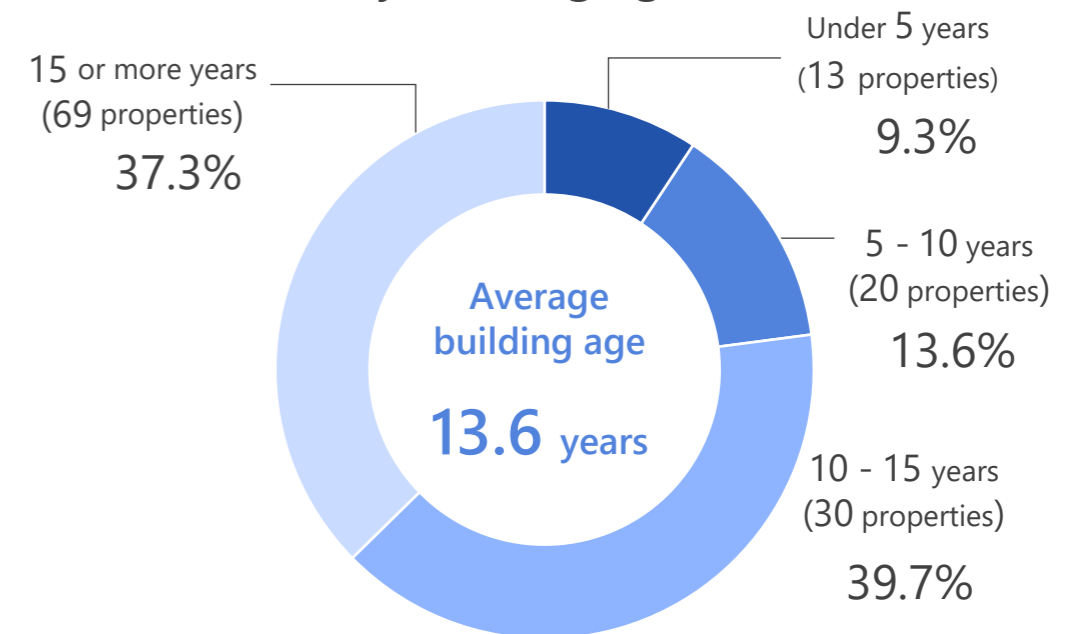
	Acquisition from Sekisui House Group 76.0% 402.4 billion JPY / 73 properties
	Sekisui House, Ltd. 361.3 billion JPY / 59 properties

■ Diversification by area



Three Major Metropolitan Areas by assets	
Residential	92.8%
Office building	100.0%

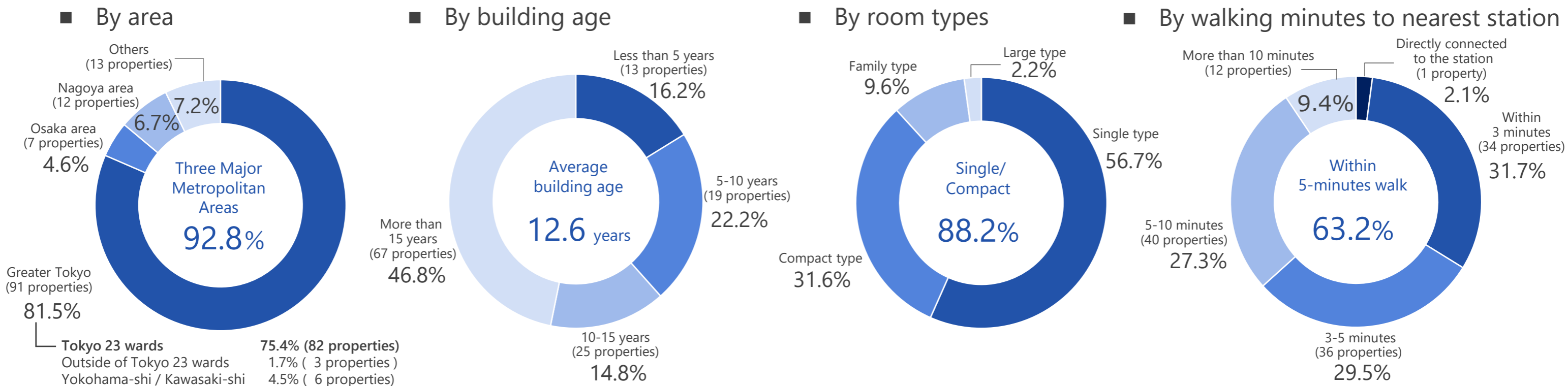
■ Diversification by building age



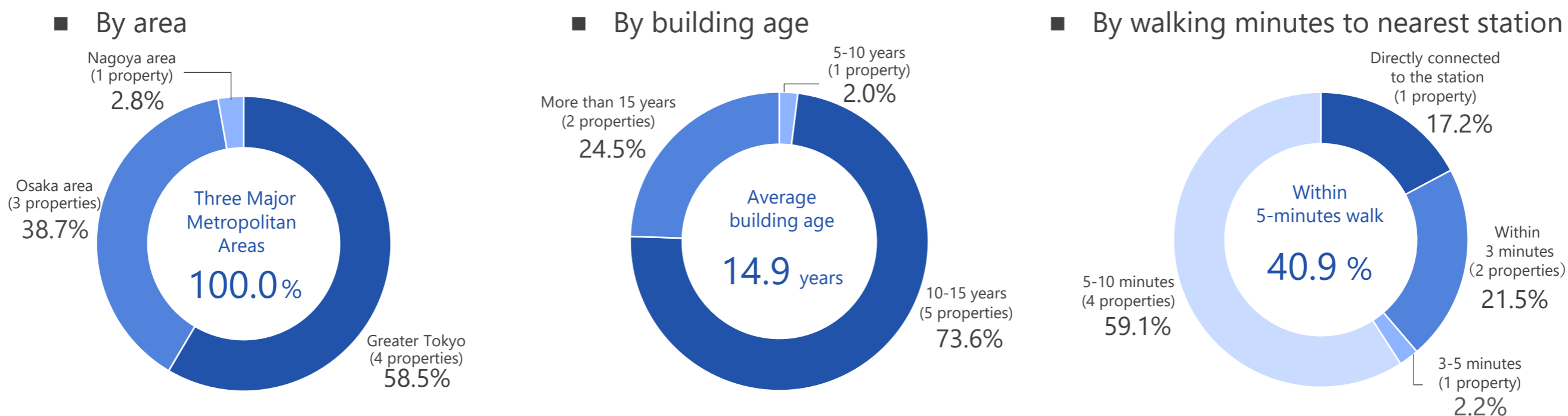
Average building age by assets	
Residential	12.6 years
Office building	14.9 years

Portfolio Structures by Asset Type

▶ Diversification of the residential portfolio (As of the end of Apr. 2024 (FP 19) / Acquisition price basis (By room types is "number of room" basis))



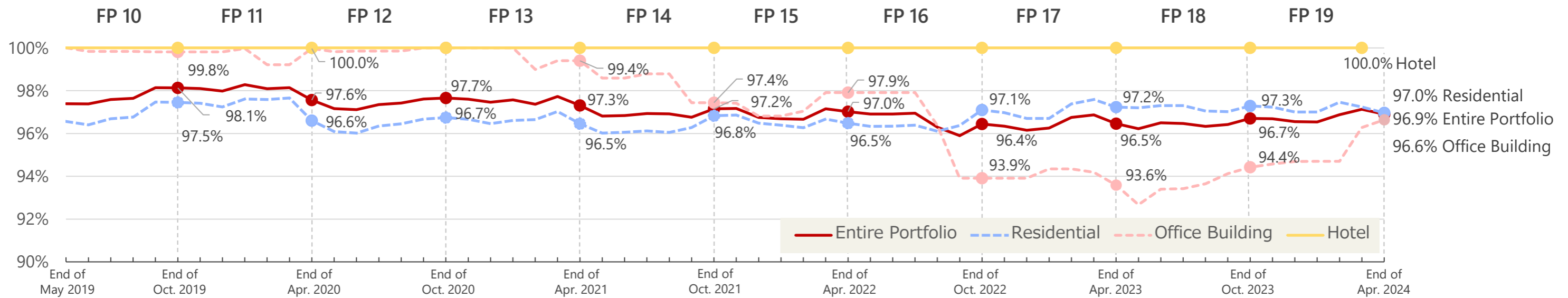
▶ Diversification of the office building portfolio (As of the end of Apr. 2024 (FP 19) / Acquisition price basis)



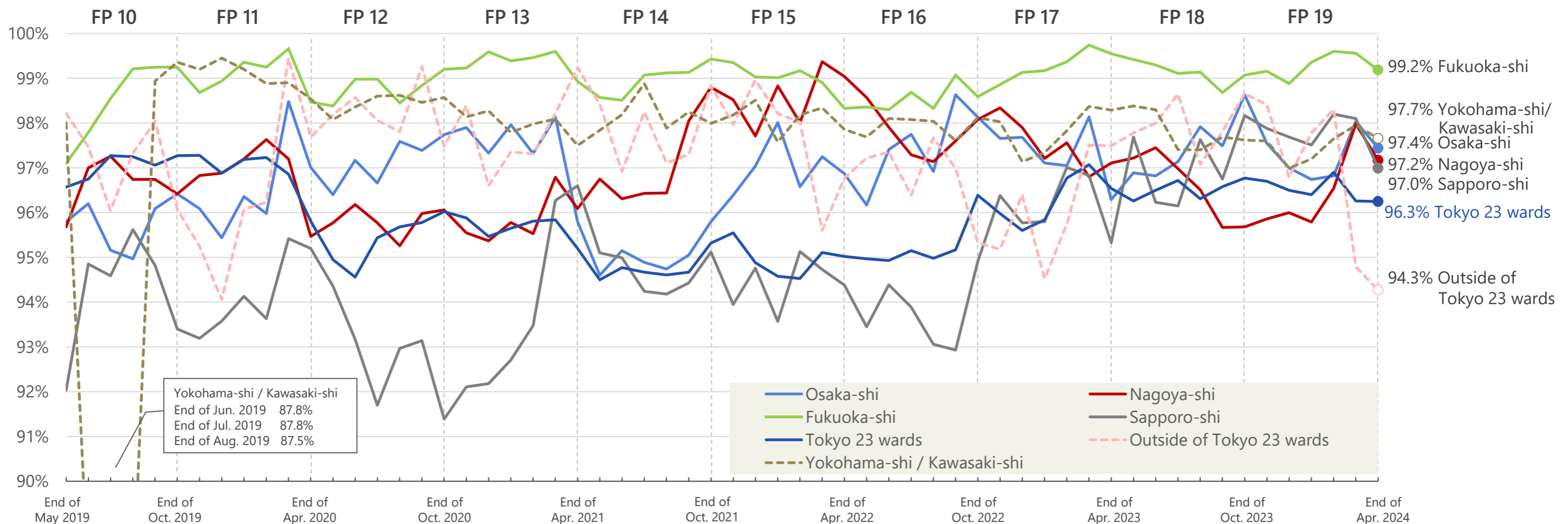
* Diversification by room types is calculated for residential properties excluding properties which is on a fixed-rent master lease, single building rental properties, etc., and retail and office portion.

Occupancy Rate by Asset Type/Residential: Occupancy Rate by Area

Monthly trends in occupancy rate by asset type



Residential: monthly trends of occupancy rate by area

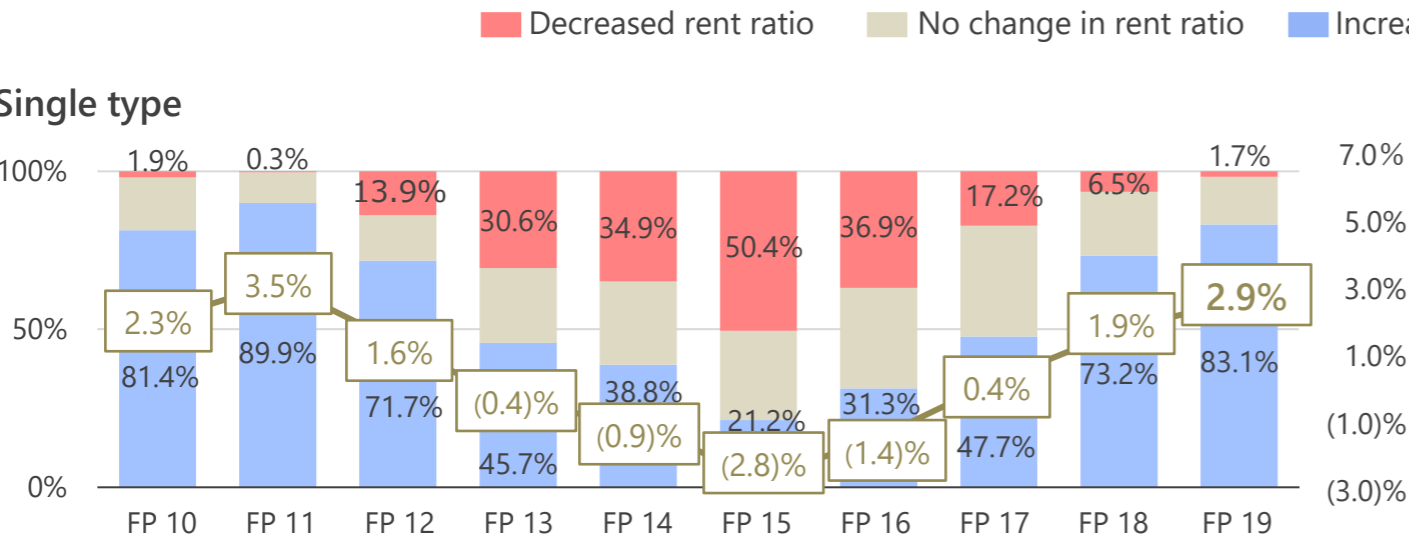


* The occupancy rate is the ratio of the total leased area to the total leasable area of the operating assets per asset type owned by SHR at the end of each month from May 2019 to April 2024.

