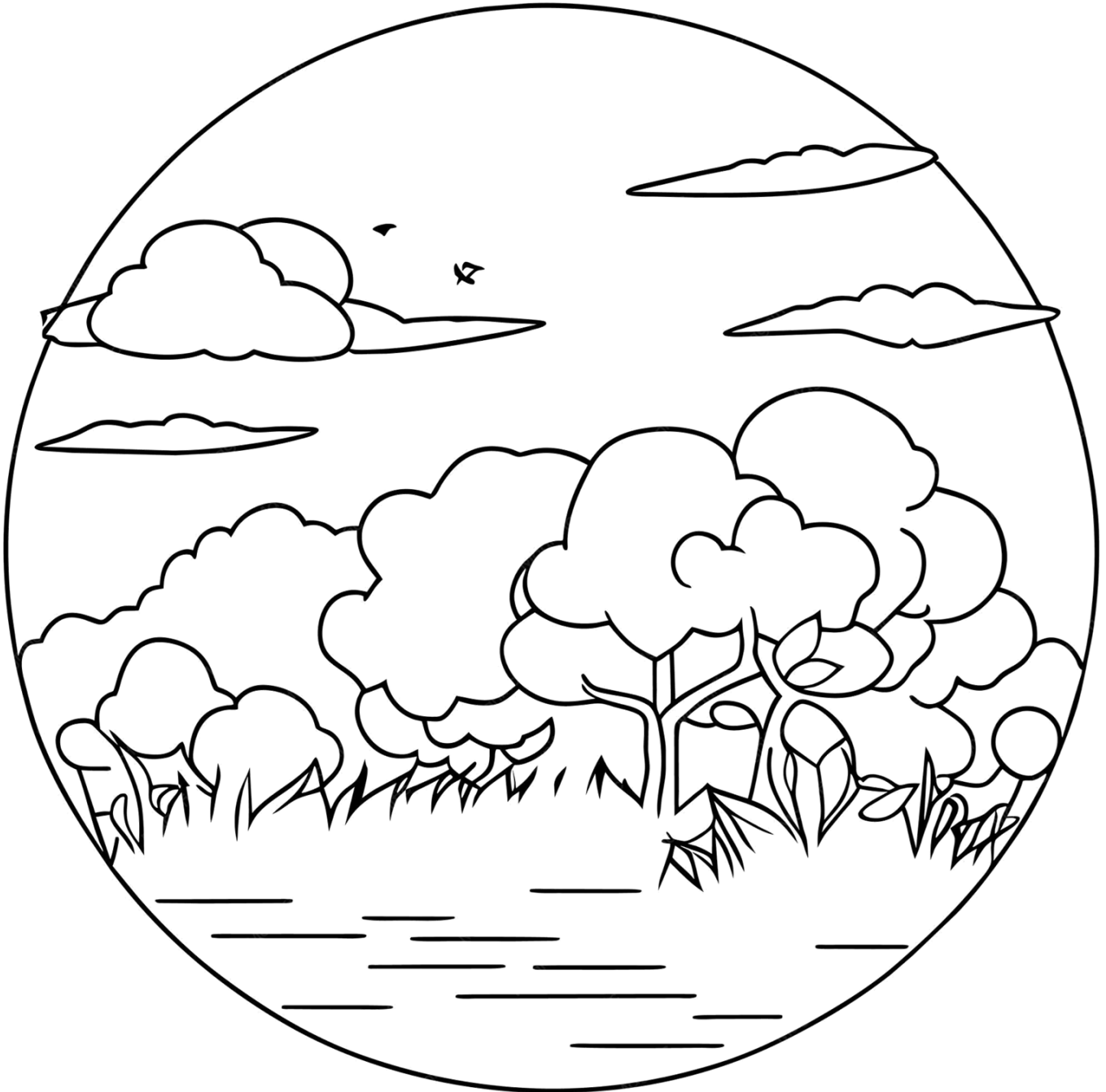


ESG Annual Report 2025

June 2026



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About the ESG Annual Report

ESG Annual Report 2025 describes ESG related initiatives and achievements of NIPPON REIT Investment Corporation ("NIPPON REIT"). The information included in this report shall be as of the end of 2025 unless otherwise specified. Fiscal Year or FY data refers to the 12-month period starting from April.

For inquiries regarding this report, please contact the following:

SBI REIT Advisors Co., Ltd.

Capital Market Dept, Finance & Planning Division

TEL:03-5501-0088

<https://www.sbi-sra.co.jp/en/>

Message from Executive Officer



Yasushi Iwasa
Executive Officer

NIPPON REIT Investment Corporation ("NIPPON REIT") and SBI REIT Advisors Co., Ltd. ("SRA"), the asset management company of NIPPON REIT, is engaged in timely investment in the light of the medium-to-long term trends of the real estate supply-demand under the principle of unswerving discipline, since its establishment. Among all, ESG (Environment, Social and Governance) initiatives are positioned as one of the most important management issue in order to continuously enhance its corporate value. NIPPON REIT and SRA have established the "Sustainability Policy" and the "Sustainability Targets," working to mitigate environmental burdens in cooperation and collaboration with stakeholders.

As a part of the initiatives for environmental consideration, NIPPON REIT and SRA are proactively promoting green buildings through obtaining of environmental certifications and evaluations from external organizations. In the GRESB Real Estate Assessment, NIPPON REIT have received "Green Star" for the 9th consecutive year by achieving high performance both in "Management Component" that evaluates policies and organizational structure for ESG promotion, and "Performance Component" that assesses environmental performance and tenant engagement of properties under management.

We will continue to carry out real estate investment management business effectively, deepening our mutual communication with investors, tenants, local communities, employees and all other stakeholders, and providing enriched information that would contribute to the investment decisions and benefit of unitholders.

Recent ESG Activity Highlights

■ Participated in the GRESB Real Estate Assessment in 2025

In the 2025 GRESB Real Estate Assessment, NIPPON REIT has received "3 Stars" in GRESB Rating, which is based on GRESB Overall Score and its quintile position relative to global participants, and designated as a "Green Star" for the 9th consecutive year since its first participation in 2017, through its high performance both in "Management Component" that evaluates policies and organizational structure for ESG promotion, and "Performance Component" that assesses environmental performance and tenant engagement of its properties. In addition, NIPPON REIT has achieved the highest "A" level for the GRESB Public Disclosure for the 6th consecutive year, which assess the width of ESG disclosure.

■ Acquisition of Environmental Certifications

The Investment Corporation is promoting the acquisition of third-party external certifications and evaluations with the aim of obtaining objective assessments of its initiatives to reduce the environmental impact of its portfolio properties.

In 2025, NORE Meieki received 1-star BELS rating, while Pigeon Building and URAWA GARDEN BUILDING achieved the highest "S" rank in the CASBEE Real Estate Evaluation Certification. Additionally, Itopia Iwamotocho 2-chome Building and FORECAST Kayabacho received "A" rank. Furthermore, Tower Court KitaShinagawa successfully renewed its DBJ Green Building certification.

Furthermore, in 2026, we obtained 5-star BELS rating for FORECAST Hakata Gofukumachi, S-rank for CASBEE Real Estate Certification at NORE Fushimi, and A-ranks for GreenOak Kudan and GreenOak Takanawadai.

As a result of these efforts, as of the end of June 2026, a total of 32 properties have acquired environmental certification. The ratio based on total floor space reached 52.2%, exceeding the target of 50%.

■ Participation in the CDP Climate Change Program

NIPPON REIT participated in the CDP Climate Change Program for the first time in 2025 and received a score of "B" in the 2025 assessment.

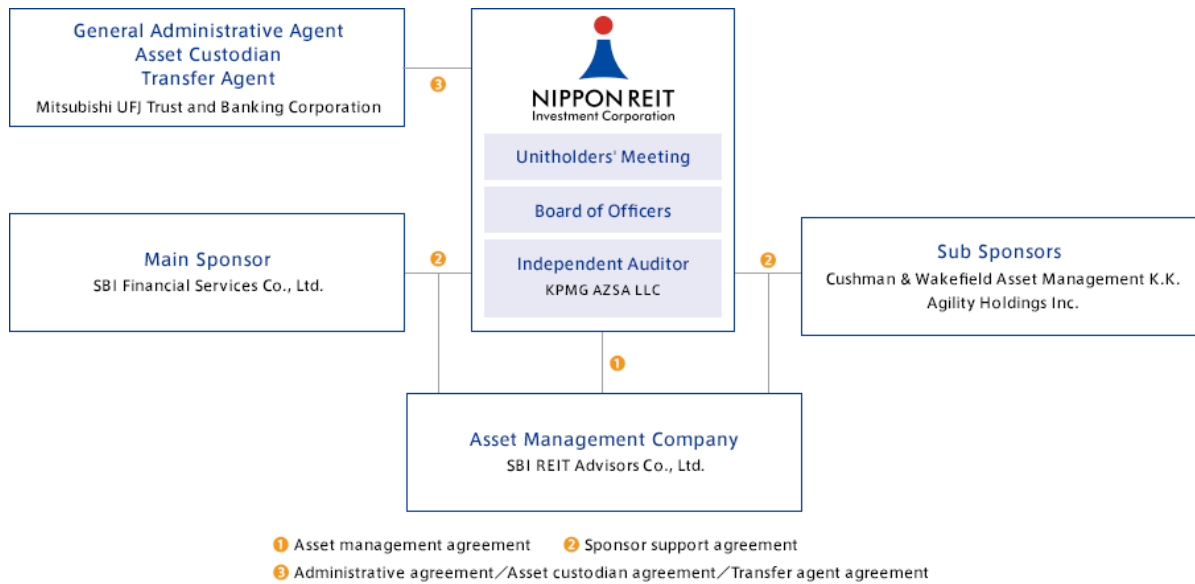
CDP is a global non-profit that operates the world's only independent environmental disclosure system. In 2025, more than 22,100 companies disclosed information through CDP's platform, and nearly 20,000 of them received scores.

CDP assessments are rated across eight levels: Leadership Level (A, A-), Management Level (B, B-), Recognition Level (C, C-), and Disclosure Level (D, D-).

Overview

Name	NIPPON REIT Investment Corporation
Representative	Yasushi Iwasa, Executive Officer
Address	Koku Kaikan 3F 1-18-1, Shimbashi, Minato-ku, Tokyo
Asset Management Company	SBI REIT Advisors Co., Ltd.
Fiscal period ends	June 30 and December 31 of each year

Structure Diagram



For detail of Structure Diagram : <https://www.nippon-reit.com/en/about/structure.html>

Status of Officers

Executive Officer	Yasushi Iwasa
Supervising Officer	Toshimitsu Morishita
	Shigeki Matsuishi
	Noriko Higuchi

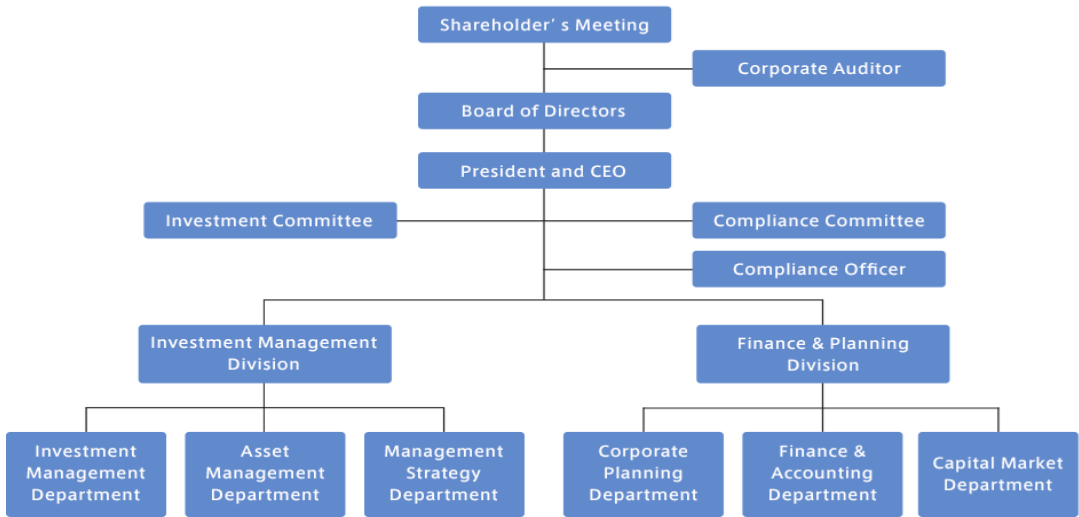
For detail of Status of Officers : <https://www.nippon-reit.com/en/about/profile.html>

