Sustainability Report 2026

Activia Properties Inc.

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About This Report

Activia Properties Inc. ("API") and TLC REIT Management Inc. ("TRM") to which API entrusts the management of its assets, are making the best effort to disclose information related to the sustainability initiatives to the investors and other stakeholders. Within this scope, this report is issued to illustrate the ESG (E: Environment, S: Social, G: Governance) initiatives of API and TRM which are essential to contribute to a sustainable society.

Scope of Report

Period	From December 2024 to November 2025 (excl. some data)
Entities	API and TRM

Contact

Department	Activia Management Division, TLC REIT Management Inc.
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Phone	+81-3-6455-3377
Hours	9:30 - 18:00 (excl. Saturday, Sunday and holidays)

Top Messages

From the Executive Director of API

To build a portfolio with a stable and sustainable demand from our customers, API has promoted since its IPO various initiatives to reduce our environmental footprint and contribute to the surrounding communities and environment, believing that for our portfolio, those elements are just as important as others such as the location, use, scale, and quality of properties.
In recent years, events have occurred that have caused major changes in the social environment, such as the COVID-19 pandemic, frequent natural disasters caused by extreme weather and the emergence and prolonged effects of geopolitical risksand we believe that it is becoming increasingly important to create a sustainable society.

Under such circumstances, we have participated in CDP's evaluations for the first time in 2024, striving to continuously improve our sustainability initiatives through these assessments. In January 2026, we revised our Materiality announced in July 2019, taking into consideration the progress of our efforts to date and changes in the external environment.
To accelerate developing sustainability initiatives, having achieved our renewable energy procurement targets (set in January 2022) and our electricity-related CO_2 emissions reduction targets (set in July 2022) by the end of fiscal year 2025, we have established new ambitious GHG reduction targets with 2030 as the target year. We have been working toward the long-term target of reaching net zero by 2050.

This report was created to inform unitholders and other stakeholders broadly about the ESG initiatives and approaches API and TRM have implemented so far.
API will further develop its efforts on sustainability, building deeper relationships of trust with stakeholders while investing in and managing real estate capable of sustaining customer demand and bringing people together as we strive to be an entity capable of broadly energizing society, as the name "Activia" suggests.
I hope this Sustainability Report will help you gain a broader understanding of API's sustainability initiatives as we continue to collaborate with you on social issues.

Manabu Kamikawara
Executive Director
Activia Properties Inc.

From the President & CEO of TRM

TLC REIT Management Inc. (“TRM”) is an asset management company aiming to maximize its shareholder value with a philosophy that we should contribute to the development of our society through relationships of trust with all the stakeholders.

As the importance of addressing issues for a sustainable society, such as environmental challenges caused by climate change, work style reform, and community engagement increases, TRM shares the TFHD Group’s Sustainability Vision “to solve social issues through our business activities and achieve a sustainable society and growth together with our stakeholders” and the GROUP VISION 2030 slogan “WE ARE GREEN: Becoming a Corporate Group that Continues to Create Value,” as well as the climate change goal of “Net Zero Emissions by 2050,” and is promoting a variety of initiatives based on the recognition that advancing strategic corporate ESG (Environmental, Social, and Governance) initiatives will help increase corporate value.
Starting with the creation of our Sustainability Policy, a basic policy for helping build a sustainable society, in April 2019, we have worked to establish internal systems such as creating an independent Sustainability Promotion Department, which was restructured in April 2024 and placed directly under the President to strengthen and promote more strategic ESG efforts and decision-making.

In light of recent changes in the social environment and the increasing expectations of our investors, we conducted a review of our materiality in 2026. In this revision, we have reorganized the issues of higher importance based on our business characteristics, risks, and opportunities, and identified new material issues.
In recent years, we have adopted a policy of promoting human capital management based on respect for human rights, with a focus on diversity, fairness, and inclusiveness. As part of these efforts, we were registered as a Tokyo Sustainable Work Company in November 2024, obtained Kurumin certification in 2025, received the Certified Health Enterprise (Silver Certification) issued by the Japan Health Insurance Association in October 2025, and were selected as a Health and Productivity Management Organization (SME Category) in March 2026 under a program jointly administered by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.
We will continue to advance initiatives that enable all employees to work in a healthy and supportive environment—both physically and mentally—and remain committed to promoting health and productivity management across the organization.
TRM is also working to build systems to resolve issues through cooperation with TFHD group companies, such as participating in the TFHD Group’s Sustainability Council.

TRM, along with API, will continue to strive in earnest on the targets set in line with our Materiality, such as reducing environmental impact, while disclosing our vision and achievement to our stakeholders to build deeper relationships of trust.

Akira Kubo
President & CEO
TLC REIT Management Inc.

About API

API is a diversified J-REIT investing in commercial properties and offices sponsored by Tokyu Land Corporation ("TLC" or the "Sponsor").
API intends to maintain a competitive portfolio in the medium to long term with the objective to maximize its unitholder value, by investing primarily in urban retail properties and Tokyo office properties with making these investments upon careful consideration of location, size, quality, specifications, and suitability for use by tenants.

Structure

REIT (API)

Name	Activia Properties Inc.
Executive Director	Manabu Kamikawara
Address	Shibuya Solasta 18th floor, 21-1 Dogenzaka 1chome, Shibuya-ku, Tokyo, 150-0043, Japan
Contact	Activia Management Division, TLC REIT Management Inc. Phone: +81-3-6455-3377
Securities Code	3279
Listed Date	June 13, 2012
Fiscal Period End	May 31 and November 30

Asset Manager (TRM)

Name	TLC REIT Management Inc.
President & CEO	Akira Kubo
Address	Shibuya Solasta 18th floor, 21-1 Dogenzaka 1chome, Shibuya-ku, Tokyo, 150-0043, Japan
Capital	200 million yen
Shareholder	Tokyu Land Corporation (100%)
Business Segment	Investment management
Fiscal Year End	March 31

Basic investment policies

API invests primarily in urban retail and Tokyo office properties utilizing the comprehensive support and capabilities of the Tokyu Fudosan Holdings Group's value chain and perform strong governance structure aimed at maximizing unitholder value.

UR URBAN RETAIL

Urban Retail Properties

Retail

Urban Retail Properties that are easily recognized and located either near major train stations or popular areas in Tokyo, government-designated major cities within Japan's three major metropolitan areas and other major cities in Japan

TO TOKYO OFFICE

Tokyo Office Properties

Office

Office properties within the 23 wards of Tokyo in areas with a high concentration of offices and located near major train stations

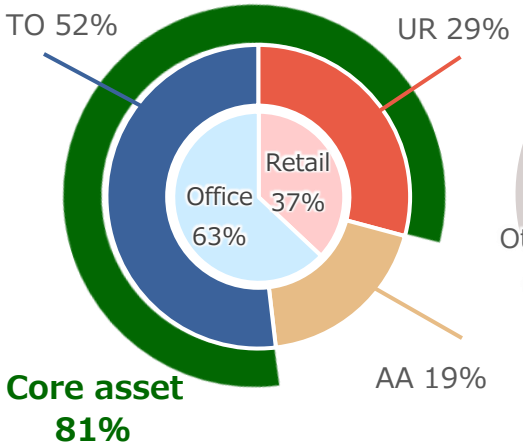
AA ACTIVIA ACCOUNT

Activia Account Properties

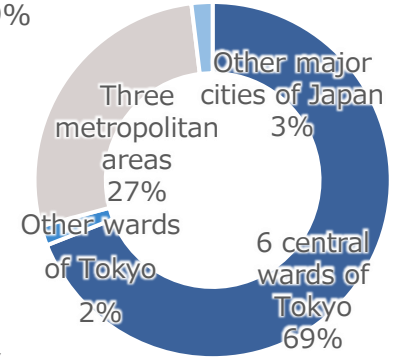
Retail+Office

To enhance the stability and profitability of our portfolio, we rigorously select commercial facilities other than Urban Retail Properties and office building and logistics properties other than Tokyo Office Properties, assessing the attributes and competitiveness of each property

By Category



By Area



Investment ratio (Acquisition price basis) **70% or more** **30% or less**

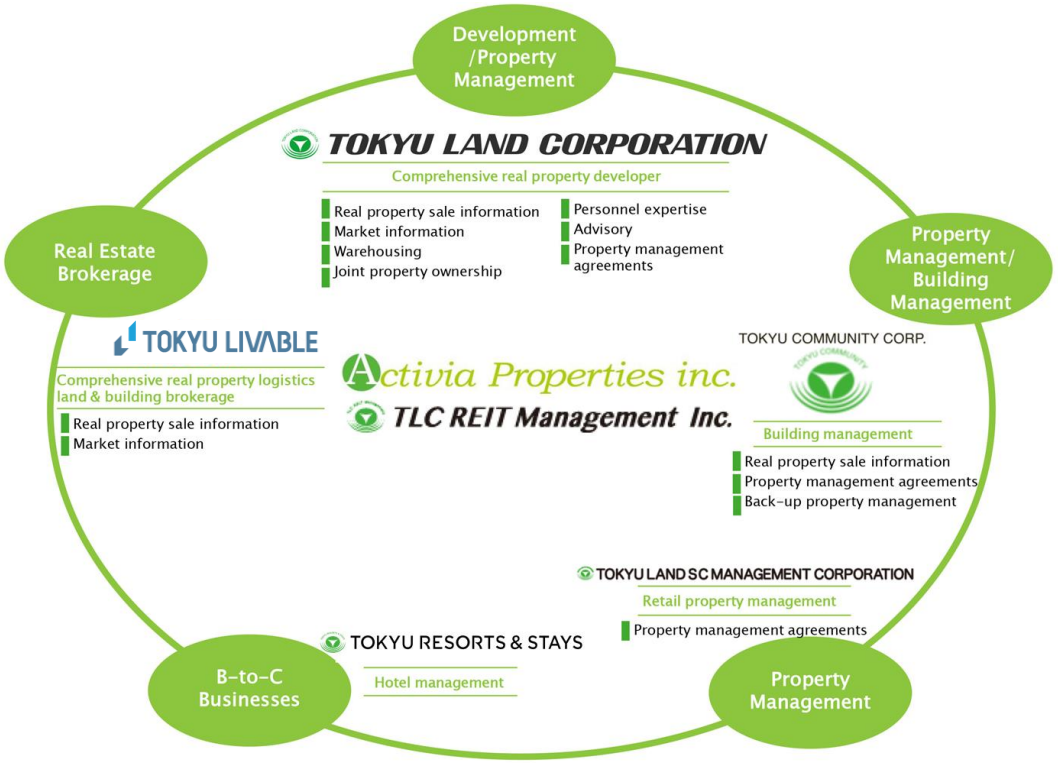
Nb. of properties	46 properties

AUM	¥542.1bn (Acquisition price basis)

(Note) As of May 31, 2026

Tokyu Fudosan Holdings Group's value chain

TRM, to which API entrusts management of its assets is one of the member companies of Tokyu Fudosan Holdings ("TFHD") Group (or the "Group"), a comprehensive real estate developer. We take advantage of the TFHD Group's multi-faceted and comprehensive knowhow and value chain to consistently acquire high-quality properties, as well as to operate and manage the properties so that the value of the properties would be maintained and improved. By doing so, we plan to maximize the unitholder value. While leveraging the value chain of TFHD Group, we also try to ensure and enhance various systems supporting our strong governance structure in order to maximize our unitholder value. The measures include preventive system against conflict of interests in related-party transactions, alignment of interests between investors and the Sponsor, as well as amendment to the asset management fee structure including DPU-linked portion. (Cf. page 65)



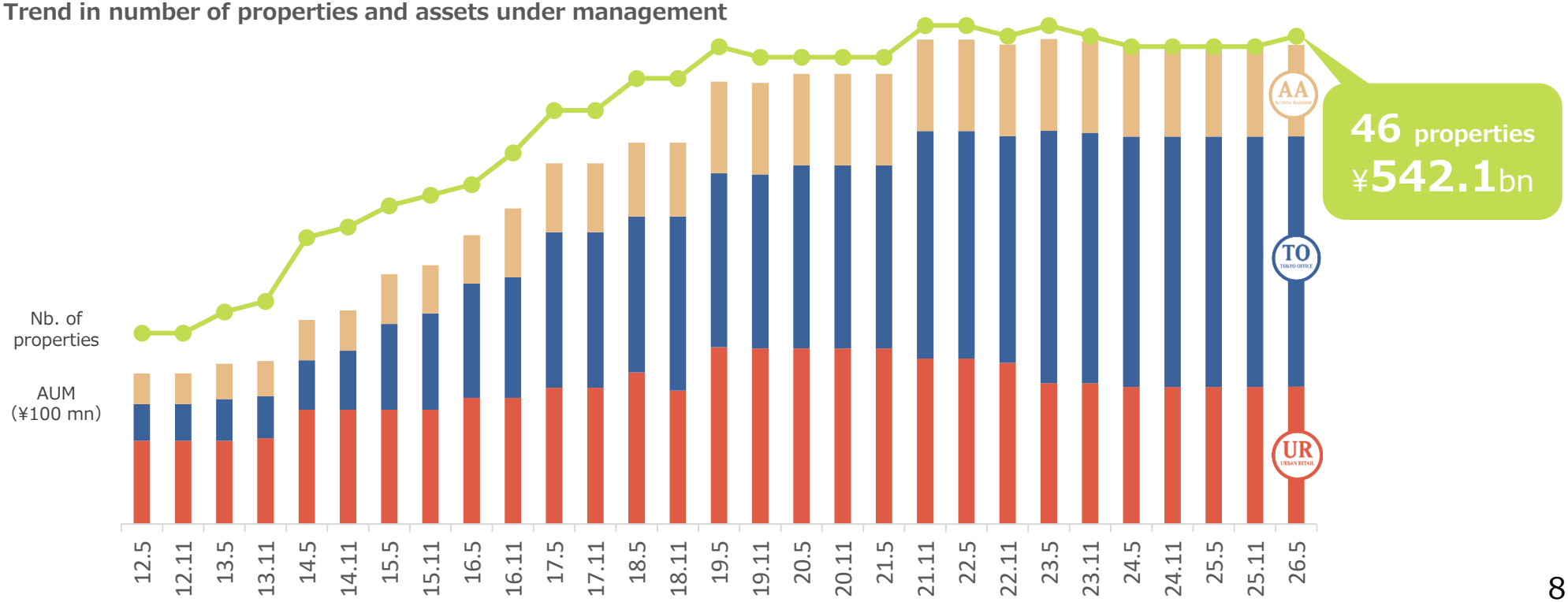
Sourcing from TFHD Group (As of May 31, 2026)	82%

History

Since our IPO in 2012, API has continued to work to build a high-quality portfolio which is carefully selected with a focus on location and property quality and grow and stabilize earnings by expanding assets under management. With a portfolio having grown to over 500 billion yen, API became one of the major diversified J-REITs.

Sep. 7, 2011	Registration of incorporation, and foundation under Article 166 of the Act on Investment Trusts and Investment Corporations
Sep. 20, 2011	Implementation of registration by the Prime Minister under Article 189 of the Act on Investment Trusts and Investment Corporations (registration no.: Director of Kanto Local Finance Bureau No.73)
June 13, 2012	Listed on the J-REIT section of the Tokyo Stock Exchange (securities code: 3279)

Trend in number of properties and assets under management



Since its IPO, API has actively promoted initiatives toward a sustainable society in cooperation with TRM, including organization of TRM's internal system allowing to further develop ESG initiatives.

API

TRM

2019/7

Identified Materiality

Environment
- Reducing environmental impact

Governance
- Management framework corresponding to multifaceted social demand towards sustainable society

Social
- Human capital development as a group of professionals
- Contribution to local communities
- Health and well-being of tenants
- Supplier Engagement

2019/8

Rebalanced the asset management fee (Lowered total asset-based fee and increased DPU and NOI-based fee)

2020/9

Established Green Procurement Standard

2021/12

Became signatory of PRI (Principles for Responsible Investment)

2021/4

Organized Sustainability Promotion Council and established Sustainability Department

2022/1–7

Set environment KPIs
- Greener portfolio
- Sustainable financing
- Procurement of renewable energy

2022/1

- Support of TCFD (Task Force on Climate-related Financial Disclosures)

TCFD Consortium

2022/4

Establishment of the Climate Action Standards

2022/7

Disclosure based on TCFD's proposals
Governance/Strategy/Risk Management/Metrics and targets

2023/2

Signature to the Principles for Financial Action for the 21st Century

21世紀金融行動原則

2023/4

Enhanced Materiality (core issues)
- DE&I (Diversity, Equity and Inclusion)
- Human capital management
- Supply chain management, etc

2023/12

Donation utilizing Regional Revitalization Support Tax Scheme (To Hokkaido Pref. and Kyoto City)

2024/4

Sustainability Department placed under direct supervision of the President

2024/7

Introduction of an internal carbon tax

2024/7

MSCI ESG Rating upgraded to A

2024/9

Endorsement of the Investor Agenda Statement

2024/11

Registered as a "MiraWaka Sustainable Work" company

2024/12

PRI annual assessment
Achieved ★5 in two categories

2025/1

Net-zero policy

2025/3

Re-acquired ISO14001 certification

2025/4

Participation in the Japan Climate Initiative (JCI)

2025/4

Obtained "Kurumin" certification

2025/10

GRESB2025 Real Estate Assessment: Achieved "4 stars"

2025/11

Set new environmental targets
Reduce Scope 1 and Scope 2 emissions by 42% and Scope 3 emissions by 25% by 2030 (Absolute emissions, vs. 2022)

2025/12

CDP2025 Climate Change Received "B" rating

2026/2

Revision of Materiality
- Rigorous governance
- Addressing climate change
- Human capital development and wellbeing
- Co-creation with stakeholders

2026/3

Certified as a "KENKO Investment for Health Organization 2026 (SME Category)"

2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026

Sustainability Policy / Structure for Promotion

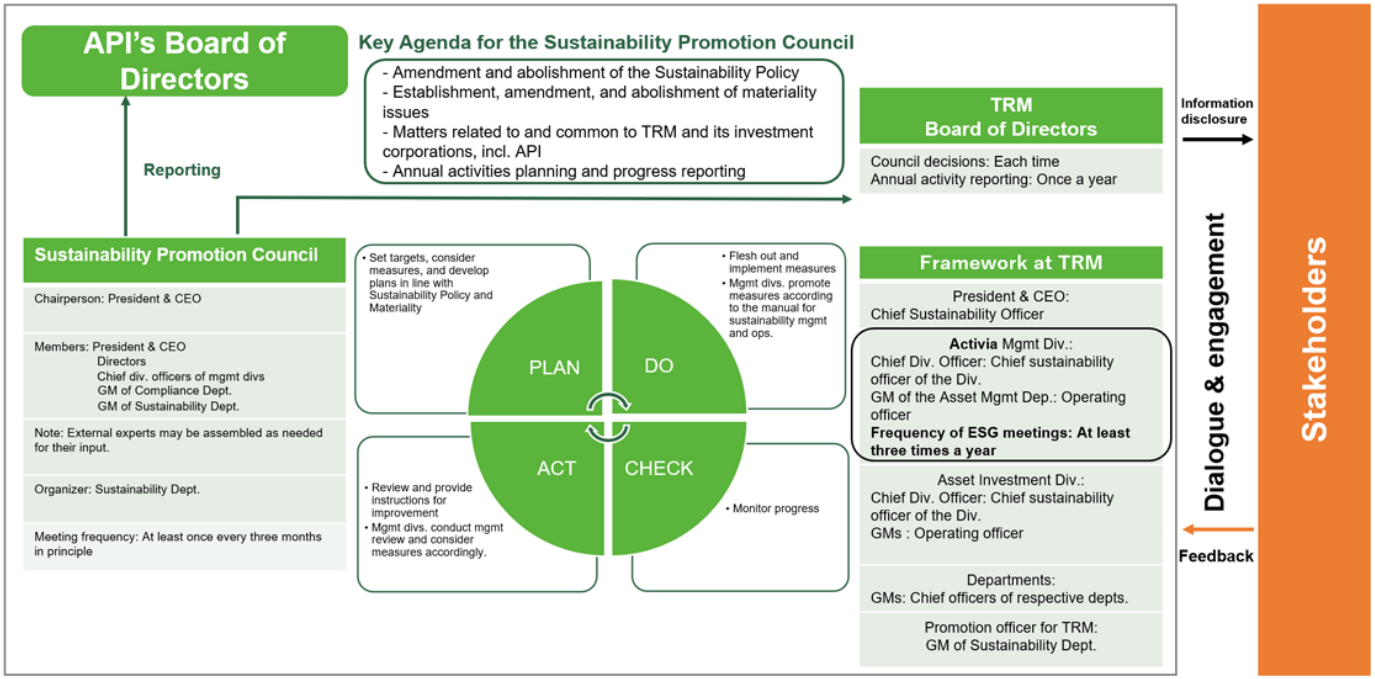
Sustainability Policies

TRM considers paying consideration to environment and society and strong governance as its mission, and as a member of TFHD Group, it shares the Group's sustainability vision. We believe that tackling these issues is a social responsibility and it should help to realize our management philosophy and contributes to the development of a more sustainable society. The Sustainability Policies have been set to put our beliefs into practice.

For the details of the Sustainability Policies, please refer to TRM's website.

Our structure to promote Sustainability

To enhance TRM's efforts towards the issues related to environmental or societal consideration, etc. based on its Sustainability Policies, the rules on the Sustainability Promotion System require that the President & CEO to be the Chief Sustainability Officer and each department appoint one responsible person from the department. The Sustainability Promotion Council is to be held with the President & CEO as chairperson. Sustainability Department was established as of April 1, 2021 to expand the functionality of the Sustainability Promotion System. The Sustainability Department succeeds the ESG-related missions from the Environmental Engineering Department, and we will further promote our sustainability program.



Sustainability Promotion Council

The Sustainability Promotion Council meets regularly with President & CEO as the Chief Sustainability Officer who assumes the ultimate responsibility, and other members from across the organization of TRM and among members, we share relevant information and examine and promote the efforts. External experts are invited to the Council to consult opinions when needed. Matters discussed at the Council are regularly reported to the Board of Directors of TRM and, when necessary, to the Board of Directors of API.

Members of the Sustainability Promotion Council	Chairperson: President & CEO Regular members: Directors, Chief Division Officers of the Activia Management Division, Comforia Management Division, Broadia Management Division,and Compliance Officer, General Managers of Sustainability Department Organizer: Sustainability Department
Meeting frequency	Every quarter in principle, 30 meetings between April 2019 and July 2026
Main issues to be discussed	・Amendment and abolishment of the Sustainability Policy ・Amendment and abolishment of the Materiality ・Matters related to, and common to TRM and investment corporations ・Annual activities planning, report on status

Materiality

Our Intent Behind Our Materiality Priorities

In line with the Policy and as a member of the Group, TRM recognizes the materiality issues of the Group and identified its own materiality issues by extracting societal items which are important over the medium to long term for a sustainable society, with consideration to the environmental efforts API has already made. This Materiality is shared between TRM and API.

Ensuring Strong Governance — Strengthening Long-Term Trust

Through the reinforcement of compliance awareness and risk management systems, we align the direction of the entire organization, reduce the risk of misconduct and operational issues, and foster a sound and trustworthy corporate culture.
We prevent governance failures and organizational rigidity, enhance trust from society and investors, and establish a foundation for sustainable growth.
We ensure effective board oversight with a high level of independence, expertise, and diversity, and provide timely and appropriate information disclosure while promoting sound and flexible decision-making.

Addressing Climate Change — Achieving Cost Reduction and Enhanced Competitiveness

By promoting environmentally responsible operations—such as reducing GHG emissions, lowering water consumption, and advancing resource circularity—we will reduce property operating costs and deliver performance that exceeds the expectations of investors and tenants who prioritize environmental performance.
Furthermore, by mitigating disaster and regulatory risks and enhancing property value, we strengthen competitiveness and achieve property management that continues to be chosen by investors and tenants.

Human Capital Development and Well-being — Strengthening the Driving Force for Sustainable Growth

We will enhance productivity and strengthen business quality by developing professional talent and promoting health and well-being in the workplace.
By improving talent retention and fostering successors, we will build a sustainable, attractive corporate brand and a resilient earnings base.