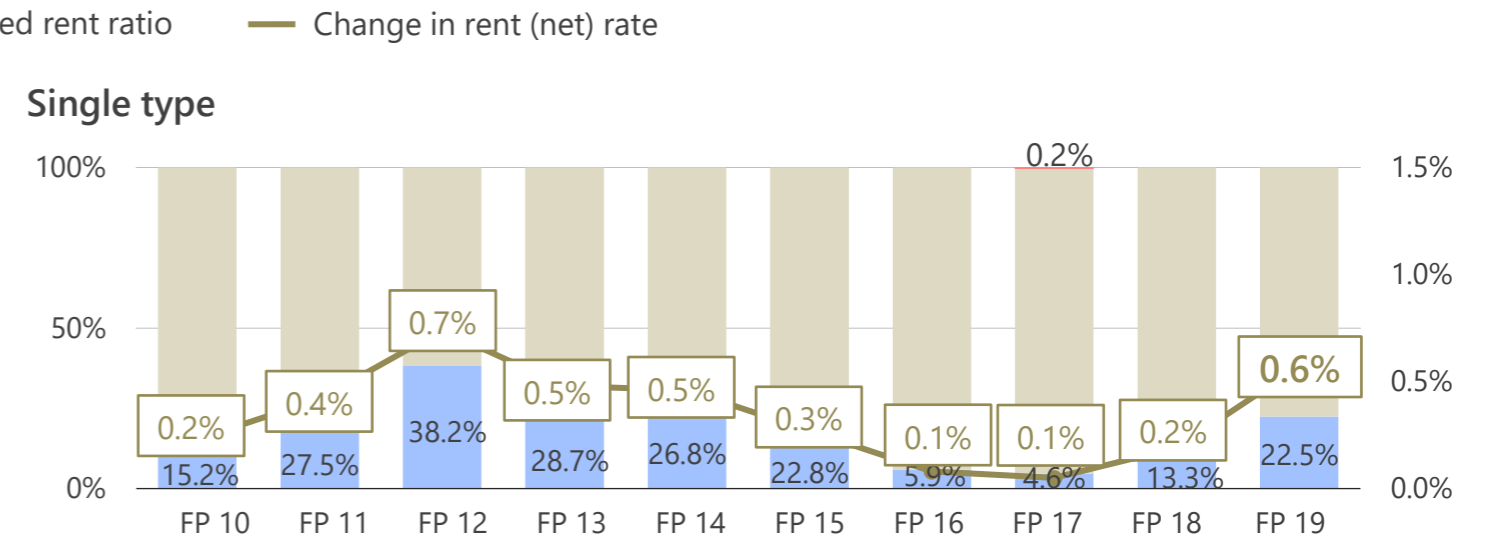
* Occupancy rate of Hotel is 100% as each hotels currently owned or owned in the past are leased as to one tenant as the entire building. This differs from the operating occupancy rate.

Residential: Detail of Rent Trends (1)

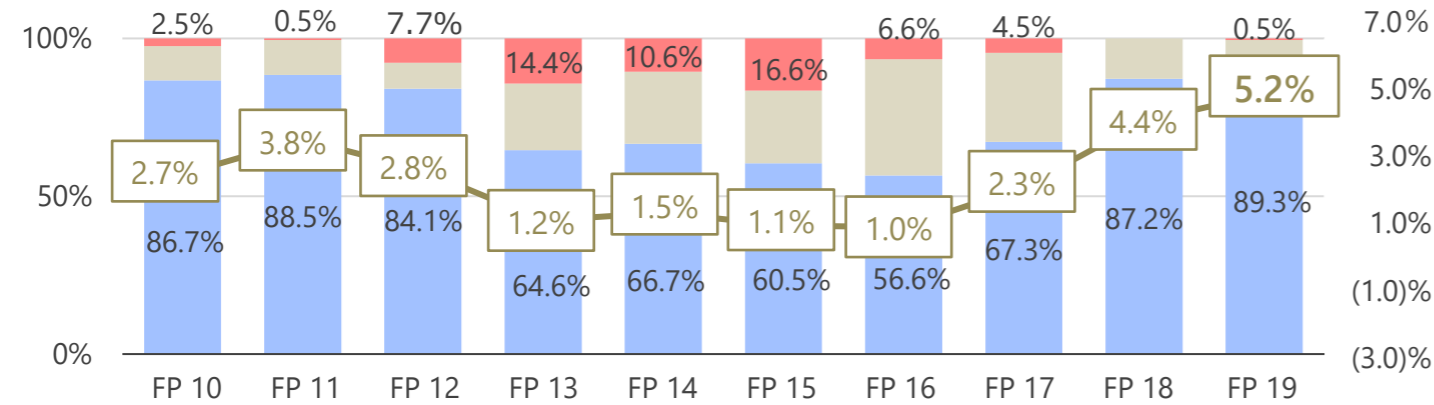
▶ Rent trend in new contract (Tokyo 23 wards / by room type)



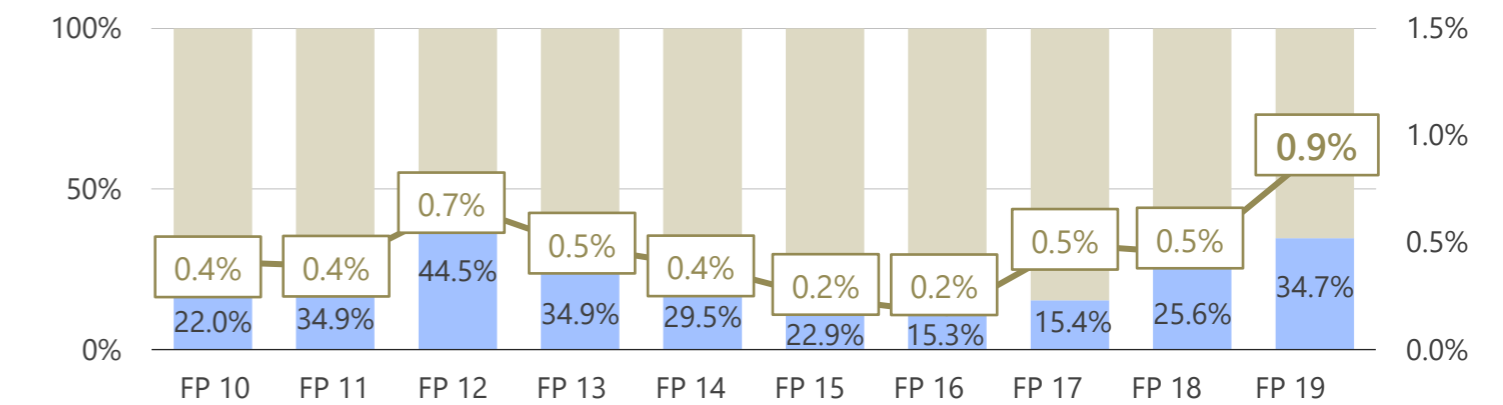
▶ Rent trend in renewal contract (Tokyo 23 wards / by room type)