 Company Profile

As of June 30, 2026

Trade Name	SBI REIT Advisors Co., Ltd.	
Representative	President & CEO Yasushi Iwasa	
Address	Koku Kaikan 3F, 1-18-1, Shimbashi, Minato-ku, Tokyo	
Line of Business	Investment management business	
Established	November 2, 2006	
Paid-in Capital	150 million yen	
Shareholder Composition	SBI Financial Services Co., Ltd.	2,010 units (67.0%)
	Cushman & Wakefield Asset Management K.K.	540 units (18.0%)
	Agility Holdings Inc.	450 units (15.0%)

 Organizational Chart



For detail of Organizational Chart : <https://www.sbi-sra.co.jp/en/organization/index.html>

 Officers

As of July 1, 2026 (expected)

President & CEO	Yasushi Iwasa	Director (part-time)	Hidehiro Kanemoto
Director	Takamichi Kato	Director (part-time)	Yoshiyuki Tanaka
Director	Nobuhiro Omura	Director (part-time)	Naomichi Iida
		Auditor (part-time)	Seiji Murakami

1. Summary of ESG Initiative



Sustainability Policy

The SBI Group, the main sponsor of NIPPON REIT, has contributed to resolving social issues through many different business activities and seeks to realize a sustainable society and continuously improve its social value based on the unwavering idea that "a company is a part of society and is only able to continue existing because it belongs to society" since its founding.

SRA has established the "Sustainability Policy" and practices it, with an understanding that taking viewpoint of ESG seriously contributes to realize basic policy of NIPPON REIT such as "maximization of unitholders' value while focusing on income growth and stability".

1. Effort to save energy and reduce greenhouse gas emission

We will make effort for reduction of greenhouse gas emission to contribute to climate change prevention by improving energy efficiency and installation of facility equipment which is conducive to save energy, etc..

2. Realization of recycling-oriented society

We aim to realize recycling-oriented society by driving forward resources saving as well as waste reduction and recycling.

3. Compliance with environment-related laws and regulations

We will comply with environment-related laws and regulations including requirements which we decide to meet. Furthermore we will monitor law amendments and follow them.

4. Environmental education and enlightenment

We will disseminate the "Sustainability Policy" to our employees. Furthermore we will educate and enlighten them to consider the environment. So as to practice environmentally friendly behavior.

5. Collaboration with outside stakeholders

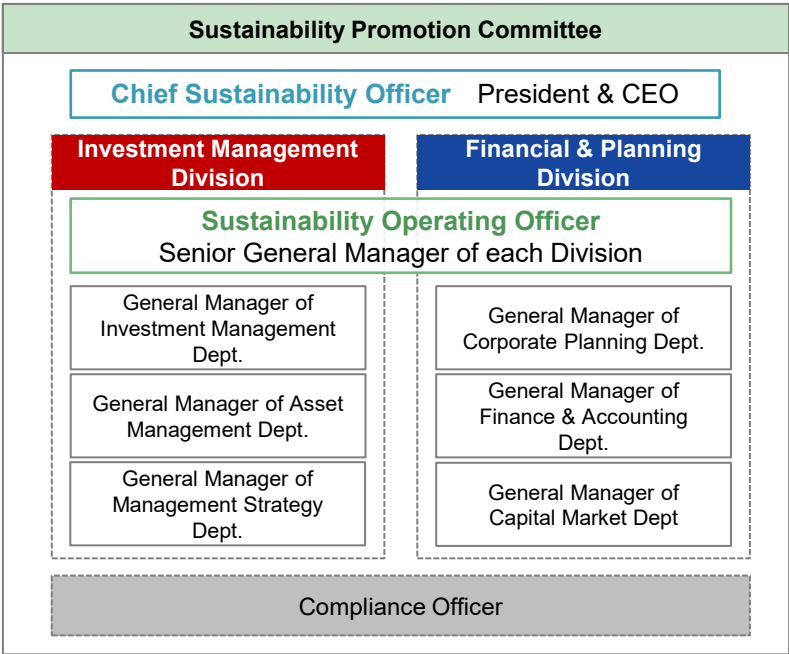
We will strive to collaborate with all stakeholders especially tenants, property management companies, suppliers and local communities in order to practice initiatives based on this policy.

6. Disclosure of ESG information and obtaining environment certification

We will announce the "Sustainability Policy" to all stakeholders such as investors, and will strive to proactively disclose information on the status of activities related to ESG. Furthermore we will make effort to obtain environment certification continuously.



Sustainability Promotion Structure



Based on its management philosophy of aiming for stable growth in unitholder value over the medium to long term, NIPPON REIT identified the following materiality (material issues) in terms of sustainability, incorporating the perspectives of ESG in December 2020.

By setting goals for each of these issues, and by progressively implementing PDCA to achieve these goals, we will work to resolve the global social issue of “SDGs” (Sustainable Development Goals), which was adopted by the United Nations in 2015, and its medium to long term growth.

Materiality, Action Plan and Results	Supporting SDGs
Countering Climate Change/Enhancing Energy Efficiency Energy consumption - In the short term, a reduction of 1% per year in unit energy consumption will be targeted in the entire portfolio. - Over the medium and long term, a reduction of 5% per five-year period in unit energy consumption will be targeted in the entire portfolio. GHG emissions - In accordance with the energy consumption reduction targets, a reduction of 1% per year in unit greenhouse gas (GHG) emissions will be targeted over the short term in the entire portfolio. - In accordance with the target of reducing energy consumption, over the medium to long term, the goal is to reduce the basic unit by 5% over the 5 years from fiscal 2026 to fiscal 2030 for the entire portfolio.	 
Countering Water Resources A reduction of an average of 0.5% per year over the ten-year period from FY2017 in unit water consumption will be targeted in the entire portfolio.	
Waste management A waste recycling ratio of 70% over the ten-year period from FY2017 will be targeted in the entire portfolio.	  
Sustainability Certification - Improve sustainability activities by participating in GRESB and other external assessment - Aim to achieve 50% or more (based on total floor space of properties owned) of Green Building certification	
Ensuring the Security and Safety of Tenants, Enhancing User Comfort and Sustainability Awareness - Improve tenant satisfaction based on tenant questionnaires - Implement disaster prevention measures - Conduct sustainability training for contractors such as property managers - In light of the fact that the practice of security deposits differ by region, contribute to tenant innovation and job creation, and eliminate inequality in business opportunities between regions and firms by providing security deposit reduction service using guarantee company.	  
Contributing to Communities Contribute to communities through the measures such as establishment of Cycle Ports and enhancing resilience to disaster while collaborating with local fire departments, etc.	 
Stakeholder Engagement and Timely and Appropriate Information Disclosure Build solid relationships with and win the trust of all stakeholders by engaging in the timely, appropriate and proactive disclosure of financial/non-financial information and by maintaining constructive dialogue	
Developing Human Resources and Creating a Satisfactory Workplace - Develop human resources by supporting career development, acquiring qualifications, and conducting training - Maintain and improve a comfortable working environment by hourly leave and flextime system, implementing remote work environment and za child-care leave system, etc.	  
Strengthening Corporate Governance - Build a governance system that emphasizes the third party and diversity of officers and maintain and strengthen the system with a focus on unitholders' interests by establishing committees with external members, and a dedicated compliance team, etc. - Ensure legal compliance by raising awareness of compliance - Promote the prevention of risks to the soundness of management and business continuity through appropriate risk management, such as the elimination of conflicts of interest relating to transactions with interested parties, etc. - Ensure the effectiveness of internal control processes through internal audits	



NIPPON REIT Has Been Ranked as “Green Star” in the GRESB Real Estate Assessment

GRESB is an annual benchmarking assessment that measures ESG (Environmental, Social and Governance) integration of real estate companies and funds, and it is also the name of organization which runs the assessment. GRESB was founded in 2009 by a group of major European pension funds who played leading roles in launching Principles for Responsible Investment (PRI).

In the 2025 GRESB Real Estate Assessment, NIPPON REIT has received “3 Stars” in GRESB Rating, which is based on GRESB Overall Score and its quintile position relative to global participants, and designated as a “Green Star” for the 9th consecutive year since its first participation in 2017, through its high performance both in “Management Component” that evaluates policies and organizational structure for ESG promotion, and “Performance Component” that assesses environmental performance and tenant engagement of its properties. In addition, NIPPON REIT has achieved the highest “A” level for the GRESB Public Disclosure for the 6th consecutive year, which assess the width of ESG disclosure.

GRESB Website: <https://gresb.com/>



CDP Climate Change Program



CDP is a global non-profit that operates the world’s only independent environmental disclosure system. In 2025, more than 22,100 companies disclosed information through CDP’s platform, and nearly 20,000 of them received scores. CDP applies a rigorous and proprietary methodology to assess disclosure quality, risk awareness, environmental management, and evidence of best practice. CDP is fully aligned with the TCFD framework and holds the world’s largest environmental dataset. Its scoring system is widely used by investors and procurement teams seeking to accelerate progress toward a net-zero, sustainable, and earth-positive global economy. CDP assessments are rated across eight levels: Leadership Level (A, A-), Management Level (B, B-), Recognition Level (C, C-), and Disclosure Level (D, D-). NIPPON REIT participated in CDP for the first time in the 2025 assessment cycle and received a score of “B.”

CDP Website: <https://www.cdp.net/en>



Principles for Financial Action for the 21st Century (PFA21)



SRA has become a signatory to the Principles for Financial Action for the 21st Century (PFA21) in December 2020. PFA21 was established in October 2011 as a guideline for financial institutions seeking to fulfil their roles and responsibilities in shaping a sustainable society, with the Ministry of Environment taking on the role of secretariat.

PFA21 Website: <https://pfa21.jp/>



Environmental Considerations Rating Obtained from Sumitomo Mitsui Banking Corporation (SMBC)



“Environmental Promotion & Analysis Loan” evaluates a company’s environmental performance based on proprietary environmental assessment criteria developed by the Japan Research Institute, Ltd., the SMBC Group’s think tank, when disbursing loans and setting terms.

Under the “Environmental Promotion & Analysis Loan” program, NIPPON REIT was recognized for its outstanding environmental performance in asset management and received an “A” environmental rating.

Environmental Promotion & Analysis Loan Website (Japanese):
<https://www.smbc.co.jp/hojin/financing/kankyohairyo/>



Acquisition of Environmental Certification of Properties

NIPPON REIT Actively Acquires Environmental Certification of Properties.

(1) Summary

	The Number of Properties	Floor Area(㎡)	Ratio(%)(Note 2)
Green Certified Building (Note 1)	32	208,849.47	52.24
DBJ Green Building Certification	2	28,104.36	7.03
CASBEE	17	130,292.21	32.59
BELS Certification	21	110,385.44	27.61
Low-Carbon Model Building	4	20,329.78	5.09

* As of June 30, 2026
(Note 1) In case when a property holds multiple certifications, number and floor area of one property is included.
(Note 2) Ratio of each floor area to the gross floor area of NRT portfolio (399,787.31 ㎡).