Co-creation with Stakeholders — Enhancing Corporate Value through building trust

Through dialogue and collaboration with investors, tenants, local communities, and suppliers, we will improve efficiency and drive growth across the entire supply chain.
We will link these efforts to increased earnings and the acquisition of new investments, thereby sustainably enhancing corporate value (investor value).

SDGs strongly linked to our Materiality

The Materiality that API shares with TRM reflects the magnitude of impact our actions will have on the relevant risks and opportunities. Our aim is to contribute to the Sustainable Development Goals (SDGs) through our approaches to the Materiality.

Materiality	Action Items		Opportunities (Business opportunities expected by addressing materiality)	Risks (Impact of not addressing materiality)	Relevant SDG's
Ensuring Strong Governance	Embedding Our Corporate Philosophy	Ensuring strong compliance	· Improving operational efficiency & decision-making quality	· Damage to credibility · Going concern uncertainty · Business suspension order	16, 17
		Ensuring robust risk management			
		Promoting board independence, expertise, and diversity	· Enhancing transparency & reliability	· Decision-making bias and inflexibility · Governance failure	
		Timely and appropriate disclosure	· Building stakeholder trust	· Reputation risk	
Addressing Climate Change		GHG emissions reduction & management	· Climate risk mitigation · Growing ESG investor capital	· Climate change & intensification of disasters · Increased costs due to stricter regulatory compliance	7, 11, 12, 13
		Energy consumption reduction & management			
		Environmental sustainability in properties	· Lower costs through advanced equipment · Rising demand for high-performance properties	· Decline in competitiveness	
Human Capital Development and Well-being		Developing and securing professional talent	· Securing a competitive edge	· Decline in operational quality	3, 4, 5, 8, 10
		Health management & employee engagement	· Boosting productivity	· Increase in resignations and employee leave · Rising hiring costs	
		Human rights & diversity promotion	· Fostering psychological safety	· Reputation risk · Withdrawal from investment	
Co-creation with Stakeholders		Deepening trust with investors	· Ensuring a stable investor base	· Decline in investment unit price	11, 12, 17
		Delivering value to tenants & facility users	· Securing Facility Competitiveness · Renewals & rent uplift negotiation opportunities	· Rising vacancy rate	
		Stronger partnerships with local communities	· Enhancing property & area value · Enhancing corporate image	· Reputation risk	
		Stronger partnerships with suppliers	· Cutting GHG emissions · Boosting supply chain performance and efficiency	· Operational disruption · Lower resilience to risks	

API's Initiatives

Based on the recognition that the realization of a sustainable society is essential for API's sustainable growth, API believes that contributing to the resolution of social issues through its business will contribute to its medium- to long-term growth and ultimately increase unitholder value.

Materiality	Action Items	KPIs, Action Targets, and Numerical Targets (2030)	FY2025 Performance Status (Note)	Status/Examples
Ensuring Strong Governance	Ensuring strong compliance	Third-party compliance training Promoting adherence to the Group Code of Conduct	Compliance training: 4 sessions completed	• For the details of the policy and examples of initiatives, please refer to the "Our Commitment" by TRM. • Establishment of Sustainability Promotion Council for the Asset Manager
	Ensuring robust risk management	Risk assessment Development of internal audit and monitoring structures	Risk assessment: 1 session conducted	
	Promoting board independence, expertise, and diversity	Ratio of female directors Board meeting attendance rate	Ratio of female directors: 33% Board meeting attendance rate: 100%	• Governance of the investment corporation • Investment decision making body and the risk management system for investment management • Sustainability Report 2025 API's Corporate Governance
	Timely and appropriate disclosure	Enhanced transparency through improved information disclosure Periodic disclosure of ESG information	Updating IR information Publication of the Sustainability Report and GRI Content Index	• IR Library • Sustainability Report 2025
Addressing Climate Change	GHG emissions reduction & management	42% reduction in Scope 1 and 2 emissions and 25% reduction in Scope 3 emissions (vs. 2022) Utilizing renewable electricity at all properties in the portfolio Net zero by 2050	CO_2 emissions from electricity: 100% reduction achieved FY2025-end (vs. 2015) Renewable electricity adoption rate: 100% achieved (FY2025-end)	• Supporting initiatives that are in line with TCFD recommendations through climate action standards • Periodic measurement of environmental performance of the portfolio • Constant acquisition of environmental certification , etc. • Utilizing environmental management systems (ISO14001) • Promotion of tenant engagement through green leases, etc.
	Energy consumption reduction & management	Average annual 1% reduction in energy use intensity	Increasing 7.7% year-on-year, due to a change in the calculation period	
	Environmental sustainability in properties	Percentage of Green Building Certification: 70% Green lease new contract rate: 100% Green bond ratio: 100% Water conservation: Average annual 0.5% reduction in water use intensity (mid- to long-term) Waste reduction: Average annual 0.5% reduction in waste intensity (mid- to long-term)	Percentage of Green Building Certification: 85% (FY2026/May) Green lease new contract rate: 100% (FY2026/May) Exploring diversification of sustainable finance instruments Close monitoring of water consumption and waste generation	

API's Initiatives

Human Capital Development and Well-being	Developing and securing professional talent	Training hours Number of employees holding encouraged certifications Enhancing career development and operational capability through goal-setting interviews	Training hours: 27 hours	For the details of the policy and examples of initiatives, please refer to the "Our Commitment" by TRM.
	Health management & employee engagement	Employee satisfaction survey: conduct once a year Average monthly overtime: ≤20 hours Paid leave take-up rate: ≥70%	Employee satisfaction survey: conducted once Average monthly overtime: 21.7 hours Paid leave take-up rate: 71.26%	
	Human rights & diversity promotion	Women in senior management: 30.0% Paternity leave take-up rate: 100%	Women in senior management: 14.3% Paternity leave take-up rate: 100%	
Co-creation with Stakeholders	Deepening trust with investors	Building relationships through proactive information sharing Growth in attendance and viewership at IR and briefing sessions	Institutional investor IR activities: 200 events (FY2026 & FY2027) Individual investor sessions: 5 events, 23,394 participants (FY2026 & FY2027)	• Sustainability Report 2025_Initiatives toward Unitholders and Investors
	Delivering value to tenants & facility users	Enhancing tenant satisfaction Driving initiatives to improve property value	Publishing the overall tenant satisfaction score Implemented improvements based on tenant survey results	• Extract issues and make improvements based on tenant satisfaction survey • Sustainability Report 2025_Tenant Engagement
	Stronger partnerships with local communities	Reinforcing initiatives that support safe, secure, and convenient communities Facilitating involvement in social issue resolution	Leading, joining, and assisting local events Participation in the Furusato Nozei (hometown tax donation) program	• Contribution to the Local Communities • About utilizing the Regional Revitalization Support Tax System (Corporate version Hometown Tax Donation), please refer to the "Our Commitment" by TRM.
	Stronger partnerships with suppliers	PM training: conduct once a year ESG monitoring coverage for PMs: 100% (annually) Deepening engagement with PMs	PM training: conducted once a year ESG monitoring coverage for PMs: 100% PM recognition program carried out	• Supplier Engagement • Promotion of environment-friendly procurement through "The Basic Policy on Sustainable Procurement" and "Green Procurement Standards" • Sustainability Report 2025_Supplier Engagement

Topics

Progress on Environmental KPIs

We achieved the environmental KPI targets established in January and July 2022 to accelerate and further advance our efforts to reduce environmental impact, and have established new environmental targets.

Procurement of renewable energy

KPI

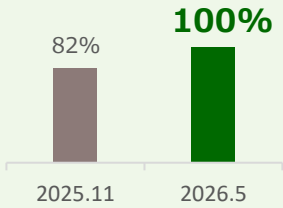
Target achieved!

- ✓ Transition to renewable electricity in **all portfolio properties by March 2026** (Note)
- ✓ **100% reduction of CO_2 generated** by electricity **by March 2026**, relative to FY 2015 baseline (Note)

(Note) Excluding co-owned, sectionally owned, and land-only properties, etc., that have not installed renewable electricity

Renewable electricity utilization rate
(Note) Estimated based on electricity consumption

100%



Greener portfolio

KPI

- ✓ **70% or more** green-certified assets **by 2030**
- ✓ **Promote green leases** for **100%** of new contracts

Sustainable financing

KPI

- ✓ **100%** of new issuances of **investment corporation bonds** to be green bonds (Note)
- ✓ Consider diversification of sustainable financing methods

(Note) On condition of issuance based on the current framework

Progress

Green-certified assets
(As of May 31, 2026)
85%

Green-certified assets
39 properties

Green lease ratio
(FP29 ended May 2026)
100%

New green leases contracted
34 leases

Progress

Green bond issuance ratio since setting KPIs
100%

Issuance capacity
¥135.1 billion

- ✓ **Positive Impact Finance**
  Borrowings in March 2026:
  ¥2.85 bn
- ✓ **Green Loans**
  Borrowings in June 2026:
  ¥6.0 bn

Setting New Targets

- ✓ Continuing procurement of renewable energy for **all properties in our portfolio,** including newly acquired properties
- ✓ **Scope 1** and **Scope 2** to be reduced by **42%**, and **Scope 3** to be reduced by **25%** by **2030**, compared with **FY 2022** **(Absolute emissions)**

Supply Chain Management Restructuring Aimed at Sustainable Business

Establishing a Basic Policy on Sustainable Procurement

In April 2024, TRM compiled and published a basic policy based on the Basic Procurement Policy of the Tokyu Fudosan Holdings Group to address environmental and social issues in all procurement (transactions) related to API and TRM.
See p. 49 for more details.

Creating an Environmentally-Friendly Design Policy and Awareness-Raising Efforts at Construction Companies

TRM conducts awareness-raising activities for property managers and construction companies when renovating properties owned by API using its Environmentally-Friendly Design Policy in addition to the Green Procurement Standards to present use cases of environmentally-friendly materials and success stories of construction work that reduces environmental impact, encourage proposals, and more.

Refurbishment of Entrance/Facade (A-PLACE Tamachi East)
During the 29th fiscal period, entrance and facade renovation works were carried out at A-PLACE Tamachi East. Greenery was incorporated into the entrance wall, and additional planting was installed along the facade.

Internal Carbon Taxation for a Net Zero Society

In July 2024, TRM introduced internal carbon taxation to compare the CO2 emissions from construction and post-renovation energy-saving effects of energy-saving renovations such as LED lighting installation and equipment upgrades and use these as a reference for decision-making.

ESG Assessment in Real Estate Acquisition Due Diligence

Since FY2023, TRM has been conducting due diligence on real estate acquisitions, using its own checklist to examine the status of ESG initiatives, including the acquisition of environmental certifications, the introduction of energy-saving equipment and facilities to reduce environmental impact, the management of environmental figures, and contributions to the local community.

Fundraising in Properties with High Environmental Ratings (Sustainable Finance)

Green Bond Issuance Status

API aims to stimulate demand from new investors interested in ESG investments and expand its investor base for investment corporation bonds by issuing green bonds. See p. 41-43 for more details.

Employee Health and Well-being

Free addressing at TRM offices

In the spring of 2023, as part of a work reform project, TRM changed the layout of office working areas, introduced a group address system (free address system for each department), enhanced refreshment zones and more. This will increase opportunities for communication among employees and help reduce electricity and paper use in the office.
(See p. 55)

External Evaluation / International Initiatives

External Evaluation

GRESB

In 2025, API was awarded the 4 stars in the GRESB Real Estate Assessment, an overall evaluation of ESG consideration. We have received the Green Star, a rating awarded to participants with excellent management systems and practices, for twelve years in a row and achieved the A rank in the GRESB Public Disclosure for eight consecutive years.

Considering the need to address the increasing significance of ESG as an asset management company in the investment management industry, TRM became a GRESB Real Estate Company & Fund Manager Member in 2019. As a member of a global initiative, we will network and share information with leading companies in the area of ESG and participate in activities such as introduction of Japanese cases to the world, to improve sustainability.

MSC Rating

API received a Low Risk rating in Sustainalytics' ESG Risk Rating in June 2026 and a BBB in the MSCI ESG Rating in August 2026.

CDP Rating

CDP is a global not-for-profit organization operating an environmental disclosure system for companies, cities, states, and regions worldwide. Through its climate change program, CDP discloses information on climate change risks based on the answers given to its climate change questionnaires.
CDP evaluates participants into eight levels according to the scores given to them: Leadership level (A and A-), Management level (B and B-), Awareness level (C and C-), and Disclosure level (D and D-). API scored a B as our evaluation in 2025.

Green Certification of owned properties

For the green certifications acquired for the properties owned by API, please refer to p.37.

International Initiatives

UN Global Compact (UNGC)

UN Global Compact is a voluntary effort by corporations and organizations to participate in the creation of a global framework to achieve sustainable growth. Corporations and organizations that have joined UNGC continue their efforts to realize the ten principles regarding protection of human rights, elimination of unfair labor, environmental preservation, and prevention of corruption. The TFHD Group joined the UNGC in December 2016, and, as a member of the Group, TRM supports the ten principles of UNGC. (cf. p.67)

WE SUPPORT
UN GLOBAL COMPACT

Task Force on Climate-Related Financial Disclosures (TCFD)

TCFD stands for the Task Force on Climate-related Financial Disclosures, established by the Financial Stability Board (FSB) at the request of G20, to examine how climate-related information should be disclosed and how financial institutions should respond. In January 2022, TRM expressed its support for the TCFD recommendations and also joined the TCFD Consortium, a group of domestic companies that supports TCFD recommendations. As of 2024, the International Sustainability Standards Board (ISSB), established at the request of TCFD, has taken over this role.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
TCFD Consortium

For information disclosure in accordance with TCFD recommendations, please refer to p.23.

Principles for Responsible Investment (PRI)

The Principles for Responsible Investment (PRI) refer to the six principles below proposed in 2006 by the then secretary-general of the United Nations as a guide for the financial sector and are promoted by an international network of investors working toward their achievement through the United Nations Environment Programme Finance Initiative ("UNEP FI") and the United Nations Global Compact ("UNGC").
The PRI, which calls for incorporating considerations for environmental, social, and governance (ESG) issues into investment decision making, is designed to improve long-term investment performance for beneficiaries and have fiduciaries to fulfill their duties by having ESG perspectives integrated into the process of investment decision making.
TRM supports the basic idea of the PRI and became a signatory in December 2021.

Six Principles for Responsible Investment (PRI)

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

Signatory of:

PRI Principles for Responsible Investment

Endorsement of the Investor Agenda Statement

The Investor Agenda Statement is an international institutional investor initiative to promote carbon reduction jointly operated by UNEP FI, PRI, CDP, and the four Global Investor Coalition on Climate Change (GIC) constituents. This effort encourages incorporating climate change measures into economic policies, and we signed in support of the statement, slated for submission in September 2024, in the run-up to COP29.

International Initiatives

reacquisition of ISO 14001

In March 2025, API reacquired its ISO 14001 certification, an internationally recognized standard, for its EMS for real estate investment management and property management. In accordance with the ISO standard, we are committed to implementing a range of initiatives based on below policies.

① We will comply with environmental laws, regulations, ordinances, agreements, and other requirements, and will strive to achieve net-zero emissions toward the realization of a decarbonized society by working to reduce environmental impact, promote transition to a 100% renewable energy system, and prevent environmental pollution.

② We will continuously develop and foster human resources as a group of professionals by promoting development of each employee by setting forth the requirements for ideal profile. Furthermore, we will continue engagement and capacity-building efforts for not only our employees, but also investors and other stakeholders seeking to address environmental issues.

③ We will raise employees' awareness of environmental conservation through environmental education and awareness-raising activities, and actively contribute to local environmental protection activities. We will not offer funds to climate change deniers or conduct any lobbying activities for climate change regulations.

④ We will promote reduction, proper disposal, and recycling of waste.

⑤ We will strive to continuously improve our environmental protection activities by setting and periodically reviewing environmental targets.

<Overview of the certification>

Standard:	ISO14001:2015, JIS Q 14001:2015
Scope:	Real estate investment management and property management
Certification body:	EQA International Certification Center Co., Ltd.
Registration no.:	EA220076

Participation in the Japan Climate Initiative (JCI)

The Japan Climate Initiative (JCI) is a network established in Japan by a wide range of non-state organizations, including Japanese companies, municipalities, and NGOs that are working actively to tackle climate change. JCI has declared its commitment to working toward the realization of a decarbonized society under the Paris Agreement by increasing energy efficiency and use of renewable energy in its own activities, deepening cooperation among domestic and international non-state organizations, and stepping up efforts to help achieve net-zero emissions by 2050.
API became a member of JCI in April 2025, expressing our approval of its active effort to realize a decarbonized society.

Principles for Financial Action for the 21st Century

The Principles for Financial Action for the 21st Century was established as an action guideline in October 2011 for financial institutions that want to fulfill the responsibilities and roles required to create a sustainable society. TRM signed the Principles for Financial Action for the 21st Century in February 2023.

Acquisition of the "Certified Health Enterprise (Silver Certification)" and the "Health and Productivity Management Organization (SME Category)" Designations

In addition to being registered as a Tokyo Sustainable Work Company and receiving Kurumin certification, we obtained the Certified Health Enterprise (Silver Certification) issued by the Japan Health Insurance Association in October 2025. Furthermore, in March 2026, we were selected as a Health and Productivity Management Organization (SME Category) under the program jointly administered by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

Environment

Our view on Environment
API considers climate change as a significant risk and identified reducing environmental impact as part of its Materiality. Our medium- to long-term targets are 1.0% average annual reduction in energy use intensity, and 0.5% annual average reduction in water use intensity and waste intensity. And in November 2025, we established GHG emissions reduction targets for 2030, aiming to reduce Scope 1 and Scope 2 emissions by 42% and Scope 3 emissions by 25% compared with FY 2022. We recognize that reducing environmental impact and contributing to the mitigation of climate change risks over the medium to long term will lead to the maximization of unitholder value, API's most important management objective. Through environmental improvement projects and the operation of energy-efficient properties, we will continue to pursue sustainable growth.
API and TRM consider that contribution to the local communities as well as urban revitalization, with environmental consideration, through management of our properties is one of our important missions. With regard to investment in undeveloped site (greenfield), we recognize that act of development will have an impact on the natural environment and ecosystem, and we will continue to make investment in light of such recognition.

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Addressing Climate Change

1. How we look at and address climate change

(1) Our perception of and basic approach to climate change
We are well aware that climate change is a critical issue that has a great impact on our business activities.
The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC), published in 2021, firmly concludes that humans have warmed the atmosphere, ocean, and land. The report attributes increases in greenhouse gas (hereinafter refers to as "GHG") concentrations including carbon dioxide since around 1750 to human activities such as heavy consumption of fossil fuels.
At the 26th United Nations Climate Change conference (COP26) also held in 2021, participating countries formally agreed that they will pursue efforts to limit temperature increase to 1.5℃. This agreement came amid growing awareness that limiting the increase in the global temperature to 2℃ above levels in the Industrial Revolution, the maximum allowable level under the Paris Agreement of 2015, will not preclude tremendous negative impacts. Given the global temperature has already risen by more than 1℃, however, we believe that achieving this target requires bold actions, including social and structural changes.
Given such circumstances, we recognize the importance of efforts to achieve the Japanese government's goal of attaining net zero GHG emissions by 2050. ("Net zero" refers to a balance between anthropogenic emissions and their removals. The same applies hereinafter.)
We need to adapt to emerging waves of change generated by these increasing impacts of climate change, more solid global frameworks for climate change, and transition to a decarbonized society. We also need to secure both stable earnings and steady growth in assets under management over a medium to long term. To these ends, it is important for us to predict risks and opportunities that climate change may present to our business, to work with our investors and other stakeholders, and to reflect such risks and opportunities in our investment strategies and property management.

TRM, to which API entrusts the management of its assets, is mindful of the need for environmental and social considerations and strong governance. And, as a member of the TFHD Group, TRM shares the Group's Sustainability Vision. The Group has a goal of net zero CO2 emissions by 2050 (hereinafter referred to as "net zero policy") for itself and its supply chains as one of its climate targets.
TRM believes that addressing these needs constitutes part of its social responsibilities and is also an avenue to practice its management philosophy. It also believes that doing so will contribute to development of a sustainable society. To put this belief into practice, TRM has identified material issues under its Sustainability Policy and shares them with API. For more information on the Sustainability Policy and the material issues, please refer to TRM's Sustainability Initiatives.
The escalation of climate change has a huge impact on our efforts toward "reducing environmental impact," one of our material issues. For this reason, we demonstrate to our suppliers our commitment to environmentally preferable purchasing with our Green Procurement Standards(established in September 2020)and the Basic Policy on Sustainable Procurement(established in April 2024). We join hands with our suppliers in taking action based on mutual understanding.
To redouble its efforts to address these issues, TRM has signed on to the Principles for Responsible Investment (PRI), joined GRESB as a member, and embraced the UN Global Compact (UNGC) in conducting business activities.

(2) Support for the TCFD Recommendations
TCFD stands for "Task Force on Climate-related Financial Disclosures," a unit established by the Financial Stability Board (FSB) at the request of the G20. With the recognition that climate change poses a serious risk to the global economy, the TCFD is tasked with examining how climate-related information should be disclosed as well as what action should be taken on the part of financial institutions.
In January 2022, TRM announced its support for the TCFD Recommendations. Also, TRM became a member of the TCFD Consortium, an association of Japanese businesses that endorse the recommendations.

2. Organizational governance for addressing climate change

(1) Our structure to promote sustainability
For information on the implementation setup at TRM (including responses to climate change; hereinafter the same), please refer to "Our Structure to Promote Sustainability." (p.10)

(2) Sustainability Promotion Council
As part of its efforts to address sustainability issues, TRM convenes the Sustainability Promotion Council regularly to share sustainability-related information (including responses to climate change) and discuss measures to take on these challenges and implement them. The Council also monitors progress in our sustainability efforts regularly and continuously. For more information about the Council, please refer to "Sustainability Promotion Council" under "Our Structure to Promote Sustainability." (p.11)

(3) Our ISO 14001-certified environment management system
API and TRM have in place a unique environment management system (EMS) that builds on a PDCA cycle to reduce environmental impacts of their business, including the management of properties owned by API. By taking advantage of this EMS, we have been making efforts to build up a framework to manage and promote sustainability initiatives. These efforts, which involved holding regular divisional meetings and reporting to management, and as needed, to the Sustainability Promotion Council, eventually paid off. In March 2025, this particular EMS was recertified to have met the international standard in two categories of service: real estate investment management and proprietary property management. For information on how API uses the EMS in asset management, please refer to "Environment Management System." (p.40)

(4) Climate Action Standards
For matters related to addressing climate change, TRM has in place a set of climate action standards, under which it has built its structure to promote sustainability and established an action policy that builds on the TCFD framework. To reduce the impact of GHG emissions on climate change, TRM, as a member of the Group, sets climate indicators and targets under the net zero policy. For information on the management of risks and opportunities related to climate change, see "4. Managing Risks and Opportunities Related to Climate Change." (p.28)

(5) Reporting on performance
For information on TRM's structure for reporting and monitoring, please refer to "Our Structure to Promote Sustainability." (p.10)

Meeting entity	Convening entity	Meeting frequency
ESG meeting at Activia Management Division	TRM	Three times or more a year
Sustainability Promotion Council	TRM	Four times a year
TRM's Board of Directors meeting	TRM	Once a year (reporting)
API's Board of Directors meeting	API	As needed (reporting)

3. Strategy that factors in risks and opportunities related to climate change

(1) Scenario analysis assumptions
Climate change risks can be largely divided into transition risks and physical risks. API has analyzed 2 scenarios: 1.5℃ and 4℃ scenarios, using future climate predictions announced by two international organizations*.
These scenario analyses have used two timeframes during which we will continue to be affected: mid-term (2030) and long-term (2050).
* International Energy Agency (IEA), World Energy Outlook 2024
UN Intergovernmental Panel on Climate Change (IPCC), The Sixth Assessment Report (AR6)

Global outlook under 4℃ scenario

A scenario in which GHG emissions are high due to a lack of progress in decarbonization action, resulting in more frequent natural disasters. Physical risks, rather transition risks, need to be addressed.