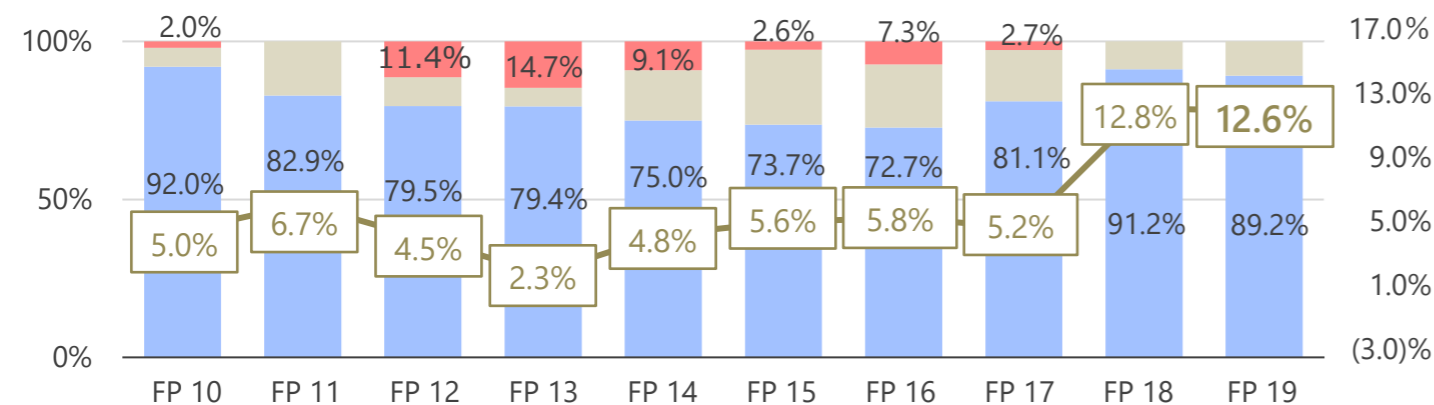
Compact type



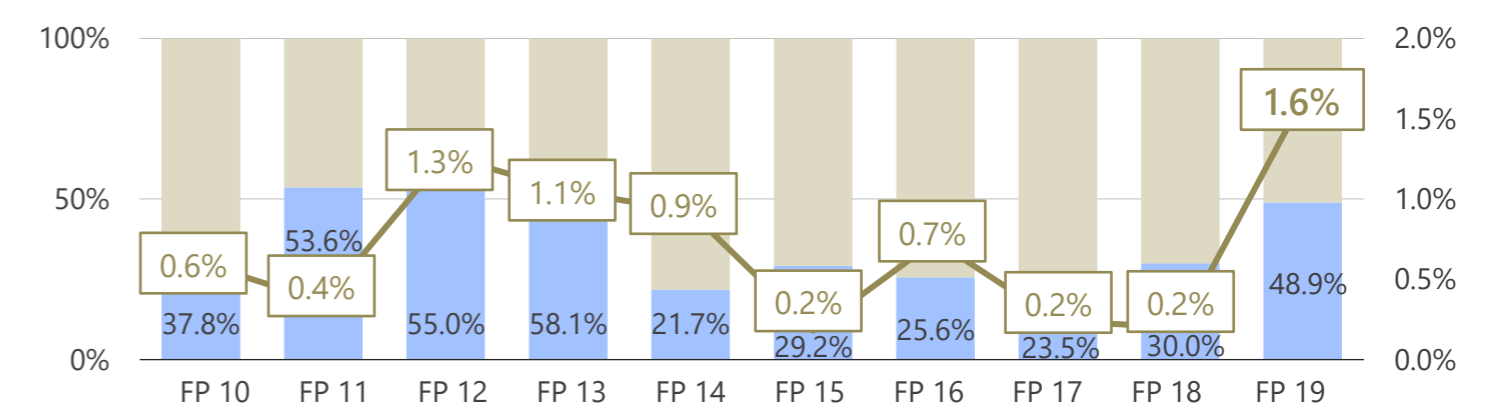
Compact type



Family type / Large type



Family type / Large type

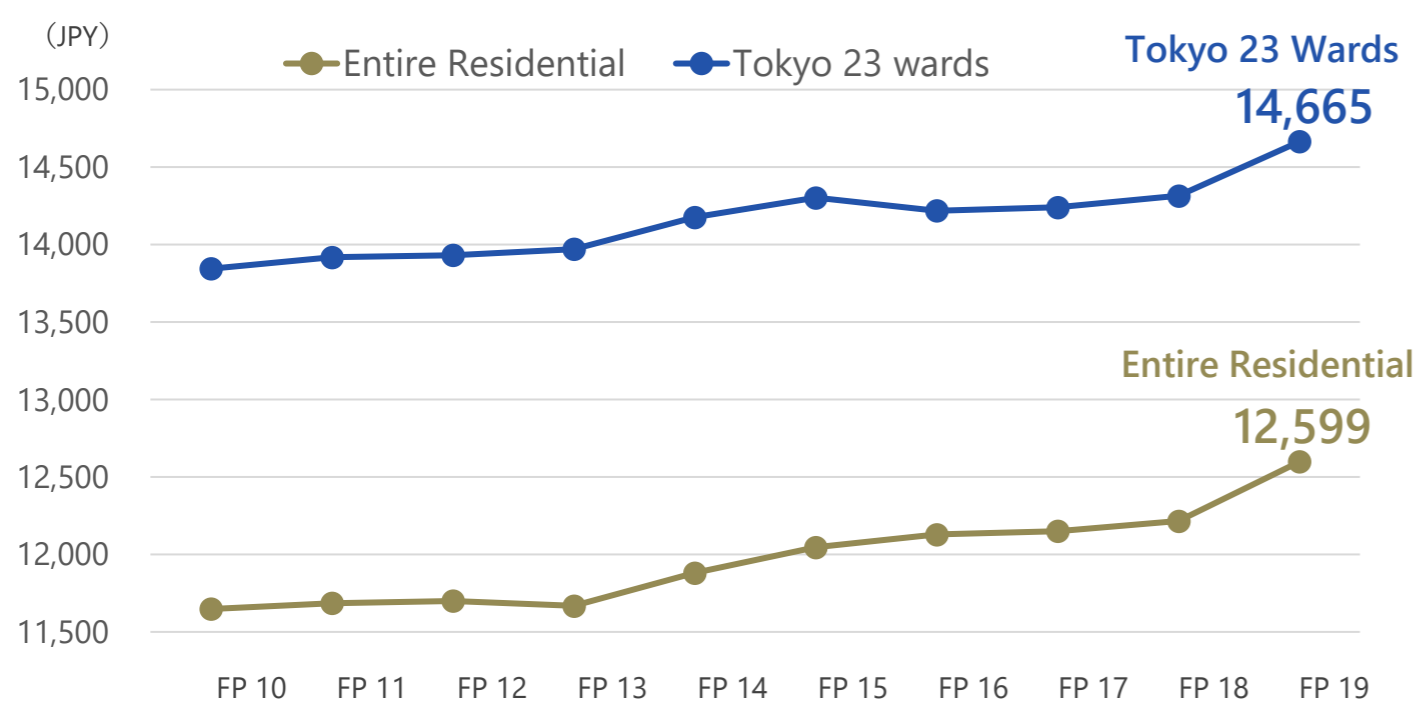


Residential: Detail of Rent Trends (2)

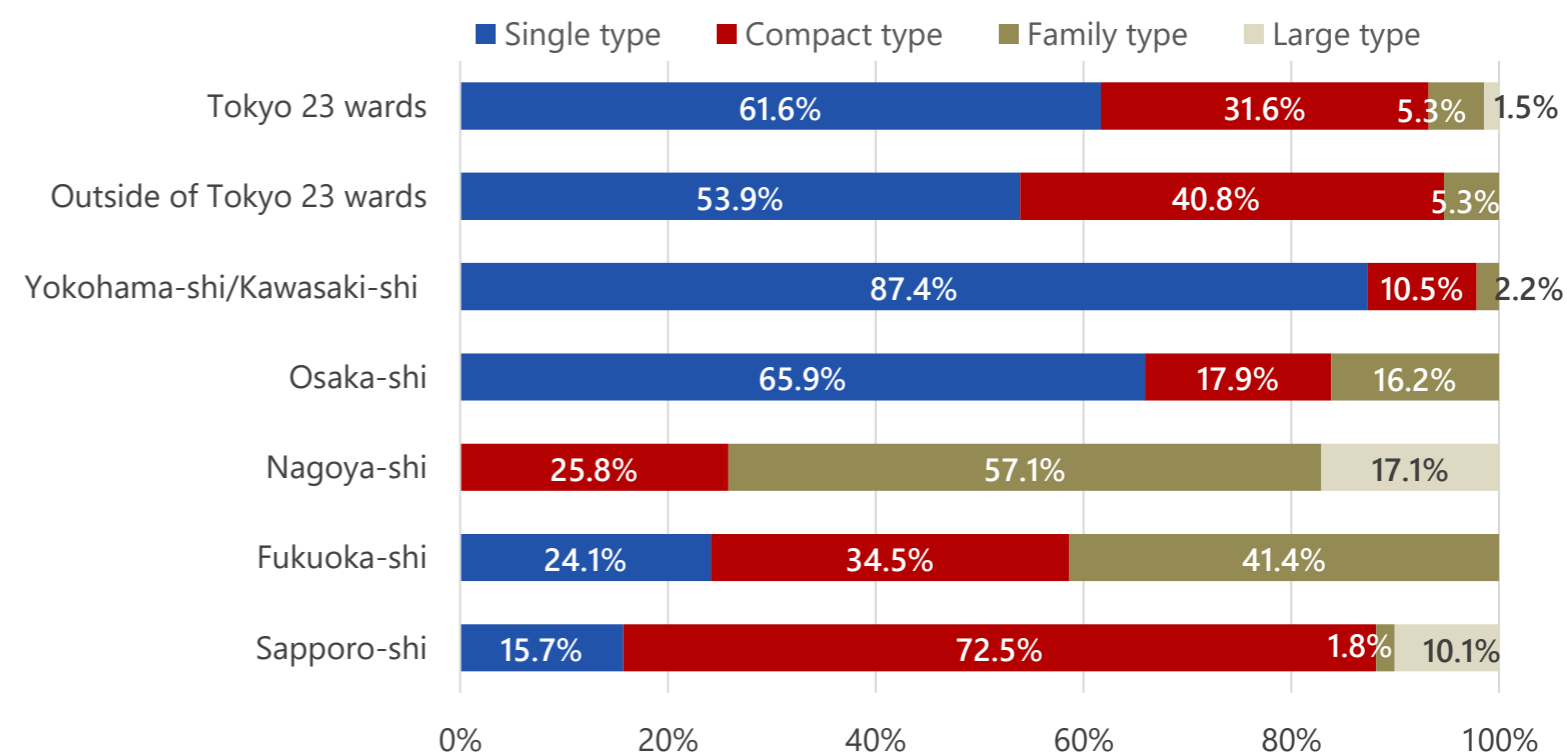
▶ By room types: rent trends in new contracts as of the end of April 2024 (FP 19)

	FP ended Apr. 2024 (FP 19) Unit rent per tsubo	Number of new contracts (cases)	Change in rent (Net) (thousand JPY)	Ratio of change in rent (Net) (%)	By Room Type							
					Change in rent (Net) (thousand JPY)	Ratio of change in rent (Net) (%)	Change in rent (Net) (thousand JPY)	Ratio of change in rent (Net) (%)	Change in rent (Net) (thousand JPY)	Ratio of change in rent (Net) (%)	Change in rent (Net) (thousand JPY)	Ratio of change in rent (Net) (%)
					Single type		Compact type		Family type		Large type	
Greater Tokyo	14,375 JPY / tsubo	868	+5,367	+5.2	+1,524	+3.0	+2,070	+5.4	+966	+9.6	+807	+19.1
Tokyo 23 wards	14,665 JPY / tsubo	806	+5,082	+5.2	+1,381	+2.9	+1,947	+5.2	+947	+9.8	+807	+19.1
Outside of Tokyo 23 wards	10,000 JPY / tsubo	19	+163	+8.2	+43	+4.8	+109	+12.0	+11	+5.9	—	—
Yokohama-shi / Kawasaki-shi	12,106 JPY / tsubo	43	+122	+3.0	+100	+2.8	+14	+4.0	+8	+3.7	—	—
Major Cities Nationwide	7,173 JPY / tsubo	153	+473	+2.7	+194	+4.9	+187	+3.4	+80	+1.3	+12	+0.6
Osaka-shi	9,041 JPY / tsubo	36	+190	+5.7	+117	+5.2	+45	+7.6	+28	+6.1	—	—
Nagoya-shi	7,676 JPY / tsubo	54	(3)	(0.0)	—	—	(28)	(1.3)	+16	+0.3	+9	+0.6
Fukuoka-shi	5,417 JPY / tsubo	38	+175	+6.0	+59	+5.3	+80	+7.6	+36	+4.8	—	—
Sapporo-shi	7,210 JPY / tsubo	25	+111	+4.1	+18	+3.0	+90	+5.5	—	—	+3	+0.6
Total	12,599 JPY / tsubo	1,021	+5,840	+4.8	+1,718	+3.1	+2,257	+5.1	+1,046	+6.5	+819	+13.0

▶ Trends of unit rent per tsubo



▶ Diversification of room types (number of room basis)



* The "Trends of unit rent per tsubo" is calculated for residential properties excluding properties which is on a fixed-rent master lease, single building rental properties, etc., and retail and office portion.

Office Building: Tenant Profile

▶ **End tenant diversification** (based on 88 end tenants in total of overall office building portfolio)

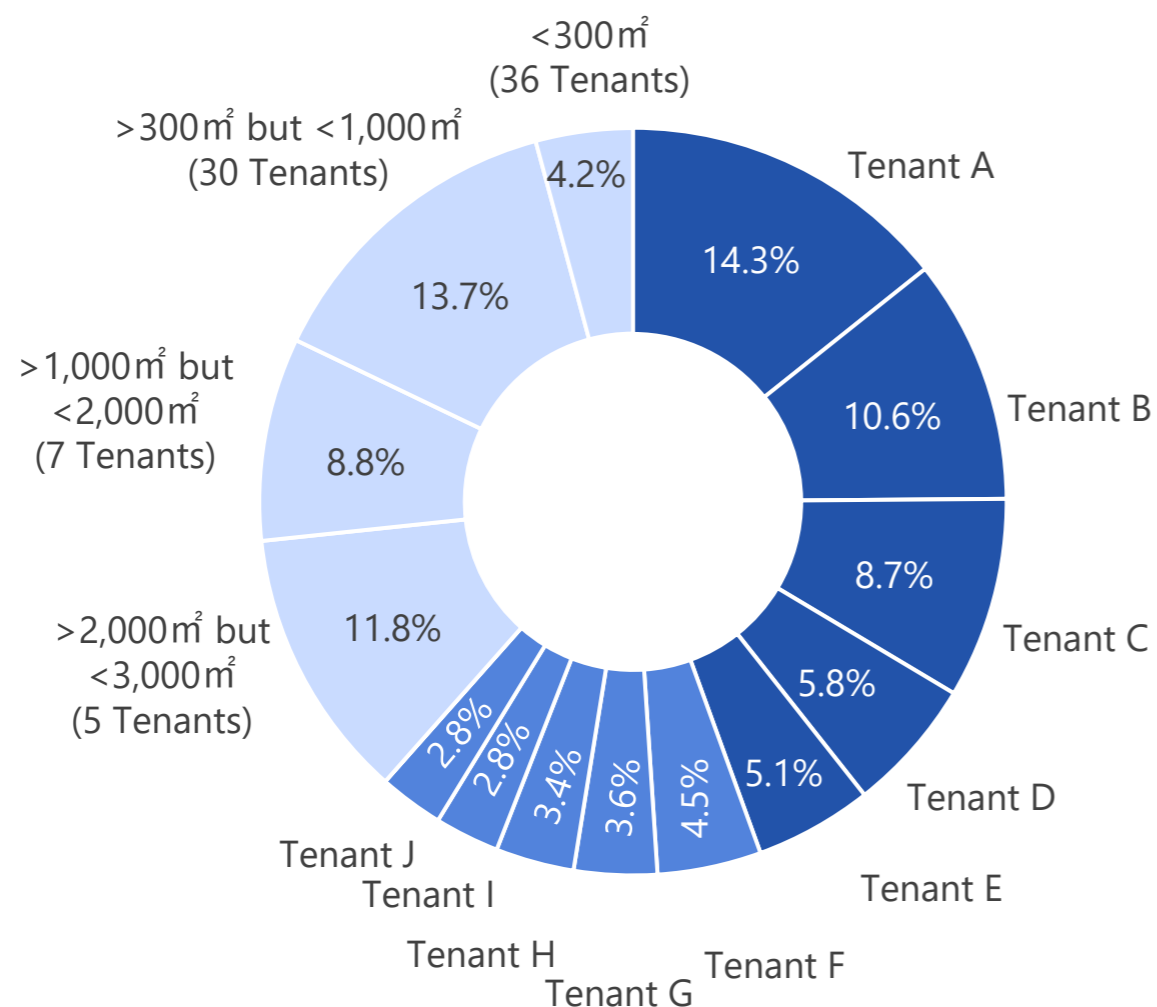
■ **Top 5 tenants by leasable area 44.4%**

Tenant	Industry	Leasable area	Property
A	IT	15,999.98 m ²	Gotenyama SH Bldg.
B	Retail (wholesale)	11,769.00 m ²	Hommachi GC
C	Finance & Insurance	9,690.83 m ²	Hommachi Minami GC
D	Finance & Insurance	6,432.10 m ²	GC Shinagawa Gotenyama
E	Finance & Insurance	5,667.16 m ²	Hommachi Minami GC