(2) DBJ Green Building Certification



The DBJ Green Building Certification Program was launched in April 2011 for the purpose of supporting the properties which give proper care to environment and society (Green Building). The program evaluates, certifies and supports properties which are required by society and economy. It makes comprehensive assessment of properties, while evaluating various factors which range from properties' environmental features to their communication with stakeholders, such as disaster prevention and proper care for surrounding communities.

DBJ Green Building Certification Website: <http://igb.jp/en/index.html>

Property Name	Certification Rank	Date of (Re)Certification
Tower Court Kitashinagawa	★★★★★ (5 Stars)	December 9, 2025
FORECAST Kameido	★★★ (3 Stars)	June 21, 2024

(3) CASBEE for Real Estate



Comprehensive Assessment System for Built Environment Efficiency (CASBEE) is a method for evaluating and rating the environmental performance of buildings and the built environment. It is a comprehensive assessment of the quality of a building, evaluating features such as interior comfort and scenic aesthetics, in consideration of environment practices that include using materials and equipment that save energy or achieve smaller environmental loads.

CASBEE Website:
<https://www.ibec.or.jp/CASBEE/english/certificationE.htm>

Property Name	Certification Rank	Acquisition Date of Certification
FORECAST Ichigaya	S	November 30, 2021
Omiya Center Building	S	November 25, 2022
FORECAST Takadanobaba	S	May 30, 2023
FORECAST Gotanda WEST	S	June 14, 2024
Sumitomo Mitsui Bank Koraibashi Building	S	June 14, 2024
I・S Minamimorimachi Building	S	November 29, 2024
Homat Horizon Building	S	November 29, 2024
Pigeon Building	S	June 30, 2025
URAWA GARDEN BUILDING	S	November 28, 2025
NORE Fushimi	S	May 29, 2026
Shibakoen Sanchome Building	A	June 14, 2024
FORECAST Shinjuku AVENUE	A	November 29, 2024
FORECAST Waseda FIRST	A	November 29, 2024
Itohpia Iwamotocho 2-chome Building	A	June 30, 2025
FORECAST Kayabacho	A	June 30, 2025
GreenOak Kudan	A	May 29, 2026
GreenOak Takanawadai	A	May 29, 2026

(4) BELS



BELS (Building-Housing Energy-efficiency Labeling System) is a third-party certification system that indicates the energy conservation performance of buildings. Since April 2016, under the Act on Improvement in Energy Consumption Performance of Buildings (Building Energy Conservation Act), real estate companies, etc. have been required to strive to indicate the energy-saving performance of buildings. Specific labeling methods are established in the guidelines for labeling energy-saving performance of buildings, and BELS are evaluated based on these guidelines. Until March 2024, the evaluation was shown in five levels (one star to five stars) (based on FY 2016), but from April 2024 onward, the evaluation is shown in seven levels (0 to six stars) for non-residential properties and residential properties equipped with facilities for renewable energy (based on FY 2024).

ZEB (Net Zero Energy Building) is a building that aims to reduce the annual energy consumption of a building to net zero balance while realizing a comfortable indoor environment. In the BELS evaluation system, it is displayed in four stages: ZEB, Nearly ZEB, ZEB Ready, and ZEB Oriented.

BELS Website (Japanese):

<https://www.hyoukakyokai.or.jp/bels/bels.html>

Details of ZEB (Japanese):

<http://www.env.go.jp/earth/zeb/detail/01.html>

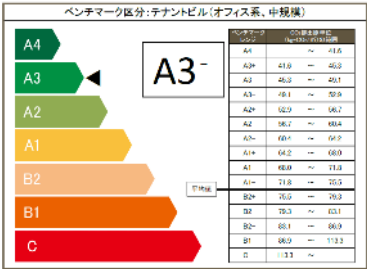
■Based on FY2024

Property Name	Certification Rank	Acquisition Date of Certification
FORECAST Hakata Gofukumachi	★★★★★	April 30, 2026
NORE Meieki	★	May 30, 2025

■Based on FY2016

Property Name	Certification Rank	Acquisition Date of Certification
La Verite AKASAKA	★★★★★ ZEB Ready	July 31, 2020 January 20, 2022
Nishi-Shinjuku Sanko Building	★★★★★ ZEB Ready	January 20, 2022
FORECAST Kayabacho	★★★★★	July 28, 2020
Towa Higashi-Gotanda Building	★★★★★	July 30, 2020
FORECAST Takadanobaba	★★★★★	August 7, 2020
Pigeon Building	★★★★	July 29, 2020
FORECAST Gotanda WEST	★★★★	August 5, 2020
I・S Minamimorimachi Building	★★★★	November 30, 2021
Nishi-Gotanda 8-chome Building	★★★★	May 31, 2024
FORECAST Mita	★★★	March 9, 2020
FORECAST Kameido	★★★	July 2, 2020
Shibakoen Sanchome Building	★★★	July 28, 2020
Itohpia Kiyosubashidori Building	★★★	July 30, 2020
Itohpia Iwamotocho 1-chome Building	★★★	July 31, 2020
FORECAST Shinjuku AVENUE	★★★	November 30, 2021
FORECAST Ichigaya	★★★	November 30, 2021
FORECAST Waseda FIRST	★★★	November 30, 2021
Alte Building Higobashi	★★★	November 30, 2021
Splendid Namba	★	November 30, 2021

(5) Low-Carbon Model Building



Small and medium-sized leased buildings that (1) fall within the range of A1 or higher in the Low-Carbon Benchmark, an assessment index for low-carbon buildings released by the Tokyo Metropolitan Government in May 2012 with the aim of creating a real estate market in which low-carbon buildings with low CO₂ emission features are valued; and (2) are actively implementing energy-saving measures, are officially recognized and publicized as the Low-Carbon Model Buildings by the Tokyo Metropolitan Government.

Low-Carbon Model Building Website (Japanese):
https://www.kankyo.metro.tokyo.lg.jp/climate/businesses/lowcarbon/model_b/index.html

Property Name	Certification Rank	Acquisition Date of Certification
Itohpia Iwamotocho ANNEX Building	A3-	September 13, 2021
Homat Horizon Building	A3-	November 25, 2022
FORECAST Kayabacho	A2+	March 16, 2020
FORECAST Ningyocho	A2	November 25, 2022

Kanto District Electricity Use Rationalization Committee

The Kanto District Electricity Use Rationalization Committee annually gives awards to factories, business sites, and individuals who have made significant achievements in the effective use of electricity, promotion of energy conservation, and improvement of load factors.

■ Fiscal Year 2025 FORECAST Waseda FIRST



At FORECAST Waseda FIRST, as a result of renewal of air conditioning system and installation of LED lighting, average CO₂ emission during January and December 2025 was reduced by 28.4% from the previous year.

■ Fiscal Year 2024 Yusen Higashi-Nihombashi Ekimae Building



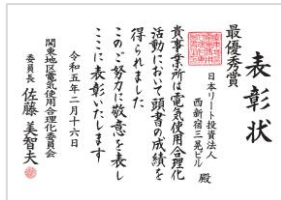
At Yusen Higashi-Nihombashi Ekimae Building, as a result of renewal of air conditioning system and installation of LED lighting, average CO₂ emission from January to December 2024 was reduced by 61.7% compared to before the facility renovations.

■ Fiscal Year 2023 FORECAST Ningyocho PLACE



At FORECAST Ningyocho PLACE, as a result of renewal of air conditioning system and installation of LED lighting, average CO₂ emission during January and December 2023 was reduced by 17.7% from the previous year.

■ Fiscal Year 2022 Nishi-Shinjuku Sanko Building



At Nishi-Shinjuku Sanko Building, as a result of renewal of air conditioning system and installation of LED lighting, average CO₂ emission during January and December 2022 was reduced by 39.2% from the previous year.

■ Fiscal Year 2021 FORECAST Gotanda WEST



At FORECAST Gotanda WEST, as a result of renewal of air conditioning system and installation of LED lighting, average CO₂ emission during January and December 2021 was reduced by 17.9% from the previous year.

■ Fiscal Year 2020 Towa Higashi-Gotanda Building



At Towa Higashi-Gotanda Building, as a result of renewal of air conditioning system and installation of LED lighting, average CO₂ emission during January and December 2020 was reduced by 35.1% from the previous year.

■ Fiscal Year 2019 FORECAST Takadanobaba



At FORECAST Takadanobaba, as a result of renewal of air conditioning system and installation of LED lighting, average CO₂ emission during April and December 2019 was reduced by 63.9% from the previous year.

■ Fiscal Year 2018 La Verite AKASAKA



At La Verite AKASAKA, as a result of renewal of air conditioning system and installation of LED lighting, average CO₂ emission during April and June 2018 was reduced by 44.8% from the previous year.



**Energy Conservation Grand Prize - "Energy Conservation Center, Japan Chairman's Award"
(Nishi-Shinjuku Sanko Building)**



The Energy Conservation Grand Prize, sponsored by the Energy Conservation Center, Japan, is an annual award that recognizes excellent energy-saving efforts that have been implemented by businesses and workplaces as a model for others, as well as products and business models with excellent energy-saving performance. Every year, the Ministry of Economy, Trade and Industry sponsors and awards certificates (Minister of Economy, Trade and Industry Award; Agency for Natural Resources and Energy Director Award; Small and Medium Enterprise Agency Director Award).

Nishi-Shinjuku Sanko Building won the "Energy Conservation Center, Japan Chairman's Award" in the 2022 Energy Conservation Grand Prize. At the 34-year-old Nishi-Shinjuku Sanko Building,



Energy Conservation Grand Prize Website (Japanese):
<https://www.eccj.or.jp/bigaward/item.html>

Awareness of Climate Change

Progress in climate change is a scientific fact as indicated mainly by the Paris Agreement (2015), IPCC Special Report (2018) and IPCC Sixth Assessment Report (Working Group 1, 2021), and the progress in climate change is expected to result in the occurrence and expansion of weather disasters such as the intensification of typhoons and heavy rains, the frequent occurrence of heat waves and droughts and progress in global sea level rise. Achieving net zero by 2050 is increasingly necessary as a global effort to mitigate climate change, and the transition to socio-economic decarbonization and its process may have a significant impact on NIPPON REIT's business. NIPPON REIT recognizes that it is essential to enhance the resilience of its businesses by identifying, assessing and managing risks and opportunities that may be brought about by climate change from a range of perspectives, including the securing of NIPPON REIT's sustainable and stable profitability on a long-term basis.

Basic Policy / Commitment

SRA supports the international goals set out in the Paris Agreement and will continue to promote initiatives to achieving net zero GHG emissions to contribute to climate change mitigation.

TCFD

In December 2022, SRA announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in order to promote disclosure of information related to climate change issues. In addition, SRA joined the TCFD Consortium (currently the GX Future Consortium), an organization comprised of domestic companies that support the TCFD recommendations. The TCFD Consortium aims to facilitate discussions on initiatives that lead to appropriate investment decisions by financial institutions and other stakeholders based on appropriate corporate disclosures and the use of disclosed information. It also promotes the exchange of views on efforts to address climate-related issues, disclosure of relevant information, and methods for utilizing such information.

(Note) From 2024, the International Sustainability Standards Board (ISSB) has assumed the role of the TCFD and monitors companies' climate-related disclosures.





Information Disclosure Based on TCFD Recommendations

Governance

The operating officer for climate-related issues at SRA will periodically provide a report about matters related to climate change initiatives, such as the identification and evaluation of the impact of climate change, management of risks and opportunities, progress of initiatives pertaining to adaptation and mitigation, and establishment of metrics and targets, to the chief executive (President & CEO) in charge of climate-related issues at the Sustainability Promotion Committee in accordance with the Climate Change and Resilience Policy.

Policies, targets, and various measures related to climate change that have been drafted by the relevant divisions are discussed and examined by the Sustainability Promotion Committee and then determined by the Chief Officer of climate-related issues.

Discussions at the Sustainability Promotion Committee are reported regularly to the Board of Directors of SRA and the Board of Officers of NIPPON REIT.