Climate, Natural Environment
- More than 4°C rise in annual mean temperature from the 20th to 21st centuries
- More frequent violent typhoons toward the end of the 21st century
- About a fourfold increase in flooding frequency in Japan by the end of the 21st century compared with the 20th century
- More frequent storm surges due to a sea level rise on global average caused by global warming

Policies, Laws & Regulations
- No progress in decarbonization policy from the present
- No strengthening of such systems as carbon taxes and emissions trading as well as of energy efficiency standards for buildings
- Tighter laws and regulations on disaster prevention and reduction
- Mild improvement in energy efficiency of existing properties

Investors, Financial Institutions
- The established practice of factoring in physical risks in making investment decisions despite a measure of increase in ESG investment
- Integrated or standards criteria not available despite more diversity in green finance mechanisms

API
- Rising costs of addressing floods and localized torrential rains
- Operating losses due to cessation of operations resulting from damage to properties caused by natural disasters
- No notable increase in construction and refurbishment costs as demand for constructing ZEBs and converting to ZEBs remains low
- More burden on PM, BM, and AM companies due to the need to procure emergency supplies, implement BCP, and conduct disaster response drills

Tenants, Customers, Local Communities
- More considerations paid to the health, comfort, and safety of tenants and customers (measures to prevent heat stroke, BCP, etc.)
- More increase in the per capita cost of air conditioning from the current level due to rising mean temperatures
- Closer cooperation with local communities in times of disaster

Global outlook under 1.5℃ scenario

A scenario in which GHG emissions are curbed thanks to various environmental regulations and more ZEBs. Transition risks, rather than physical risks, need to be addressed.

Climate, Natural Environment
- A rise of approximately 1.5°C in annual mean temperature from the 20th to 21st centuries
- The frequency and intensity of typhoons, flood frequency, and sea level rise caused by global warming all being low when compared with the 4°C scenario

Policies, Laws & Regulations
- ZEBs being the standard for new constructions
- Tighter emission control with the introduction of a carbon tax and emissions trading
- Scale-up of environmental standards and disclosure policies associated with improved environmental literacy

Investors, Financial Institutions
- More emphasis on regulatory compliance and environmental certification
- Higher procurement costs for properties with low environmental or disaster prevention performance as investors consider ESG in making decisions and environmentally certified properties constitute a larger percentage of the investment portfolio
- Performance in addressing environmental impacts required as an essential appraisal criterion with green finance mechanisms in place

API
- ZEBs accounting for increasing proportions of new constructions and existing properties; the resultant increase in capital investment being reflected in acquisition costs
- Reductions in energy use and utilities expenses due to more ZEBs
- Additional operating expenses for complying with stricter laws and regulations, demonstrating environmental actions to stakeholders, and improving disclosures
- Lower income from rentals of properties with low environmental or fire-resistant performance
- More work to comply with stricter laws and regulations at PM, BM, and AM companies

Tenants, Customers, Local Communities
- Tenants' preference for properties with high environmental or fire-resistant performance; lower demand for those with low environmental or fire-resistant performance
- A low increase in air conditioning costs when compared with the 4°C scenario despite rising mean temperatures
- Communication with local communities about disaster response playing a key role

(2) Analytical procedure

The analysis of the 4℃ scenario, which assumes a world in which physical risks need to be addressed more than transition risks, has involved identifying and analyzing long-term (2050) risks, which outweigh mid-term (2030) risks. The analysis of the 1.5℃ scenario, which assumes a world in which transition risks need to be addressed more than physical risks, has involved identifying and analyzing both mid-term (2030) and long-term (2050) risks and opportunities. In both analyses, financial impacts have been analyzed and assessed both quantitatively and qualitatively.

The analyses, both qualitative and quantitative in nature, have been conducted in light of the status of API's asset holdings, with reference made to currently available scenarios as published by the IEA and the IPCC and to objective projections published by other third-party specialized institutions. The impact assessments thus made assume some risk factors and their uncertainties; therefore, they do not guarantee their accuracy or safety that they may suggest.

Risk Category	Type	Item	Description of Risks and Opportunities	Category	Financial Impact			API's efforts/resilience
					Under the 4℃ scenario	Under the 1.5℃ scenario		
					2050	2030	2050	
Transition Risks	Policies, Laws & Regulations	Increased pricing of GHG emissions	Cost arising from carbon tax levy	Risk		438/year	782/year	・Promotion of planned construction works for energy-saving purposes ・Adoption of renewable energy
		Mandates on and regulation of existing products and services	Increased construction costs arising from compliance with ZEB-related and other environmental regulations	Risk		557 (Cumulative)	13,934 (Cumulative)	・Promotion of planned construction works for energy-saving purposes ・Planned acquisition of environmental certifications and energy-saving ratings
			Increased verification costs arising from compliance with ZEB-related and other environmental regulations	Risk		6/year	9/year	
	Technology	Substitution of existing products and services with lower emissions options	Higher efficiency due to shift to properties with higher eco performance	Opportunity		217-1,084/year	1,086-1,084/year	・Reduction of utility costs through the planned acquisition of environmental certifications and energy-saving ratings
	Market & Reputation	Changing customer behavior	Higher vacancy of properties with lower environmental performance	Risk		110/year	110/year	・Promotion of planned construction works for energy-saving purposes ・Adoption of renewable energy ・Planned acquisition of environmental certifications and energy-saving ratings
			Lower demand due to little shift to properties with higher disaster prevention performance	Risk		532/year	532/year	
		Shift to high-efficiency properties	Securing competitive edge by shifting to properties with higher environmental performance	Opportunity		20,303-20,594 (Cumulative)	20,303-20,594 (Cumulative)	・Increase of asset values through the planned acquisition of environmental certifications and energy-saving ratings ・Use of sustainable financing
Physical Risks	Acute	Increased severity of extreme weather events	Costs incurred from the need to address torrential rain disasters, etc.	Risk	182-714 (Cumulative)			・Implementation of ESG DD in the process of property acquisition ・Periodical review of fire insurance policies ・Implementation of planned anti-inundation measures (installation of watertight barriers, inundation sensors, and other devices)
			Loss of sales opportunities due to torrential rain disasters, etc.	Risk	6-24 (Cumulative)			
	Chronic	Rising mean temperatures and sea levels	Increased costs of air conditioning due to rising temperatures	Risk	6/year			・Efforts to increase the efficiency of air-conditioning equipment ・Promotion of planned construction work for energy-saving purposes
			Inundation due to sea level rise	Risk	11-606 (Cumulative)			・Implementation of ESG DD in the process of property acquisition ・Periodical review of fire insurance policies ・Implementation of planned anti-inundation measures (installation of watertight barriers, inundation sensors, and other devices)

(Note) Disclosed in July 2026

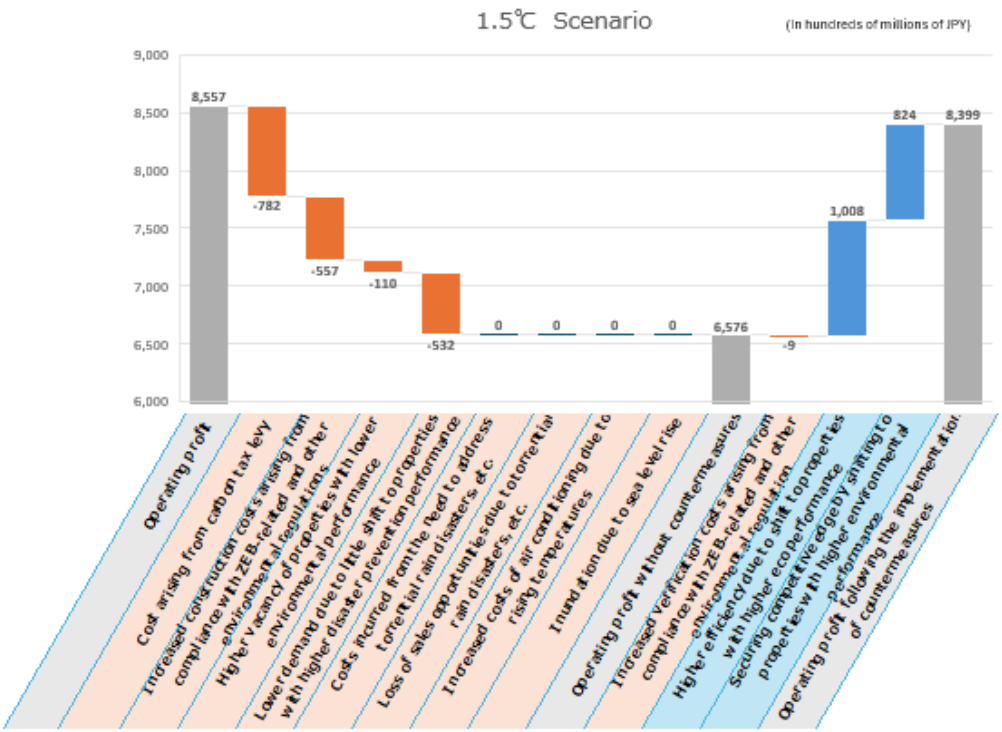
(3) Analysis findings

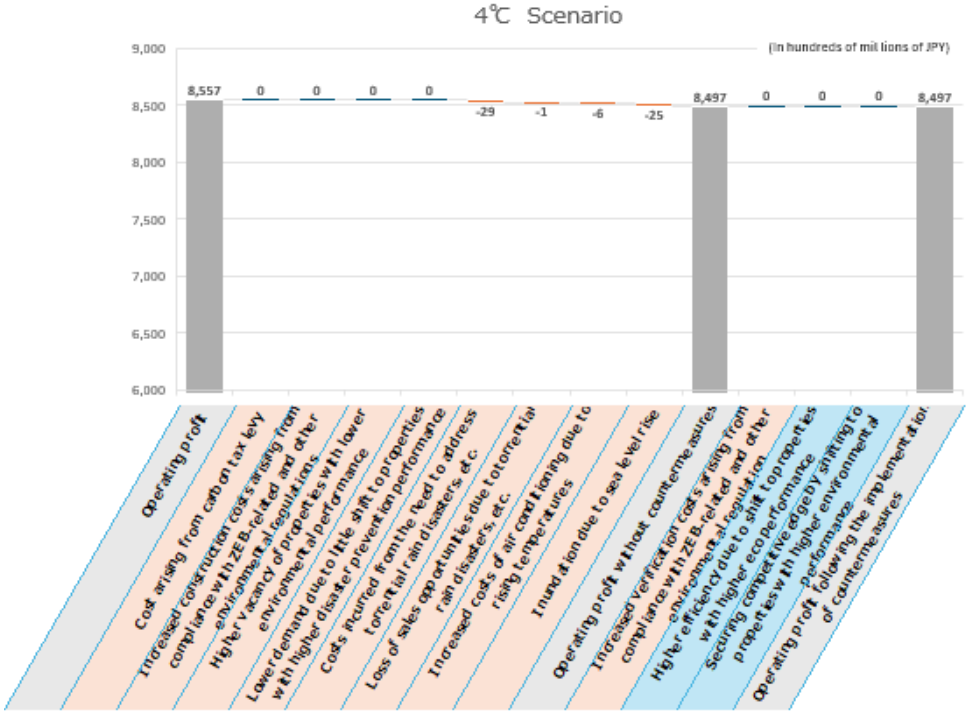
1.5℃ scenario entail substantial transition risks. In this scenario, the introduction of a high carbon tax designed to curb CO2 emissions in Japan is likely to mean higher operational costs stemming from, for example, a heavier tax burden on CO2 emissions from proprietary properties. Stricter environmental regulations with regard to ZEBs, energy saving standards, and the like are likely to translate into additional costs of refurbishments needed to comply with them.

Tighter regulations will have a tremendous impact on tenants' choice of properties. It is expected that in comparing properties of different real estate agencies, demand for properties with lower energy efficiency will decline.

With an eye on a transition to a decarbonized society under the scenario of 1.5℃, API is committed to addressing these risks and maintaining its competitive edge. To these ends, API will take a number of actions. These include deploying renewables, switching over to LED lighting in a systematic manner, and retrofitting its properties with more energy efficient equipment. To make its portfolio greener, API will also increase the proportions of environmentally certified properties and green lease agreements with new tenants.

Under the 4℃ scenario in which little progress will be made in decarbonization, API expects damage to its proprietary properties due to increased severity of extreme weather events and resultant increases in repair expenses. It is worth noting here that API' buildings are originally disaster-resistant and that API's investment focuses on properties in areas resistant to inundation and other risks. With regard to chronic changes such as rising mean temperatures, API is committed to reducing CO2 emissions by, for example, deploying renewables and considering and replacing existing key equipment such as electric and air conditioning equipment with more energy-efficient equipment wherever possible when it reaches its end of life.





(4) Addressing Physical Risk

Japan is prone to natural disasters. Its geographical factors expose it to inundation and other damage due to typhoons and torrential rains. Earthquakes are frequent as well. API has in place a structure that minimizes such damage and enhance resiliency to intensifying disasters to reduce the risk that disasters will erode portfolio profitability. TRM has a business continuity management (BCM) policy on crisis response and business continuity planning (BCP) under its basic policy on risk management. Progress in global climate change may make natural disasters more frequent and destructive. API regards an increasing financial impact of such disasters as a major physical risk of climate change. Please see "Preparation for Disasters" (p.47) for our preparedness for disasters.

Predicting flood risks

API keeps abreast of possible flood damage to its portfolio with the help of hazard maps prepared by the Ministry of Land, Infrastructure, Transport and Tourism and local governments. (API uses information on flood and inundation hazard areas as well as storm surge and inundation hazard areas.) To minimize economic losses, API makes necessary Preparation for Disasters for its properties and has a fire insurance that covers flood losses in place for each of them.

Please check earthquake PML in "Financial Statements".

Flood depth(m)	UR	TO	AA	Total (nb. of building) (Note)
Over 5.0	0	0	0	0
3.0 to 5.0	0	1	3	4
0.5 to 3.0	6	8	4	18
0 to 0.5	3	2	2	7
No damage expected	3	9	2	14
Total	12	20	11	43

(Note) Number of buildings as of November 30, 2025. Excluding properties for sale.

4. Managing Risks and Opportunities Related to Climate Change

Matters related to material issues regarding climate-related risks and opportunities and adaptation and resilience to climate change are regarded by TRM as matters related to climate action in accordance with its climate action standards. They also constitute specific sustainability initiatives and are therefore part of the matters related to promoting sustainability.
In January 2022, we announced our support for the TCFD Recommendations, which prompted us to conduct scenario analyses described above. The analyses were aimed at identifying risks and opportunities arising from the impact climate change may have on API, assessing the impacts of these risks and opportunities on our business, and making changes to our future strategies as needed. Risks of particular importance were singled out in light of how likely they emerge, when they emerge if ever, and how they may impact our finances.
Based on the analysis findings, we will review and further improve our initiatives. To this end, we will execute function management with the help the EMS and monitor API's actions and their progress through the Sustainability Promotion Council.

5. Setting Metrics and Targets Related to Climate Change

(1) Metrics and targets
API has identified its metrics and targets related to climate change under the category of “reducing environmental impact,” one of the material issues it shares with TRM. For the purposes of identification, API assessed risks and opportunities presented by the impacts of climate change as well as the importance of specific actions aimed at addressing these impacts.
API has also set out a policy for reducing environmental impact. The policy covers four key areas: energy use, energy-related CO2 emissions, water conservation, and waste generation. To translate the policy into specific actions, API has set the following key performance indicators (KPIs) for climate action under the net zero policy, which builds on TRM’s climate action standards. These KPIs are classified into three categories, which include the existing two categories of renewable energy procurement and portfolio greening as well as the new category of sustainable finance, with the KPI in this category being the percentage of green bonds.

GHG emissions reduction

Scope 1 and Scope 2 to be reduced by 42%, and Scope 3 to be reduced by 25% by 2030, compared with FY 2022

Renewable energy procurement

Continuing procurement of renewable energy for all properties in our portfolio

(Note) Renewable energy was fully introduced by the end of FY 2025 across all portfolio properties where renewable electricity had not yet been implemented (excluding co-owned properties, sectional ownership properties, and land holdings), achieving a 100% reduction in electricity-related CO_2 emissions compared with FY 2015.

Greener portfolio

Green-certified assets: 70% or more green-certified assets by 2030
Green leases: Promote green leases for 100% of new contract

(Note 1) Green-certified assets refer to the properties to CASBEE Certification for Real Estate, BELS Certification, Tokyo Low-Carbon Small and Medium-Sized Model Building, and DBJ Green Building Certification.
(Note 2) The figure is calculated based on the gross floor areas of the properties excluding those in which API owns only land.
(Note 3) API promotes to include green clauses in lease contracts with tenants in light of the need for energy efficiency and environmental considerations, thus sharing with them its ideals for improving and maintaining building-wide comfort and productivity.

Sustainable finance

100% of new issuances of investment corporation bond to be green bonds

(Note) On the condition of issuance based on the current framework.

(2) Progress toward targets as well as practices
API regularly discloses information on its website, etc. on environmental performance with regard to energy consumption, CO2 emissions, water consumption, and waste generation; environmental certifications; and environmental impact reducing works. It also provides relevant information on the annual sustainability report and financial statements as part of ESG-related information.

Environmental Consideration in Real Estate Investment

Environmental risk assessment in acquisitions

When API is acquiring a new property, TRM conducts due diligence using third party experts to assess environmental risks regarding toxic substances (usage/storage of asbestos, PCB, CFC, other chemical substances, soil contamination, etc.) before investment decisions.
In addition, we use a proprietary checklist to survey the status of ESG initiatives, including the acquisition of environmental certifications for acquired properties, the introduction of equipment and facilities that reduce environmental impact such as energy conservation, the management of environmental values, and contributions to the local community.

Urban Redevelopment

Brownfield redevelopment

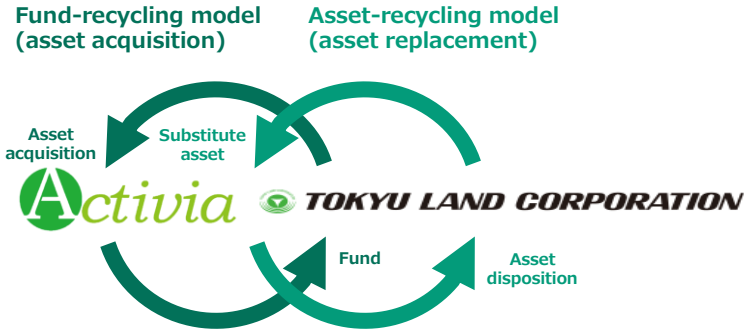
Amagasaki Q's Mall is a large shopping mall constructed through redevelopment of a former factory site. Chemicals detected in the soil contamination risk assessment on the site were removed by excavation before redevelopment.

Dependence on nature and impact on urban development in the greater Shibuya area

Quantitative analysis using expert analysis tools shows that the biodiversity restoration impact before and after the construction of the sponsor's properties in the greater Shibuya area has been positive since FY2012. (p.30)

Asset-recycling model with TLC

As the support from the Sponsor for external growth, in addition to the "fund-recycling model" in which API acquires an asset from the sponsor through fund procurement, API is also promoting the "asset-recycling model" through asset replacement with the Sponsor. By utilizing the Sponsor's redevelopment function, not only that the assets that API dispose will be put back into the pipeline after redevelopment by the Sponsor, but API also plays a part in the urban redevelopment by the Sponsor.



Tokyu Plaza Akasaka (disposed in October 2021)

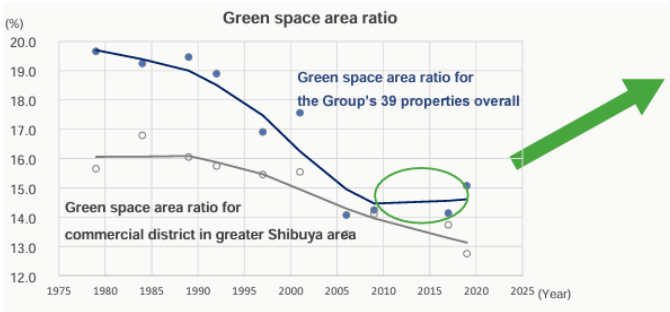
A hotel representing the area facing the Akasaka-mitsuke intersection, which was over 50 years old, was transferred to the Sponsor. Not only that the preferential negotiation rights for the new property in the event that the hotel will be redeveloped by the Sponsor that API has acquired will contribute to API's future external growth, but API will also play a role in urban redevelopment as a part of the Sponsor's cyclical reinvestment business.

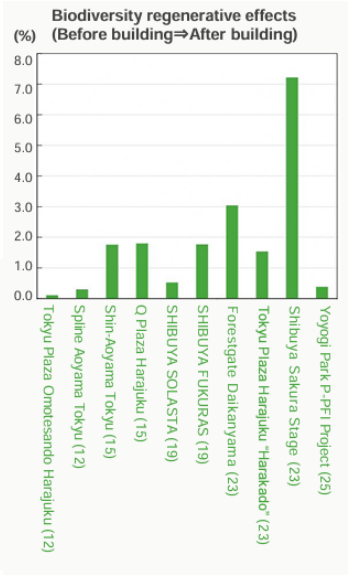
Urban Greening and Biodiversity

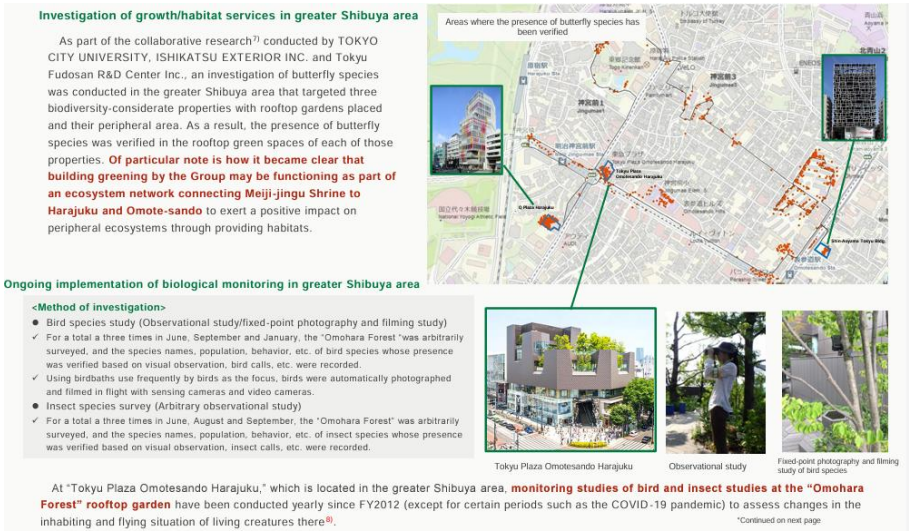
Initiatives towards biodiversity

Biodiversity is one of the key issues in the TFHD Group's environmental management. In urban areas, the TFHD Group is developing and managing real estate with the goal of connecting greenery scattered throughout the city in a way that takes into account both people and nature. As part of these efforts, the TFHD Group has been working with experts to disclose the dependence, impact, risks, and opportunities related to the sponsor group's natural capital, referring to the TNFD's Nature-Related Risk and Opportunity Management and Disclosure Framework Beta v0.4 issued by the Task Force on Nature-Related Financial Disclosures (TNFD). In order to disclose this information, we are working with experts to review, analyze, and organize nature-related information within the TFHD Group's operations.

Recently, based on the LEAP approach presented by TNFD, a quantitative analysis was conducted on the properties owned and operated by the TFHD Group in the value chain (including API-owned properties) located in the greater Shibuya area, which was selected as the priority area, using the analysis tools provided by the experts. As a result, it was found that the TFHD Group's biodiversity restoration effects before and after the construction of its properties have been positive since the properties developed in FY2012. The results show that the TFHD Group's efforts to secure the quantity and quality of greenery in recently completed properties, such as securing green space under various urban development programs and selecting native species for planting, have been successful, and the sponsor group's community development has been recognized as contributing to nature positivity. In accordance with the Group's biodiversity policy, the Group plans to continue various types of monitoring in the greater Shibuya area to determine the state of nature with reference to the TNFD. In particular, Tokyu Plaza Omotesando "Omokado" is the center of the area, and the monitoring results suggest that the greening of the building, centered on the Omohara Forest, may be having a positive impact on the ecosystem by providing a habitat for living creatures in the greater Shibuya area. (p.32) For details, please refer to TFHD's TNFD Report 2024.7.31(3rd).