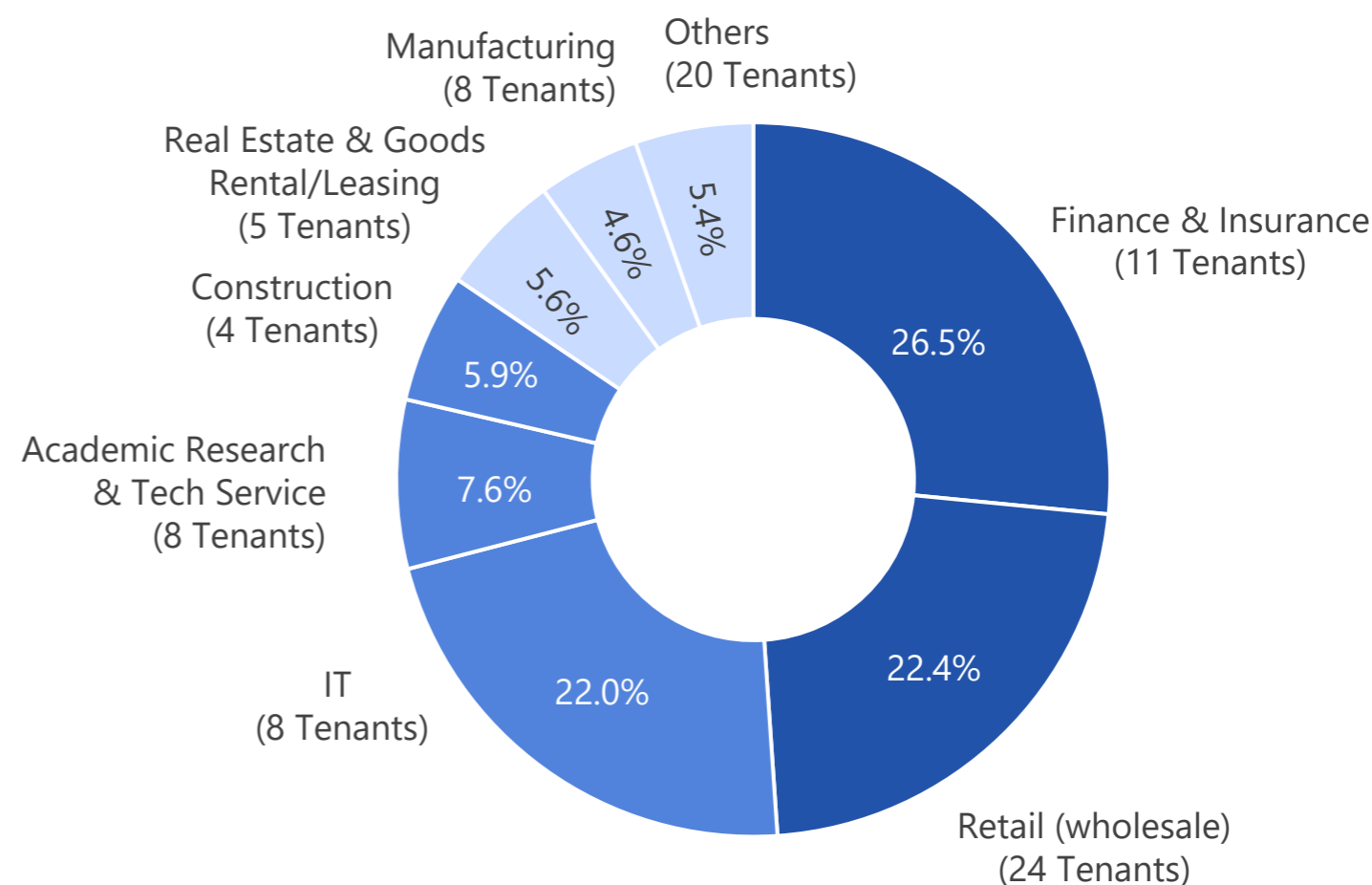
■ **Top 10 tenants by leasable area 61.5%**

Property	% of portfolio	Tenant(s)
Hommachi Minami GC	18.2 %	Tenants C, E, and F
Gotenyama SH Bldg.	14.3 %	Tenant A
Hommachi GC	10.6 %	Tenant B
Akasaka GC	9.9 %	Tenants G, H, and I
GC Shinagawa Gotenyama	5.8 %	Tenant D
Hirokoji GA	2.8 %	Tenant 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 19.
 * The industry classification of end tenants is created by SHAM based on the "Japan Standard Industrial Classification".

ESG: Materiality and KPI

For details of specific initiatives and achievements, please refer to [ESG special website](#) on SHR's website

	Materiality	Target (KPI)
Environment	Promoting response to climate change	<ul style="list-style-type: none"> Reduce GHG emissions Medium term target by 2030 : Reduce 42% of Scope 1 and Scope 2 emissions of portfolio compared to 2021 Long term target by 2050 : Achieve net zero Calculate and reduce Scope 3 emissions Reduce 10% energy consumption intensity by 2028 compared to 2018 Achieve 70% or more of the portfolio with green lease agreement by 2030
	Conservation of Natural Capital, Coexistence of Humankind and Nature, and Activities for the Resources Environment	<ul style="list-style-type: none"> Promote greening and manage planting meant to respect biodiversity Obtaining certifications related to biodiversity No increasing waste emission intensity compared to 2018 Reduce 5% water use intensity by 2030 compared to 2018
	Investing in real estate with excellent environmental performance	<ul style="list-style-type: none"> Maintain 70% or more of portfolio with green certification Acquire and keep owning 5 ZEH properties or more by 2030
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) Monitor periodically earthquake and flood damage risks(twice/year), and promote initiatives to reduce the identified risks Monitor periodically ESG initiatives of the supply chain including property management company and promote collaborative initiatives
	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
	Creating a rewarding workplace	<ul style="list-style-type: none"> Percentage of female managers: 7% or more Average monthly work hours per person: 162 hours or less Take-up rate for male childcare leave: 100% Annual paid leave take-up rate: 70% or more Number of annual external training courses attended per person: 3 times or more 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 board of directors of SHR and SHAM 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)
	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

Portfolio Development Policy

▶ Investment Ratio by Asset Category

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	Portfolio Investment Ratio (Acquisition Price Basis)	As of the Date of This Document
Residential	70~100%	68.5%
Office building, etc.	0~30%	31.5%

* As a result of acquisition, disposition, or merger, etc., of investment target assets, the ratio may temporarily differ from the above ratio.

▶ Investment ratio for residential properties by geographical area

Category		Investment Ratio by Area (Acquisition Price Basis)		As of the Date of This Document	
		Including Overseas	Only Domestic	Including Overseas	Only Domestic
Domestic	Greater Tokyo « priority investment area »	70% or more	70% or more	85.6%	81.5%
	Major cities		30% or lower		18.5%
Overseas	U.S.	30% or lower	—	14.4%	—

▶ Investment ratio for commercial properties by geographical area

Category	Investment Ratio by Area (Acquisition Price Basis)	As of the Date of This Document
Three major metropolitan areas (Greater Tokyo, Osaka, Nagoya) « priority investment area »	80% or more	100.0%
Others	20% or lower	0.0%

Portfolio List (1)

(As of the end of Apr. 2024 (FP 19))

Property No.	Property name	Location	Acquisition price (million JPY)	Leasable area (㎡)	Occupancy rate (%)	Completion date	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	
O-001	Garden City Shinagawa Gotenyama	Shinagawa-ku, Tokyo	35,255	18,903.22	86.9	Feb. 2011	29,000	(37,700)	29,874	(874)	29,700	3.1	—	28,700	2.9	—	3.3	—	934
O-002	Gotenyama SH Building	Shinagawa-ku, Tokyo	41,200	15,999.98	100.0	Feb. 2011	50,600	(6,500)	39,126	11,473	51,900	3.2	—	50,100	3.2	—	3.4	—	1,643
O-003	Hommachi Minami Garden City	Osaka-shi, Osaka	44,000	29,657.53	98.7	Feb. 2011	55,100	500	41,564	13,535	56,700	3.4	(0.1)	54,400	3.1	(0.1)	3.6	(0.1)	1,976
O-004	Hommachi Garden City (Office bldg. portion)	Osaka-shi, Osaka	38,600	17,006.94	100.0	May 2010	41,800	(2,400)	35,523	6,276	42,500	3.4	0.1	41,100	3.1	—	3.6	0.1	1,487
O-005	HK Yodoyabashi Garden Avenue	Osaka-shi, Osaka	4,400	4,554.52	100.0	Jul. 2015	6,330	—	4,144	2,185	6,500	3.5	—	6,260	3.6	—	3.7	—	233
O-006	Hirokoji Garden Avenue	Nagoya-shi, Aichi	6,350	4,442.75	100.0	Mar. 2011	7,380	(70)	6,072	1,307	7,490	3.8	—	7,330	3.6	—	4.0	—	291
O-007	Akasaka Garden City	Minato-ku, Tokyo	50,000	21,735.42	95.3	Jan. 2006	50,200	(2,600)	49,893	306	53,500	3.1	—	48,800	2.9	—	3.3	—	1,653
O-008	Shinjuku Hirose Building	Shinjuku-ku, Tokyo	5,000	3,120.48	100.0	Jun. 1985	5,110	5,110	5,039	70	5,320	3.1	—	5,020	3.2	—	3.3	—	169
Office building Subtotal			224,805	115,420.84	96.6	—	245,520	(43,660)	211,238	34,281	253,610	—	—	241,710	—	—	—	—	8,388
R-001	Esty Maison Ginza	Chuo-ku, Tokyo	6,540	5,515.43	96.9	Feb. 2005	8,200	90	6,577	1,622	8,500	3.1	—	8,070	3.3	—	3.3	—	272
R-002	Esty Maison Azabunagasaka	Minato-ku, Tokyo	1,790	2,019.10	100.0	Jan. 2004	2,030	(60)	1,756	273	2,090	3.3	0.1	2,000	3.4	0.1	3.5	0.1	73
R-003	Esty Maison Ebisu II	Shibuya-ku, Tokyo	2,040	2,062.10	94.1	Jun. 2003	2,520	—	2,020	499	2,590	3.3	—	2,490	3.4	—	3.5	—	89
R-004	Esty Maison Ebisu	Shibuya-ku, Tokyo	873	781.02	96.1	Oct. 2004	989	18	913	75	1,020	3.1	—	975	3.2	—	3.3	—	34
R-005	Esty Maison Kanda	Chiyoda-ku, Tokyo	1,610	1,706.54	98.7	Feb. 2004	2,000	(40)	1,522	477	2,060	3.3	0.1	1,980	3.4	0.1	3.5	0.1	70
R-006	Esty Maison Kitashinjuku	Shinjuku-ku, Tokyo	1,590	1,881.19	97.7	Aug. 2004	1,970	10	1,505	464	2,000	3.4	—	1,950	3.4	—	3.6	—	70
R-007	Esty Maison Asakusakomagata	Taito-ku, Tokyo	2,190	2,978.28	98.2	Jul. 2004	2,690	—	2,043	646	2,740	3.4	—	2,670	3.4	—	3.6	—	97
R-008	Esty Maison Kawasaki	Kawasaki-shi, Kanagawa	2,400	3,741.01	95.9	Jul. 2004	3,120	80	2,319	800	3,180	3.5	—	3,090	3.5	—	3.7	—	116
R-010	Esty Maison Kameido	Koto-ku, Tokyo	1,580	2,279.21	99.0	Nov. 2005	1,980	10	1,442	537	2,010	3.7	—	1,960	3.5	—	3.9	—	79
R-011	Esty Maison Meguro	Meguro-ku, Tokyo	1,060	1,070.13	94.4	Nov. 2005	1,420	(10)	1,055	364	1,430	3.1	—	1,400	2.9	—	3.2	—	46
R-012	Esty Maison Sugamo	Toshima-ku, Tokyo	1,630	2,619.17	89.2	Feb. 2007	2,000	20	1,574	425	2,030	3.5	—	1,960	3.3	—	3.7	—	74
R-013	Esty Maison Kyobashi	Osaka-shi, Osaka	2,970	4,613.04	95.8	Mar. 2006	3,280	70	2,836	443	3,340	4.0	(0.1)	3,260	3.9	(0.1)	4.1	(0.1)	139
R-014	Esty Maison Hakuraku	Yokohama-shi, Kanagawa	931	1,285.83	98.2	Feb. 2006	1,020	10	870	149	1,030	3.9	—	1,010	3.7	—	4.1	—	44
R-015	Esty Maison Minamihorie	Osaka-shi, Osaka	1,060	1,804.48	100.0	Feb. 2007	1,190	(10)	1,099	90	1,210	3.8	—	1,170	3.6	—	4.0	—	50
R-016	Esty Maison Gotanda	Shinagawa-ku, Tokyo	3,110	3,871.15	94.9	Mar. 2006	3,820	60	3,003	816	3,850	3.6	—	3,800	3.3	—	3.8	—	143
R-017	Esty Maison Oisendaizaka	Shinagawa-ku, Tokyo	2,720	2,979.85	95.2	Aug. 2006	3,220	—	2,657	562	3,280	3.4	—	3,190	3.2	—	3.6	—	116
R-018	Esty Maison Shinagawa Seaside	Shinagawa-ku, Tokyo	2,050	2,602.30	95.1	Jun. 2006	2,610	10	2,101	508	2,660	3.5	—	2,550	3.3	—	3.7	—	96
R-019	Esty Maison Minamiazabu	Minato-ku, Tokyo	1,250	1,082.12	100.0	Aug. 2006	1,460	—	1,285	174	1,490	3.2	—	1,430	3.0	—	3.4	—	50
R-021	Esty Maison Kawasaki II	Kawasaki-shi, Kanagawa	1,910	2,824.86	98.4	Feb. 2007	2,510	(20)	1,840	669	2,560	3.7	—	2,460	3.5	—	3.9	—	96
R-022	Esty Maison Azabujuban	Minato-ku, Tokyo	2,690	1,755.31	96.5	Feb. 2007	3,140	—	2,698	441	3,210	3.2	—	3,060	3.0	—	3.4	—	103
R-023	Esty Maison Itabashihoncho	Itabashi-ku, Tokyo	937	1,274.49	100.0	Feb. 2007	1,070	—	954	115	1,090	3.6	—	1,050	3.4	—	3.8	—	42
R-027	Esty Maison Musashikoyama	Shinagawa-ku, Tokyo	1,050	1,176.78	100.0	Nov. 2007	1,250	—	988	261	1,270	3.6	—	1,220	3.4	—	3.8	—	47
R-028	Esty Maison Sendagi	Bunkyo-ku, Tokyo	698	897.30	92.1	Jan. 2008	842	—	666	175	859	3.6	—	825	3.4	—	3.8	—	33
R-030	Esty Maison Hakatahigashi	Fukuoka-shi, Fukuoka	2,400	9,106.08	98.3	Nov. 2007	2,870	70	2,128	741	2,900	4.1	(0.1)	2,850	4.1	(0.1)	4.2	(0.1)	131
R-033	Prime Maison Musashinonomori	Kodaira-shi, Tokyo	1,850	3,924.58	92.8	Dec. 2007	2,420	30	1,878	541	2,440	3.9	—	2,410	3.8	—	4.1	—	101
R-034	Prime Maison Higashisakura	Nagoya-shi, Aichi	1,500	3,118.11	97.3	Feb. 2008	1,820	—	1,514	305	1,850	3.9	—	1,800	3.9	—	4.1	—	77
R-035	Prime Maison Kayabakoen	Nagoya-shi, Aichi	801	2,163.98	96.1	Nov. 2006	987	(2)	801	185	999	4.1	—	982	4.1	—	4.3	—	44
R-036	Esty Maison Sangenjaya II	Setagaya-ku, Tokyo	785	894.64	100.0	Jan. 2008	986	—	749	236	1,010	3.4	—	975	3.5	—	3.6	—	36
R-037	Esty Maison Itabashi C6	Itabashi-ku, Tokyo	2,560	4,036.66	97.5	Mar. 2008	3,030	—	2,403	626	3,080	3.6	—	3,010	3.4	—	3.8	—	118
R-038	Sha Maison Stage Hakata	Fukuoka-shi, Fukuoka	2,360	9,614.80	100.0	Jan. 2005	2,810	(50)	2,228	581	2,810	4.5	0.1	2,810	3.5	—	4.9	0.2	145
R-039	Esty Maison Kinshicho	Sumida-ku, Tokyo	1,260	1,611.54	90.3	Sep. 2006	1,510	—	1,172	337	1,540	3.5	—	1,500	3.3	—	3.7	—	56
R-040	Esty Maison Musashikoganei	Koganei-shi, Tokyo	1,790	2,275.24	97.1	Feb. 2005	2,230	10	1,722	507	2,280	3.5	—	2,210	3.6	—	3.7	—	85
R-041	Prime Maison Gokiso	Nagoya-shi, Aichi	1,950	4,427.65	96.4	Oct. 2008	2,280	—	1,888	391	2,310	4.1	—	2,270	4.1	—	4.3	—	101
R-042	Prime Maison Yuhigaoka	Osaka-shi, Osaka	909	2,040.35	96.4	Feb. 2007	1,200	—	899	300	1,210	3.7	—	1,190	3.5	—	3.8	—	46
R-043	Prime Maison Kitatanabe	Osaka-shi, Osaka	601	1,798.97	96.6	Jun. 2006	768	1	598	169	773	3.9	—	762	3.7	—	4.0	—	31
R-044	Prime Maison Momochihama	Fukuoka-shi, Fukuoka	1,940	7,514.76	100.0	Feb. 1996	2,360	60	1,955	404	2,390	4.1	—	2,350	3.8	—	4.3	—	113
R-045	Esty Maison Akihabara	Taito-ku, Tokyo	1,930	2,324.65	97.4	Feb. 2006	2,230	—	1,860	369	2,250	3.5	—	2,220	3.3	—	3.7	—	84
R-046	Esty Maison Sasazuka	Shibuya-ku, Tokyo	3,340	3,701.70	95.8	Sep. 2004	3,890	—	3,345	544	3,970	3.4	—	3,850	3.2	—	3.6	—	143