Strategy

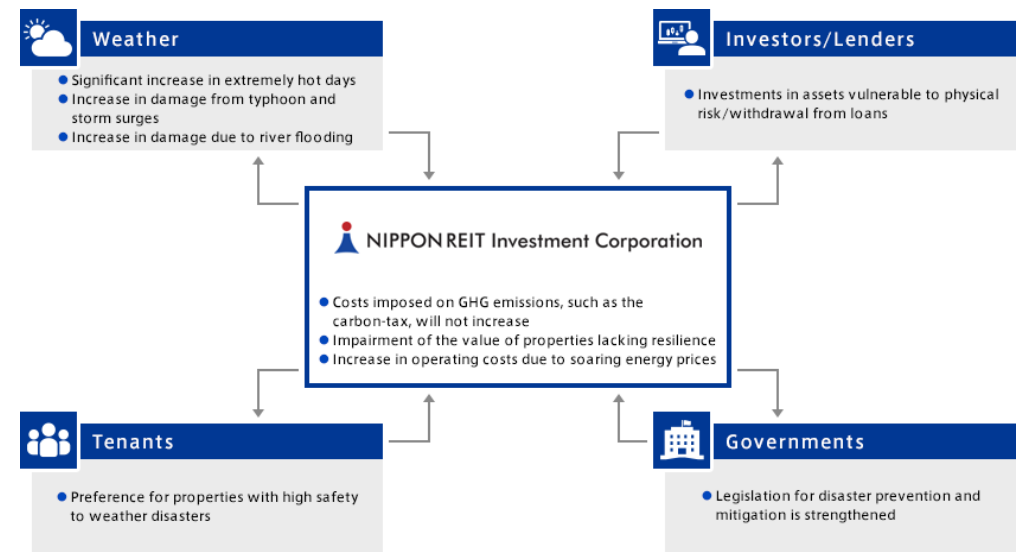
Scenario Analysis

To identify risks and opportunities related to climate and identify, evaluate and manage their impacts on the management activities, strategies and financial plans of NIPPON REIT, we examined changes in the external environment in 2050 and how they may affect our business by referring to the following "scenarios" published by international organizations, etc., and assuming changes in the world under each scenario.

	1.5°C scenario	4°C scenario
Transition Risks	IEA (International Energy Agency) World Energy Outlook2022 NZE2050	IEA World Energy Outlook 2022 STEPS
Physical Risks	IPCC (Intergovernmental Panel on Climate Change) the Sixth Assessment Report SSP1-2.6	IPCC the Sixth Assessment Report SSP5-8.5

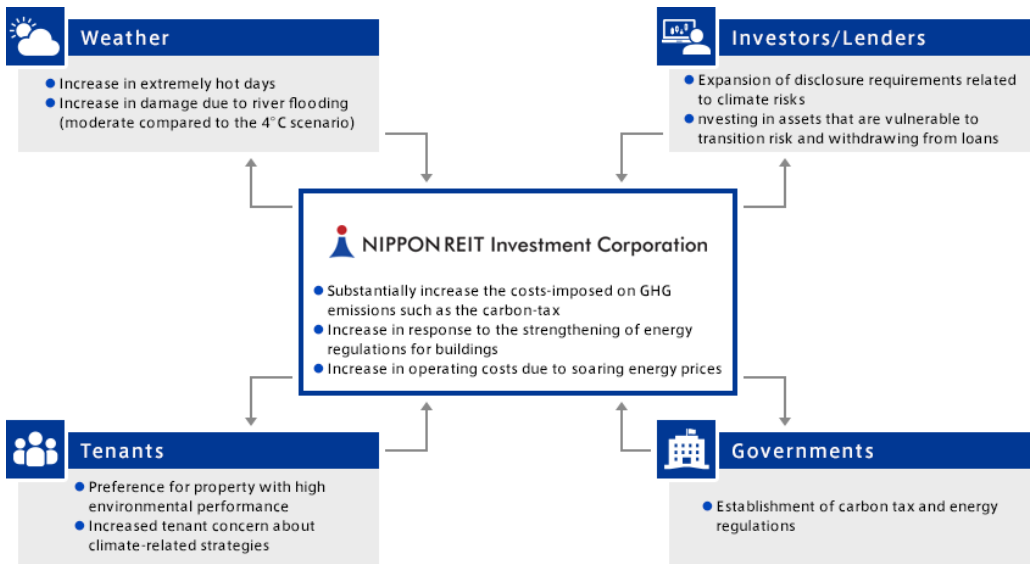
■ 4°C scenario

Scenarios in which climate change mitigation measures that exceed the current level are not realized, GHG emissions will continue to increase, and the physical risks of weather disasters will increase.



■ 1.5°C scenario

Scenarios in which social policies for decarbonization, emission regulations and technology investment, etc. make greater progress than at present in order to achieve the Paris Agreement goals, and the transition risk becomes relatively higher



Risk Management

Identification of risks and opportunities, the evaluation of their financial impact, and our initiatives

Based on the scenario analyses, SRA has identified risks and opportunities and evaluated their impact on our business as shown in the table below.
*SRA qualitatively analyzed the degree of financial impact on financial indicators and evaluate it in three stages; large, medium and small.

Type of risk		Risk/Opportunity	Financial Impacts	Financial Impacts				Risk Management, Countermeasures, and Initiatives
				4℃		1.5℃		
				Mid term 2030	Long term 2050	Mid term 2030	Long term 2050	
Transition Risks	Policy and Legal	•Toughening taxation on GHG emissions by introducing a carbon tax	•Increasing tax burden on GHG emissions of properties due to the introduction of carbon tax	Small	Small	Medium	Large	•Reducing and declining energy consumption and GHG emissions •Setting and monitoring of GHG emission reduction targets •Reducing energy consumption through the renovation of portfolio properties and collaboration with tenants
		•Stricter energy efficiency evaluation, certification and labeling systems for buildings	•Increasing cost burden due to rising environmental certification expenses for existing properties •Increasing (operation) expenses, such as payment to external vendors to comply with the labeling systems	Small	Small	Large	Large	•Setting of environmental certification targets and management of progress •Management of energy usage through the introduction of energy management system •Generation of expenses for renovating existing properties to improve energy efficiency
	Technology	•Evolution and widespread adoption of renewable energy and energy-saving technologies	•Increasing expenses for introducing new technologies to prevent the equipment of portfolio properties from becoming technologically obsolete	Small	Small	Medium	Large	•Introduction of renewable energy •Conversion of existing properties to ZEB/ZEH and the acquisition of ZEB/ZEH properties •Introduction of advanced energy-saving technology •Implementation of energy-saving renovation work
	Market	•Changes in the ESG evaluation and investment and lending stance of investors and financial institutions	•Rising funding costs	Small	Small	Medium	Large	•Rising ratio of environmentally certified area (to total floor area) •Implementation of green financing
	Reputation	•Declining brand value due to delayed response to climate change	•Decreasing rent income due to declining brand value	Small	Small	Medium	Medium	•Acquisition of environmental certifications and energy-saving rating •Implementation of equipment renewal and renovation in response to climate change
•Declining tenant demand for properties with low environmental performance (and resilience) and their asset value		•More difficult acquisition of new tenants and residents •Declining rent income due to rising vacancy rate •Declining asset value	Medium	Large	Medium	Large		
Physical Risks	Acute	•Physical damage to portfolio properties due to abnormal weather (typhoons, floods, storm surges, etc.)	•Increasing repair expenses and insurance premiums •Increasing renovation expenses to prepare for abnormal weather •Declining rent income when damage occurs	Medium	Large	Medium	Medium	•Understanding of risks using hazard maps, etc. •Implementation of flood prevention measures such as water stops in properties expected to flood •Provision of appropriate property insurance
	Chronic	•Rise in average temperatures	•Increases in air-conditioning operation, maintenance, and repair expenses	Medium	Medium	Small	Medium	•Introduction of air conditioning equipment with excellent energy-saving performance (Adoption of high efficiency type, etc.) •Improving insulation performance of properties
Opportunity	Products and services	•Increasing tenant needs for properties with high environmental performance (and safety against weather disasters)	•Increase in revenue by attracting tenants and residents	Medium	Large	Medium	Large	•Acquisition of environmental certifications and energy-saving rating •Enhancing disclosure of information on environmental performance •Implementation of equipment renewal and renovation in response to climate change
	Market	•Changes in investment stance due to the expansion of ESG investment	•Increasing appetite for investment of institutional investors •Declining funding costs through green financing	Small	Small	Medium	Medium	•Implementation of green financing •Implementation of equipment renewal and renovation in response to climate change

Indication and Targets

Since the status of GHG emissions from the portfolio and emission intensity are key indicators in the real estate sector, NIPPON REIT will monitor Scope 1, Scope 2 and Scope 3 emissions in accordance with the GHG Emissions Reduction Policy to strive for their continuous reduction.

Targets	1. Achieve net-zero by 2050. 2. Reduce GHG emissions 50% by 2030 (Compared to 2016, based on intensity)
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2. Environment

Based on the Sustainability Policy articles “1. Effort to save energy and reduce greenhouse gas emissions” and “2. Realization of a recycling-oriented society,” NIPPON REIT has set reduction targets for energy consumption and greenhouse gas emissions to improve the environmental performance of its real estate portfolio.

In order to achieve these targets, NIPPON REIT’s asset management company, SRA implements measures to improve the operational performance of buildings, conduct energy efficiency retrofits and engage tenants on energy efficiency based on its “Energy Conservation Policy,” which stipulates operational policies for improving energy efficiency of the real estate portfolio, and “GHG Emissions Reduction Policy,” which aims to create a low-carbon society.



Targets to Reduce Energy

■ Energy consumption

- In the short term, a reduction of 1% per year in unit energy consumption will be targeted in the entire portfolio.
- Over the medium and long term, a reduction of 5% per five-year period in unit energy consumption will be targeted in the entire portfolio.

■ GHG emissions

- In accordance with the energy consumption reduction targets, a reduction of 1% per year in unit greenhouse gas (GHG) emissions will be targeted over the short term in the entire portfolio.
- In accordance with the energy consumption reduction targets, over the medium and long term, a reduction of 5% over the five-year period from FY2026 to FY2030 in unit GHG emissions will be targeted in the entire portfolio.
- Individual targets will be set with respect to properties subject to measures against global warming prescribed by local regulations (Tokyo Metropolitan Ordinance, etc.).
- CO₂ emission intensity is targeted to be reduced 50% by FY2030 from FY2016 level.

■ Water consumption

A reduction of an average of 0.5% per year over the ten-year period from FY2017 in unit water consumption has been targeted in the entire portfolio.

■ Waste management

A waste recycling ratio of 70% over the ten-year period from FY2017 has been targeted in the entire portfolio.