Transition to Renewable Energy

API began procuring 100% of electricity from renewable energy sources for 4 of the properties it owns from the fiscal period ended May 2022, and as of the end of the fiscal period ended May 2026, 35 properties, or 100% of the portfolio's electricity consumption, were using electricity derived from renewable energy sources. 3 of the 13 properties are powered by TFHD Group's renewable energy power plants. We will continue to implement measures to achieve the KPI of completing the introduction of renewable energy power to all properties in the portfolio (Note).

	End of May 2022	End of Nov. 2025	End of May 2026	End of Mar. 2025 (target year)
Nb. of properties	41	35	35	-
Nb. of properties deployed renewable electricity	4	32	35	-
Rate of renewable electricity deployment	18%	81%	100%	100%

(Note)Excluding co-owned, sectionally owned, and land-only properties that have not installed renewable electricity

Sponsor's initiatives

TLC started renewable energy business such as solar and wind power generation in 2014. In 2019, it became member of RE100* as a first Japanese real estate developer.

In addition, as of December 1, 2022, the switch to 100% renewable energy was completed and the achievement of RE100 goals was certified by CDP, the RE100 secretariat. (The first domestic operating company to do so)

*RE100 is a global initiative bringing together the world's most influential businesses committed to 100% renewable electricity.

TLC's renewable energy business (As of the end of Jun. 2026)

ReENE
東急不動産の再生可能エネルギー事業［リエネ］

Nb. of projects: 173

Rated capacity: 2,082MW

Solar

Solar power plant in Ibaraki (Namegata, Ibaraki)

Wind

Wind power plant in Hokkaido (Matsumae, Hokkaido)

Biomass

Biomass power plant in Tottori (Yonago, Tottori)

Measures Taken in Owned Properties

Tokyu Plaza Omotesando "Omokado"

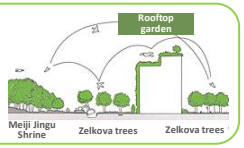
In the one of API's flagship properties, various environmental efforts are taken including CO2 emission reductions through wind-power generation, conservation of water resources as well as resource saving by using recycling materials.

1 Reducing CO2 emissions

- Use of natural energy through wind-power generation and top light
- Energy-saving equipment (LED lighting, motion sensors, outdoor sprinklers)
- Mitigation of the heat-island effect through rooftop garden

2 Conservation of Biodiversity

- Attracting living creatures (watering place for birds and birdhouses)
- Contributing to an ecological network nearby



3 Conservation of Water Resources

- Water-saving equipment (water-saving toilets, water-saving faucets)

4 Resource Saving

- Use of recycled materials (wood decks made of recycled wood, carpets made of recycled materials)

5 Attention to Health

- Reducing harmful substances (using building materials emitting less VOCs)
- Rooftop gardening for psychological healing and the cleanup of air (absorbing dust)

For more measures taken in each property, please refer API's website.

Consideration to Urban Greening and Biodiversity

API does not invest in new development project, though in management of API's owned properties, we respect biodiversity through efforts toward conservation of and improvement in ecosystem in urban greening and natural area in the premises or neighborhood.

For Tokyu Plaza Omotesando "Omokado", we acquired ABINC certification and conducts regular surveys of living creatures throughout the year in cooperation with an expert in natural environment conservation, in order to monitor changes in the ecosystem of the green space.
On the rooftop, a nature-friendly environment with water mountain for birds has been created. A large-sized rooftop garden with tall trees, such as zelkova and Katsura trees, in the center of Omotesando and Harajuku areas, is registered as a "Birdpia" by the Japanese Society for Preservation of Birds. As part of a green network consisting of Meiji Jingu shrine and zelkova trees near the property, the "Omohara Forest" links the urban area with a natural environment that is home to many birds and other living creatures.
Rooftop greening and wall greening are being actively introduced in several office buildings as well.

The Omohara Forest is a resting place where anyone can relax, enjoying the changing seasons.

More than 30 medium-tall and tall trees are planted, including zelkova and Katsura trees, which are also growing along the Omotesando street nearby.

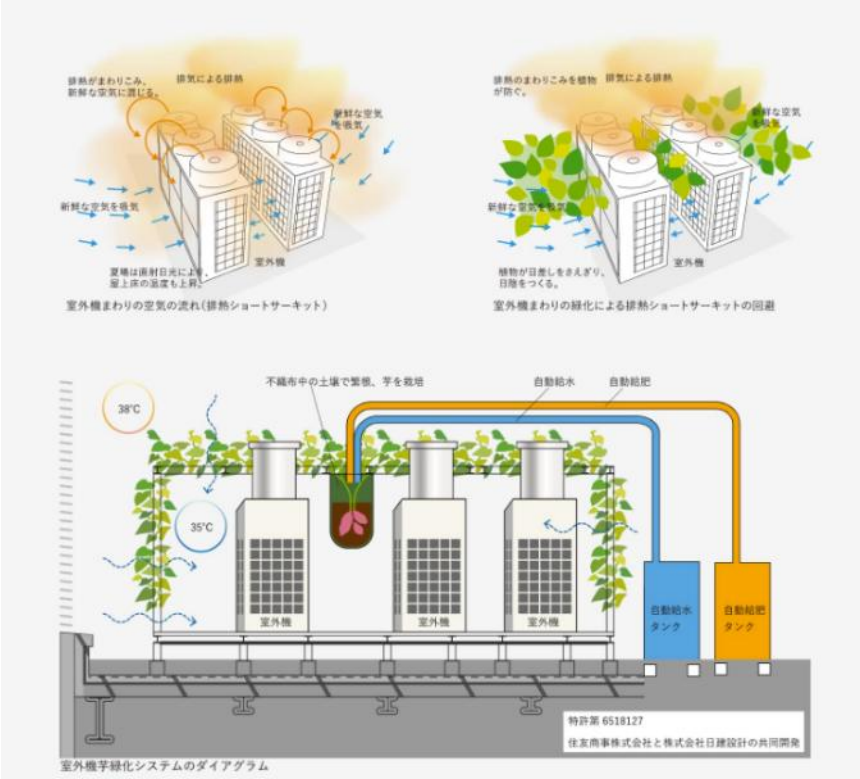
There are six birdhouses in the forest, of which two were hand-created by pupils of an elementary school nearby.

"Sweet Potato Greening System" For Outdoor Air Conditioning Units

At the Kasumigaseki Tokyu Building, owned by API, we are working to improve air conditioning efficiency by placing containers with sweet potato seedlings between outdoor air conditioning units. The sweet potato leaves prevent heat reabsorption, provide shade, and leverage transpiration to lower the temperature around outdoor units.
Not only does this initiative reduce power consumption, it helps counteract the heat island effect and converts carbon dioxide to oxygen through photosynthesis, killing three birds with one stone.
The sweet potatoes were harvested together with tenants and building personnel in autumn.

"Sweet Potato Greening System"

Illustration/figure creation by Karera



Receipt of the "Good Action Award in Environment Division" in the ARES ESG Award 2024

Our environmentally conscious initiative utilizing sweet potato leaves—the"Sweet Potato Greening"—was recognized for its impact and awarded the "Good Action Award in Environment Division" in the ARES ESG Award 2024.

Participation in the Zero Disposable Umbrellas By 2030 Project

TRM has joined as a partner company in a new initiative to expand the installation of Japan's first umbrella-sharing service, Aikasa, in office buildings and other locations, with the aim of eliminating waste from disposable umbrellas by 2030. To further promote this system, where users borrow durable Aikasa umbrellas at train stations or in the city and return them to the nearest umbrella spot when it stops raining, TRM is working to install spots at API-owned properties.

Introduction of Off-site Corporate PPA

API collaborates with ReENE Co., Ltd., a wholly owned subsidiary of the sponsor, through an off-site corporate PPA scheme at "Market Square Sagamihara", and utilizes electricity derived from renewable energy generated at a solar power plant installed on the rooftop of an elementary school within Sagamihara City. Effectively utilizing surplus renewable energy after self-consumption at the elementary school contributes to local production for local consumption within Sagamihara City, and also enables some of the electricity used at Market Square Sagamihara to be supplied with "raw renewable energy electricity."

✓ **ReENE** supplied **"raw green energy"** as a retail electricity provider

ReENE CO., LTD.

Electricity + environmental value

Electricity + environmental value
* FIT non-fossil certificates procured to cover shortfall

PPA basic agreement (Urban local production for local consumption model)

TOKYU LAND CORPORATION

AA-09

✓ Electricity generated at Tokyu Land Corporation's solar power plant (installed on the roof of **an elementary school in Sagamihara City**)

✓ **100% renewable energy** for electricity used at Market Square Sagamihara

Environmental impact-reducing construction

In accordance with the medium- to long-term asset management plan, API performs engineering works to reduce environmental impact in every fiscal period, such as installing LED lighting and energy-saving air conditioners. During tenant replacement, not only common areas but tenant spaces are also renovated as needed.

A-PLACE Yoyogi

Implemented an HVAC system replacement project, resulting in an approximately 24% reduction in annual electricity

24%

Ebisu Prime Square

Toilet urinal renewal work saved approximately 55% more water than existing units

55%

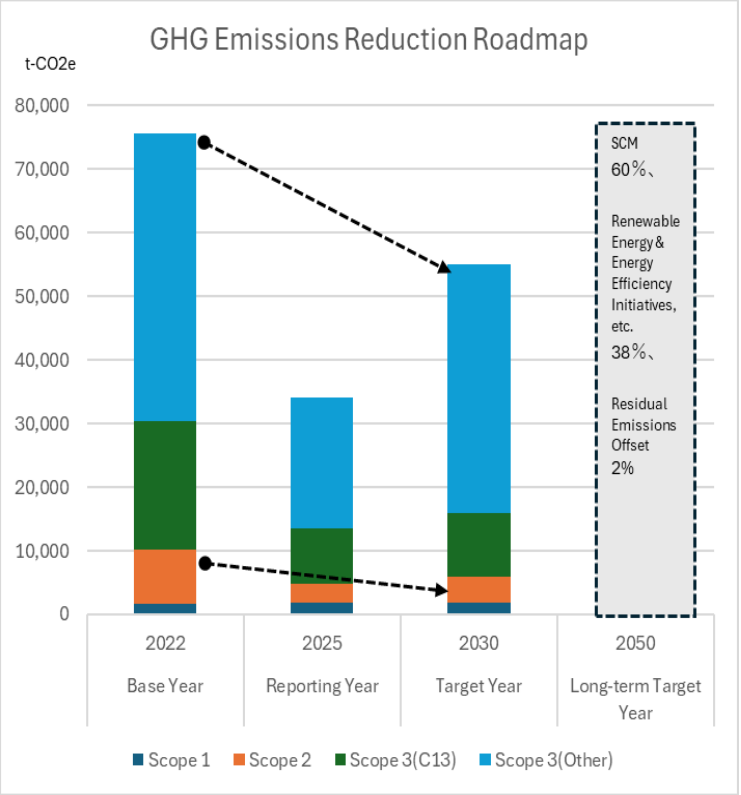
EV Charger Installation

At "Ebisu Prime Square", EV chargers installed when tenants moved in to accommodate electric vehicles. Following Market Square Sagamihara (FP23: for facility users) and Commercial Mall Hakata (FP24: for facility users)

Setting New Targets

We regularly disclose our environmental performance, including energy consumption, CO_2 emissions, water consumption, and waste generation, as well as the status of environmental certifications and progress of planned initiatives to reduce environmental impact. Having achieved the target related to the procurement of renewable energy by the end of fiscal year 2025, we have newly established targets for reducing GHG emissions, with 2030 set as the target year.

Category	Target Scope	Base Year	Target Year	Target
GHG Emissions (Scope 1 + 2)	All Properties	2022	2030	Reduce total emissions by 42%
GHG Emissions (Scope 3)	All Measurable Properties	2022	2030	Reduce total emissions by 25%
GHG Emissions (Entire Supply Chain)	All Properties	—	2050	Net Zero
Energy Consumption	All Measurable Properties	2022	2030	Reduce energy consumption intensity by an annual average of 1%
Procurement of Renewable Energy	All Properties	—	—	Continue procurement of renewable energy across all owned properties
Water Consumption	All Measurable Properties	2016	2026	Reduce water consumption intensity by an annual average of 0.5% over the medium to long term
Waste Generation	All Measurable Properties	2016	2026	Reduce waste generation intensity by an annual average of 0.5% over the medium to long term



Environmental Performance

			2022 (Note2) (Base Year)	2024	2025	Change Rate (Latest Year vs. Base Year)
Number of Properties (Note3)			46	44	45	—
Energy Consumption (Note4)		Actual (MWh)	39,121 (103,770)	48,454 (119,416)	43,103 (115,655)	—
		Intensity (MWh/㎡)	0.23 (0.19)	0.28 (0.20)	0.25 (0.20)	8.7% (5.3%)
Renewable Energy Electricity Volume (MWh)			21,357	59,809	67,745	—
		Annual Generated Volum (MWh)	0.01	0.02	0.01	—
		Annual Purchased Volume (MWh)	21,357	59,809	67,745	—
GHG Emissions	Scope 1 (t-CO_{2e}) (Note5)		1,690	1,715	1,886	11.6%
	Scope 2 (t-CO_2)	Market-based (Note6)	8,430	5,670	2,854	-66.1%
		Location-based (Note6)	14,492	14,547	11,749	-18.9%
	Scope1 + 2 Total (Market-based)		10,120	7,385	4,740	-53.2%
		Intensity (t-CO_{2e}/㎡) (Note7)	0.060	0.043	0.028	-53.0%
	Scope1 + 2 Total (Location-based)		16,182	16,262	13,635	-15.7%
	Scope 3 (t-CO_{2e})		65,564	40,944	29,391	-55.2%
		1.Purchased goods and services	5,723	6,547	6,570	14.8%
		2.Capital goods	6,400	10,293	12,078	88.7%
		3.Fuel- and energy-related activities not included in Scope 1 or	2,515	3,628	1,975	-21.5%
		4.Upstream transportation and distribution	—	—	—	—
		5.Waste generated in operations	—	—	—	—
		6.Business travel	—	—	—	—
		7.Employee commuting	—	—	—	—
		8.Upstream leased assets	—	—	—	—
		9.Downstream transportation and distribution	—	—	—	—
		10.Processing of sold products	—	—	—	—
		11.Use of sold products	30,275	8,041	0	-100.0%
		12.End-of-life treatment of sold products	285	87	0	-100.0%
		13.Downstream leased assets: Tenant emissions	20,366	12,348	8,768	-56.9%
		14.Franchises	—	—	—	—
		15.Investments	—	—	—	—
	Total (t-CO_{2e})	(Market-based)	75,684	48,329	34,131	-54.9%
		Intensity (t-CO_{2e}/㎡) (Note8)	0.14	0.08	0.06	-58.1%
		(Location-based)	81,746	57,206	43,026	-47.4%
Annual Water Consumption		Actual (㎥)	479,312	568,886	564,312	17.7%
		Intensity (㎥/㎡)	0.89	0.97	0.97	8.8%
Volume of Recycled Water (Greywater & Sewage) (㎥)			21,012	25,110	35,099	—
Annual Waste Generation (t) (Note9)			2,652	3,530	3,619	36.5%
		Intensity (t/㎡)	0.016	0.019	0.021	31.8%

(Note 1) Calculated based on the GHG Protocol and the Ministry of the Environment's "Guidelines for Accounting for Greenhouse Gas Emissions Throughout the Supply Chain." Emission factors are primarily referenced from the Ministry of the Environment's "List of Calculation Methods and Emission Factors in the Calculation, Reporting, and Publication System," "List of Emission Factors by Electric Power Producer," and "Database of Emission Intensity for Accounting of Greenhouse Gas Emissions, etc. of Organizations Throughout the Supply Chain."

(Note 2) The aggregation period is from December to November of each year, with performance figures updated annually in principle. However, for 2022, "Energy Consumption," "Renewable Energy Electricity Volume," "Annual Water Consumption," "Volume of Recycled Water," and "Annual Waste Generation" are aggregated from April 2022 to March 2023.

(Note 3) In principle, all property counts represent figures for the entire real estate portfolio excluding land with leasehold rights in each fiscal year. (Target property count: FY2022: 46 properties; FY2024: 44 properties; FY2025: 45 properties).

(Note 4) Consumption of fuel (gas, heavy oil, etc.), electricity, and district heating/cooling in buildings. These performance figures are calculated for areas over which the Investment Corporation holds energy management authority. Figures in parentheses include tenant emissions/consumption.

(Note 5) For Scope 1, estimated fluorocarbon emissions will be added starting from the publication of the Sustainability Report in 2026. Therefore, there are discrepancies with environmental performance figures previously published on an actual value basis.

(Note 6) Calculated using emission factors corresponding to contracted electricity plans for the market-based method, and grid average emission factors for the location-based method.

(Note 7) Scope 1 + 2 total (market-based) intensity is calculated taking into account the common area space of target properties.

(Note 8) Scope 1 + 2 + 3 total (market-based) intensity is calculated taking into account the total floor area of target properties.

(Note 9) Excludes waste directly generated by tenants.

(Note 10) Past performance values may be retroactively revised due to reviews of calculation methodologies or other factors

Green Building Certifications

API proactively works to acquire green building certifications. In July 2022, we have set a KPI to achieve 70% or more green buildings in our portfolio (excl. land-only properties) by 2030.

Overview of green certifications

CASBEE for Real Estate

CASBEE (Comprehensive Assessment System for Built Environmental Efficiency) is a system that evaluates and rates the environmental performance of buildings, including aspects of environmental load reduction such as energy saving, resource saving, and recycling performance, as well as biodiversity and indoor environmental considerations. The evaluation results are graded in four levels from B (★★) to S (★★★★★).

BELS

BELS assessment is provided under a public evaluation system, which evaluates the energy conservation performance of houses and buildings, established by the Ministry of Land, Infrastructure, Transport and Tourism. Third parties evaluate the performance of buildings based on the primary energy consumption defined in energy saving act, regardless of whether a building is new or not, and the evaluation result is represented by a number of stars (from one "★" to six stars "★★★★★★").
BELS assessment, which is the first public evaluation system specific to energy conservation performance in Japan, is expected to promote further improvements by providing appropriate information and promoting the energy conservation performance of buildings.

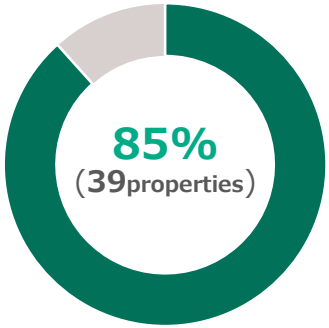
DBJ Green Building

DBJ Green Building Certification, offered by Development Bank of Japan Inc. (DBJ), is a comprehensive evaluation system which includes not only an environmental perspective but also a social one (owner response to social needs of the diverse stakeholders of the properties), DBJ identifies and certifies "Green Buildings", which are essential in today's real estate market.

Tokyo Low Carbon Mid-to-Small Building

Tokyo Metropolitan Government Small and Medium Low-Carbon Model Buildings are small and medium-sized tenant buildings that are certified as A1 or higher in the Low Carbon Building Evaluation Index (Low Carbon Building Benchmark) published by the Tokyo Metropolitan Government in 2012, with the aim of creating a real estate market where low-carbon buildings with low CO2 emissions are evaluated.

Green-building ratio



(As of the end of May 2026, based on gloss floor area)

Certifications acquired

(As of May 31, 2026)

#	Asset	CASBEE For Real Estate	BELS	DBJ Green Building
UR-1	Tokyu Plaza Omotesando "Omokado"	★★★★★	★★★★★	
UR-3	Q plaza EBISU	★★★★	★★	
UR-5	Kyoto Karasuma Parking Building		★★★★★	
UR-7	Kobe Kyu Kyoryuchi 25Bankan			
UR-8	A-FLAG SAPPORO			
UR-9	A-FLAG SHIBUYA	★★★★		
UR-10	Q plaza SHINSAIBASHI	★★★★		
UR-12	A-FLAG BIJUTSUKAN DORI	★★★★★		
UR-13	A-FLAG DAIKANYAMA WEST	★★★★★		
UR-15	DECKS Tokyo Beach	★★★★★		
UR-17	Q plaza HARAJUKU	★★★★★	★★/★★ (Bldg.A/Bldg.B)	
UR-18	A-FLAG NISHI SHINSAIBASHI		★★★★	
UR-19	Nest Hotel Naha Kumoji			
TO-1	TLC Ebisu Building	★★★★★		
TO-2	A-PLACE Ebisu Minami	★★★★★		
TO-3	A-PLACE Yoyogi	★★★★★	★★	
TO-4	A-PLACE Aoyama	★★★★★		
TO-7	A-PLACE Ikebukuro	★★★★	★★	
TO-8	A-PLACE Shinbashi		★★★★	
TO-9	A-PLACE Gotanda	★★★★	★★	
TO-10	A-PLACE Shinagawa	★★★★	★	
TO-11	OSAKI WIZTOWER	★★★★★	★★	

#	Asset	CASBEE For Real Estate	BELS	DBJ Green Building
TO-12	Shiodome Building			★★★★★
TO-13	A-PLACE Ebisu Higashi	★★★★★	★★★	
TO-14	A-PLACE Shibuya Konnoh	★★★★★	★★★	
TO-15	A-PLACE Gotanda Ekimae		★★	
TO-16	A-PLACE Shinagawa Higashi	★★★★★		
TO-18	Ebisu Prime Square	★★★★		
TO-19	A-PLACE Tamachi East		★★★★	
TO-20	Meguro Tokyu Building	★★★★★		
TO-21	Q plaza Shinjuku-3chome		★★	
TO-22	A-PLACE Shibuya Nampeidai		★★★★	
TO-23	Kasumigaseki Tokyu Building	★★★★★		
AA-2	icot Nakamozu	★★★★	★★★★★/★ (Kohnan bldg./Bank bldg.)	
AA-4	icot Mizonokuchi	★★★★★		
AA-5	icot Tama Center	★★★★★		
AA-6	A-PLACE Kanayama	★★★★		
AA-7	Osaka Nakanoshima Building	★★★★★		
AA-8	icot Omori			
AA-9	Market Square Sagamihara	★★★★★		
AA-10	Umeda Gate Tower	★★★★★	★★	
AA-11	A-PLACE Bashamichi	★★★★		
AA-12	Commercial Mall Hakata		★★★★★	
AA-13	A-PLACE Shinsaibashi			

Initiatives with Suppliers and Tenants

TFHD Group's Sustainable Procurement Policy

As a member of TFHD, TRM shares the "Sustainable Procurement Policy" announced by TFHD on January 31, 2020. Based on this policy, TRM has incorporated its own unique elements to establish the "TRM's Sustainable Procurement Policy," through which we actively promote environmental considerations, including responses to climate change. Our objective is to work on this goal, together with all the stakeholders including our suppliers.

