

June 12, 2023

Real Estate Investment Trust Securities Issuer
 Sekisui House Reit, Inc.

Representative: Atsuhiko Kida, Executive Director
 (Securities Code: 3309)

Asset Management Company

Sekisui House Asset Management, Ltd.

Representative: Toru Abe,
 President & Representative Director

Inquiries: Koichi Saito, Chief Manager,
 Investor Relations Department
 TEL: +81-3-6447-4870 (main)

Notice Concerning Introduction of Virtual Renewable Energy
 Through Purchase of FIT Non-fossil Fuel Energy Certificates

Sekisui House Reit, Inc. (“SHR”) hereby announces that it has introduced virtual renewable energy through the purchase of FIT non-fossil fuel energy certificates (the “FIT Non-fossil Fuel Energy Certificates”) with tracking at the Non-fossil Fuel Energy Value Trading Market of the Japan Electric Power Exchange (the “Market”) via a broker (hereinafter referred to as the “Initiative”), as follows.

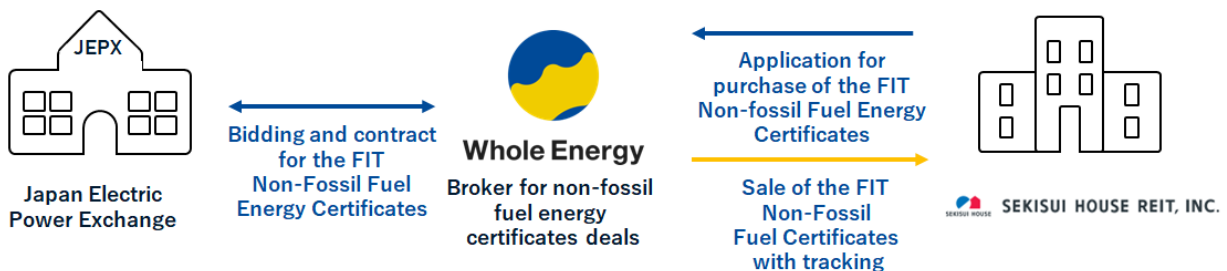
(Note) “FIT” stands for “Feed-in Tariff”, which is a system for purchasing renewable energy at a fixed price.

1. Overview of the Initiative

SHR has purchased the FIT Non-fossil Fuel Energy Certificates 1,025 MWh at the Market via Whole Energy Inc., the Broker, and virtually reduced CO₂ emissions by approximately 418 t-CO₂ (Note) by the introduction of virtual renewable energy. The Initiative is conducted for the first time as SHR.

(Note) It corresponds to CO₂ emissions (from August 2, 2022 to April 1, 2023) associated with the use of electricity in the common area of “Prime Maison EGOTANOMORI”, a residence owned by SHR. CO₂ emissions are an estimated value calculated by multiplying electric power consumption by the emission factor by Sekisui House Asset Management, Ltd.

<Structure of the Initiative>



2. Reason for the Initiative

SHR aims to contribute to the realization of a sustainable society by conducting real estate investment management with due consideration given to ESG (Environment, Social and Governance).

SHR has set targets (KPIs) for the resolution of materiality “Promoting Response to Climate Change”, which has been identified as a key environmental issue among the ESG initiatives (hereinafter referred to as the “Targets”) as listed below.

<Reduce Green House Gases (GHG) Emissions>

- Medium term target (by FY 2030): Reduce 42% of Scope 1 and Scope 2 emissions of portfolio compared to FY 2021
- Long term target (by FY 2050): Achieve net zero
- Calculate and reduce Scope 3 emissions

The Initiative will be implemented as part of measures to achieve the Targets. SHR will continue to utilize purchase of FIT Non-fossil Fuel Energy Certificates as one of the measures to reduce greenhouse gases (GHG) emissions and achieve net zero.

Through the Initiative, SHR will contribute to the SDGs (Sustainable Development Goals) Goal 7 “Affordable and Clean Energy” and Goal 13 “Climate Action”.

【Related SDGs】



3. ESG Initiatives Going Forward

Amid the social demands for ESG initiatives, SHR recognizes that its business opportunities are to respond to changes in the demand of residents / tenants due to heightened awareness of carbon neutrality. By promoting various initiatives to reduce greenhouse gases (GHG) missions in the future, we will contribute to the realization of a carbon-free society, while working to increase the asset value of owned properties and overall corporate value.

For details of ESG initiatives of SHR, please refer to “[ESG special website](#)” on SHR’s website.

* Sekisui House Reit, Inc. website: <https://sekisuihouse-reit.co.jp/en/>