Portfolio List (2)

(As of the end of Apr. 2024 (FP 19))

Property No.	Property name	Location	Acquisition price (million JPY)	Leasable area (㎡)	Occupancy rate (%)	Completion date	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			
R-047	Prime Maison Ginza East	Chuo-ku, Tokyo	6,250	6,177.20	93.6	Feb. 2006	7,400	20	6,099	1,300	7,530	3.4	—	7,350	3.2	—	3.6	—	264
R-048	Prime Maison Takami	Nagoya-shi, Aichi	1,050	2,016.79	97.2	Aug. 2008	1,180	(10)	1,033	146	1,210	4.0	—	1,170	4.1	—	4.2	—	51
R-049	Prime Maison Yadaminami	Nagoya-shi, Aichi	812	2,168.59	92.8	Jul. 2007	964	(1)	832	131	976	4.1	—	959	4.1	—	4.3	—	42
R-050	Prime Maison Teriha	Fukuoka-shi, Fukuoka	1,260	6,728.20	100.0	Aug. 2005	1,380	—	1,138	241	1,390	4.6	—	1,380	4.4	—	4.8	—	71
R-051	Esty Maison Higashishirakabe	Nagoya-shi, Aichi	1,580	4,014.07	100.0	Feb. 2006	1,880	30	1,671	208	1,910	4.1	—	1,860	4.0	—	4.3	—	82
R-052	Esty Maison Sengoku	Bunkyo-ku, Tokyo	1,360	1,498.13	100.0	Aug. 2009	1,520	—	1,315	204	1,550	3.3	—	1,510	3.1	—	3.5	—	55
R-053	Esty Maison Daizawa	Setagaya-ku, Tokyo	2,270	2,352.90	100.0	Feb. 2010	2,650	—	2,199	450	2,710	3.4	—	2,630	3.2	—	3.6	—	97
R-054	Esty Maison Togoshi	Shinagawa-ku, Tokyo	1,770	1,943.17	100.0	Jun. 2009	2,170	30	1,690	479	2,230	3.3	—	2,150	3.4	—	3.5	—	77
R-055	Esty Maison Nishitemma	Osaka-shi, Osaka	1,680	2,877.90	99.1	Nov. 2007	1,780	(110)	1,568	211	1,820	3.7	—	1,760	3.8	—	3.9	—	74
R-056	Esty Maison Shirokanedai	Shinagawa-ku, Tokyo	2,400	2,675.11	100.0	Sep. 2003	3,240	50	2,360	879	3,270	3.2	—	3,210	3.0	—	3.3	—	109
R-057	Esty Maison Higashishinjuku	Shinjuku-ku, Tokyo	1,680	1,889.50	95.9	Apr. 2009	2,200	40	1,573	626	2,260	3.3	—	2,180	3.4	—	3.5	—	78
R-058	Esty Maison Motoazabu	Minato-ku, Tokyo	1,540	1,199.86	100.0	Nov. 2009	2,060	60	1,493	566	2,120	3.1	—	2,040	3.2	—	3.3	—	68
R-059	Esty Maison Toritsudaigaku	Meguro-ku, Tokyo	861	1,035.78	81.4	Feb. 2009	1,120	40	878	241	1,150	3.2	—	1,110	3.3	—	3.4	—	38
R-060	Esty Maison Musashikoyama II	Shinagawa-ku, Tokyo	1,030	1,073.59	97.8	May 2009	1,230	—	975	254	1,250	3.4	—	1,220	3.2	—	3.6	—	45
R-061	Esty Maison Nakano	Nakano-ku, Tokyo	1,870	2,023.72	97.7	Jun. 2009	2,200	50	1,859	340	2,240	3.4	—	2,180	3.2	—	3.6	—	80
R-062	Esty Maison Shinnakano	Nakano-ku, Tokyo	1,020	1,107.57	100.0	Oct. 2009	1,130	(10)	962	167	1,150	3.5	—	1,120	3.3	—	3.7	—	42
R-063	Esty Maison Nakanofujimicho	Nakano-ku, Tokyo	984	1,299.60	100.0	Feb. 2009	1,120	(30)	943	176	1,150	3.4	—	1,110	3.5	—	3.6	—	41
R-064	Esty Maison Tetsugakudo	Nakano-ku, Tokyo	1,160	1,531.89	95.5	Oct. 2009	1,350	30	1,082	267	1,380	3.5	—	1,340	3.3	—	3.7	—	50
R-065	Esty Maison Koenji	Suginami-ku, Tokyo	1,160	1,527.52	100.0	Mar. 2009	1,450	20	1,113	336	1,480	3.3	—	1,440	3.4	—	3.5	—	50
R-066	Esty Maison Oshiage	Sumida-ku, Tokyo	2,490	3,180.90	100.0	Apr. 2010	2,980	(10)	2,345	634	3,040	3.5	—	2,960	3.5	—	3.7	—	112
R-067	Esty Maison Akabane	Kita-ku, Tokyo	3,290	4,302.84	96.4	Nov. 2009	3,810	30	3,168	641	3,870	3.6	—	3,780	3.4	—	3.8	—	146
R-068	Esty Maison Oji	Kita-ku, Tokyo	1,650	2,289.44	94.2	Jul. 2010	1,930	—	1,530	399	1,960	3.6	—	1,910	3.4	—	3.8	—	74
R-069	Prime Maison Waseda	Shinjuku-ku, Tokyo	1,580	1,650.66	90.6	Nov. 2012	2,040	—	1,471	568	2,060	3.2	—	2,020	3.0	—	3.3	—	68
R-070	Prime Maison Hatchobori	Chuo-ku, Tokyo	1,460	1,382.32	98.1	Nov. 2012	1,750	10	1,340	409	1,770	3.2	—	1,730	3.0	—	3.3	—	58
R-071	Prime Maison Jimbocho	Chiyoda-ku, Tokyo	1,960	1,819.90	93.3	Mar. 2013	2,310	10	1,820	489	2,350	3.4	—	2,290	3.2	—	3.6	—	82
R-072	Prime Maison Gotenyama East	Shinagawa-ku, Tokyo	2,910	2,512.91	90.7	Jan. 2011	3,630	20	2,862	767	3,640	3.2	—	3,620	3.0	—	3.4	—	120
R-073	Sha Maison Stage Akihabara	Chiyoda-ku, Tokyo	555	803.36	100.0	Oct. 2006	659	7	580	78	669	3.5	—	654	3.3	—	3.7	—	25
R-074	Esty Maison Aoi	Nagoya-shi, Aichi	2,460	4,809.68	94.2	Oct. 2007	2,640	(10)	2,304	335	2,680	3.9	—	2,620	3.9	—	4.1	—	111
R-075	Esty Maison Yakuin	Fukuoka-shi, Fukuoka	2,430	5,213.51	99.4	Feb. 2006	2,650	(200)	2,511	138	2,710	3.7	—	2,630	3.8	—	3.9	—	111
R-076	Esty Maison Kinshicho II	Sumida-ku, Tokyo	8,250	9,469.65	96.6	Jan. 2008	10,800	100	7,732	3,067	10,900	3.3	—	10,700	3.1	—	3.4	—	372
R-077	Esty Maison Ojima	Koto-ku, Tokyo	8,630	9,905.97	96.7	Sep. 2007	12,200	100	8,129	4,070	12,300	3.3	—	12,000	3.1	—	3.4	—	418
R-078	Prime Maison Fujimidai	Nagoya-shi, Aichi	2,070	5,704.63	92.2	Apr. 2007	2,290	—	2,112	177	2,320	4.3	—	2,280	4.1	—	4.5	—	107
R-079	Esty Maison Tsurumai	Nagoya-shi, Aichi	4,490	13,812.40	100.0	Nov. 1999	5,080	(20)	4,441	638	5,150	4.4	—	5,050	4.2	—	4.6	—	240
R-080	Prime Maison Morishita	Koto-ku, Tokyo	1,930	2,180.78	97.7	May 2013	2,260	—	1,781	478	2,300	3.5	—	2,240	3.5	—	3.7	—	83
R-081	Prime Maison Shinagawa	Shinagawa-ku, Tokyo	1,960	2,107.88	98.2	Feb. 2014	2,280	(20)	1,846	433	2,330	3.5	0.1	2,260	3.3	0.1	3.7	0.1	82
R-082	Prime Maison Odorikoen	Sapporo-shi, Hokkaido	3,160	7,360.37	98.7	Dec. 2008	3,350	70	2,969	380	3,370	3.9	(0.1)	3,330	3.7	(0.1)	4.0	(0.1)	147
R-083	Prime Maison Minami 2-jo	Sapporo-shi, Hokkaido	1,930	6,019.09	95.4	Nov. 2009	2,120	50	1,758	361	2,130	4.0	(0.1)	2,110	3.8	(0.1)	4.1	(0.1)	100
R-084	Prime Maison Kamokamogawa	Sapporo-shi, Hokkaido	1,250	4,102.08	96.3	Oct. 2009	1,340	50	1,131	208	1,340	4.0	(0.1)	1,330	3.8	(0.1)	4.1	(0.1)	63
R-085	Prime Maison Central Park	Fukuoka-shi, Fukuoka	2,309	10,268.74	97.9	Feb. 2011	2,576	41	2,335	240	2,450	4.4	(0.1)	2,440	4.2	(0.1)	4.5	(0.1)	127
R-086	Sha Maison Stage Yahiro	Sumida-ku, Tokyo	1,910	3,409.16	100.0	Jan. 2011	2,160	—	1,785	374	2,190	3.8	—	2,140	3.6	—	4.0	—	86
R-087	Prime Maison Ebisu	Shibuya-ku, Tokyo	4,360	3,010.66	97.4	Jun. 2014	5,850	(110)	4,197	1,652	5,930	3.0	0.1	5,770	2.8	0.1	3.1	0.1	182
R-089	Esty Maison Unomori	Yokkaichi-shi, Mie	830	2,280.00	100.0	Apr. 2009	836	—	731	104	844	5.0	—	832	4.8	—	5.2	—	45
R-091	Sha Maison Stage Hino	Hino-shi, Tokyo	1,390	2,827.55	94.0	Jan. 2010	1,630	50	1,345	284	1,640	4.0	(0.1)	1,630	3.8	(0.1)	4.1	(0.1)	70
R-092	Prime Maison Yokohama Nihon-odori	Yokohama-shi, Kanagawa	4,870	5,461.13	95.6	Jun. 2014	5,270	10	4,484	785	5,370	3.7	—	5,170	3.5	—	3.9	—	209
R-093	Kobe Women's Student Housing	Kobe-shi, Hyogo	5,880	15,341.68	100.0	Feb. 2002	6,360	—	5,065	1,294	6,400	4.2	—	6,320	4.0	—	4.3	—	310
R-094	Prime Maison Shibuya	Shibuya-ku, Tokyo	2,430	1,972.59	100.0	Jul. 2014	2,800	—	2,355	444	2,860	3.3	—	2,730	3.1	—	3.5	—	97
R-095	Prime Maison Hatsudai	Shibuya-ku, Tokyo	3,010	2,879.20	97.4	Dec. 2014	3,420	20	2,859	560	3,490	3.4	—	3,340	3.2	—	3.6	—	123