TFHD Group's Sustainable Procurement Policy

1) Legal compliance	1)-1 Total compliance with relevant laws and regulations
2) Respect for human rights	2)-1 Compliance with and respect for international human rights and labor standards 2)-2 No tolerance of discrimination 2)-3 No tolerance of harassment 2)-4 Respect for local residents 2)-5 Respect for minority rights 2)-6 Protection of the rights of all migrant workers
3) Ensuring a work environment based on safety, health and well-being	3)-1 Freedom of association, collective bargaining rights 3)-2 No tolerance of forced labor 3)-3 No tolerance of child labor 3)-4 Fair wages 3)-5 Prohibition of excessive working hours 3)-6 Workplace health and safety measures 3)-7 Emergency preparedness 3)-8 Prevention of occupational accidents and illness 3)-9 Industrial hygiene measures 3)-10 Measures for physically demanding work 3)-11 Ensuring adequate environment for sanitation facilities, meals, and housing
4)Ensuring proper business ethics	4)-1 Preventing corruption 4)-2 Preventing contact with organized crime 4)-3 Ensuring fair trade practices 4)-4 Appropriate response to conflicts of interest 4)-5 Responsible political involvement 4)-6 Prohibition of insider trading 4)-7 Protection of intellectual property rights 4)-8 Maintaining confidential information and disclosure 4)-9 Compliance hotline and whistleblower protection
5)Environmental measures	5)-1 Response to climate change 5)-2 Biodiversity protection 5)-3 Pollution prevention 5)-4 Effective use of resources 5)-5 Appropriate use of water resources 5)-6 Protection of forests and natural ecosystems 5)-7 Development of Environmental Management System
6)Improving service and quality	6)-1 Ensuring safety 6)-2 Quality control and quality assurance systems 6)-3 Proper information disclosure for products and services
7)Proper information management	7)-1 Proper information management
8)Business Continuity Planning	8)-1 Business Continuity Planning
9)Contributing to local communities	9)-1 Contributing to local communities
10)Extension of the Sustainable Procurement Policy	10)-1 Extension to business partners 10)-2 Cooperation for monitoring

TRM's unique additional Policy

2) Respect for human rights	・Consideration of DE&I
5)Environmental measures	・Activities based on the "Green Procurement Standards" ・Understanding and supporting the environmental goals and initiatives of investment corporations managed by TRM ・Establishing policies and frameworks for addressing environmental and social issues
10)Extension of the Sustainable Procurement Policy	・Active participation in training programs and briefing sessions conducted by TRM to enhance literacy

Green lease agreement

API and its tenants have concluded agreements which includes the green clause and share the importance of preservation and improvement of the comfort and productivity of tenants and properties. The green clause states that they should share information and work together for green certification acquisition, environmental target setting, response to environmental regulations, etc.
API and one of its tenants have signed the memorandum of understanding on a green lease linked to refurbishment works. It stipulates that when the tenant enjoys profit from energy-saving effect of the refurbished equipment the property owner invested in, the tenant shall return a reward to the owner.
In January 2022, we have set a target of 100% green lease included in the new lease agreements. We keep making effort to reduce environmental impact in cooperation with tenants such as information sharing.

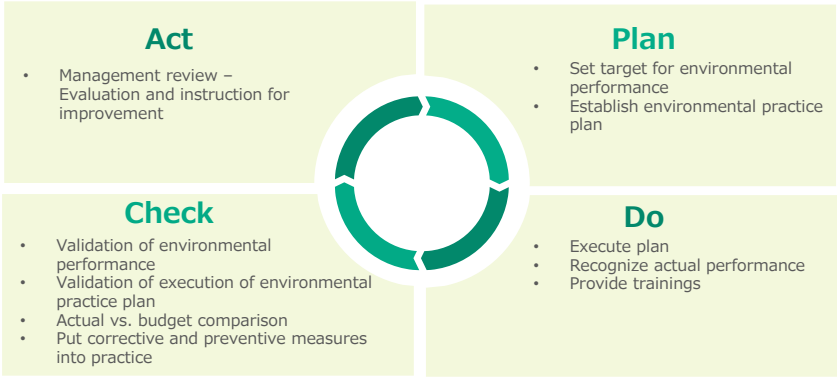
Green Procurement Standards

TRM has established the “Basic Policy on Sustainable Procurement” and the “Green Procurement Standards ” to give more concrete shape to the Sustainability Policy. Both the basic policy and the standards clarify, to a wide base of suppliers, our commitment to procurement practices that take the environment and social issues into account. The aim is to upgrade related initiatives through mutual understanding and collaboration with suppliers. The policy and standards apply to direct and indirect transactions involving products, services, materials, architectural designs, and construction work procured by TRM and API.
When conducting bidding for large-scale repair and maintenance work for properties under management, the "Green Procurement Standards" and a reference table are attached to the quotation guidelines to promote environmentally friendly construction work. In addition to the use of environmentally friendly products, TRM actively encourages suppliers to make technical recommendations to conserve energy from the planning stage through the PM (property management) company for the works such as replacement of air conditioning and lighting fixtures.

Examples of construction work with the introduction of Green Procurement Standards - Commercial Mall Hakata air conditioning renewal (FP ended May 2022)
In the air conditioning renewal work for the common areas and backyard, TRM presented its "Green Procurement Standards" to the contractor in advance and received technical proposals for reducing environmental concerns. emissions by 37%.

Environment Management System

TRM established a unique environment management system (EMS) which applies PDCA cycle to continuously approach to environmental challenges. We are working to continuously reduce environmental impacts in the management operation for API, through the cycle of four steps; set targets (P), assess performance (D), analyze budget vs. actual (C), and implement countermeasures for a better performance (A). The Asset Management Department of Activia Management Division reviews actual performances in its monthly meeting and reports the results to the management once a year, then receives feedbacks and instructions for further improvement for the following year, from the management.



Acquisition of ISO14001

In March 2025, API reacquired ISO14001 for its EMS in real estate investment management and management of portfolio properties.

<Overview of certification>
Applicable standard:ISO14001:2015, JIS Q 14001:2015
Certification scope: Real-estate investment management and management of portfolio properties
Certification institution: EQA
Registration No: EA220076

Sustainable Finance

Green bond

To build a portfolio with a stable and sustainable demand from our customers, we believe that in addition to the location, use, scale, and quality of properties, reducing our environmental footprint and contributing to the surrounding communities and environment are important.
API aims to further promote its sustainability initiatives through issuance of green bonds and invite new investors to its investment corporation bonds by stimulating their demand who have interest in ESG investment.
In January 2022, API has set a target of 100% of new issuances of investment corporation bond to be green bonds*. We will also consider diversification of sustainable finance methods to support initiatives in debt finance.
* On the condition of issuance based on the current framework

Green bond framework

Use of proceeds

The proceeds from the green bonds will be allocated to funds for (i) acquisition of the Eligible Green Projects which are existing or new buildings fulfilling the item A of the Eligibility Criteria defined below, or (ii) refurbishments fulfilling the item B of the Eligibility Criteria, or (iii) refinancing the existing loans/investment corporation bonds which have been allocated to funds to acquire Eligible Green Projects or refurbishments.

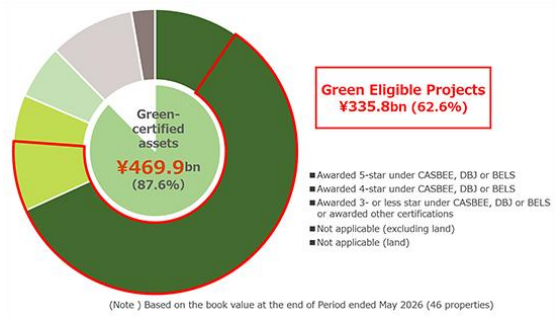
Eligibility criteria

The proceeds of the green bonds will be allocated to the projects that conform to one or more of the following criteria.

A. Eligible Green projects

Buildings that have achieved the top two levels of one or more of the third-party green building certifications/recertifications listed below within 36 months prior to the payment date of green bonds or are expected to achieve below top 2 ranks of each certifications

1. **CASBEE (A or S rank)**
2. **DBJ Green Building (4 or 5 stars)**
3. **BELS (4 or 5 stars)**



B. Refurbishments

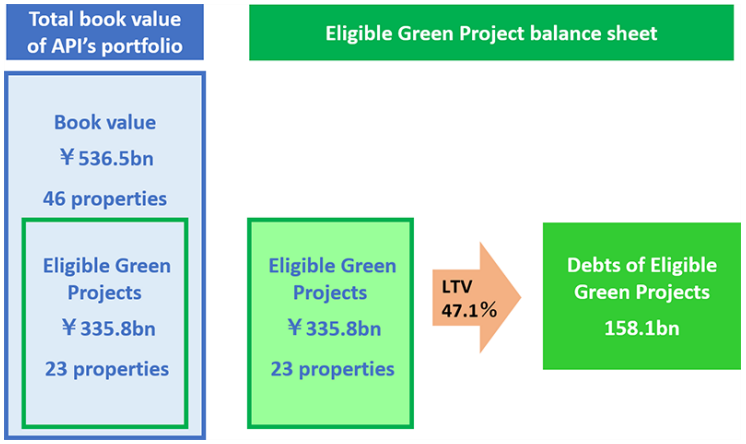
Refurbishments with a primary purpose of achieving one of the targets listed below and are completed within 36 months prior to the payment date of green bonds or are expected to be completed:

1. **Refurbishments with more than 10% reduction in CO2 emissions or energy consumption**
2. **Refurbishments with more than 10% reduction in water consumption**
3. **New achievement of the top two levels of one or more of the green building certifications listed in the item A or one or more levels of star/rank improvement in such certifications**

Management of proceeds

API calculates the amount of debts of Eligible Green Projects by multiplying the calculable total book value of the Eligible Green Projects* at end of the financial period immediately preceding each date of bond issuance by its LTV (Loan to Value / interest-bearing debt to total assets) ratio. API will then monitor to ensure that the total amount of unredeemed green bonds does not exceed the amount of debts of Eligible Green Projects.

Green balance sheet (as of May 31, 2026)



Reporting

As far as there is unallocated amount of funds, API will disclose on its website the list of financed/refinanced Eligible Green Projects and refurbishments, allocation status including the amount of unallocated proceeds, allocation schedule and managing method of net proceeds of green bonds at end of May each year. API also disclose that the amount of unredeemed green bonds does not exceed the amount of debts of the Green Eligible Projects. After the issuance, as long as there is an unredeemed balance of the green bonds, API will disclose the amount of total book value of the Eligible Green Projects and the amount of debts of Green Eligible Projects, as well as amount of unredeemed green bonds at end of May each year.

Impact reporting

If there is unredeemed balance of green bonds, API will annually disclose the summary, progress and levels of certifications of the Eligible Green Projects. Additionally, API will annually provide the following indicators of the Eligible Green Projects where API has control over energy usage: Energy consumption, CO2 emissions, water consumption, and waste generation.

	Energy consumption (MWh)	CO2 emissions (t-CO2)(Note 3)				Water consumption	Waste generation
		Actual	Scope1	Scope2	Scope3		
FY2020	26,585 (60,318)	22,963	58	11,077	11,828	226,405	1,913
FY2021	16,261 (45,435)	16,758	233	5,320	11,205	146,773	1,128
FY2022	17,514 (47,691)	14,636	208	5,647	8,781	162,352	1,171
FY2023	14,225 (44,019)	5,354	71	522	4,761	197,800	1,398
FY2024	7,897 (25,118)	3,498	16	1,757	1,725	136,822	1,076
FY2025	24,160 (58,891)	5,101	155	2,124	2,822	219,605	2,276

(Note 1) Principally the figures shown above are relevant to the amounts of consumption, emissions or generation from the Eligible Green Assets as of the end of May of the following year, based on the cumulative amounts for a fiscal year (from FY2020 to FY2024:from April to March, FY2025:from December to November) of the entire portfolio excluding lands.

(Note 2) Total amount of consumption fuel (gas, heavy oil, etc.), electricity and district heating / cooling of the properties. For FY2020 onwards, the amount covers the area of the properties for which API has operational control of energy management. Figure in parentheses includes emissions by tenants, same as the previous fiscal years.

(Note 3) The factor and the method applied to the calculation conform to "GHG Emissions Accounting, Reporting and Disclosure System" of the Ministry of the Environment. For FY2020 onwards, figure reported for Scope 3 falls under category 13 and is limited to the data which was able to be collected from tenants.

Green bond summary

	Total issued (¥ mn)	Interest rate	Issuance date	Redemption date	Description
The 11th unsecured investment corporation bonds (green bonds)	4,000	0.530%	2019/11/18	2029/11/16	Unsecured, non-guaranteed
The 12th unsecured investment corporation bonds (green bonds)	4,500	0.510%	2020/10/21	2030/10/21	Unsecured, non-guaranteed
The 14th unsecured investment corporation bonds (green bonds)	3,900	0.400%	2021/11/16	2031/11/14	Unsecured, non-guaranteed
The 15th unsecured investment corporation bonds (green bonds)	2,000	0.820%	2022/12/19	2032/12/17	Unsecured, non-guaranteed
Total	14,400	-	-	-	-

Green Loan

Classification	Financial Institution	Borrowing amount (in millions of yen)	Interest rate	Commence-ment of the term	Maturity(Note 1)	Security
Long-term	Sumitomo Mitsui Banking Corporation	6,000	0.265% +Base rate (Note 2)	June 12, 2026	June 12, 2033	Unsecured, non-guaranteed

(Note 1) If the due date is a non-business day, it shall be the following business day. If such day falls in the following month, it shall be the immediately preceding business day.
(Note 2) The interest payment will be made on the last day of June 2026 and the last day of each month thereafter as well as on the due date of the principal. (If an interest payment date is a non-business day, it shall be the following business day. If such day falls in the following month, it shall be the immediately preceding business day.)
The base rate applicable to the period for the calculation of the interest payable on an interest payment date is the JBA one-month Japanese Yen TIBOR as of a date two business days prior to the interest payment date immediately preceding each interest payment date. (For the first interest payment, it will be on the drawdown date.) However, if the base rate applicable to the calculation period doesn't exist, the base rate will be the one corresponding to the period that will be calculated based on a method provided in the agreement. After this, API will not announce the interest rate decisions for the borrowing. For changes in the JBA Japanese Yen TIBOR, the base rate, please check the website of the JBA TIBOR Administration (http://www.jbatibor.or.jp/english).
(Note 3) This Green Loan is based on the SMBC Sustainable Finance Framework (hereinafter referred to as "this Framework") developed by Sumitomo Mitsui Banking Corporation, which has obtained a second opinion from the Japan Credit Rating Agency, Ltd (JCR). For details on this Framework, please refer to Sumitomo Mitsui Banking Corporation's website (https://www.smbc.co.jp/hojin/financing/sustainable/smbcfw/).

Positive Impact Finance

Positive impact finance is a financing method in which financial institutions comprehensively analyze and evaluate the "environmental, social, and economic impacts (both positive and negative) of corporate activities" and provide loans with the aim of continuing to support those activities, based on procedures in accordance with the Positive Impact Finance Principles and Implementation Guidelines established by UNEP FI. Financial institutions are required to prepare a framework for impact analysis and evaluation, and monitor the status of impact after disbursement.

Positive Impact Finance Borrowings in March 2026: **¥2.85 bn**

Social

Our view on Society

We believe that engagements with all our stakeholders including unitholders, employees, local communities, tenants, and suppliers are essential for API and TRM to continue businesses. Fostering a good relationship with them in the medium to long term is one of the significant elements to maximize the unitholder value of API. Believing real estate as social instrument, which connect people living in the city with other people, we are on a mission to continue our business in compliance with social responsibility.

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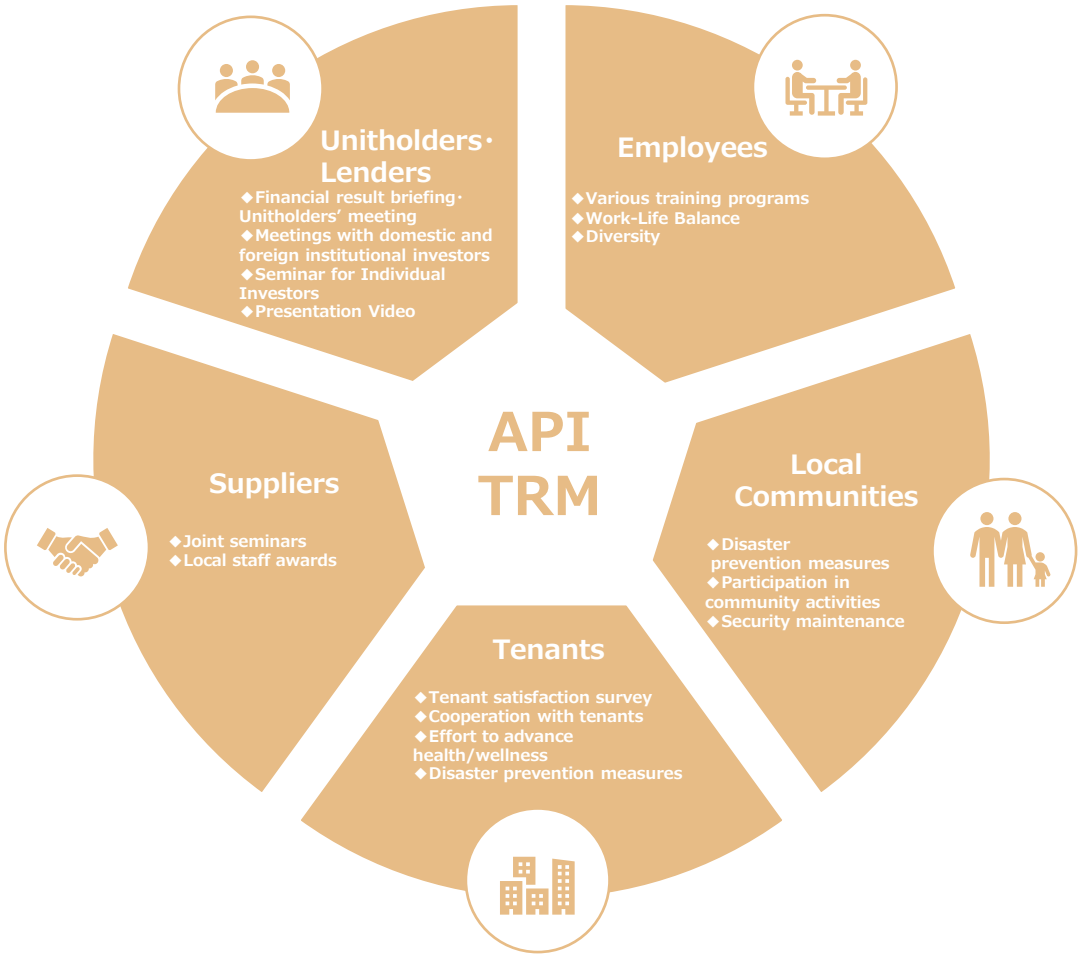
Stakeholder Engagement

In the pursuit of API's and TRM's businesses, our relationships with investors and various other stakeholders, including employees, local communities, tenants, and suppliers such as property managers ("PM"), building managers ("BM"), engineering report issuers, and real-estate appraisers are essential. We also recognize that building favorable relations with these stakeholders in the medium-to long-term is an essential factor in our aim of maximizing unitholder value, which is API's priority. We will continue to pursue our business as a member of society and work to further strengthen our relationships of trust with all stakeholders involved with API's and TRM's activities.



TFHD Group's Consultative meeting
Since July 2023, TRM has also been participating in the Sustainability Council organized by TFHD to build a system to resolve issues through collaboration with TFHD group companies. This council meets regularly and is attended by API's sponsor, TLC, as well as PM and BM.

Contribution to Local Communities

API and TRM believe that contribution to local communities lead to the improvement in value of the API's owned properties and ultimately by the unitholder value. We make a variety of efforts in the owned properties to enhance communication with the local communities with an expectation that our business operation is to serve an important role for the society.

Initiatives taken in owned properties

Tokyu Plaza Omotesando "Omokado"

In the "Omohara Forest" at the rooftop terrace of Tokyu Plaza Omotesando "Omokado", we set a water fountain for birds and created an environment comfortable for them and other living creatures.
A variety of experiences are proposed to local communities including an installation of bird houses hand-crafted by kids from a neighborhood elementary school and vegetable harvest experience by a group of kindergarten children.

In July 2023, an SDG event was held at "Omohara Forest" which recorded approximately 1,000 visitors. "Aquaponics", a food production system that couples aquaculture with hydroponics and sold goods made from waste.

In November 2023, we held an upcycling project exhibition entitled "100 My Licca My Closet" in the event space on the fifth floor of LOCUL.
The event, which displayed cherished clothes from participants upcycled into doll clothes, served as an initiative for sustainability that respects cherished memories.

Shiodome Building

We create a community in the area through participation to the local events. Vacant spaces of the property are offered to the "HAMASITE Summer Festival", a traditional summer event which is reorganized since 2022 after a hiatus due to the Covid-19 pandemic and joined by various stakeholders in the area including residents, workers, tenants, PM and BM, etc.

Kyoto Karasuma Parking Building

In relation to Kyoto Karasuma Parking Building, we exchange with local residents and other concerned parties through participation in neighborhood associations. Every year, we sell handmade chimaki (dumplings) and help assemble the Yamahoko float at the Gion Festival, one of the three major festivals in Kyoto, thereby contributing to community development in collaboration with the local community.

Donation to Expo 2025 Osaka Kansai (Osaka Nakanoshima Building)

We implemented an initiative to donate a portion of the proceeds from vending machines installed in the common areas of the Osaka Nakanoshima Building to the Expo 2025 Osaka Kansai.

感謝状

アクティビア・プロパティーズ投資法人様

この度は二〇二五年日本国際博覧会の開催に対し深いご理解の上ご寄付を賜りました

当協会の運営に多大なるご貢献を頂き深く感謝の意を表します

二〇二四年一月吉日

公益社団法人二〇二五年日本国際博覧会協会
会長 十倉雅和

Installation of Shared Bicycles

At several of API's properties, we have installed ports for LUUP, a next-generation electric bicycle sharing service, to support the spread of sustainable transportation.

Disaster Response

API's properties conduct disaster drills to be able to respond quickly in the event of a disaster as well as undergo renovation work for business continuity, install flood barriers and surge barriers, and more.
AEDs, disaster prevention cabinets, and emergency supplies are also kept on hand to ensure visitor safety.
Ebisu Prime Square has also been designated a temporary evacuation site by the city of Shibuya.

Corporate Version of the Hometown Tax Payment

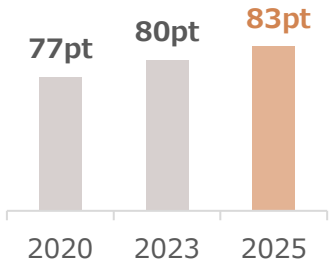
Since 2020, TRM has donated to local governments through the corporate version of Hometown Tax Payment as part of its efforts toward "contribution to local communities" in the Materiality shared with API. In 2024, we selected Hokkaido and Kyoto as donation recipients for projects aimed at a net zero society. We expect these donations to further fortify the relationship between TRM, API, and the local community.
TRM has also announced its participation in the Hokkaido Cheer Network, a network of people who wish to support Hokkaido.

Tenant Engagement

API believes that its owned properties should always meet tenant preferences to enhance the medium- to long-term value of our unitholders, and therefore tenant satisfaction serves an essential role for that. To that end, we consistently communicate with them to understand their needs and reflect them for our asset management operation.

Satisfaction survey

API makes effort to improve tenant satisfaction by regularly conducting third-party surveys to understand their needs and complaints.
In a previous year, the results scored low in terms of cleanliness of the office buildings, and after providing intense training to building keepers and performing renovation work of toilets and kitchenettes, there was a significant satisfaction improvement in the survey held in the following year.



Tenant awards / customer service competition

Three times a year, we award a commercial tenant with the best tenant prize to with an aim to encourage operations of all the tenants and to raise employee motivations. Customer service competition and training are also organized with objective to further raise the level of the customer service of tenant company staff and therefore increase customer satisfaction.

Effort to advance health / wellness

We regularly implement renovation works at common area to provide our tenants with comfort working space, which reflects the results of tenant satisfaction survey and discussion with PMs. Our efforts for tenants' health and comfort include renovation of areas catching people's attention such as restrooms, mini kitchens, elevators and escalators, and as preventive measures against COVID-19, installation of antiseptic solution, temperature inspection, anti-virus coating on the walls, etc.

Cooperation with tenants

As part of approaches for cooperation with tenants, we created a sustainability-guidance leaflet and distributed to them. The guidance introduces our initiatives presenting practical examples with a view on environment and health and wellness of working people. API continue to enhance sustainability effort in cooperation with tenants.

Green lease agreement (cf. p.40)

Measures taken in owned properties

Perks for tenant employees working in API's office properties

Various perks are offered to tenant employees such as discount coupon for the Sponsor group's commercial facilities and hotels and organization of some events, etc.
It enables tenant companies to enhance employee benefits which represents an opportunity for API to be tenants' first choice.