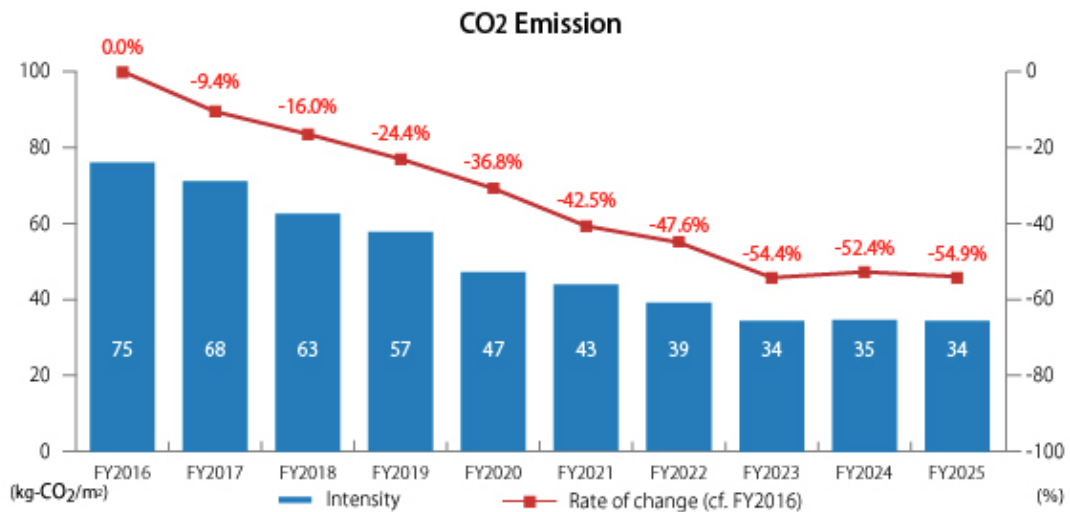
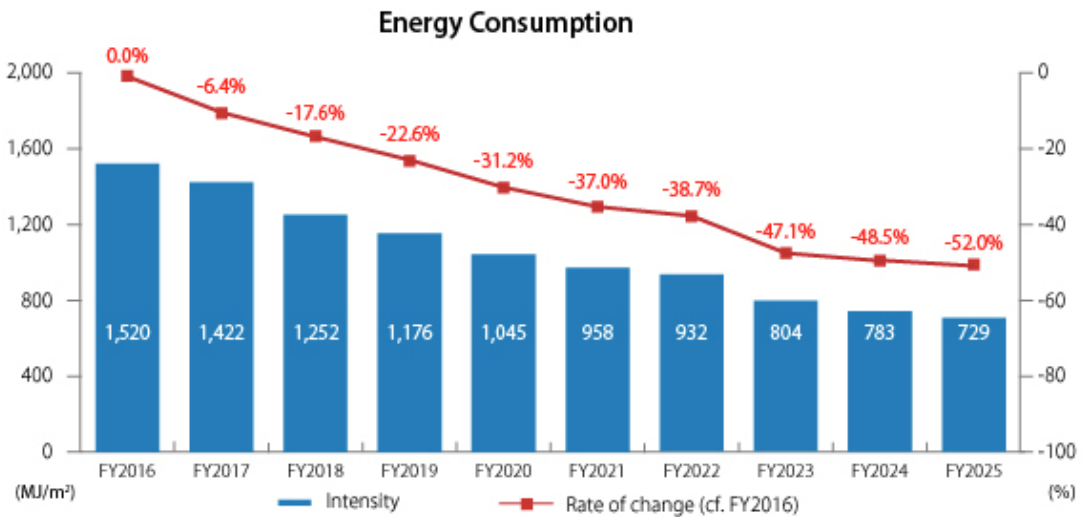


Management of Targets

As a general principle, every three months we carry out target management, review the progress made toward achieving its targets and ascertaining the degree of achievement against the actual value target, comparing and analyzing with the previous year at a general meeting called Sustainability Promotion Committee.

Energy Consumption and Green House Gas Emission

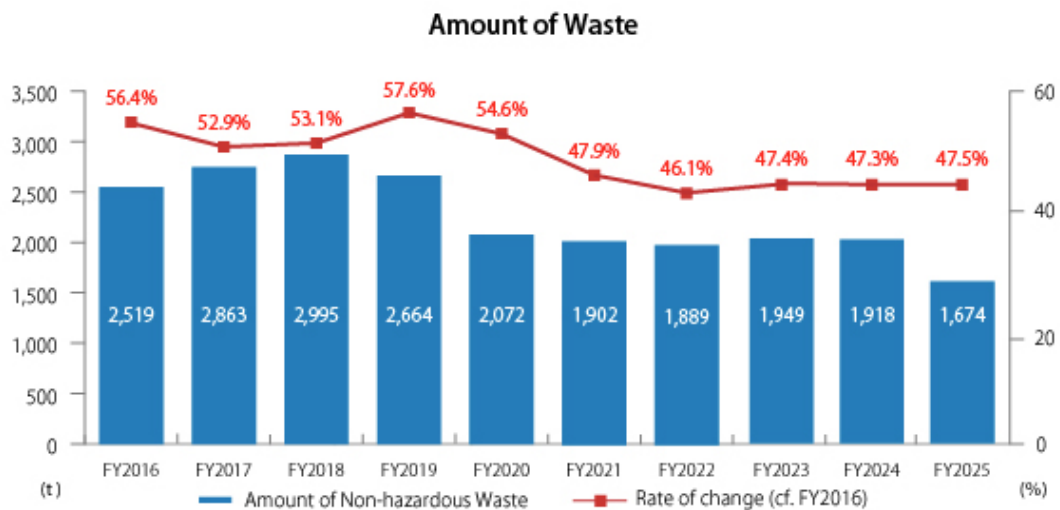
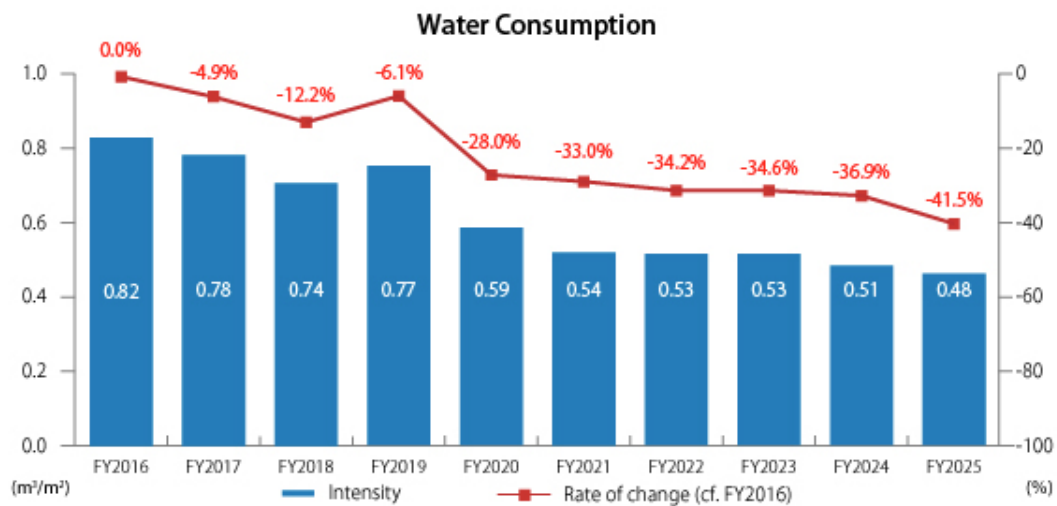
		FY 2016 (Base year)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Energy Consumption	Intensity (MJ/m ²)	1,520	1,422	1,252	1,176	1,045	958	932	804	783	729
	Rate of change (cf. FY2016)	0.0%	-6.4%	-17.6%	-22.6%	-31.2%	-37.0%	-38.7%	-47.1%	-48.5%	-52.0%
CO ₂ Emission	Intensity (kgCO ₂ /m ²)	75	68	63	57	47	43	39	34	35	34
	Rate of change (cf. FY2016)	0.0%	-9.4%	-16.0%	-24.4%	-36.8%	-42.5%	-47.6%	-54.4%	-52.4%	-54.9%





Water Consumption and Amount of Waste

		FY 2016 (Base year)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Water Consumption	Intensity (m^3/m^2)	0.82	0.78	0.74	0.76	0.59	0.54	0.53	0.53	0.51	0.48
	Rate of change (cf. FY2016)	0.0%	-4.9%	-9.8%	-6.1%	-28.0%	-33.0%	-34.2%	-34.6%	-36.9%	-41.5%
Amount of Waste	Amount of Non-hazardous Waste (t)	2,519	2,863	2,995	2,664	2,072	1,902	1,889	1,949	1,918	1,674
	Amount Incineration (t)	1,035	1,348	1,404	1,130	941	990	1,014	1,010	1,009	878
	Amount Incineration (t)	1,422	1,514	1,591	1,534	1,130	912	871	924	909	796
	Recycling Rate	56.4%	52.9%	53.1%	57.6%	54.6%	47.9%	46.1%	47.4%	47.3%	47.5%



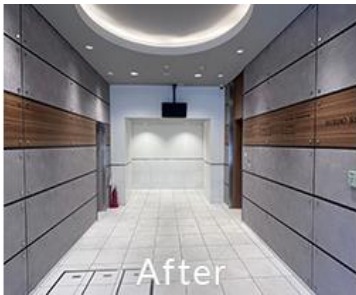


Energy Conservation

(1) Introduction of LED

Utilizing the government’s subsidy program, NIPPON REIT is actively promoting the introduction of LED lighting to reduce energy consumption. The energy consumption of the underlying properties is reduced, and a brighter and more comfortable environment is provided by converting lighting fixtures in common areas and leased areas, and emergency lighting fixtures (guide lights and emergency lights) to LEDs.

■ Example: Hiroo Reeplex B’s



LED Lighting Ratio
(As of June 30, 2026)

92 Properties

58.2% of Gross Floor Area

(2) Switching to Renewable Energy-Derived Electricity

As part of its efforts to reduce CO₂ emissions, NIPPON REIT has introduced electricity generated from renewable energy sources at certain properties within its portfolio.
Going forward, NIPPON REIT will continue to consider expanding the use of renewable energy electricity, taking into account the characteristics and operational conditions of each property, while steadily pursuing initiatives to reduce environmental impact.

Properties Switched to “Renewable Energy” Derived Electricity



Omiya Center Building



Pigeon Building



La Verite AKASAKA



Water Conservation

Water-saving toilets have been installed at multiple properties as part of our water conservation initiatives. This initiative not only reduces water consumption but also contributes to lower electricity usage for water-pumping systems, thereby helping to reduce CO₂ emissions.

■ Example: FORECAST Gotanda WEST



Before	After	Reduction Rate
9.2ℓ/ toilet flush	5.5ℓ/ toilet flush	40%

(Note) The table above indicates the average amount of water used per toilet flush before and after the installation of the water-saving equipment.



Green Lease

Green lease agreements are concluded with tenants to ensure mutual cooperation between individual building owners and tenants in promoting environmental measures.

Property with Green Lease

La Verite AKASAKA

Itohpia Iwamotocho 1-chome Building

FORECAST Gotanda WEST

Pigeon Building

FORECAST Takadanobaba

Towa Higashi-Gotanda Building

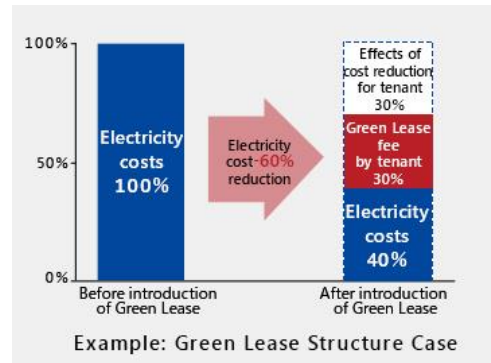
Itohpia Kiyosubashidori Building

Nishi-Shinjuku Sanko Building

■ What is Green Lease Agreement?

It is an agreement specifying that building owners and tenants shall cooperate with each other to reduce environmental burden.

The agreement contains provisions to facilitate renovation toward more environmentally-friendly office buildings by reducing building owners' investment burden through sharing the economic merits generated as a result of energy-saving renovation works among building owners and tenants



Tenants and Stakeholder Engagement to Improve Property Performance

■ Enlighten about energy use reduction

NIPPON REIT prepared letters to tenants requesting reduced energy consumption, distributed manuals for office users and put posters on each floor to raise awareness about energy efficiency.