Portfolio List (3)

(As of the end of Apr. 2024 (FP 19))

Property No.	Property name	Location	Acquisition price (million JPY)	Leasable area (㎡)	Occupancy rate (%)	Completion date	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			
R-096	Esty Maison Uemachidai	Osaka-shi, Osaka	1,040	2,225.52	98.1	Aug. 2005	1,270	10	1,034	235	1,280	3.8	—	1,260	3.5	—	4.0	—	50
R-098	Prime Maison Shirokane-takanawa	Minato-ku, Tokyo	4,900	3,923.76	93.7	Jun. 2015	5,530	—	4,724	805	5,660	3.3	—	5,400	3.1	—	3.5	—	192
R-099	Prime Maison Ichigayayamabushicho	Shinjuku-ku, Tokyo	4,220	4,099.04	91.1	Oct. 2015	4,390	100	4,041	348	4,520	3.3	(0.1)	4,340	3.1	(0.1)	3.5	(0.1)	156
R-100	Esty Maison Morishita	Sumida-ku, Tokyo	655	748.92	100.0	Feb. 2017	742	2	618	123	753	3.6	—	737	3.4	—	3.8	—	27
R-101	Prime Maison Shirokanedai Tower	Shinagawa-ku, Tokyo	7,950	6,772.89	97.0	May 2016	11,200	—	7,827	3,372	11,500	3.1	—	11,100	3.2	—	3.3	—	365
R-102	Prime Maison Otsuka	Toshima-ku, Tokyo	3,700	3,921.35	96.8	Jan. 2017	4,770	(130)	3,614	1,155	4,890	3.3	—	4,720	3.4	—	3.5	—	168
R-103	Prime Maison Asakusabashi	Taito-ku, Tokyo	1,680	2,033.06	98.8	Oct. 2016	2,130	(60)	1,650	479	2,180	3.3	—	2,110	3.4	—	3.5	—	75
R-104	Prime Maison Daikanyama	Meguro-ku, Tokyo	2,520	1,779.17	94.7	Jan. 2017	3,490	(20)	2,486	1,003	3,590	3.1	—	3,440	3.2	—	3.3	—	113
R-105	Prime Maison Gotenyama West	Shinagawa-ku, Tokyo	3,400	3,569.73	96.7	Jan. 2011	5,000	80	3,376	1,623	5,100	3.2	—	4,960	3.3	—	3.4	—	169
R-106	Esty Maison Toyosu Residence	Koto-ku, Tokyo	6,050	23,538.73	96.5	Feb. 2008	7,600	(160)	5,524	2,075	7,820	—	—	7,500	3.6	—	—	—	361
R-108	Esty Maison Ijiri	Fukuoka-shi, Fukuoka	390	1,430.60	100.0	Jan. 2008	441	4	436	4	447	4.3	—	439	4.1	—	4.5	—	21
R-109	Prime Maison Mitatsunamachi	Minato-ku, Tokyo	2,040	1,387.12	100.0	Oct. 2017	2,540	10	2,021	518	2,580	3.4	—	2,520	3.2	—	3.6	—	88
R-110	Prime Maison Hongo	Bunkyo-ku, Tokyo	2,600	2,423.46	92.3	Mar. 2018	3,050	—	2,565	484	3,110	3.4	—	3,020	3.2	—	3.6	—	108
R-111	Prime Maison Kuramae	Taito-ku, Tokyo	2,190	2,259.40	97.6	Nov. 2018	2,600	—	2,150	449	2,640	3.5	—	2,580	3.3	—	3.7	—	93
R-112	Esty Maison Yokohama-aobadai	North South Yokohama-shi, Kanagawa	3,020	6,808.84	100.0	Jul. 2018	3,660	—	2,967	692	1,740	3.9	—	1,690	3.7	—	4.1	—	153
R-113	Esty Maison Shizuoka Takajo	Shizuoka-shi, Shizuoka	660	1,731.52	100.0	Feb. 2006	643	(13)	729	(86)	651	4.8	—	640	4.6	—	5.0	—	35
R-114	Sha Maison Stage Hirose-dori	Sendai-shi, Miyagi	865	2,552.40	100.0	Jan. 2006	972	—	964	7	986	4.0	—	966	3.8	—	4.2	—	43
R-115	Esty Maison HIGASHIBETSUIN	Nagoya-shi, Aichi	2,190	4,856.22	100.0	Feb. 2009	2,230	—	2,250	(20)	2,250	4.1	—	2,220	3.9	—	4.3	—	99
R-116	Esty Maison Kayaba	Nagoya-shi, Aichi	900	2,170.80	92.5	Feb. 2012	958	—	926	31	968	4.3	—	953	4.1	—	4.5	—	43
R-117	Esty Maison SHIRAKABEMINAMI	Nagoya-shi, Aichi	660	1,240.28	100.0	Jan. 2014	706	(2)	676	29	711	4.2	0.1	704	4.0	0.1	4.4	0.1	30
R-118	Prime Maison Shimokitazawa	Setagaya-ku, Tokyo	2,580	1,991.72	90.9	Dec. 2019	2,840	—	2,617	222	2,920	3.1	—	2,800	3.2	—	3.3	—	91
R-119	Prime Maison Meguro	Meguro-ku, Tokyo	2,310	1,335.62	88.2	Aug. 2018	2,540	(20)	2,337	202	2,600	3.1	—	2,510	3.2	—	3.3	—	81
R-120	Prime Maison Ryogoku	Sumida-ku, Tokyo	1,530	1,499.10	93.3	Feb. 2019	1,620	(10)	1,555	64	1,650	3.3	—	1,610	3.4	—	3.5	—	55
R-121	Prime Maison Nakameguro	Meguro-ku, Tokyo	10,000	6,033.98	94.7	Nov. 2019	11,200	—	10,126	1,073	11,500	3.1	—	11,000	3.2	—	3.3	—	361
R-122	Prime Maison Itabashi	Itabashi-ku, Tokyo	4,800	4,557.89	97.6	Feb. 2019	5,220	—	4,896	323	5,350	3.3	—	5,170	3.4	—	3.5	—	179
R-123	Prime Maison EGOTANOMORI	Nakano-ku, Tokyo	10,500	29,048.95	98.4	Jul. 2018	11,400	500	10,825	574	11,300	—	—	11,500	4.0	(0.1)	—	—	564
R-124	Prime Maison Waseda dori	Shinjuku-ku, Tokyo	2,200	1,819.35	93.0	Feb. 2020	2,690	—	2,243	446	2,700	3.1	—	2,680	2.9	—	3.2	—	83
R-125	Esty Maison Noborito	Kawasaki-shi, Kanagawa	490	657.79	96.8	Jan. 2008	510	—	520	(10)	521	3.7	—	499	3.5	—	3.9	—	20
R-126	Esty Maison Omori	Ota-ku, Tokyo	3,600	2,457.68	98.2	Jan. 2024	4,020	4,020	3,825	194	4,130	3.1	—	3,970	2.9	—	3.3	—	128
R-127	Esty Maison Monzennakacho	Koto-ku, Tokyo	1,570	1,121.12	81.8	Jan. 2023	1,730	1,730	1,673	56	1,780	3.1	—	1,710	2.9	—	3.3	—	55
R-128	Esty Maison Akabane II	Kita-ku, Tokyo	980	757.80	63.2	Apr. 2023	1,130	1,130	1,043	86	1,160	3.1	—	1,110	2.9	—	3.3	—	36
R-129	Prime Maison Yushima	Bunkyo-ku, Tokyo	10,000	6,671.59	96.2	Feb. 2022	10,500	10,500	10,235	264	10,600	3.3	—	10,400	3.1	—	3.4	—	358
R-130	Prime Maison Nakanosakaue	Nakano-ku, Tokyo	5,490	3,428.41	95.5	Jan. 2022	5,570	5,570	5,614	(44)	5,630	3.3	—	5,510	3.1	—	3.4	—	189
R-131	Prime Maison Honancho	Nakano-ku, Tokyo	3,220	2,556.36	90.0	Mar. 2021	3,360	3,360	3,298	61	3,400	3.3	—	3,320	3.1	—	3.4	—	114
R-132	Prime Maison Monzennakacho	Koto-ku, Tokyo	3,200	2,357.28	97.9	Oct. 2021	3,330	3,330	3,280	49	3,360	3.4	—	3,290	3.2	—	3.5	—	116
R-133	Prime Maison Nishiwaseda	Shinjuku-ku, Tokyo	2,570	1,725.98	93.8	Aug. 2022	2,590	2,590	2,628	(38)	2,620	3.3	—	2,560	3.1	—	3.4	—	88
R-134	Prime Maison Asakusa EAST	Sumida-ku, Tokyo	2,180	1,640.09	93.4	Jun. 2022	2,230	2,230	2,238	(8)	2,260	3.4	—	2,200	3.2	—	3.5	—	78
R-135	Prime Maison Sakurashinmachi	Setagaya-ku, Tokyo	1,840	1,364.84	90.9	Aug. 2022	1,870	1,870	1,889	(19)	1,890	3.4	—	1,850	3.2	—	3.5	—	65
Residential Subtotal			304,526	443,092.93	97.0	—	359,039	37,385	298,114	60,924	364,887	—	—	355,282	—	—	—	—	13,580
Portfolio Total			529,331	558,513.77	96.9	—	604,559	(6,275)	509,352	95,206	618,497	—	—	596,992	—	—	—	—	21,969

Portfolio List (4)

Acquired Assets in FP 20

Overseas Real estate (Acquired on May 29, 2024)

(Appraisal date : March 15, 2024)