Supplier Engagement

TRM recognizes the importance of cooperation with its suppliers and states in its Sustainability Policy, “The Company will promote programs and procurement with environmental and social considerations through engagement with tenants and suppliers, including property management companies.” In April 2024, we established and published a basic policy on sustainable procurement to further strengthen relationships with suppliers. This policy consists of 10 items, including participation in training and briefings to improve literacy, reporting on ESG initiatives, and cooperation in monitoring. It is positioned as a higher-level regulation than the existing Green Procurement Standards.

1. Outline of the Basic Policy on Sustainable Procurement

We have compiled ten items to be implemented by TRM, API, and our suppliers.
1) Legal compliance 2) Respect for human rights 3) Ensuring a work environment based on safety, health and well-being 4) Ensuring proper business ethics 5) Environmental measures 6) Improving service and quality 7) Proper information management
8) Business continuity planning 9) Contributing to local communities 10) Cooperation in implementing this policy
See here for more details.

2. Cooperation Through the Green Procurement Standards

TRM’s Green Procurement Standards summarize our basic stance toward procurement as well as matters of verification in products, services, design, and construction, and was created as a reference for our environmentally friendly design policy.

- **Examples of construction based on the environmentally friendly design policy**

For construction examples using the Green Procurement Standards and our environmentally friendly design policy, see p. 40.

- **Introduction of label-free beverages for the 3 Rs (Reduce, Reuse, Recycle)**

Since April 2022, TRM has introduced label-free plastic bottles. Label-free bottles serve to reduce the use of plastic and reduce the effort of peeling labels when sorting waste.
We use these label-free bottles during meetings or when visiting customers and procure the drinks from suppliers working toward building a sustainable society and environment in an effort to raise awareness on environmental issues even in daily acts of consumption.

3. Strengthening Relationships With PMs and Others

We recognize that PMs, BMs, and construction companies account for a high proportion of procurement payments in API’s rental business income and expenses and that partnership based on mutual understanding is particularly important.

- **Training for PMs**

We work to foster a culture that ESG initiatives are to be taken by our entire supply chain, not limited to the officer and employees of TRM. To that end, ESG training sessions are organized for PMs.
In FY2024, briefings on ESG issues and training by external experts were conducted on such topics as “Overview and Trends in ESG” and "Supply Chain Management.”

- **ESG-related clauses in PM agreements**

In principle, PM agreements include ESG-related clauses such as compliance with environmental laws and regulations.

- **PM monitoring and evaluation of ESG initiatives**

In accordance with TRM’s outsourcing and evaluation standards, the status of legal compliance and more is monitored and evaluated annually for all outsourced PMs in order to consider whether to continue transactions. We are also progressively updating and improving survey items regarding the status of initiatives in each area of ESG. In addition, we have introduced a system to mutually motivate each other by providing incentives for obtaining environmental certification and more.

- **PM awards**

This award recognizes outstanding performance of PMs contributing to rent growth, lease-up, green leases, green construction, and more. We believe this award both increases motivation among staff at PMs and helps foster a sense of unity between the asset manager and PMs.

Initiatives toward Unitholders and Investors

API and TRM view appropriate information disclosure to and proactive dialogue with investors as essential tasks.
Based on the policy described above, TRM holds regular meetings with institutional investors in Japan and from abroad (Europe, North America, Asia, etc.).
In addition, it is engaged in proactive information disclosure by holding briefings for individual investors, participating in events and online seminars aimed at individual investors, publishing presentation videos of financial result briefings, and more.

For institutional investors

We conduct investor relations proactively through teleconferences and videoconferences. We conducted 83 IR meetings for the November 2025 fiscal period from January to April 2026 and 82 IR meetings from July to September 2026 for the May 2026 fiscal period.
We also respect the principle of fair disclosure for foreign investors by creating financial result presentation videos in Japanese and English and publishing them simultaneously.

For retail investors

In addition to webinars organized by Nihon Securities Journal, we host face-to-face. We actively engage in information dissemination to individual investors, including the use of online video streaming.

Seminars for retail investors (example)

- August 30, 2025– Logmi Original IR Seminar
- September 4, 2025–Daiwa J-REIT Caravan in Fukuoka
- November 26, 2025– Radio NIKKEI Morning Market Square “Asazai”
- March 24, 2026– BS TV Tokyo "Economic & Investment Insights Seminar“
- May 23, 2026– J-REIT Fan Tokyo

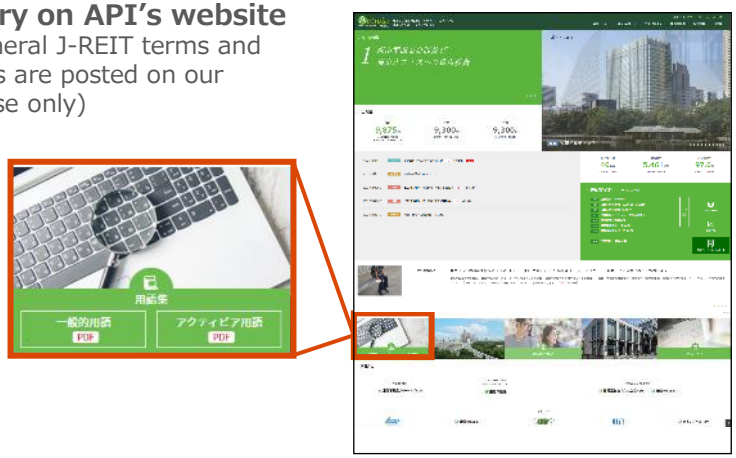
Sustainable novelties

We gave out sachets of larch as novelty items at a briefing for individual investors.

These novelties were made from wood thinned from Tokyu Resort Town Tateshina, operated by Group member Tokyu Resorts & Stay Co., Ltd., and handcrafted by people at a local disability welfare service office. They were designed to allow people to experience the Group’s resource-recycling initiatives.

J-REIT glossary on API’s website

Glossaries for general J-REIT terms and API-specific terms are posted on our website. (Japanese only)



Investment unit split

Considering the launch of the new tax exemption program for small investment ("New NISA") in January 2024, API implemented the splits as of June 1, 2025 as the effective date in order to create an environment that enables investors to purchase the investment units more easily by reducing the investment unit price, which would broaden API's investor base and improve the liquidity of API's investment units.

Split ratio	**1 : 3**
Investment unit price (after split)	**¥136,100** (Based on August 31 closing price)
Effective date	**June 1, 2025**

Ranked 2nd in ranking of Eco Test certification recipients (asset management companies)

TRM ranked 2nd in the number certification recipients for two consecutive years, FY2024 and FY2025. (Category for companies with 300 or fewer employees)

2 東急不動産リート・マネジメント株式会社
東京都 渋谷区　業種：投資運用業
東急不動産リート・マネジメント
59名

2 東急不動産リート・マネジメント株式会社
東京都 渋谷区　業種：投資運用業
東急不動産リート・マネジメント
29名

(Certification Test for Environmental Specialists [Eco Test] is a registered trademark of the Tokyo Chamber of Commerce and Industry)

Introduction of financial results briefing transcription service (logmi)

As a new means of communicating information, API Introduced the financial results briefing transcription service (logmi).

logmi Finance

Sweet Potato Harvest Event (Kasumigaseki Tokyu Building)

TRM held a sweet potato harvest event at the Kasumigaseki Tokyu Building together with tenant employees. The harvested sweet potatoes were made into chips and distributed to participating tenants.

Reception of a certificate of registration as a "Tokyo Sustainable Work Company"/Reception of Kurumin certification

TRM was registered by the Tokyo Metropolitan Government as a "Tokyo Sustainable Work Company," a designation for companies that promote diverse and flexible work styles for the first time among asset management companies of J-REITs.
Additionally, TRM obtained Kurumin certification (as of 2025) from the Tokyo Labor Bureau as "companies with childcare support".

2025年認定 くるみん 子育てサポートしています

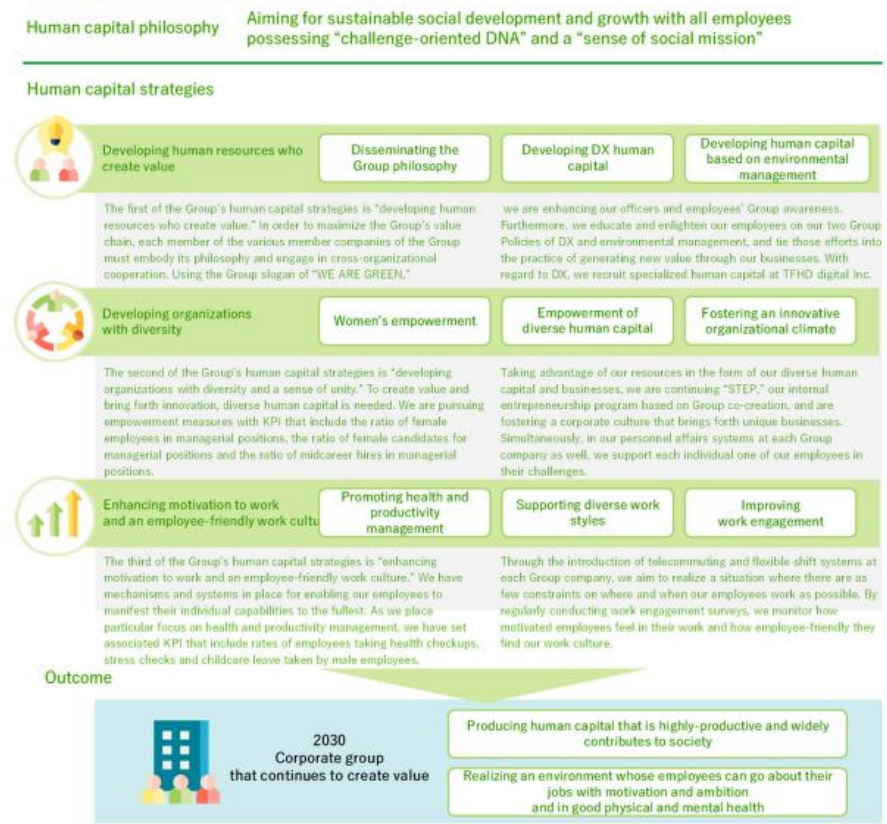
Employee Engagement

API, as a J-REIT, cannot have employees as stipulated under the Act on Investment Trusts and Investment Corporation of Japan. Therefore, the figures and descriptions provided herein refer to those of TRM, the asset manager. As a group of experts in real estate management, TRM provides high-quality asset management services with objective to maximize the value of its shareholders, and to that ends, we promote our own human-capital strategy in view of the importance of human capital development. TRM is making continuous effort to have various systems to form a working environment and organization enabling to realize and promote the health and comfort of employees.

Our policy on human capital management

"Human capital management" in the TFHD Group refers to the act of working towards the sustained improvement of value by formulating and executing human capital strategies linked to management strategies. The Group aims to "become a corporate group that continues to create value" and "realize a future where everyone can be themselves and shine vigorously" by making aggressive investments based on the perception that the knowledge, skills and ambition of its approximately 30,000 employees spread over 100 companies constitute "human capital."
With view towards realizing our ideal vision, the Group has espoused "aiming to achieve sustainable social development and growth with all of its employees possessing a challenge-oriented DNA and sense of purpose in engaging society" as its human capital philosophy. Based on that, the Group is pursuing the following three human capital strategies: "developing human resources who create value," "developing organizations with diversity and a sense of unity" and "enhancing motivation to work and ease of working."
The first of these strategies, "developing human capitals who create value," constitutes the Group's policy on human capital development based on the Group philosophy and its management strategies.
While sharing the sponsor group's basic policy on human resources, TRM as a professional group in real estate management, recognizes the importance of developing and nurturing human resources in order to provide high-quality real estate investment management services and maximize unitholder value. Based on such recognition, we will promote human capital management with the goal of becoming the "professional organization that keeps on challenge".

<Human capital philosophy and human capital strategies>



Human capital development & retention

Employee skill development

TRM provides a wide variety of training systems and offers self-learning options to further improve investment management. These training systems are not only for permanent employees but also for contract employees.

Training program (examples)

Position-based training: Examples include orientation training for mid-career hires on a wide range of knowledge about the asset management business and understanding of regulatory compliance; management training for senior management and medium-level employees; compliance and risk management training; and communication training for all employees.
Mandatory training: Designated employees must receive training on compliance and risk management, information security, manager training, and ESG investment.
Self-learning options utilizing external institutions...As shown in the table below, many of the training programs implemented by TRM use external institutions. Building on the new medium-term management plan established in April 2025, TRM has initiated a new "Professional Study Group" program beginning in fiscal year 2025.We have also partnered with external institutions to provide options for systematic learning of business skills, English conversation, and computer skills to actively support employee self-learning.

Examples of FY2025 Training Program Results

Examples of Training	Program name	Frequency	Subject	FY2025 Content	External use
Compliance Training	Compliance (Basic & Advanced)	3 times/year	All employees	Financial regulations, conflict of interest management structure, information management	●
	Asset Management Association	Once/year		Compliance considerations for asset management companies, considerations based on member surveys, etc.	●
	Risk Management	Once/year		About risk management	●
	Insider Trading Regulation (COMLEC)	Once/year		Insider trading regulations	●
	Compliance for Group Common General (e-Learning)	Twice/year		Compliance management, respect for human rights, harassment prevention, Subcontract Act, personal data protection, information security	●
	Compliance for Group Executives	Once/year	Executives	About confidential information management	●
	Compliance for Group Employees	Once/year	All employees	Harassment prevention training	●
ESG Training	Sustainability Management and Concepts, Our Initiatives	Once/year	Management positions	Review of materiality	●
	Sustainability Promotion Committee		Sustainability Promotion Committee	Sustainability management, value creation, human capital management Utilized	●
	ESG Investment Trends, SCM and GRESB Summary		All employees	Trends in ESG investment, overview of GRESB results	●
HR-Related Training	Manager (Evaluator) Training	Once/year	Department heads and above	Three mandatory sessions implemented	●
	Management Training	Once/year	Management positions	Online participation format	●
	Communication Training	Once/year	All employees	Mandatory training (Theme: "Emotional Boundaries")	●
	Next-Generation Management Training	Four times/year	Pre-management positions	Equity market, real estate appraisal, Engineering Report (ER), real estate market, etc.	●
IT / DX Related	Information Security	Once/year	All employees	Information management updates	●
	Group Common Information Security (e-Learning)	Twice/year	All employees	Cybersecurity updates	●
	Group Common Confidential Information Management	Once/year	All employees	Case-based response	●
	Group Common DX Training(e-Learning)	Once/year	All employees	Improvement of DX literacy and skills	●
	Targeted Email Attack Simulation	Twice/year	All employees	Response to suspicious emails	●
Onboarding Training	Compliance, HR Systems, IT/DX	As needed	New hires	General compliance, crisis management, information management, HR systems & organization, IT device usage	

Support for acquiring business related qualifications

At TRM, we have established a support system for examination fees and class fees to obtain mandatory and support qualifications for employees (including contract employees) and provide rewards to those who pass to encourage self-improvement.

TRM employee qualifications

Qualification	No. of employees		Support for acquiring business related qualifications Usage (no. of employees)	
	(As of June 30, 2025)	(As of June 30, 2026)	(FY2024)	(FY2025)
Real Estate Broker	97	96	13	7
ARES* Certified Master	62	62	19	18
Certified Tax Accountant	1	2	1	1
Certified Building Administrator	13	11	0	0
Chartered Member of the Securities Analysts Association of Japan	1	2	0	2
Certified Property Manager	13	14	3	0
Real Estate Consulting Master	3	1	0	0
Real Estate Appraiser	3	2	0	0
First-class Architect	8	8	0	1
Eco Test	65	84	56	28

Performance Evaluation Process

Through interviews with their immediate supervisors, TRM evaluates each employee's growth goals, organizational contribution, and expected role behaviors for each position. We encourage each employee to have a career plan and to develop skills that can be used both internally and externally.
ESG-related items are included in the goals set by employees, and ESG-conscious work processes and business performance are reflected in their evaluations as well as the achievement of other goals to determine the employee's compensation for the following year, including rank, position, and salary.

Recruitment website

In December 2021, TRM launched in the company's website a career page to attract candidates by broadly presenting the company's businesses, features, and culture, etc. The contents include interviews with current employees, round-table talk, career paths possible to take in the company.

Human resource exchange

TRM receives staff seconded from the Sponsor or group companies and dispatches its employees to the Sponsor to provide its employees with varied professional experiences. Based upon the fact that the number of employees of TRM had increased to a certain size, partly because of the merger happened in 2017, we decided to conduct shuffling of employees among different divisions in order to raise career development of our employees. Meanwhile when conducting such occupational relocation, we pay close attention to the information firewall between the different business divisions.

Exchange with university students

API and TRM participated in 2019 in the IR presentation competition organized by USIC, a university students' investment union and provided them with an opportunity to learn. The Sponsor organizes intern programs and creates opportunities to communicate with students. TRM is not hiring new graduates, though those from the Sponsor are seconded to TRM. Through such efforts, we will continue to work to retain talented employees and activate our organization.

Welfare programs

TRM values its employees, their well-beings, and healthy performance in work, and provides staff with various welfare programs to improve their satisfaction.

Cafeteria plan

To support self-support and independence of employees (incl. contract employees), we provide them with financial aid for medical fees, subsidies for use of sports facilities, studying, volunteer activities, employee shareholding program, and use of the facilities Tokyu group companies operate.

Welfare programs

Various systems are in place to provide support for employees at each stage of life, such as maternity leaves, childcare leaves, child medical leave, nursing-care leave.

We support asset formation by permanent employees, by inviting external financial planners to offer introductory sessions on topics including defined contribution pension matching program which TRM offers and the insurance system by the Tokyu group.

Facilities of the popular exclusive resort membership "Tokyu Harvest Club" are available at employees' special rate.

Cumulative unit investment program

We provide employees (including contract employees) with an opportunity to invest in the investment units of API and Comforia Residential REIT as well as the share of TFHD. We support to build their personal assets through offering financial incentives and encourage them to raise their consciousness of those management performance. The program should also lead to the continual growth of API and enhancement of API's unitholder value.

TOKYU Harvest Club

For Health and well-being of employees

TRM is making continuous effort to have various systems to form a working environment and organization enabling to realize and promote the health and comfort of its employees.

Work-from-home system and flex-time work system

For all employees of TRM, a WFH system has been introduced in response to the spread of the Covid-19. Not only that it improves productivity by reducing commuting time, etc., but also it enables employment of employee in remote area. Employees are also allowed to use shared offices under pre-designated rules.
In addition, the flexible working hours system allows employees to work from 11:00 to 15:00 as core hours and to leave work freely outside of the core hours, thereby supporting more flexible work styles based on the various life environments of each employee.

Paid-leave usage encouragement

Every year, employees are required to set up so-called “commitment holidays”, a seven-day paid leave (five days in a row + two days immediately before or after that week) and to share such committed calendar within the teams they belong to. TRM is also creating business environment for the employees to digest their allocated paid leaves, by proactively setting up recommended days to use paid leaves.

Effort to reduce overtime

In order to prevent excessive long working hours, TRM is taking necessary measures. The employees are required to set an upper limit of overtime working hours at the beginning of the fiscal year, and such objectives are regularly monitored and reminded. In certain cases, we intentionally raise them as a meeting agenda if the working hours are excessively long.

“New working style” project

A team of employees voluntary launched in 2021 a new project aiming to design how to work effectively with three key words: ”office and digital environment”, “communication”, and “in-company systems”, and is working to create a company where they can achieve more their best performances and professionally grow further. Proposals are made to the company, and as a result, online suggestion box has been set up and group address of office was introduced. (at right of the page)

Working environment

Workplace of TRM is in Shibuya, an exciting and innovative city where the areas people live and play are closely connected.
In Spring 2023, as an outcome of proposals by “New working style” project, the working place of TRM was renewed. The office was designed to be a place where employees can see each other's faces and exchange words, and where communication is more active, with a group address system (free address system for each department) being introduced and servers for famous chain-supervised coffee and bread set up in the lounge area.
In a posterior survey, 83% of the respondents answered that they were "much satisfied" or "somewhat satisfied" with the new layout, and 99% of the employees answered that they were satisfied with the new free beverage facilities. On the other hand, based on the results of the questionnaire and opinions about individual measures, there is room for improvement, and we will continue to work to realize a more comfortable working environment.
Also, a space for refreshment is created with green on the terrace of the building where TRM is located, Shibuya SOLASTA. The building earned the CASBEE Wellness Office, a recognition of the building's ability to promote health and comfort of people work in the building.

Healthcare
Employees are obliged to take annual medical checkups. There is also a mental health consultation desk.

Health Committee
Health Committee is established to improve employees' occupational health. The Committee examines labor-related problems occurred in the company, reports the results of investigation on comfort and safety in the workspace, and takes measures to increase awareness for mental and physical health by poster, etc. Lectures by industrial physicians on related themes are held.

One-on-one session with HR
Once a year, employees have one-on-one session with HR department, where they can discuss and share their career development plan and explain their troubles and expectations related to the relationship with supervisors and colleagues.

Employee satisfaction survey
Every year, TRM conducts an employee satisfaction survey with a third-party partner. Based upon the results of the survey, we are taking variety of means to improve employee satisfaction level.

	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Employee engagement level*	62.8	58.4	67.4	63.7	66.7	64.5
Nb. of responses/ nb. of eligible employees	100/100	99/100	97/97	106/106	112/112	104/104
Participation rate	100%	99%	100%	100%	100%	100%

*Quantifies the attachment and trust between employees and the company

Internal communication
TRM periodically organizes employee satisfaction surveys and explanatory sessions on the corporate annual objective and medium- to long-term vision, for a more profound understanding between the company and employees, expecting to develop the productivity of our organization where employees can deliver their best performance.

Employee study groups
Younger employees have led voluntary organization of cross-divisional study groups to share information on businesses unique to each division, and on necessary knowledge/skills.

Support for company circle activities
Financial support is provided to employees for company club activities.

Luncheon
To enhance communication among employees, regular luncheons by groups of a small number of staff have been organized.

Key Employee Data

■ Key employee data

Item	April 2023	April 2024	April 2025	April 2026
Number of employees*1	105	109	112	108
Male	61	62	61	58
Female	44	47	51	50
Age distribution				
Ratio under 30	19.0%	18.3%	17.9%	13.9%
30 to 49	61.0%	63.4%	67.0%	73.1%
50 and over	20.0%	18.3%	15.2%	13.0%
Permanent employees	68	72	78	79
Male	38	42	44	44
Female	30	30	34	35
Contract staff	9	10	10	6
Male	1	1	2	0
Female	8	9	8	6
Hires from temp staff	2	2	1	1
Seconded employees*2	28	27	24	23
Male	22	19	15	14
Female	6	8	9	9
Total ratio of female employees	41.9%	43.1%	45.5%	46.3%
(Reference) Temp staff	7	6	8	8
Male	4	4	4	2
Female	3	2	4	6

*1 Full-time employees, contract employees, and seconded employees
*2 Tokyu Land and Tokyu Community
*3 Permanent employees
*4 A system in place since FY2018
*5 Includes part-time employees
*6 Permanent employees

Item	April 2023	April 2024	April 2025	April 2026
New hires*3	13	7	8	7
Male	8	6	6	4
Female	5	1	2	3
Number of new hires from contract employees*4	4	0	2	2
Number of Directors*5	4	4	4	5
Number of female directors	2	1	0	0
Ratio of women on the board of directors	50.0%	25.0%	0.0%	0.0%
Age distribution				
Ratio under 30	0.0%	0.0%	0.0%	0.0%
30 to 49	25.0%	25.0%	25.0%	40.0%
50 and over	75.0%	75.0%	75.0%	60.0%
Number in upper management (Senior management and above)	33	32	28	31
Number of women in upper management	5	4	4	5
Ratio of women in upper management	15.2%	12.5%	14.3%	16.1%
Turnover rate*6	4.9%	1.9%	4.6%	7.1%
Turnover in no. of employees	5	2	5	8
Male	2	1	4	5
Female	3	1	1	3
Average years of service (permanent employees)	5.1 years	5.3 years	5.4years	5.5years
Male	4.4 years	4.3 years	4.4years	4.7years
Female	5.9 years	6.6 years	6.8years	6.5years

■ Promotion of Work Style Reform and D&I

Item	FY2022	FY2023	FY2024	FY2025
Health check participation rate	100.0%	100.0%	100.0%	100.0%
Stress check participation rate	99.0%	100.0%	100.0%	100.0%
Annual paid leave per capita	12.8 days	12.4 days	12.0days	13.9days
Ratio of employees with disabilities	1.7%	1.6%	2.4%	2.3%
Number of employees aged 60 and over	3	3	4	2
Male	3	2	3	1
Female	0	1	1	1
Number of foreign employees	1	1	3	3
Average monthly overtime per employee	24.4 hours	23.3 hours	21.7hours	20.5hours
Work-related injuries and deaths	0	0	0	0
Absentee rate	0.0%	0.3%	0.0%	0.0%
Ratio of employees on leave	1.1%	1.1%	1.1%	1.0%
Childcare leave users	10	8	10	10
Users of shortened working hours for childcare/off-peak commuting hours for childcare*1	5	7	10	10
Nursing-care leave users	0	0	0	0
Remote work utilization rate	100%	100%	100%	100%

*1 A system that allows work hours to be changed according to lifestyle (e.g., working hours from 8:00 AM to 4:30 PM)

Human Rights and Labor Policies

TFHD Group accepts the difference in a variety of attributes such as gender, age, nationality and handicap and brings about innovation by showing individual ability to the maximum and continues to create value through its business activities. TRM is working to make a workplace without any discriminatory treatment and compensation due to different attributes, where all employees can rely on.