■ ESG - related training for property management companies

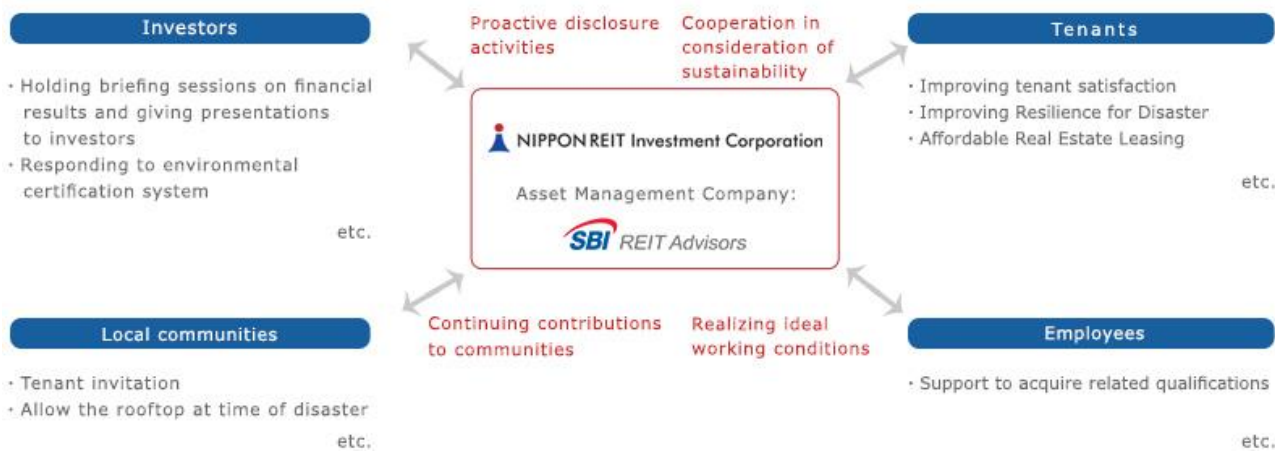
The property management company receives ESG - related training for the purpose of promoting increased awareness of environmental consideration in daily operations.

■ Eco-friendly building management

- For electronic toilets, the temperature settings for the heater and water for cleansing are controlled and adjusted for each season.
- Electric water heaters in staff kitchens are managed and their temperature settings are adjusted for each season.
- The temperature settings and hours of operation of air conditioning and lighting for common use space are adjusted by means such as timer control, Environmental Management Systems (EMSs) and human presence sensors for lighting.

3. Social

NIPPON REIT will continue to contribute to building a sustainable society through business dialogues with investors, tenants, local communities and employees.



Investor Engagement

NIPPON REIT prioritizes fair disclosure to all investors and conducts timely disclosure, including simultaneous Japanese/English press releases, as well as making its website user friendly. NIPPON REIT pursues direct communication with a variety of investors. The latest IR activities are as follows.

Fiscal period	25 th FP (Ended Dec. 2024)	26 th FP (Ended Jun. 2025)	Total
	Feb. 2025- Jul 2025	Aug. 2025- Jan. 2026	
Industrial Investors (Number of Meetings Held)	64	58	122
Japan	50	45	95
Overseas	14	13	27
Individual Investors (Number of Seminars Held)	1	2	3

Engineering Management

We have been implementing our unique measure actively to improve portfolio quality and competitiveness through enhancement of profitability and tenant satisfaction with environmentally friendly system, we call the measure “Engineering Management”.

Outline of Engineering Management

- **Planned capital investment** : Replacement of equipment and retrofit to maintain and improve assets values
- **Strategic value-enhancing investment** : Investments that enhance NOI and property value by increasing rent/revenue and reducing management costs

Profitability enhancement

Measures to increase rents / raise income, etc.

Cost Reduction

Reduction of management cost through energy conservation, etc.

Improvement of Tenant Satisfaction

Minimization of tenant vacancy risk, Shortening leasing periods

Environmental Consideration

Installation of high energy efficiency equipment etc. while utilizing energy saving subsidy, and contribution to local community

Enhancement of Tenant Satisfaction Based on Tenant Satisfaction Survey

NIPPON REIT conducts a questionnaire targeting tenants once every three year. Based on the results of the questionnaire, issues related to the properties are identified and improvements are made with the aim of increasing the comfort levels of the properties and enhancing their competitive strengths. Through efforts to improve tenant satisfaction, NIPPON REIT seeks to foster successful tenant relationships and facilitate communication between tenants and lessors.

(1) Renewed Restrooms

- Example: Pigeon Building



In the questionnaire targeting tenants, a request was made by a tenant, who is leasing an entire building, for the renovation of the washrooms to be undertaken to improve their environment. Prior to carrying out the washroom renovations, NIPPON REIT held numerous discussions regarding the design, etc. with the tenant from the planning phase to incorporate the tenant's needs for the purpose of seeking to effectively improve tenant satisfaction and enhance the competitive strengths of the property.



(2) Installation of Smoke Separation Booth

- Example: Itohpia Kiyosubashidori Building



By utilizing the leased floor-area ratio in accordance with the revised Building Standards Act, the dead space adjacent to the entrance on the first floor was converted into a lounge. A design that would allow both smokers and non-smokers separately to use the space was adopted for the purpose of seeking to effectively improve tenant satisfaction and enhance the competitive strength of the property.





Enhancement of Tenant Satisfaction

(1) Car Sharing Service

■ Example: Dormy Kitaakabane



A car-sharing service was introduced as a service for tenants and nearby residents who do not own cars. The service has been introduced for the purpose of seeking to effectively improve tenant satisfaction and contribute to the local community.



(2) Share-Cycle Station

■ Example: Itohpia Iwamotocho 1-chome Building etc.

Enhancing the convenience and health of tenants and neighboring residents. Also contributing to promoting the use of bicycles with low greenhouse gas emissions.



(3) Introducing a facial recognition system

■ Example: Tower Court Kitashinagawa, Splendid Shin-Osaka III, Splendid Namba

FreeiD, a facial recognition system provided by DXYZ Co., Ltd., was installed at entrance, sub-entrance, and garbage disposal sites at Tower Court Kitashinagawa, entrance at Splendid Shin-Osaka III, and at entrance and common areas at Splendid Namba, at three locations.

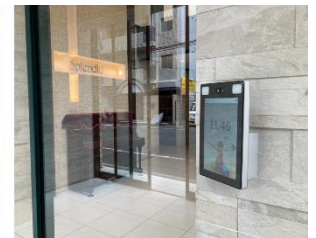
In addition to being able to pass through the entrance with no key, there is no risk of loss or spoofing, and this also leads to improved security.



Tower Court Kitashinagawa



Splendid Shin-Osaka III



Splendid Namba

Enhancement of Tenants' Safety

(1) Installation of AEDs

NIPPON REIT is promoting the installation of Automated External Defibrillators (AEDs). They are available to tenants and the neighboring community, which is displayed on the AED stickers and registered on the administrative map.

These devices will be gradually introduced at jointly owned properties with third parties..



Improving Resilience for Disaster, etc.

(1) Introducing Disaster Response Vending Machine



In several properties held by NIPPON REIT automatic vending machines that are able to provide beverages free of charge at times of disaster have been installed. They are conventionally used as beverage vending machines, but at times of disaster or other emergencies any person could easily obtain free beverages from the machines. This initiative has contributed to the provision of relief supplies at times of disaster, and NIPPON REIT seeks to effectively improve tenant satisfaction, provide support for business continuity plans (BCPs) and contribute to local communities.



(2) Seismic Control and Seismic Isolation Measures

By installing seismic control equipment and seismic isolation dampers, damage from major earthquakes will be mitigated.

(3) Conducting Fire Drills

Fire drills involving tenants are conducted in all office buildings held by NIPPON REIT

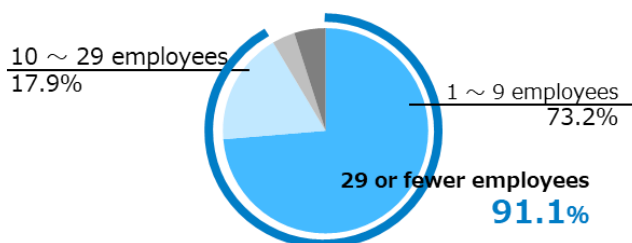
(4) Placing Emergency Kit with Food and Water

NIPPON REIT places boxes of emergency kits in elevators in case of disasters or mechanical issues.



Businesses with 29 or fewer employees comprise 91.1% of all businesses in the 23 wards of Tokyo, according to statistics on the ratio of establishments by employee size (survey by the Statistics Bureau, Ministry of Internal Affairs and Communications). Since its primary investment assets are Tokyo Economic Area located, medium-sized offices (54 properties; 64.8% on an acquisition price basis), NIPPON REIT aims to contribute to the development of the Japanese economy through the provision of office buildings with comfortable working environments to Small and Medium Enterprises, which are the foundation of the Japanese economy.

《Composition of Offices by Number of Employees》



Source : prepared by Asset management company based on data provided from Statistics Bureau, MIC

Development of Leasing Services

We use a variety of leasing services to support moving into properties held by NIPPON REIT for small and medium enterprises and venture companies who are main target tenants for NIPPON REIT.

	Summery	Tenant's needs	Service features
Select Office 	Original leasing service by which tenants can select office layout from several patterns and NIPPON REIT shares costs of the office interior work	- To improve work environment with efficient and comfortable layout - To reduce relocation cost to invest our business as much as possible	■Selectable Realization of tenant's dream office by selectable materials (wall and floor) and layout ■Virtually Visible image of dream office (layout, design) and future vision by Virtual Reality (VR) ■Low Cost NIPPON REIT bears costs for furnishings (wall and floor)
ittoku 	NISSHO-HO Co., Ltd ("NISSHO-HO") by which tenant can reduce drastically relocation costs	- To minimize initial cost of a security deposit at the move-in - To avoid arranging a surety jointly and severally liable for rent payment	■1 month deposit Reduced by 1 month (typical deposit is between 10 and 12 month) ■No warranty fee NIPPON REIT bears warranty fee ■No restoration cost NIPPON REIT bears restoration cost ■No jointly and severally liable surety
shikittoku 	Original leasing services with NISSHO-HO by which NIPPON REIT refunds a half of deposit after the end of original lease contract period depending on the tenant's financial condition	- To make effective use of deposit - To avoid arranging a surety jointly and severally liable for rent payment	■Refund a half of deposit Refunding a half of deposit depending on the tenant's financial condition as of the end of original lease contract period ■No warranty fee NIPPON REIT bears warranty fee ■No jointly and severally liable surety
Shikikin tsunagetoku? 	Original leasing services with NISSHO-HO to promote office transfer by allowing up to 9 months of deposit of deposits at the time of the conclusion of a lease contract	- To avoid double deposits - To increase flexibility of relocation and moving periods - To make effective use of cash on hand	■Moratorium of placing a deposit ■No warranty fee



Attracting Tenants

NIPPON REIT attracts tenants that match the needs or locations of local communities with the aim of improving living convenience for people in local communities.



Service office in the Itohpia Kiyosubashidori Building



Convenience store at the first floor of NORE Meieki



We provide space for Food truck in Omiya Center Building



Allowing Fire Department to Use the Rooftop of Tower Court Kitashinagawa at Time of Disaster

Tower Court Kitashinagawa has an agreement with the local fire department to allow the use of its rooftop at times of disaster for ascertaining the disaster situation of the Shinagawa area.



Establishment of Gallery of History of Shinagawa (Tower Court Kitashinagawa)



The geographical name Shinagawa dates back to the Heian Era (around 400 years from 794), and Shinagawa prospered as a port in Edo (Tokyo) Bay during the Kamakura Era (1185-1333). In the Edo Era (1603-1868), Shogun Ieyasu Tokugawa established a “tenma system” (a transportation system that carried envoys, goods, etc. using horses) with “shukueki” (post stations) for the Tokaido (this mainly means the roads from Nihonbashi, Edo to Sanjo Ohashi in Kyoto), and Shinagawa was the first shukueki. For the purpose of preserving this time-honored history of Shinagawa, the first-floor portion of Tower Court Kitashinagawa is open to the public as a gallery of the historic site.