Property No.	Property name	Location	Estimated value	Acquisition price	Unrealized capital gain/loss	Leasable area	Occupancy rate (%)	Completion date	Profit return method		Discounted cash flow method			Appraisal NOI (thousand USD)
									Revenue price (thousand USD)	Direct capitalization yield (%)	Revenue price (thousand USD)	Discount rate (%)	Final capitalization yield (%)	
A-001	The Ivey on Boren	Washington, U.S.A	329 million USD (51,636 million JPY)	328 million USD (51,479 million JPY)	1 million USD (156 million JPY)	344,372 Sq/Ft (31,989.96㎡)	92.4	Oct. 2022	336,000	4.00	326,000	6.25	4.50	13,514

Domestic real estate (Acquired on May 31, 2024)

(Appraisal date : April 1, 2024)

Property No.	Property name	Location	Estimated value (million JPY)	Acquisition price (million JPY)	Unrealized capital gain/loss (million JPY)	Leasable area (m)	Occupancy rate (%)	Completion date	Profit return method		Discounted cash flow method			Appraisal NOI (million JPY)
									Revenue price (million JPY)	Direct capitalization yield (%)	Revenue price (million JPY)	Discount rate (%)	Final capitalization yield (%)	
R-136	Esty Maison Minamigyotoku	Ichikawa-shi, Chiba	982	950	32	1,148.19	97.7	Jun. 2008	986	3.7	977	3.5	3.9	38

Reference: Investment Securities

Asset Name	Underlying asset	Location	Investment price (million JPY)	Equity interest ratio (%)	Completion date
Godō Kaisha Gemini1 (Silent Partnership Equity Interests)	Akasaka Garden City	Minato-ku, Tokyo	480	12.4	Jan. 2006
Godō Kaisha Gemini2 (Silent Partnership Equity Interests)	Ningyocho PREX	Chuo-ku, Tokyo	220	6.8	Dec. 2021

Please refer to the "DATABOOK" for revenue and expenditure by property, monthly trends in occupancy rates, list of interest-bearing liabilities, financial statements, etc.
<https://sekisuihouse-reit.co.jp/en/ir/library.html>

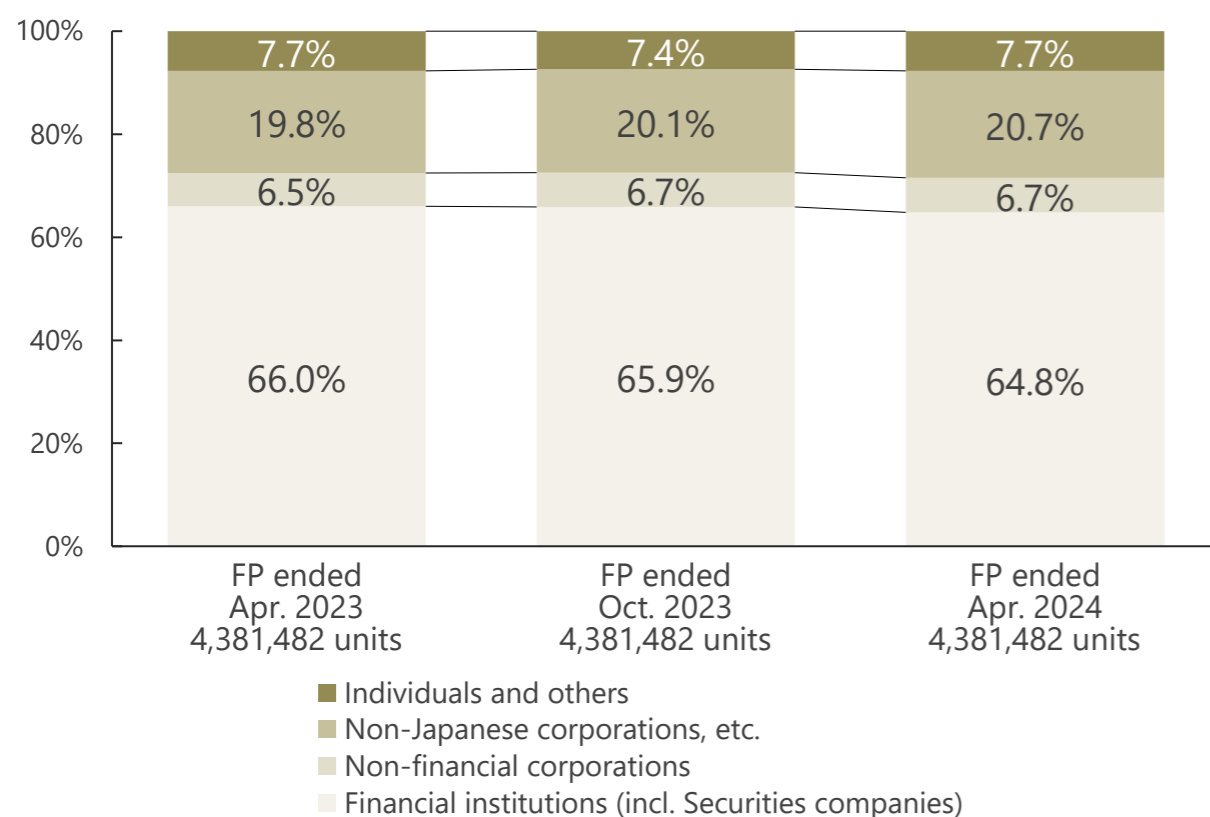
- The "acquisition price" of assets taken over as a result of the merger with Sekisui House Residential Investment Corporation use the appraisal value as priced on April 30, 2018, the day before the merger took effect.
- "Estimated value", "revenue price", "direct capitalization yield", "discount rate", "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. "Book value" is the amount recorded on the balance sheet as of April 30, 2024.
- In calculating the "Period-on-period" in "Estimated value", figures for "Gotenyama SH Building" are compared with the "Estimated value" as of the end of FP 18 (ended October 2023), including the 10% quasi co-ownership interest that was disposed during the fiscal period under review. The figures for Office building Subtotal, Residential Subtotal, the total of the increase/decrease is shown for the office building total, the residential building total, and the portfolio total.
- The figures of "Garden City Shinagawa Gotenyama" are calculated and stated as the value corresponding to 49.0%, which is the quasi co-ownership interest of the real estate trust beneficiary right held by SHR as of the end of FP 19 (ended April 2024), due to the disposition of 51/100 (51.0%) of the quasi co-ownership interest on March 19, 2024.
- Unrealized capital gain/loss is calculated by subtracting "book value" from "estimated value" for the properties owned at the end of FP 19 (ended April 2024). For properties acquired during FP 20 (ending October 2024), the amount of the "estimated value" minus the "acquisition price" is shown.
- The "Estimated value", "Acquisition price", and "Unrealized capital gain/loss" of "The Ivey on Boren" are converted into yen at the exchange rate at the time of acquisition, 1USD = 156.95 JPY. In addition, the leasable area has been converted using 1 Sq/Ft as 0.09290㎡.
- "Occupancy rate" for properties acquired in FP 20th (ending October 31, 2024) is the figure as of the end of April 2024.
- "Investment price" of "Reference: Investment Securities" is the initial investment amount.

Unitholders Composition

Number of investment units by unitholder type and unitholders

Unitholder type	Investment Units						Unitholders				
	FP ended Oct. 2023		FP ended Apr. 2024		Change		FP ended Oct. 2023		FP ended Apr. 2024		Change
	Units(a)	Ratio(b)	Units(c)	Ratio(d)	(c)-(a)	(d)-(b)	Unitholders(e)	Ratio(f)	Unitholders(g)	Ratio(h)	(g)-(e)
Individuals and others	324,591	7.4%	336,608	7.7%	+12,017	+0.3	21,916	95.9%	24,480	96.2%	+2,564
Financial institutions	2,732,338	62.4%	2,731,925	62.4%	(413)	–	196	0.9%	187	0.7%	(9)
City banks	–	–	–	–	–	–	–	–	–	–	–
Regional banks	266,598	6.1%	263,026	6.0%	(3,572)	(0.1)	39	0.2%	38	0.1%	(1)
Trust banks	2,124,924	48.5%	2,174,057	49.6%	+49,133	+1.1	9	0.0%	8	0.0%	(1)
Life insurers	72,801	1.7%	73,764	1.7%	+963	–	6	0.0%	6	0.0%	–
Casualty insurers	–	–	–	–	–	–	–	–	–	–	–
Shinkin banks	118,065	2.7%	114,569	2.6%	(3,496)	(0.1)	68	0.3%	66	0.3%	(2)
Others	149,950	3.4%	106,509	2.4%	(43,441)	(1.0)	74	0.3%	69	0.3%	(5)
Non-financial corporations	292,358	6.7%	294,501	6.7%	+2,143	–	399	1.7%	429	1.7%	+30
Non-Japanese corporations, etc.	878,939	20.1%	909,088	20.7%	+30,149	+0.6	334	1.5%	337	1.3%	+3
Securities companies	153,256	3.5%	109,360	2.5%	(43,896)	(1.0)	19	0.1%	22	0.1%	+3
Total	4,381,482	100.0%	4,381,482	100.0%	–	–	22,864	100.0%	25,455	100.0%	+2,591

Change ratio in investment units by holder



Top 5 unitholders (FP ended April 2024 (FP 19))

Company name	No. of investment units owned	Ratio
Custody Bank of Japan, Ltd. (Trust Account)	1,190,827	27.2%
The Master Trust Bank of Japan, Ltd. (Trust Account)	745,401	17.0%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	202,839	4.6%
Sekisui House, Ltd.	200,750	4.6%
THE NOMURA TRUST AND BANKING CO., LTD. AS THE TRUSTEE OF REPURCHASE AGREEMENT MOTHER FUND	81,150	1.9%

Incorporated global index

- Dow Jones Sustainability Asia/Pacific Index
- FTSE4Good Index Series
- 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
- GPR 250 Index / GPR 250 REIT Index
- GPR / APREA Investable 100 Index
- GPR / APREA Investable REIT 100 Index

Overview of the Asset Management Company

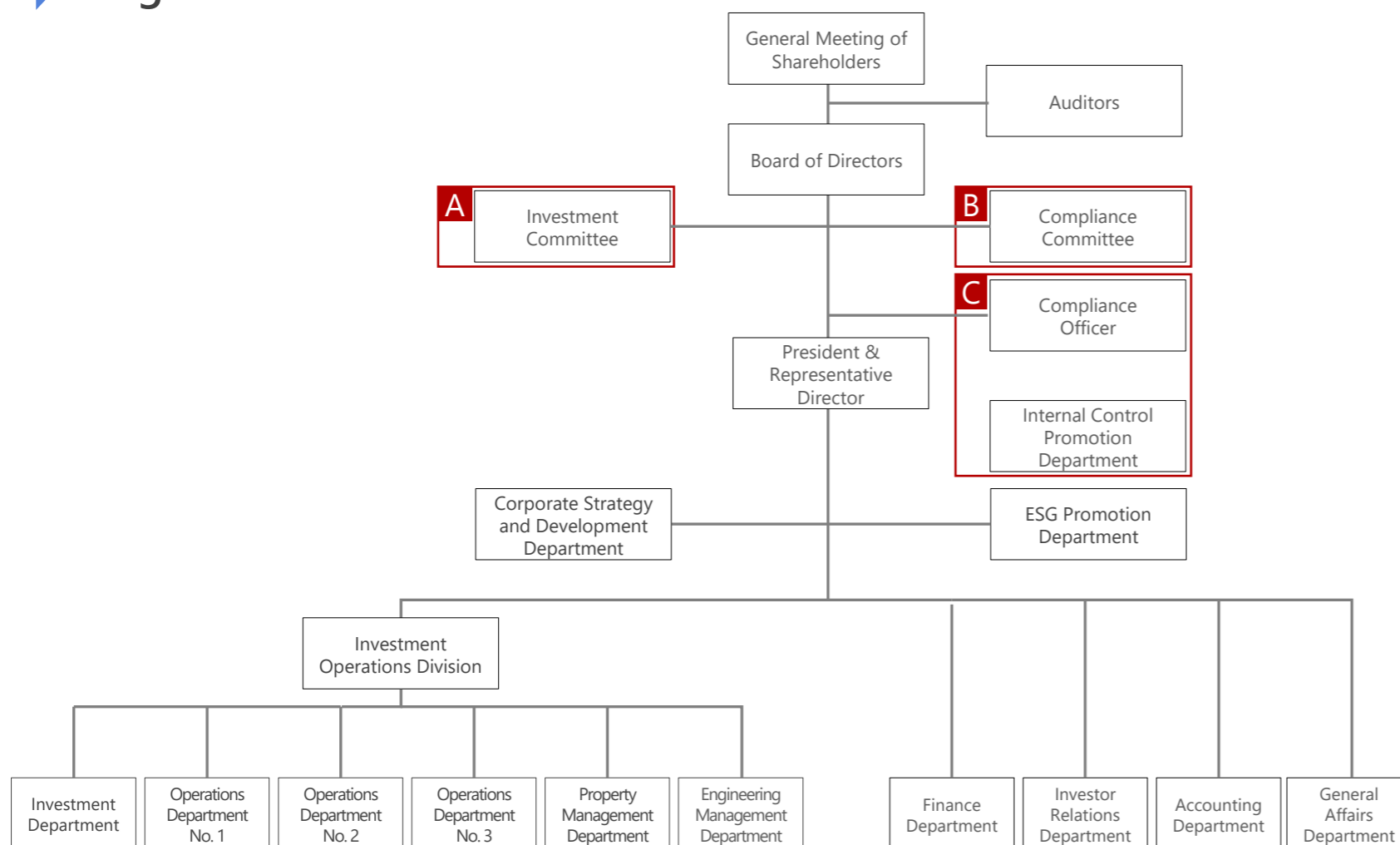
Overview of the Asset Management Company



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: 67 (As of the end of FP 19)
- Shareholder: Sekisui House, Ltd. (100%)
- Licenses and registration, etc. :
 - Licensed for building lots and buildings transaction business License No.(3) 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%^{Note 4} (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 fluctuates 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
 - Note 4: In the case of a loss in disposition due to such a disposition, the fee rate will be 0%.