Human Right Policy

TRM shares the Human Right Policy published in January 2020 by TFHD Group and carries out its business in belief that respect the human rights of stakeholders of the group including employees is essential and it is what all companies are expected to do.

TFHD Group's Human Rights Policy

TFHD Group solves social issues through our business activities and works with stakeholders to realize a sustainable society and growth. The Group recognizes that respecting the human rights of employees and all stakeholders involved in its businesses is an essential requirement of a company with global operations.

1. Adherence to International Human Rights Standards: The Group upholds and respects human rights as outlined in the International Bill of Human Rights (Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights) and the ILO Declaration on Fundamental Principles and Rights at Work. It promotes responsible management according to the UN Guiding Principles on Business and Human Rights, as well as the principles of the UN Global Compact. Whenever there is a conflict between internationally recognized human rights standards and the laws of a country in which it operates, the Group seeks ways to uphold global human rights principles.

2. Importance of this Policy: The Group states "Respect human rights" in its Code of Conduct and encourages individual employees to give due consideration to human rights in their activities. In addition to respecting basic human rights in compliance with the local laws and regulations implemented in the regions where it has bases, it takes steps to prevent discriminatory behavior and speech, sexual harassment and power abuse while making efforts to respect the diverse values, individually, and privacy of individuals. The Tokyu Fudosan Holdings Group Human Rights Policy (the "Policy") serves as a detailed explanation concerning the requirement to respect human rights in the Group Code of Conduct.

3. Scope: This Policy applies to all Group officers and employees, and the necessary education and training is provided. The operating officer in charge of human resources is responsible for the application of this Policy. Business partners of the Group are expected to support this Policy and to work with the Group to protect human rights.

4. Human Rights Due Diligence and Remedies: The Group carries out human rights due diligence to identify any actual or potential impacts that business activities may have on human rights, and the Group then prevents or mitigates the. Whenever it is discovered that the Group's activities have caused or contributed to adverse impacts on human rights, the Group will work to remedy the situation. The Group will make efforts to rectify any business or service that may be linked to adverse impacts on human rights through the actions of business partners or other relevant parties. A mechanism will also be established that allows internal and external stakeholders to report and consult on Group activities that may affect human rights.

5. Stakeholder Dialogue: As the Group's wide-ranging business areas, including real estate, largely affect communities and society, it is essential to work closely with a variety of stakeholders. With this in mind, the Group engages in dialogue with its stakeholders, including employees, local communities, business partners, and customers. It also shares the progress of its efforts on its website and in its integrated reports.

6. Priority Human Rights Issues: In order to avoid any infringement of human rights as a result of business activities, the Group will maintain a close dialogue with stakeholders and external experts concerning social and environmental changes and its business direction, and it will identify priority human rights issues as they arise.

UN Global Compact

Respecting basic labor rights and aiming at coexistence and co-prosperity with employees, TFHD Group supports and respects the OECD Guidelines for Multinational Enterprises, international labor standards and Guiding Principles on Business and Human Rights. In December 2016, the Group stated its support for the UN Global Compact. In accordance with the ten principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption, we promote responsible management and contribute to a sustainable society. TFHD's support for UN Global Compact shall apply to all group companies including TRM.

The 10 Principles of the UN Global Compact

Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining Principle 4: the elimination of all forms of forced and compulsory labour: Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies
Anti-corruption	Principle 10: Businesses should work against all forms of corruption, including extortion and bribery

Fundamental rights in hiring and employment of TFHD Group

TFHD Group will respect the following matters as a set of fundamental rights in hiring and employment in order to achieve co-existence and co-prosperity with employees.

1.Prohibition of discrimination: We will eliminate all discriminatory actions based on nationality, race, religion, beliefs, gender, age, sexual orientation and/or disability and will strive to maintain equal opportunity and treatment in hiring and employment.

2.Prohibition of harassment: We will never engage in sexual harassment, power harassment, or any other form of harassment toward people in the workplace. We will also never tolerate language or actions related to harassment.

3.Prevention of forced labor: We will strive to eliminate and prevent all forms of forced labor.

4.Curtailment of overwork and reduction of overtime: We will establish a fundamental policy on work management to curtail overwork and reduce overtime work giving consideration to employees' work-life balance and their health maintenance/improvement. In Japan, we will comply with the "Article 36 Agreement."

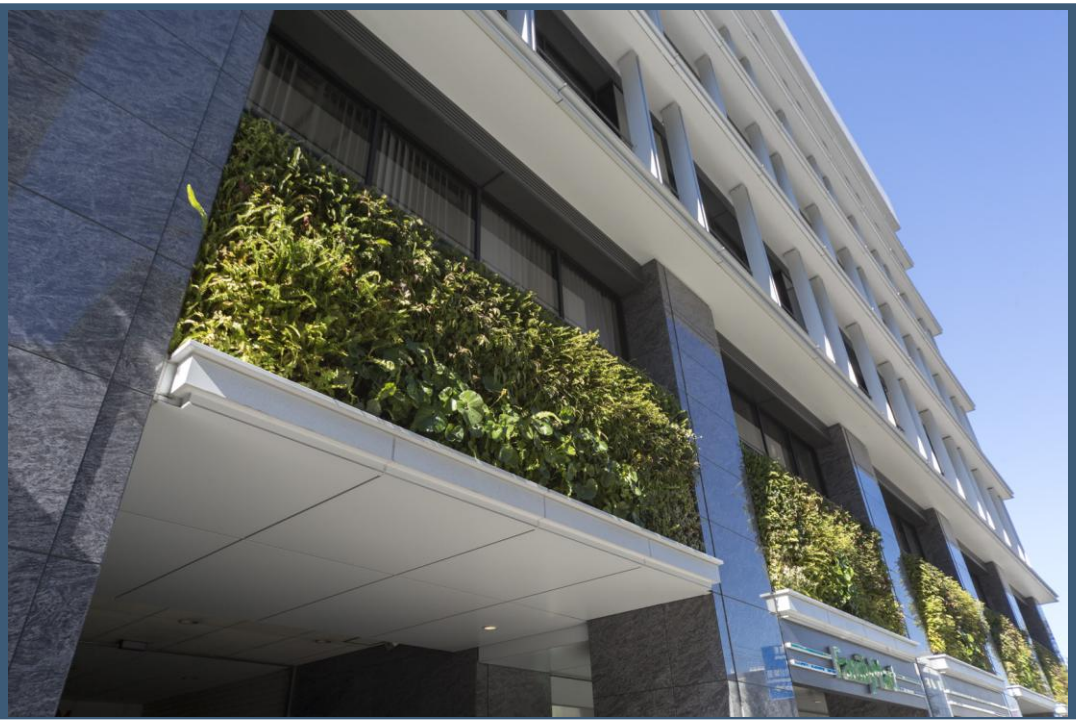
5.Prevention of child labor: We will support and practice the effective abolishment of child labor.

6.Respect for freedom of association and the right to collective bargaining: In recognizing that the freedom of association and the right to collective bargaining are fundamental human rights that must be respected by a company, in countries and regions where the formation of labor unions is allowed, we fully recognize employees' right to organize, right to collective bargaining and right to strike in labor agreements. In addition, even in countries and regions that do not allow the formation of labor unions due to laws or practice, we will effectively promote conflict resolution through dialogue involving management and labor with the purpose of securing the freedom of association and the right to collective bargaining.

7.Payment of wages above and beyond the minimum wage: We will comply with labor laws and regulations and adopt a fundamental policy on labor management in which we will pay wages to employees above and beyond the minimum wage for acceptable living conditions.

Governance

Under a belief that it is essential for our operation to implement a sincere and fairly compliance management, API and TRM thrive to build an effective decision-making process and a strong corporate governance structure to prevent negative occasions, such as conflict of interests cases that would damage the benefits of all our stakeholders including unitholders. This is derived from a recognition that we are conducting an important and responsible operation of managing assets which belong to the unitholders.
Taking our societal responsibility and public missions into consideration, we will continue to make best effort to meet expectations and reliance from our stakeholders including unitholders, customers, business partners, and our local communities by contributing economical and societal development through a healthy business operation.



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API's Corporate Governance

Pursuant to the Act on Investment Trusts and Investment Corporations of Japan ("ITA"), API entrusts its asset management operations to TRM.

API's governance structure

API's organization comprises a unitholders' meeting, a board of directors currently comprised of one executive director and two supervisory directors, and an independent auditor. API has no employees as ITA prohibits REITs from making employment contracts.

Unitholders' Meeting

Certain matters regarding API stipulated by the ITA and other relevant laws and regulations are to be resolved at a unitholders' meeting.

Board of Directors

At the meeting of the board of directors, the executive director reports on the performance of its duties and the supervisory directors supervise to ensure that API operates the asset management in compliance with legal and regulatory requirements. The meeting frequency of the board should be at least once every three months as stipulated under internal regulations of TRM; however, for FY2025, 12 meetings were held with a 100% attendance of directors.

Independent Auditors

The independent auditor shall audit the financial statements of API and report to the supervisory directors any improper activity of the executive directors. The term of office of the independent auditor comes to an end at the first unitholders' meeting held after the first financial period closed after one year or more from the appointment date, and the auditor shall be reappointed except as otherwise resolved in a unitholders' meeting.

Auditor fee

Excerpt from the semi-annual report for the fiscal period ended May 2026

Position	Name	Compensation (¥ thousand/period)
Independent Auditors	Ernst & Young ShinNihon LLC	11,600

Executive and Supervisory Directors

The Executive Officer executes the business of API and represents API. In addition, the Supervisory Directors supervise the Executive Directors in the execution of their duties. The Supervisory Directors are independent of TRM or its interested parties in accordance with the provisions of the Investment Trust Act and may request reports from TRM and the asset custodian on the status of API's operations and assets or conduct necessary investigations as necessary.

Term of office / brief biographies of directors

The term of office for directors is two years. Please refer to the API website for the brief biographies of directors.

Eligibility requirements

Candidates for directors must not fall under any disqualification clause as defined in the ITA and shall be examined and appointed at a unitholders' meeting.

Compensation

The articles of incorporation of API stipulate that it may pay the executive director up to ¥700,000 per month and each of our supervisory directors up to ¥500,000 per month, and the board of directors of API is responsible for determining the amount for each director.

Experience, Expertise, and Compensation

Position	Name	Concurrent positions	Experience and Expertise	FY2024 Board meeting attendance rate	Compensation (¥ thousand/period)
Executive Director	Manabu Kamikawara (Male)	TLC REIT Management Inc. Managing Executive Officer Chief Division Officer, Activia Management Division	He has extensive experience in the real estate fund and REIT businesses. He has supported the expansion of real estate fund operations—primarily targeting office buildings and commercial facilities—and possesses expertise in property acquisition, disposition, and asset management. He demonstrates comprehensive operational capabilities across all related functions.	100% (12/12)	–
Supervisory Director	Kazuhiko Takamatsu (Male)	Yamada, Goya and Suzuki Law Office Partner	He has sufficient experience as a lawyer and is well-versed in civil and corporate legal affairs. He uses his extensive experience and knowledge to supervise the work of the executive officers and provide frank feedback.	100% (12/12)	1,800
	Natsuko Inagaki (Female)	Inagaki Law and Accounting Office Director	She has extensive experience as both a lawyer and a certified public accountant, with deep expertise in civil law, corporate legal affairs, and accounting. She uses her extensive experience and knowledge —including service as a judge at the National Tax Tribunal and as a tax committee member for the Tokyo Bar Association and the Japanese Institute of Certified Public Accountants—to supervise the work of the executive officers and provide frank feedback.	Appointed in September 2025	1,800

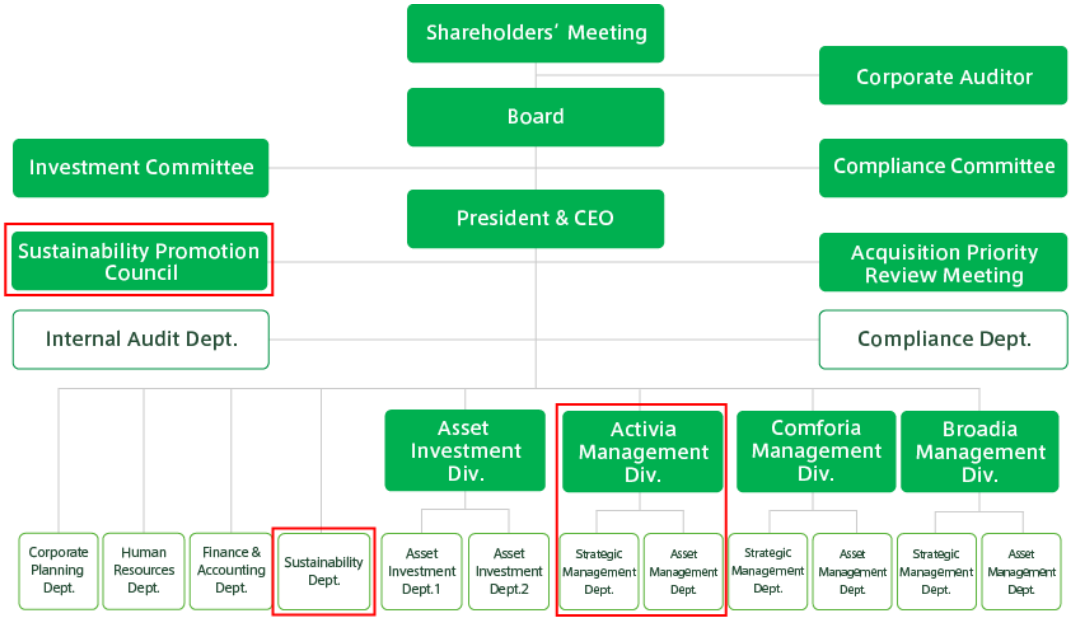
TRM's Corporate Governance

TRM works to enhance corporate governance to exercise a fiduciary duty and a duty of loyalty to API as stipulated in the asset management agreement.

TRM management organization

Under the management organization shown below, TRM exercises its asset management operation, and the Activia Management Division undertakes the management of assets of API. TRM has established the Investment Committee and the Compliance Committee to deliberate matters related to asset management and compliance, and the Acquisition Priority Review Meeting to determine the order of priority for consideration.
In April 2021, TRM established the rules on the Sustainability Promotion System to strengthen the system and expand the functionality of measures. Following this, the Sustainability Promotion Council obtained a more accurate position in the organization. The Sustainability Department succeeds the ESG-related missions from the Environmental Engineering Department, and we will further promote our sustainability program.
Furthermore, in April 2024, in order to strengthen strategic ESG promotion and accelerate decision-making, the Sustainability Promotion Department was made an independent organization under the direct control of the President&CEO.

Organizational chart



Decision Making Process

In order for API to make decisions concerning the acquisition or sale of assets or the operation and management of such assets, the Investment Committee of TRM shall, in principle, be required to pass unanimous resolutions on proposals, including the execution of acquisition of such assets and approval of the acquisition price, by the attending committee members with voting rights. In addition, TRM's legal compliance system and as a measure against conflicts of interest in transactions with related parties, in certain cases, deliberations and resolutions shall be made at TRM's Compliance Committee prior to resolutions at the Investment Committee.

Compliance Committee

In order to strengthen the compliance system, TRM holds regular meetings of the Compliance Committee, whose members are outside experts (lawyers). The Compliance Committee makes resolutions on the following matters.

Members	・Compliance Officer ・President & CEO ・Directors (excluding part-time directors) (In the case that a director concurrently serves as the chief division officer of each asset management division, such director may not attend the Compliance Committee meetings pertaining to the investment corporation with which TRM has entered into an asset management agreement that he/she does not have jurisdiction over as the Chief Division Officer of each asset management division.) ・One or more outside experts (who must be a licensed expert such as an attorney or accountant) appointed by the Board of Directors of TRM
Matters to be resolved	・Establishment and modification of basic investment policy for asset management (*) ・Determination and modification of asset acquisitions or dispositions and their conditions, etc. (*) ・Establishment and modification of asset management plans (*) ・Establishment and modification of basic policies for asset management (*) ・Establishment and revision of basic policies for financing, capital and dividend policies (*) (The asterisked matters shall be limited to those related to transactions with related parties and matters deemed necessary by the Compliance Officer.) ・Matters pertaining to transactions with related parties (except for transactions that do not require prior approval by the Compliance Committee as stipulated in the Related Parties Transaction Rules). ・Preparation and revision of the Compliance Manual and Compliance Program ・Deliberation and decision on remedial measures or future preventive measures for inappropriate acts in terms of compliance with laws and ordinances, etc. ・Matters that the Compliance Officer deems necessary to be deliberated by the Compliance Committee
Deliberation	If two-thirds of the committee members including the Compliance Officer and all outside experts are present at the meeting, and two-thirds of the members who are present at the meeting including the Compliance Officer and all of the outside experts agree with the proposal, the proposal may be submitted to the Investment Committee. The Committee members may have observers present at the Compliance Committee meetings and ask for their opinions or explanations.

Investment Committee

TRM has an Investment Committee with outside experts (real estate appraisers) as members. The Investment Committee shall make resolutions on the following matters

Members	・President & CEO ・Directors (excluding part-time directors) ・Chief Division Officers of the Activia, Comforia and Broadia Management Divisions (Each of whom is entitled to attend only the committee meeting pertaining to the REIT for which he/she is responsible) ・Chief Division Officer of Asset Investment Division ・Executive Director (Those deemed necessary by the chairperson to attend the meeting) (without voting right) ・General Managers of the Finance & Accounting Department, Corporate Planning Department (without voting right) ・Compliance Officer (without voting right) ・Qualified independent real estate appraiser appointed by the Board of Directors of TRM
Matters to be resolved	・Establishment and modification of basic policies for asset investment ・Determination and modification of asset acquisitions and dispositions and their terms and conditions, etc. ・Establishment and modification of asset management plans ・Establishment and modification of basic policies for asset management ・Matters pertaining to the preliminary settlement of accounts ・Establishment and modification of basic policy on financing, capital and dividend policy ・Decisions and changes related to financing, capital policy, and dividend policy ・Matters related to transactions with related parties (excluding transactions that do not require prior approval by the Investment Committee in accordance with the Related Parties Transaction Regulations) ・Other important matters related to the above
Deliberation	Meetings of the Investment Committee in principle must be attended by all members with a voting right, and the Investment Committee approves a submitted proposal by a unanimous vote. A qualified independent real estate appraiser does not need to attend unless property value is an issue. If a qualified independent real estate appraiser cannot attend a meeting where property value is an issue, he/she may, instead of attending the meeting, submit an opinion, which must be respected upon a deliberation and vote. Any member of the Committee who has a particular interest in the subject proposal may not participate in the resolution. If the Compliance Officer determines that there is a problem with the course of deliberations, he/she may instruct the Investment Committee to suspend the deliberations. The Committee members may have observers present at the Investment Committee meetings and ask for their opinions or explanations.

Structure to Maximize Our Unitholder Value

While leveraging the value-chain of TFHD Group, API and TRM are working to improve and enhance the governance system contributing to maximize unitholder value, including approaches such as measures against conflict of interests with related parties, alignment of interests of unitholders and the Sponsor, and amendment to the AM fee structure with DPU-linked fee.

Alignment of interests of API's unitholders and TLC

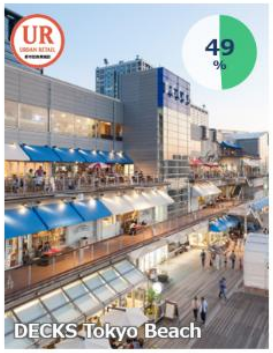
Ownership by the Sponsor

In the Sponsor Support Agreement, TLC has made it clear that when API decides to issue additional units, a subscription of a part of such issuance shall be sincerely considered.
In Spring 2025, TLC made additional acquisition of API's investment units (cf. p.14). Further support from the Sponsor is expected with reinforced alignment of interests.

Ownership ratio of Tokyu Land Corporation (Sponsor) as of June 30, 2025 12.7%

Co-ownership of properties with the Sponsor

API holds co-ownership of interests with the Sponsor in the three commercial properties namely Tokyu Plaza Omotesando "Omokado", DECKS Tokyo Beach, and Q plaza HARAJUKU. We consider that this alignment of interests between the Sponsor and API's unitholders, deriving from operating revenues of the owned assets including above, should lead to a better property management practice.



(Note) Percentages of co-ownership interests API holds in the properties.

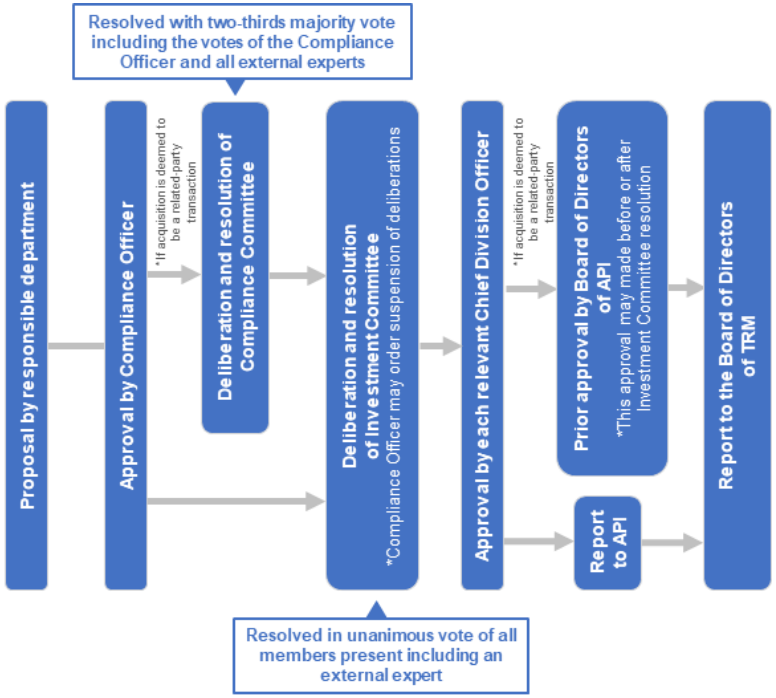
Acquisition process securing fairness to protect unitholder value

To realize an effective and transparent management, TRM has an effective decision-making process based on internal regulations including the management guideline and rules on related-party transaction.
For instance, asset acquisition from related parties requires deliberation and resolution of Compliance Committee, which includes external expert(s) in its members and an approval by the Board of Directors of API, for which more stringent rules are applied and conducted.

Asset management fee structure including DPU-linked fee

Pursuant to the asset management agreement, API pays an asset management fee including DPU-based portion to TRM. This structure is designed to incentivize TRM to enhance API's unitholder value.
Ratio of performance-based fee (type II) was increased from the fiscal period ended May 2020, which would contribute to strengthen incentive to maximization of unitholder value.