■ Basic Data

	FY2025	FY2024	FY2023	FY2022	FY2021
Total Employee	44	39	41	37	42
Male	25	22	22	21	25
Female	19	17	19	16	17
Number of Employees Seconded from Other Companies	7	10	12	12	16
New Hiring	13	4	15	4	2
Male	9	2	6	3	1
Female	4	2	9	1	1
Average Length of Service	3 years and 1 months	3 years and 4 months	2 years and 3 months	4 years and 5 months	3 years and 10 months
Male	2 years and 11 months	3 years and 9 months	2 years and 6 months	4 years and 4 months	3 years and 9 months
Female	3 years and 2 months	3 years and 0 months	2 years and 0 months	4 years and 5 months	3 years and 11 months
Employee Turnover	9.8%	17.9%	17.1%	9.8%	4.8%
Male	4.9%	7.7%	4.9%	7.3%	2.4%
Female	4.9%	10.3%	12.2%	2.4%	2.4%

* Excluding employees seconded from other companies.



Creating Safe and Friendly Work Environment, Maintaining Healthy Work-Life Balance

We believe that human resources are the most important asset of SRA. We are aiming to create environment where employees can work comfortably and peacefully. We implement various initiatives from aspects of health and safety including work life balance, health and labor management, as well as job satisfaction.

■ Employee Health Management

We are working to improve the health of our employees, and we have acquired "Excellent Health Management Company - Silver Certification" from the Tokyo Federation of Health Insurance Societies.



■ Mandatory Regular Health Checkup for Employees

Considering that the health of our employees is our number one priority, all employees are required to take health check and we are also working to improve the rate of employees' medical checkup.

■ Hourly Leaves and Flextime

We have adopted an hourly leave system and a flextime system to support each employee's health condition, accept diverse values and lifestyles, and support healthy work-life balance.

■ Promotion for Active Roles for Women

We aim to create a workplace environment where each employee can maximize their individuality and abilities, and we are working to build a workplace environment that is easy for women to work in. In addition to introducing a childcare leave system, we are promoting short-time work system and encouraging to take paid leave when needed.

■ Childcare Support

We have adopted childcare leave system, childcare short-time work system and nursing care leave system to support employees involved in childcare.

■ Friendly Workplace and Work-Life Balance

	FY2025	FY2024	FY2023	FY2022	FY2021
Average Statutory Overtime work (hours/month)	10.8	7.2	6.0	18.5	22.7
Paid Leave Usage Rate	63.9%	69.3%	69.7%	80.5%	73.6%
Health Checkup Rate	100%	100%	96.8%	100%	100%
Childcare Leave, Shorter Working Hours for Childcare Users*	1	3	3	5	6

* Excluding employees seconded from other companies.



Promoting Diversity

■ Respect for Human Rights

SRA believes that it should help enhancement of the value of unitholders', respects human rights, prohibits discrimination base on such factors as belief, region, age, sex, origin, and mental and physical disorders, as well as established workplace environment in which diverse human resources can actively perform.

Moreover, SRA is not involved in any child labor, forced labor, unfair wage reductions or unfairly prolonged work hours.

In December 2024, SRA established the "DEI (Diversity, Equity, and Inclusion) Promotion Policy," which sets out our basic approach and approach to implementing DEI based on our sustainability policy.

■ Promoting Female Employment

	FY2025	FY2024	FY2023	FY2022	FY2021
Female employee ratio	43.2%	43.6%	46.3%	43.2%	40.5%
Female new hiring ratio*	30.8%	50.0%	60.0%	25.0%	50.0%
Female manager ratio	18.2%	16.7%	23.1%	12.5%	12.5%

* Excluding employees seconded from other companies.

■ Consultation Service Office for Compliance

SRA has built a system in which employees, when they become aware of any compliance problem including harassment, can consult with the Compliance Officer or contact the consultation and reporting office of SBI Holdings, Inc., the parent company of the main sponsor,



Human Resource Development

SRA takes various measures to foster human resources having a high level of expertise, deep knowledge and ethical values.

■ Support for Acquisition of Qualification

SRA offers subsidies to its employees to help them acquire qualifications required for operations in order to develop their capabilities of asset management and to maintain their high expertise of asset management. The table below shows the number of qualification holders at SRA.

Name of Qualification	Number of Qualification Holders
Real Estate Notary	29
ARES (The Association for Real Estate Securitization) Certified Master	10
Certified Member Analyst of SAAJ	5
First-class Architect	4
Real Estate Appraiser	1
Certified Public Accountant	1
Tax Accountant	1
Chartered Financial Analyst (CFA)	1

* As of the end of December 2025. Includes overlapping and those who has passed the exam.

■ Support for Education and Training

SRA encourages and supports its employees to participate in a variety of internal and external education and training sessions, etc. as part of the efforts to foster their capabilities.

The internal education includes lectures by our compliance officers on internal rules and requests to Tokyo Stock Exchange, Inc. for lecturers in order to deepen their understanding of daily operations.

All employees undergo seminars to improve operational efficiency during external training.

■ Interviews for Setting Objectives of Individual Employees

SRA arranges interviews with its employees at the beginning (for setting their objectives), the middle (for feedback and target adjustments) and the end (for confirming the progress results) of the fiscal year. This has enabled the Company to establish a transparent system for setting objectives and confirming the progress results through good communication between supervisors and their subordinates. Through the interviews, the supervisors also provide advice in an elaborate manner to the subordinates regarding the latter's career development and issues to tackle on operations, among other matters.



Comfort and Safety of Employees

■ Disaster Response

We introduce "Safety confirmation service (e-kakushin KIZUNA)" provided by SECOM Trust systems Ltd. as a contact method of the employees in preparation for earthquakes and other regional disasters that has been occurring frequently in nationwide at various area.

■ Questionnaire on Employee Satisfaction

In order to maintain and enhance employees' health and comfort in the workplace, SRA conducts an annual employee satisfaction survey (stress check).
The results of the survey and the feedback received from employees are utilized to improve the working environment.

■ Initiatives to Promote Employee Health and Well-being

SRA aims to create a workplace where each employee can work with vitality, both physically and mentally. To support the maintenance and improvement of health, we have implemented the following initiatives

Initiative : Introduction of healthy beverages in the office

Details	"Healthy beverages" such as vegetable juice, soy milk, and vinegar drinks were introduced in the office. Selections are made based on requests from employees.
Objective	To increase daily health awareness, improve concentration, and reduce dependence on caffeine.

■ Sound Design for Office (BGM)

As a part of measure to enhance employees' comfort we introduced Office BGM system (SOUND DESIGN for OFFICE).
Music that is programed based on office time schedule ideally makes comfort working environment, it also is expected to reduce overtime working.





Framework for Motivating Employees Appropriately

In order to "maximize unitholder value", we are working to motivate executives and employees appropriately so that executives and employees understand the true meaning of "Principles for Customer-Oriented Business Conduct" and management policy and reflect them in their day-to-day operations, and that these principles and policy are well-established.

Specifically, in order to promote customer-oriented business conduct, we include compliance in organizational goals, reflect compliance as an evaluation point in organizational performance, treat business faithfully and fairly and seek our quality training to help improve professional ethics.

■ **Compliance, sustainability, and business training**

From April 2025 to March 2026, we held 11 compliance, sustainability, and business training sessions for executives and employees (including those for managers only).

■ **Evaluation of executives and employees from compliance perspective**

Compliance is also included in the evaluation of executives and employees.

■ **Employee investment unit ownership program**

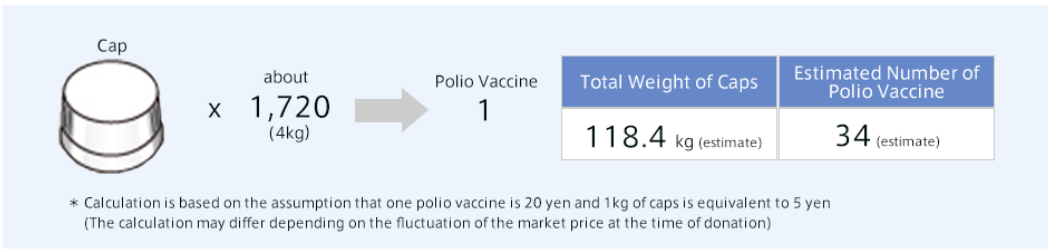
We have introduced an employee investment unit ownership program for the purpose of enhancing the welfare of employees and improving the value of medium-and long-term investment ownership through the agreement of interest between employees and investment owners of NIPPON REIT.



Employee Initiatives

■ **Eco-cap Campaign**

Since 2017, SRA has conducted the Vaccine Cap Campaign activity for recovering plastic bottle caps. The amount of bottle caps is utilized by Tokyo Petbottle Recycle Co., Ltd., through the organization entitled "Japan Committee, Vaccines for the World's Children" to contribute in order to the donation of Polio Vaccines to children worldwide. Recycling also contributes to reducing CO₂ emissions from incinerators, which helps prevent global warming.



■ **Book Donation Project**

SRA started participating in the "Book Donation Project" of Charibon operated by Value Books from November 2018. The sent books will be assessed by Value Books, and the amount equivalent to the assessed price will be donated to organizations that are addressing social challenges (NPOs, schools, local governments).



4. Governance

Based on Article 95 of the Act on Investment Trusts and Investment Corporations, NRT's Board of Officers consists of a General Meeting of Unitholders, a Board of Directors comprising no more than two Executive Officers and no more than three Supervisory Officers (the number of Supervisory Officers shall be at least one more than the number of Executive Officers), and an Accounting Auditor. Based on Article 109 of the Act, the executive officer executes the duties of NRT and represents NRT.

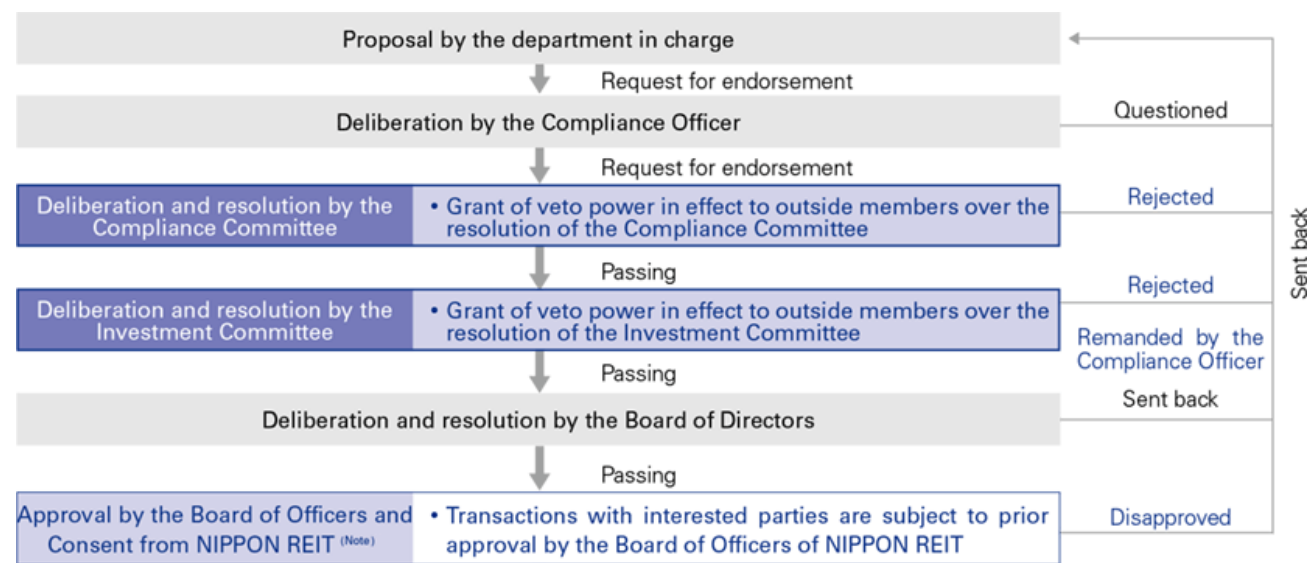
Based on Article 111 of the Act, supervisory officers supervise the executive officer's execution of duties. Moreover, in line with Article 100 of the Act, a person who has a personal interest in NRT or SRA cannot be appointed as supervisory officer.