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 Managers of the ESG Promotion Dept., Internal Control Promotion Dept., Corporate Strategy and Development Dept., Investment Operations Div., Finance Dept., IR Dept., Accounting Dept., and General Affairs Dept.; and external committee members ^(Note). The appointment and dismissal of external committee members can be made by resolution of the Board of Directors of SHAM, but must be approved by the Board of Directors of SHR before or after the resolution of the Board of Directors of SHAM.

Note: The external committee members are defined as those who have no significant stakeholder relationship with SHAM, SHAM's directors and employees, nor its related parties, who are of good character and insight, who are capable of fulfilling their duties, and who are qualified as real estate appraisers or attorneys. However, one or more persons must be a licensed real estate appraiser.

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). The appointment and dismissal of external committee members can be made by resolution of the Board of Directors of SHAM, but must be approved by the Board of Directors of SHR before or after the resolution of the Board of Directors of SHAM.

Note: The external committee members are defined as those who have no significant stakeholder relationship with SHAM, SHAM's directors and employees, nor its related parties, who are of good character and insight, who are capable of fulfilling their duties, and who are qualified attorneys or certified public accountants, and who are recognized as having a thorough knowledge of 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.3 Operational Highlights and Future Initiatives

- “Results”, except for the “External Growth” column, are as of the fiscal period ended April 2024 (FP 19), unless otherwise stated.
- “Borrowings” of the “Refinance for FP 19” within the “Finance” column includes borrowings and (partial) early repayments during the fiscal period under review. In addition, “Avg. interest rate” is calculated by weighting the applicable interest rate at the end of the period under review for those with outstanding borrowings as of the end of the period under review, or the applicable interest rate on the repayment date for those borrowed and (partially) repaid early during the period under review, by the borrowing amount, and rounding to the second decimal place. “Avg. borrowing period” is calculated by weighting the period of from the borrowing date to repayment date by the borrowing amount. The same applies throughout this document.

P.4 Future Growth Strategy/Policy

- “Multi-family” refers to an apartment complex where multiple households reside. The same applies throughout this document.
- “Sekisui House Group” refers to a group of companies comprised of Sekisui House, its consolidated subsidiaries and its affiliates accounted for by the equity method. The same applies throughout this document.
- “Prime Property” refer to high quality residential and commercial properties, located in strategic locations. SHR selects Prime Properties through a comprehensive assessment by focusing on an analysis of the 6 factors of: “Economic Area”, “Convenience”, “BCP/Safety”, “Brand”, “Functionality/Livability”, and “Environmental Consideration”.

P.6 Analysis of Change Factors of DPU (Results)

- “FP 19 acquisition” within the “residential” refers to “Esty Maison Omori”, “Esty Maison Monzennakacho”, “Esty Maison Akabane II”, “Prime Maison Yushima”, “Prime Maison Nakanosakaue”, “Prime Maison Honancho”, “Prime Maison Monzennakacho”, “Prime Maison Nishiwaseda”, “Prime Maison Asakusa EAST” and “Prime Maison Sakurashinmachi” and “existing properties” refers to the properties owned as of the end of FP 19 excluding “FP 19 acquisition”. The same applies throughout this document.
- “FP 19 existing properties” within the “office building” refers to the office buildings owned as of the end of April 2024 (FP 19) excluding “Shinjuku Hirose Building” and “Garden City Shinagawa Gotenyama”. The same applies throughout this document.

P.7 Profit and Loss Comparison (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 the actual occupancy rates at the end of each month belonging to each period. The same applies throughout this document.

P.8 Analysis of Change Factors of DPU (Forecast)

- “FP 20 acquisition” within the “residential” refers to “Esty Maison Minamigyotoku”. The same applies throughout this document.
- “FP 20 existing properties” within the “office building” refers to the office buildings to be owned as of the end of October 2024 (FP 20) excluding “Shinjuku Hirose Building”, “Garden City Shinagawa Gotenyama” and “Hommachi Garden City (Office building portion)”. “FP 21 existing properties” refers to the office buildings to be owned as of the end of April 2025 (FP 21) excluding “Shinjuku Hirose Building” and “Hommachi Garden City (Office building portion)”. The same applies throughout this document.
- “Overseas SPC” refers to the two LLCs located in the U.S., both of which are wholly owned by SHR and own overseas real estate. The same applies throughout this document.

P.9 Profit and Loss Comparison (Forecast)

- “NOI yield” is calculated by dividing the annualized amount of expected 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 the expected occupancy rates for the end of each month belonging to each period. The same applies throughout this document.

P.11 Change in Portfolio Development Policy

- “Office building, etc.” refers to real estate whose primary use is for business purposes other than residential, such as office buildings, hotels and commercial facilities. The same applies throughout this document.

P.12 Asset Replacement: Overview

- “Gain/loss on disposition (expected)” for the fiscal periods ending October 2024 (FP 20) and April 2025 (FP 21) are based on the forecasts announced on June 14, 2024. Furthermore, the loss on disposition of Garden City Shinagawa Gotenyama’s second disposal (49.0%) scheduled during the fiscal period ending October 2024 (FP 20) is recorded as an impairment loss of 4,008 million JPY in the fiscal period ended April 2024 (FP 19) for accounting purposes. The amount shown in “gain/loss on disposition (expected)” is the estimated amount to be recorded on each (planned) disposition date as of June 14, 2024, and is subject to change. The same applies throughout this document.

About the Terminology Used in this Presentation

- “Average Appraisal NOI yield after depreciation” for the acquired assets during fiscal period ended April 2024 (FP 19) is calculated based on the appraisal NOI indicated in the respective appraisal reports obtained on April 30, 2024, minus the annualized amount of estimated depreciation for the fiscal periods ending October 2024 (FP 20) and April 2025 (FP 21) as announced on June 14, 2024, and after dividing it by each acquisition price, weighting the obtained value by the acquisition price and rounding to the first decimal place. As for the calculation method of the appraisal NOI yield after depreciation for “Esty Maison Minamigyotoku”, which is the asset acquired in the fiscal period ending October 2024 (FP 20), please refer to the terminology for p. 14.
- The acquisition price in USD for “The Ivey on Boren” is 328 million USD. The acquisition price in JPY has been converted at the rate of 1 USD = 156.95 JPY, the exchange rate at the time of acquisition. The same applies throughout this document.

P.13 Asset Replacement: Overview of (Planned) Dispositions

- “NOI after depreciation” is the sum of the NOI after depreciation for the fiscal period ended April 2023 (FP 17) and the fiscal period ended October 2023 (FP 18).
- “NOI yield after depreciation” is calculated by dividing “NOI after depreciation” by each acquisition price, then averaging the result weighted by the acquisition price, and rounding to the first decimal place.

P.14 Asset Replacement: Overview of Acquisitions (FP 19 & FP 20)

- “Appraisal value” for “Esty Maison Minamigyotoku” is the appraisal value stated in the appraisal report obtained at the time of acquisition on April 1, 2024, and the appraisal value for the other properties is the appraisal value stated in the respective appraisal reports as of April 30, 2024.
- “Appraisal NOI yield after depreciation” for “Esty Maison Minamigyotoku” is calculated based on the appraisal NOI indicated in the appraisal report obtained at the time of acquisition on April 1, 2024, and the appraisal NOI for the other properties is the appraisal NOI stated in the respective appraisal reports as of April 30, 2024, minus the annualized amount of estimated depreciation for the fiscal periods ending October 2024 (FP 20) and April 2025 (FP 21) as announced on June 14, 2024, divided by each acquisition price and rounding to the first decimal place.

P.15 Asset Replacement: Portfolio After Replacement

- 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. The same applies throughout this document.

P.19 Overseas Property: Overview of “The Ivey on Boren”

- “Location” is as indicated on the applicable building plans.
- “Appraisal value (Date of value)” is the appraisal value along with the date of valuation prepared by the appraisal agency that SHR and SHAM have entrusted with the appraisal of the investment real estate, where the appraisal value is rounded down to the nearest million USD. The appraisal of the acquired asset was conducted by FON Valuation Services, LLC and DAIWA REAL ESTATE APPRAISAL CO., LTD. incorporating the “local appraisal assistance method”. The “local appraisal assistance method” refers to a method in which a Japanese real estate appraiser requests a local appraiser to collect and provide basic materials, etc. necessary for the appraisal, and to perform other tasks to assist the appraiser in conducting the appraisal, upon which the appraiser receives services related to the local appraisal support work and conducts the appraisal. SHR has appointed FON Valuation Services, LLC as the local appraiser. Additionally, the conversion rate from USD to JPY used is 1 USD = 156.95 JPY, the exchange rate at the time of acquisition.
- “Construction completion” is based on the indication on the Certificate of Occupancy.
- “Structure / Floors” is based on the PCA Report or the building plans. Furthermore, the following abbreviations are used. For “The Ivey on Boren”, the structure and number of floors of the entire property, not that of the exclusive portion to be acquired, are shown.
RC: Reinforced concrete structure; SRC: Steel reinforced concrete structure; S: Steel-framed structure
- “Site area” is the total land area based on the Alta Survey or the building plans. For “The Ivey on Boren”, the area of the site or the entire land is shown. In addition, 1 Sq/Ft is converted to 0.09290 m². The same applies throughout this document.
- “Total floor area” is the total floor area of the building (excluding annex buildings, etc.) indicated in the building plans. For “The Ivey on Boren”, the floor area of the entire building is shown.
- “Leasable area” refers to the total floor area which is considered to be available for leasing based on each lease agreement, etc., effective as of the end of April 2024. For “The Ivey on Boren”, the figure is the total leasable area of the exclusive residential floors from the 5th to 44th floors, which is the portion subject to acquisition.
- “Occupancy rate” is the ratio of leased area to leasable area rounded to the first decimal place. “Leased area” is the sum of the leased area indicated in each lease agreement effective as of the end of April 2024.
- “Property management company” refers to the company that the Overseas SPCs entrusted property management operations to after the acquisition of “The Ivey on Boren”.

About the Terminology Used in this Presentation

P.23 Sekisui House Sponsor Support/Strengths

- “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.24 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 55 through 57.

P.25 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.

P.27 Residential: Occupancy Rate Trends

- “Residential occupancy rate by room type in Tokyo 23 wards” covers the residential portfolio (excluding retail, offices, and residential buildings leased out as one building, etc., or master lease properties with fixed-rent) based on the following matrix categorized and calculated by the number of rooms and floor space: 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.28 Residential: Rent Status (1)

- “Change in rent rate” within the “Rent trend in renewal contract” is calculated based on the information at the end of each period.

P.34 Office Building: Portfolio Status

- “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.
- As for the “Gotenyama SH Building” within the “Portfolio list”, as a result of the installment disposition of 20/100 (20.0%) of the quasi co-ownership interest as of the end of April 2024, SHR holds 80.0% of the quasi co-ownership interest of the real estate trust beneficiary interests related to the property. In addition, as for “Garden City Shinagawa Gotenyama”, as a result of the installment disposition of 51/100 (51.0%) of the quasi co-ownership interest as of the end of April 2024, SHR holds 49.0% of the quasi co-ownership interest of the real estate trust beneficiary interests related to the property. Accordingly, “Acquisition price” and “Leasable area” are values corresponding to the quasi co-ownership interests held. The same applies throughout this document.

About the Terminology Used in this Presentation

P.36 Office Building: Rent Status

- “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 building portion) which concluded a pass-through master lease agreement, but rents are effectively fixed.

P.39 Financial Situation (1)

- “Sustainability finance balance” is the outstanding total of green loan, green bond and positive impact finance.

P.47 SHR's Portfolio

- “Average building age” is calculated by averaging the building age as of the end of the fiscal period ended April 2024 (FP 19), 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.

P.55-58 Portfolio List

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



SEKISUI HOUSE REIT, INC.