Acquisition approval process



AM fee structure of API

	Asset management fee	
	Type I (per year)	Type II
Calculation method (Type I up to 0.3%)	Total assets at end of the immediately preceding FP × 0.25%	DPU (before deduction of the type II management fee) × NOI × 0.00021%
	(Note) Total AM fee of type I and type II is up to total assets at end of each period ×0.5%	

	Acquisition fee / Disposition fee	
	Acquisition fee	Disposition fee
Calculation method	0.7% Transaction with a related party : 0.5%	0.5% No fee will be paid in the following cases 1) Transaction with a related party 2) Transaction caused capital loss

Compliance

As a member of the TFHD Group, TRM is implementing compliance management in compliance with the "Tokyu Land Holdings Group Code of Conduct" by holding Compliance Committee meetings and establishing a Compliance Department, etc. TRM has also established a solid compliance system within TRM. We have established a solid compliance system by formulating compliance rules, compliance manuals, etc. within TRM.

UN Global Compact

TFHD Group has stated its support for the UN Global Compact and TRM shares its support and respects the ten principles of the UNGC.

10 principles of UN Global Compact

Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies
Anti-corruption	Principle 10: Businesses should work against all forms of corruption, including extortion and bribery

TFHD Group's Code of Conduct

TFHD, the sponsor group, recognizes that risk management through compliance management is the foundation of the Group's management, and we encourage all executives and employees to not only comply with laws and regulations, but also to make decisions and act in accordance with the "Tokyu Land Holdings Group Code of Conduct," a code of conduct. The Asset Manager is a member of the Tokyu Land Holdings Group. As a member of the Group, TRM will practice compliance management in accordance with the Code of Conduct.

1.Compliance with Laws and Regulations and Fair Trading	2.Ensuring Customer oriented Awareness	3. Suitable Execution of Duties	4. Proper Management of Information	5. Ensuring Good Faith in Business Conduct
● Ensure compliance with applicable laws and regulations. ● Ensure best practice in material procurement and fair trade. ● Ensure compliance with fiduciary responsibility in the execution of duties. ● Never connect with antisocial forces.	● Identify customer needs and develop products to meet their needs. ● Prompt and dedicated response to customers' comments and requests. ● Customers' safety and security comes first when providing products and services. ● Provide a suitable and appropriate explanation and marketing of our products and services.	● Responsible execution of duties, keeping concepts of "speed" and "evolution" in mind. ● Nurture organization culture of placing emphasis on "Collective wisdom." ● Take advantage of combined strength of the corporate group. ● Ensure proper decision making process. ● Proper management of rules. ● Proper negotiations with business associates.	● Operate appropriate document and information management systems. ● Proper management of confidential information and compliance with confidentiality obligation. ● Prohibit insider trading. ● Timely and appropriate information disclosure and PR activities. ● Internal control to ensure proper accounting and financial reporting	● Preserve corporate assets. ● Ensure a robust, safe, and comfortable working environment. ● Respect human rights. ● Contribution to society and consideration of the environment. ● Reasonable business entertaining and gift-giving. ● Clear distinction between business and personal matters.

Corporate Compliance at TRM

TRM's management philosophy is to contribute to the development of society and maximize unitholder value through the provision of high-quality real estate investment management services and by earning the confidence of all stakeholders.
We aim to earn the trust of our unitholders by ensuring compliance with laws and regulations and acting with high ethical standards, and by providing transparent and easy-to-understand information disclosure from the standpoint of our unitholders, thereby contributing to the provision of high-quality real estate management services that meet the diverse needs of our tenants and the provision of total management services that bring together the know-how of TFHD Group.

In order to ensure compliance management and enhance corporate value, as well as to become a company that is trusted by all stakeholders including unitholders, all officers and employees of TRM (including directors, corporate auditors, temporary employees, and others who are not employed by the company) are required to use the Compliance Manual, an internal regulation, as a guide in their daily business activities, and each and every one of them is required to comply with the standards of conduct stipulated in the Manual.

TRM considers compliance to be not only a matter of legal observance but also a broader concept, as described below, in accordance with the above-mentioned management philosophy, which is to be practiced by each and every officer and employee with awareness, thereby fulfilling corporate social responsibility.

1. Legitimate actions in compliance with laws and regulations (including supervisory guidelines, financial inspection manuals, etc.)
2. Risk management behavior in compliance with internal rules and regulations
3. Exemplary behavior that conforms to our corporate philosophy
4. Ideal behavior based on social norms and high ethical standards

Directors recognize compliance as the most important issue in management and are responsible for maintaining and improving the management environment for compliance by establishing basic compliance-related policies and internal rules, etc. Their main roles are as follows;

1. Formulation and resolution of basic policies and internal rules, etc. related to compliance
2. Direct activities based on the compliance program
3. Maintenance of compliance environment and internal control system

Auditors of TRM have the role and responsibility to audit whether directors' decisions and their execution are legal, appropriate, and effective.

Compliance Committee

Refer to “TRM’s Corporate Governance.” (p.63)

Measures taken to enhance compliance awareness

Divisional compliance staff

Each year divisional compliance staff are appointed from each division of TRM to perform periodic monitoring on compliance matters. The officers report compliance status in his/her division and share related information.

Basic training on compliance and ethics for employees

TRM provides extensive compliance and business ethics training for employees.

Example of FY2025 trainings for all employees

・Compliance training
Fiduciary duty (customer-oriented business operation) / Financial Instruments and Exchange Act and Act on Investment Trusts and Investment Corporations / Compliance framework / Conflict of interest transaction management
・Risk management training

Compliance track record

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of compliance training sessions	4	4	4	4	4
Total political contributions (yen)	0	0	0	0	0
Number of fraud/corruption incidents	0	0	0	0	0
Number of fraud/corruption-related punishments/dismissals	0	0	0	0	0
The cost of fraud/corruption-related fines, penalties, and settlements (yen)	0	0	0	0	0

Internal Audit

TRM has established regulations on internal audit and conducts internal audits for the purpose of examining whether or not TRM's operations are being conducted properly and efficiently in accordance with laws, regulations, and rules, and to make recommendations for improvement to the departments to be audited, thereby ensuring the appropriateness and efficient management of TRM's operations. Internal audits include the detection and prevention of violations of laws, regulations, and rules, including rules related to accidents, corruption, fraud, and ethics; the proper and efficient execution of the operations and management of the audited departments; financial soundness; auditing the status of the thorough understanding of laws, regulations, and points of concern by officers and employees; and auditing other necessary matters. The Internal Audit Department is responsible for the following audits. The Internal Audit Department is independent from the audited department, and in principle, officers and employees of the Internal Audit Department do not perform duties for the audited department. Internal audits shall be conducted on an ongoing basis on an annual basis, covering all departments and their operations except for the Internal Audit Department (in the case where a part of the business is outsourced to a third party, the audit will cover the management status of the outsourced business by the department in charge). Audit results are reported to the President & CEO and the Board of Directors, and the President & CEO gives instructions for improvement to the audited department based on the audit results.

Fraud and corruption prevention

TRM shares the THFD Group's anti-corruption policy, and in the belief that corruption creates significant obstacles against sustainable development and corrodes the social structure, recognizes that commitment to prevention of corruption is an important issue for the society and is making the best effort to prevent any unfair practice in the operation. The rules of employment and rules on the compliance stipulate that we shall not conduct those acts, and periodical trainings are implemented to the employees. The effort includes also that compliance verification by supervisors while keeping evidence to make a judgment of compliance is required at a business transaction. Harsh punishment shall be imposed to on the employee who conducted those acts.
TFHD Group is a signatory to the United Nations Global Compact (UNGC), and as a member of the Group, TRM supports the ten principles of UNGC. (cf. p.67)

TFHD Group's Anti-Corruption Policy
TFHD Group recognizes that corruption and bribery are serious risks that could considerably damage the trust and credibility of a company. We are committed to maintaining sound relationships with stakeholders and will never engage in business entertainment or gift-giving that elicits suspicion or mistrust from society. Specifically, we will thoroughly implement the following.

(1) We will never engage or be complicit in any and all forms of bribery, including money laundering, embezzlement, or obstruction of justice, etc.
(2) In fully understanding laws and regulations about relationships with public offices and other similar persons in Japan or other countries, we will never engage in business entertainment or gift-giving that elicits suspicion or mistrust from society and we will never provide monetary or other benefits to gain illicit profits.
(3) We will not provide or receive business entertainment or gifts from business partners or other parties that deviates from sound business practices or social norms.
We will not use our position or authority to demand personal benefits from our business partners or other parties.
In addition, a code of conduct is stipulated in the code of ethics for executive officers approved by the Board of Directors Meeting to counteract all corruption activities including bribery.

Prevention of relationships with anti-social forces

TRM sets forth a basic principles and specific measures to be taken in the "Standards for Anti-Social Forces" to ensure that TRM and API do not have any relationship with anti-social forces, to ensure proper management, to prevent significant damage to stakeholders including officers, employees, etc. and shareholders, and to fulfill the company's social responsibility.

Anti-money laundering system

TRM recognizes the importance of preventing money laundering, financing of terrorism and financing for the proliferation of weapons of mass destruction ("money laundering, etc.") and conducts annual hearings on the prevention systems of its business partners.
TRM strives to prevent API, TRM, as well as their clients, business partners, etc., from involvement in money laundering, etc., and to contribute to the sound maintenance and development of the financial system.

Whistleblower system

TRM established the Compliance Helpline Counter as a contact point to report and consult on compliance matters including when harassment and bullying is experienced or observed, enabling all officers and employees to directly report to the Compliance Officer of TRM, General Manager of Legal Affairs Department of TLC, General Manager of Group Legal Affairs Department of TFHD, or external attorneys. Also, a system is already in place to structurally protect the whistleblowers when such reports were conducted.

Item	FY2021	FY2022	FY2023	FY2024	FY2025
Awareness of Compliance Helpline Counter	88%	89%	93%	92%	92%
Number of reported incidents and corrective action (incidents)	0	0	0	0	0

Risk Management

Basic Policy on Risk Management

TRM established a basic policy on the strategic targets, as well as risk management rules to implement appropriate management of risks.

Basic Policy on Risk Management

1. Based on the above, and in accordance with our management principles, we aim to secure long-term stable revenue and maximize unitholder value by establishing a management system in accordance with these Rules and implementing appropriate risk management against various risks involved with engaging in investment management business.
2. Officers and employees, etc., shall recognize the importance of risk management, be aware the fact that each is responsible for risk management, understand these Rules and internal rules, etc., and strictly comply with the same.
3. Necessary and appropriated rules, detailed ruled and standards about risk management shall be established.
   Actual risk management shall be conducted through organizational and human resources oriented countermeasures so that such responsibility of relevant risk management would be clarified.
4. Necessary and appropriate management and supervision shall be implemented for business outsourcing partners as well as to officers and employees, etc.
5. Risk management training, etc., shall be conducted to promote thorough awareness by officers and employees, etc., and to maintain/improve effectiveness of the Basic Policy.
6. Basic Policy stated in this Article shall be reviewed periodically as necessary. A change in our strategic targets would be a good example for such timing.

Risk management framework

TRM sets forth a basic policy for risk management based on its strategic objectives and appropriate risk management to be taken in the "Risk Management Regulations", and has appointed the Compliance Department, consisting of an officer and employees who do not concurrently serve in the business division, as the risk management division, and the Compliance Officer as the risk management manager who oversees this department. The Compliance Department and the Compliance Officer promote the advancement of risk management systems with the support of external experts. The risk management manager is responsible for the effectiveness of appropriate risk management, and reports directly to the President & CEO and the Board of Directors of TRM on the design and management of the organization-wide risk management system and the risk management policy formulated each year. Directors shall establish risk management policies and disseminate them throughout the organization.
TRM also works to improve the risk management skills of its employees by providing risk management training.

Risk management training

TRM provides periodical risk management educational session with all officers and employees by external lecturers and works to improve risk management ability of members of each department.

Information Security

In order to protect the information assets held by TRM and ensure their proper use, TRM has established the "Basic Rules for Information Security Management" to clarify the responsibilities at TRM regarding information management and to define basic information security measures to be implemented.
By continuously practicing these measures, TRM strives to ensure the trust of its stakeholders, including API that entrusts its asset management operations to TRM, and thereby fulfill TRM's corporate social responsibility.
In preparation for the occurrence or emergence of serious risks related to the company's information security, TRM has appointed a chief information security management officer, an information security management officer, an information system management officer, and an information security manager at each division, to ensure a system to report to the Board of Directors without delay.

Business continuity planning

To strengthen its resilience, TRM set a business continuity plan, related rules and manuals, and make updates when necessary, in preparation for unexpected crisis such as disaster and social disruption. In accordance with these rules, we work to prevent and mitigate impact from crisis including recent natural disasters and COVID-19. We also pay close attention to the materials and equipment used in the properties of API and make every effort to prevent incident by staying well informed of defect products and carrying out research.

GRI Standard Index

The latest version of the table is on API's website as well.

Statement of use	Activia Properties REIT, Inc has reported with reference to the GRI Standards for the period from December 1, 2024 to November 30, 2025, and from April 1, 2025 to March 31, 2026 for the Asset Management Company.
GRI 1 used	GRI 1: Foundation 2021

Disclosure		Location or reason for omission	
GRI2: General Disclosures 2021			
1. The organization and its reporting practices		https://www.activia-reit.co.jp/en/about/company.html	Profile
2-1	Organizational details	https://www.activia-reit.co.jp/en/about/structure.html	API Structure
2-2	Entities included in the organization's sustainability reporting	None	
2-3	Reporting period, frequency and contact point	https://www.activia-reit.co.jp/en/sustainability/report.html	Sustainability information disclosure and GRI Index
		https://www.activia-reit.co.jp/en/contact/	Contact us
2-4	Restatements of information	Nothing in particular	
2-5	External assurance	https://www.activia-reit.co.jp/en/sustainability/environment.html#c1	ISO14001 certificated
		Environmental Performance was assured by a third-party organization https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	Third-party assurance statement
2. Activities and workers			
2-6	Activities, value chain and other business relationships	https://www.activia-reit.co.jp/en/features/index.html	API Features
		https://www.activia-reit.co.jp/en/about/company.html	Profile
		https://www.activia-reit.co.jp/en/about/structure.html	API Structure
		https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	
2-7	Employees	Since the Asset Management Company has only one office, there are no regional differences (same below)	【Asset Manager】 Key Employee Date
2-8	Workers who are not employees	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	【Asset Manager】 Key Employee Date
3. Governance			
2-9	Governance structure and composition	https://www.activia-reit.co.jp/en/about/management.html	Management
		https://www.activia-reit.co.jp/en/about/structure.html	API Structure
		https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability
		https://www.activia-reit.co.jp/en/features/feature_03.html	Governance Structure To Maximize Unitholder Value
2-10	Nomination and selection of the highest governance body	https://www.activia-reit.co.jp/ja/ir/library.html	Articles of Incorporation (in Japanese)
2-11	Chair of the highest governance body	https://www.activia-reit.co.jp/ja/ir/library.html	Articles of Incorporation (in Japanese)
2-12	Role of the highest governance body in overseeing the management of impacts	https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability
		https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality Identification
2-13	Delegation of responsibility for managing impacts	https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability
2-14	Role of the highest governance body in sustainability reporting	https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability
2-15	Conflicts of interest	https://www.activia-reit.co.jp/en/features/feature_03.html	Governance Structure To Maximize Unitholder Value
		https://www.activia-reit.co.jp/file/ir_library_other_file-7c19fb2c4ce4e5e5941fa7d00214d443642093de.pdf	Report on Management Structure of the REIT Issuer (in Japanese)
2-16	Communication of critical concerns	https://www.activia-reit.co.jp/en/sustainability/index.html No critical concerns reported during the reporting period.	Our Structure to Promote Sustainability

Disclosure		Location or reason for omission	
2-17	Collective knowledge of the highest governance body	https://www.activia-reit.co.jp/en/sustainability/index.html	Our Structure to Promote Sustainability
2-18	Evaluation of the performance of the highest governance body	https://www.activia-reit.co.jp/en/sustainability/index.html	Sustainability Promotion Council
2-19	Remuneration policies	https://www.activia-reit.co.jp/ja/ir/library.html	Articles of Incorporation (in Japanese)
2-20	Process to determine remuneration	https://www.activia-reit.co.jp/ja/ir/library.html	Articles of Incorporation (in Japanese)
2-21	Annual total compensation ratio		Legally, the investment corporation does not have employees.The relevant information of the asset management company is not aggregated at this time.
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	https://www.activia-reit.co.jp/en/about/index.html	Message
2-23	Policy commitments	https://www.activia-reit.co.jp/en/features/index.html	API Features
		https://www.activia-reit.co.jp/en/sustainability/index.html	Our View on Sustainability
		https://tokyu-fudosan-hd-csr.disclosure.site/en/themes/32 ※As a Group member, we share the Tokyu Fudosan Holdings Group Human Rights Policy.	Human Rights and Community（Tokyu Fudosan Holdings）
		https://www.activia-reit.co.jp/en/sustainability/environment.html	Basic Policy on Sustainable Procurement
2-24	Embedding policy commitments	https://www.activia-reit.co.jp/en/sustainability/index.html	Sustainability Promotion Council
2-25	Processes to remediate negative impacts	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c4	【Asset Manager】Establishment of whistle-blowing system
2-26	Mechanisms for seeking advice and raising concerns	https://www.tokyu-fudosan-hd.co.jp/english/about/governance/compliance/	【Asset Manager】Establishment of whistle-blowing system
		https://www.tokyu-fudosan-hd.co.jp/english/about/compliance/	Establishment of Compliance Helpline（Tokyu Fudosan Holdings）
2-27	Compliance with laws and regulations	No violations during the reporting period	
2-28	Membership associations	https://www.activia-reit.co.jp/en/sustainability/initiative.html	International Initiatives, etc.

Disclosure		Location or reason for omission	
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	https://www.activia-reit.co.jp/en/sustainability/approach.html	API's Initiatives
2-30	Collective bargaining agreements	100%	【Asset Manager】
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality Identification
3-2	List of material topics	https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality Identification
3-3	Management of material topics	https://www.activia-reit.co.jp/en/sustainability/material.html	Materiality Identification
		https://www.activia-reit.co.jp/en/sustainability/approach.html	API's Initiatives
201: Economic Performance 2016			
201-2	Financial implications and other risks and opportunities due to climate change	https://www.activia-reit.co.jp/en/sustainability/environment.html#c5	Addressing Climate Change
205-2	Communication and training about anti-corruption policies and procedures	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c4	【Asset Manager】Compliance Training
		https://tokyu-fudosan-hd-csr.disclosure.site/en/themes/38 ※As a member of the Tokyu Land Holdings Group, we share the above policy	Anti-corruption/Compliance Policy（Tokyu Fudosan Holdings）
205-3	Confirmed incidents of corruption and actions taken	No incidents	
206: Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No incidents	

Disclosure		Location or reason for omission	
GRI 300: Environmental			
302: Energy 2016			
302-2	**Energy consumption outside of the organization**	https://www.activia-reit.co.jp/en/sustainability/environment.html#c2	「Sustainability Report2026」p36 Environmental Performance
302-3	**Energy intensity**	https://www.activia-reit.co.jp/en/sustainability/environment.html#c2	「Sustainability Report2026」p36 Environmental Performance
303: Water 2018			
303-3	**Water withdrawal**	https://www.activia-reit.co.jp/en/sustainability/environment.html#c2	「Sustainability Report2026」p36 Environmental Performance
303-5	**Water consumption**	https://www.activia-reit.co.jp/en/sustainability/environment.html#c2	「Sustainability Report2026」p36 Environmental Performance
305: Emissions 2016			
305-1	**Direct (Scope 1) GHG emissions**	https://www.activia-reit.co.jp/en/sustainability/environment.html#c2	「Sustainability Report2026」p36 Environmental Performance
305-2	**Energy indirect (Scope 2) GHG emissions**	https://www.activia-reit.co.jp/en/sustainability/environment.html#c2	「Sustainability Report2026」p36 Environmental Performance
305-4	**GHG emissions intensity**	https://www.activia-reit.co.jp/en/sustainability/environment.html#c2	「Sustainability Report2026」p36 Environmental Performance
306: Effluents and Waste 2016			
306-2	**Waste by type and disposal method**	https://www.activia-reit.co.jp/en/sustainability/environment.html#c2	「Sustainability Report2026」p36 Environmental Performance
307: Environmental Compliance 2016			
307-1	**Non-compliance with environmental laws and regulations**	No violations during the reporting period	
GRI 400: Social			
401-1	**New employee hires and employee turnover**	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	【Asset Manager】New Hire
401-3	**Parental leave**	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	【Asset Manager】Childcare leave users
403-2	**Hazard identification, risk assessment, and incident investigation**	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	【Asset Manager】Health Committee
403-4	**Worker participation, consultation, and communication on occupational health and safety**	Employees also take part in the health committee disclosed below. https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	【Asset Manager】Health Committee

Disclosure		Location or reason for omission	
403-5	**Worker training on occupational health and safety**	Carring out lectures by industrial doctors and planned classes related to harassment. https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	【Asset Manager】Various employee training programs Health Committee
403-6	**Promotion of worker health**	Carrying out stress checks and regular health checks. https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	【Asset Manager】Our Commitment Status of Work-Style Reform and Diversity Promotion
403-9	**Work-related injuries**	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	【Asset Manager】Number of worker's injuries/death incident
403-10	**Work-related ill health**	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	【Asset Manager】Status of Work-Style Reform and Diversity Promotion
404: Training and Education 2016			
404-1	**Average hours of training per year per employee**	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	【Asset Manager】Employee Development
404-2	**Programs for upgrading employee skills and transition assistance programs**	https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	【Asset Manager】Employee Development
404-3	**Percentage of employees receiving regular performance and career development reviews**	Both contracted employees and regular employees receive performance and career development reviews in the same structure, and aim to set the goals and communicate with superiors. https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	【Asset Manager】Performance Evaluation Process
405: Diversity and Equal Opportunity 2016			
405-1	**Diversity of governance bodies and employees**	https://www.activia-reit.co.jp/en/about/management.html	Management
		https://www.tokyu-trm.co.jp/en/sustainability/esg.html#c3	【Asset Manager】Key Employee Data Status of Work-Style Reform and Diversity Promotion
413 : Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs Note: We report information on our properties in consideration of the purpose of this standard.	https://www.activia-reit.co.jp/en/sustainability/approach.html	API's Initiatives
GRI G4: Construction and Real Estate Sector Disclosures			
CRE			
CRE8	**Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation and redevelopment**	https://www.activia-reit.co.jp/en/sustainability/environment.html#c4	Environmental Certifications

Independent Assurance Statement

SUSA
Sustainability Accounting Co.,Ltd.

Independent Assurance Statement

June 30, 2026

Mr. Manabu Kamikawara
Executive Director
Activia Properties Inc.

1. Purpose

We, Sustainability Accounting Co., Ltd., have been engaged by Activia Properties Inc. ("the Investment Corporation") to provide limited assurance on the Investment Corporation's following data of all the properties owned from December, 2024 to November, 2025, 43.1 GWh for energy consumption, 1.77 kt-CO_2 for Scope 1, 2.85 kt-CO_2 for market-based Scope 2, 8.77 kt-CO_2 for Scope 3 category 13, 3.62 kt for waste emissions, and 564 thousand m^3 for water withdrawal (collectively, "the Environmental performance data"). The purpose of this process is to express our conclusion on whether the Environmental performance data were calculated in accordance with the Investment Corporation's standards. The Investment Corporation's management is responsible for calculating the Environmental performance data. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

2. Procedures Performed

We conducted our assurance engagement in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and International Standard on Assurance Engagement 3410 (ISAE 3410). The key procedures we carried out include:

- Interviewing the Investment Corporation's responsible personnel to understand the Investment Corporation's standards
- Reviewing the Investment Corporation's standards
- Performing cross-checks on a sample basis and performing recalculation to determine whether the Environmental performance data were calculated in accordance with the Investment Corporation's standards.

3. Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Environmental performance data have not been calculated in all material respects in accordance with the Investment Corporation's standards.

We have no conflict of interest with the Investment Corporation.

Takashi Fukushima
Representative Director
Sustainability Accounting Co., Ltd.