Executive officers' remuneration will not exceed 800,000 yen per person per month, and supervisory officer's remuneration will not exceed 500,000 yen per person per month, with the monthly amount to be determined by the Board of Officers. Please refer to Article 21 of the Articles of Incorporation for more details. The Article of Incorporation are revised by the decision of the General Meeting of Unitholders.

The remuneration paid to each officer is disclosed in "the Asset Management Report" for each fiscal period.



Decision-Making Process Securing Third-Party Monitoring Function



(Note) We note that the following transactions must be approved by the Board of Officers of NRT but do not require the consent of NRT.

- Transactions other than those stipulated in Article 201-2 (1) of the Act on Investment Trusts and Investment Corporations (Investment Trust Act)
- Transactions stipulated in Article 245-2 of the enforcement regulations in the Investment Trust Act

Asset Management Fee Structure to SRA

NRT adopts an asset management fee system in which part of the fees to be paid to SRA based on the Articles of Incorporation and SRA is linked to distribution per unit. We believe that adoption of such an asset management fee system should give an incentive to SRA to work to maximize the unitholder value of NRT

■Asset management fees

< Asset management fee 1 and asset management fee 2 >

Calculation method	
Asset management fee 1	Total assets of the immediately preceding fiscal period × annual rate of 0.35% (maximum rate)
Asset management fee 2	NOI × DPU volatility (Note 1) × 2.5% (maximum rate)

(Note 1) "DPU volatility" is a figure calculated by using the following formula

$$\text{DPU volatility} = (\text{Adjusted distribution per unit for a certain fiscal period (Note 2)} - \text{adjusted distribution per unit for the preceding fiscal period}) / \text{adjusted distribution per unit for the previous fiscal period} + 1$$

However, when the adjusted distribution per unit for the preceding fiscal period is null, the DPU volatility is deemed to be 1. Moreover, when the DPU volatility for the preceding fiscal period was 0.75 or less and the DPU volatility for the current fiscal period calculated by using the above formula surpassed 1, the DPU volatility is deemed to be 1.

(Note 2) "Adjusted distribution per unit" is the amount obtained by dividing the distributable amount before deducting fees and compensations (Note 3) for a certain fiscal period by the number of investment units issued and outstanding as of the settlement date for the fiscal period (rounded down to the nearest one yen). In calculating adjusted distribution per unit, proper adjustment shall be made in the case of holding its own investment units that have not been disposed of or retired in the accounting period for the business period in which it acquired its investment units and, in the case of increasing the total number of investment units outstanding by splitting own investment units or conducting a gratis allocation of new shares through subscription rights.

(Note 3) "Distributable amount before deducting fees and compensations" is the amount of income before income taxes for the fiscal period calculated in accordance with the accounting practices generally accepted in Japan (on the condition that the asset management fee 2 and gain or loss on sale of specified assets, consumption tax not subject to deductions, etc. are not added to or subtracted from the amount).

<Acquisition fee and disposition fee>

Calculation method	
Acquisition fee	Acquisition price (Note 1) × 1.0% (maximum rate) *Acquisition from interested parties: acquisition price × 0.5% (maximum rate)
Disposition fee (Note 2)	Transfer price (Note 3) × 1.0% (maximum rate) *Transfer to interested parties: transfer price × 0.5% (maximum rate)

(Note 1) This means the amount paid for the purchase in the case of a purchase, the appraised value of the asset transferred through exchange in the case of an exchange and the amount contributed in the case of capital contribution, excluding consumption taxes and acquisition expenses

(Note 2) Disposition fee shall be paid only when gain on sale of specified assets is accrued.

(Note 3) This means the amount paid for the sale in the case of a sale and the appraised value of the asset transferred through exchange in the case of an exchange, excluding consumption taxes and transfer expenses

Same-Boat Investment by the Sponsors

SBI Holdings, Inc., Cushman & Wakefield Asset Management K.K. and Agility Holdings Inc. have declared in the sponsor support agreement that, when they acquire the investment units issued by NRT, they intend to continue owning the units for the time being unless there are special circumstances occurred.

SBI Holdings, Inc.	Owns 62,000 of NIPPON REIT's investment units
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5. Green Finance

NIPPON REIT practices asset management taking into consideration Environment, Society and Governance (“ESG”). As a part of such initiatives, NIPPON REIT strives to realize a sustainable environment and society by implementation of green finance including green bonds and green loans etc.

Framework

(1) Use of Proceeds from Green Finance

NIPPON REIT plans to use the funds procured through green finance as funds for the acquisition and refinancing of the funds for the asset conforming to “Eligible criteria A” and project conforming to “Eligible criteria B”. In terms of “Eligible criteria B”, renovation work that has been completed or will be completed within 3 years from the payment date of the green bond or the green loan are eligible.

(2) Eligible Criteria

■ Eligible Criteria A

Assets for which any of the following certifications from a third-party certification body (“green building certification”) has been or will be obtained.

- I. DBJ Green Building Certification (Note 1): 3 stars and above
- II. BELS (Note 2): (Based on FY2016) 3 stars and above
(Based on FY2024) non-residential: Level 4 or above residential: Level 3 or above
- III. CASBEE for Real Estate, CASBEE for Buildings (Note 3)(Note 4): B+ rank or higher
※ Except for cases in which BEI=0.75 exceeds at plants, etc., including logistics centers.

■ Eligible Criteria B

The renovation works that meet one out of the following three requirements.

- I. Renovation work intended to reduce CO₂ emissions by more than 30%
- II. Renovation work intended to reduce energy consumption by more than 30%
- III. Renovation work intended to reduce water consumption by more than 30%
- IV. Renovation work intended to improve the number of stars or the grade/rank by one or more for any of the eligible green asset certifications

(Note 1) “DBJ Green Building Certification” is a certification of buildings with environmental and social awareness (Green Building) implemented by Development Bank of Japan Inc. (“DBJ”) based on a five-grade evaluation system (1 to 5 stars) by using a comprehensive scoring model independently developed by DBJ.

(Note 2) BELS (Building-Housing Energy-efficiency Labeling System) is an evaluation system conducted by a third-party organization based on guidelines established by the Ministry of Land, Infrastructure, Transport and Tourism. It evaluates and displays energy-saving performance based on the primary energy consumption of buildings. Until March 2024, evaluations were conducted in five ranks (one-star to five-stars) (based on FY2016). Since April 2024, evaluations have been conducted in seven ranks (0 to six-stars) for houses with energy-saving facilities and non-houses (based on FY2024).

(Note 3) “CASBEE(Comprehensive Assessment System for Built Environment Efficiency) for Real Estate” is a system that evaluates the environmental performance of a building and assigns a rating (Rank B to Rank S) on a four stages. It is a system that comprehensively evaluates the environmental performance of a building, including consideration for the landscape, in addition to the environmental impact reduction aspects such as energy conservation, resource conservation, and recycling performance.

(Note 4) “CASBEE for Building” is a methodology that evaluates the buildings on a five stages (rank C to S) based on the scores of Q (building’s environmental quality/ performance) and LR (building’s environmental impact reduction).

(3) Process for Project Evaluation and Selection

The projects that meet eligible criteria (“eligible green project”) are decided by the “Sustainability Committee” of the Asset Management Company, which is comprised of the President and CEO, the Senior General Manager of Investment Management Division and the Senior General Manager of Finance & Planning Division etc., under discussion about evaluation of eligible green project, use of the fund and eligibility for the criteria.

(4) Management of Proceeds

The total of the amount obtained by multiplying the total book value of assets that meet eligible criteria A as of end of the latest fiscal period by the LTV(Note) as of end of the latest fiscal period and the amount of the total assumed expense of the renovation work that meet eligible criteria B will be set as the upper limit amount for green finance.

As of December 31, 2025

Total book value of assets that meet eligible criteria A (A)	111,722 million yen
LTV (B) (Note)	48.2%
Total expense of the renovation works that meet eligible criteria B (C)	0 million yen
Green eligible liabilities (the upper limit amount for green finance) (A × B + C)	53,819 million yen
Balance of funds procured through green finance	3,300 million yen

(Note) LTV is calculated as follows. LTV = total interest-bearing debt / total assets

(5) Eligible Criteria

■ Criteria A

No.	Property Name	DBJ Green Building	BELS (Note)	CASBEE for Real Estate	Book Value (million yen) (As of Dec, 31, 2025)
A-4	FORECAST Shinjuku AVENUE			A	6,103
A-5	FORECAST Ichigaya			S	4,213
A-8	FORECAST Sakurabashi		★★★	A	6,118
A-17	Shibakoen Sanchome Building			A	7,271
A-21	Itohpia Iwamotocho 2-chome Building			A	2,845
A-24	Pigeon Building		★★★	S	2,914
A-28	Nishi-Shinjuku Sanko Building		★★★★★		2,338
A-31	Nishi-Gotanda 8-chome Building		★★★		2,265
A-32	Towa Higashi-Gotanda Building		★★★★★		2,029
A-33	FORECAST Takadanobaba		★★★★★	S	5,751
A-41	I・S Minamimorimachi Building		★★★	S	2,247
A-46	La Verite AKASAKA		★★★★★		2,100
A-49	FORECAST Kayabacho		★★★★★	A	3,125
A-50	FORECAST Waseda FIRST			A	4,843

No.	Property Name	DBJ Green Building	BELS (Note)	CASBEE for Real Estate	Book Value (million yen) (As of Dec, 31, 2025)
A-51	FORECAST Gotanda WEST		★★★	S	7,562
A-52	Omiya Center Building			S	15,485
A-53	Sumitomo Mitsui Bank Koraibashi Building			S	2,878
A-56	Homat Horizon Building			S	6,622
A-67	FORECAST Kameido	★★★			2,555
A-78	URAWA GARDEN BUILDING			S	12,138
B-1	Tower Court Kitashinagawa	★★★★★			10,356
Total	21 Properties				111,722

(Note) BELS started on April 1, 2016 with a five ranks (one-star to five-stars) and has transitioned to a seven ranks (0 to six-stars) since April 1, 2024. The above table shows the results of evaluation acquisition based on the five ranks evaluation before the transition to the seven ranks evaluation.

■ Criteria B

No.	Property Name / Construction	Construction Completion	Construction Cost (million yen)
None			

(6) Reporting

NIPPON REIT's allocation of proceeds as to green finance is as follows.

As of December 31, 2025

Total amount of outstanding green bonds	3,300 million yen
Amount of proceeds not yet allocated	-

Name	Total Issue Amount (million yen)	Interest rate (%)	Issue Date	Redemption Date	Remarks	Use of Proceeds
NIPPON REIT 5th Unsecured Bond (With Pari Passu Conditions Among Specified Investment Corporation Bond) (Green Bond)	2,000	0.670	August 6, 2021	August 6, 2031	Unsecured Unguaranteed	Appropriate to part of the repayment funds of the borrowings procured as the acquisition funds for the following three properties ・ Pigeon Building ・ Towa Higashi-Gotanda ・ FORECAST Takadanobaba
NIPPON REIT 6th unsecured bonds (with pari passu conditions among specified investment corporation bonds) (Green bonds)	1,300	1.346	April 23, 2025	April 23, 2030	Unsecured Unguaranteed	Appropriate to part of the repayment funds of the borrowings procured as the acquisition funds for the following two properties ・ FORECAST Shinjuku AVENUE ・ FORECAST Ichigaya

(7) External Review

For eligibility of the green finance framework, NIPPON REIT has been assigned “Green 1 (F),” the highest evaluation grade in the JCR Green Finance Framework Evaluation by Japan Credit Rating Agency, Ltd. (“JCR”). For the content and other details of the JCR Green Finance Framework Evaluation, please refer to the following website.

JCR Green Finance Framework Evaluation: <https://www.jcr.co.jp/en/greenfinance/>

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