



PUBLIC TRANSPARENCY REPORT

2025

TLC REIT Management Inc.

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About this report

PRI reporting is the largest global reporting project on responsible investment.

It was developed with investors, for investors. PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders. This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2025 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2025 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Being aware of challenges such as the needs for environmental and social considerations and reinforced governance, and as a member of Tokyu Fudosan Holdings Group, TLC REIT Management Inc. has adopted the Group's sustainability vision as its own vision. We believe that it is our social responsibility to tackle the materiality of a "decarbonized society," "recycling society" and "biodiversity," and that we also can practice our management philosophy and contribute to the development of a sustainable society through such efforts. In addition, considering that businesses' efforts to promote strategic ESG initiatives will enhance the value of their companies, we incorporate ESG issues in our investment decision-making. We have established "Sustainability Policies" to put the philosophy into practice, and our Sustainability Promotion System Rules require that the President & CEO serves as the Chief Sustainability Officer to promote the initiatives. In the effort to ensure sustainability, Sustainability Promotion Council meetings are held regularly with members from various departments of the company, including the President & CEO who serves as the Chief Sustainability Officer, and there we share sustainability information and discuss and push ahead with initiatives to address issues. External experts are asked to attend the Council meeting if necessary to offer their opinions. The matters discussed at Sustainability Promotion Council meetings are regularly reported to the Board of Directors, and if necessary, to the Boards of Directors of the investment corporations as well. Furthermore, in order to fulfill our responsibility and role in creating a sustainable society, we have signed the Principles for Responsible Investment (PRI) and the Principles for Financial Action for the 21st Century, and expressed our endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, as a member of the Tokyu Fudosan Holdings Group, we also support the ten principles of the United Nations Global Compact (UNGC).

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

The three investment corporations under the management of our company have announced on their respective websites their CO2 emissions reduction targets toward 2025 or 2030 as well as the target ratios of certified green buildings. Activia Properties Inc. aims to (1) reduce CO2 emissions by 100% compared with fiscal 2015 by the end of fiscal 2025 (introducing renewable energy at all properties they possess), (2) achieve a certified green building ratio of 70% or more and 100% green lease contracts with new tenants by the end of fiscal 2030, and (3) make all of the new bonds issued by the investment corporation green bonds (100%). As of the end of March 2025, they have achieved a renewable energy ratio of 63% and (2) a certified green building ratio of 77%. Comforia Residential REIT, Inc.

aims to (1) reduce energy consumption by an average of 1% each year (intensity-based) from a medium- to long-term viewpoint, (2) reduce CO2 emissions by 40% by 2030 (intensity-based compared with 2020), (3) increase the ratio of certified green buildings to 40% by 2030. As of the end of March 2025, they have reduced CO2 emissions by 40% of the entire portfolio and achieved a certified green building ratio of 31%. In January 2025, they obtained SBT certification, and they will work to reduce Scope 1 and Scope 2 by 42% and Scope 3 by 25% (compared to 2022) by 2030. All of the investment corporations have made a 2050 Net Zero declaration and have been promoting the use of renewable energy and the purchase of non-fossil certificates to achieve their targets at an early stage. They also established the "Sustainable Procurement Basic Policy" in April 2024 in order to make collective efforts throughout the supply chain to address ESG issues, and this policy is helping to enhance the management of new supply chains. In addition, when obtaining a property, the green certification of the property, etc. is checked in the due diligence, and interviews are held with the seller. The results are reported at the Investment Committee. When contracting out construction works, the "Environmentally Conscious Design Policy," the design policy of reducing environmental load, is clearly specified in our quotation to make sure that the contractor is active in planning and implementing the work in line with the policy.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

In light of the increasing social awareness of environmental issues, such as the Japanese government's carbon neutrality declaration, the Group has adopted "Environmental Management" as a Tokyu Fudosan Holdings Group policy. As a member of the Group, we will establish and push ahead with a mid- to long-term plan for promoting overall ESG initiatives toward the transition to a decarbonized society. We will grasp the overall CO2 emissions of Scope 1, 2 and 3 of the investment corporations under our management, set CO2 emission reduction targets in line with the Paris Agreement, monitor and disclose the CO2 reduction amount, and promote advanced disclosure of other sustainability information. In addition, we have made our "Sustainability Policies" and "Green Procurement Standards" known to property managers who are our key suppliers, and keep monitoring how they respond to the environmental policies.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Akira Kubo

Position

President & CEO

Organisation's Name

TLC REIT Management Inc.

● A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

○ B

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 1	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which international or regional ESG-related legislation(s) and/or regulation(s) did your organisation report?

- (A) Corporate Sustainability Reporting Directive (CSRD) [European Union]
- (B) Directive on AIFM (2011/61/EU) [European Union]
- (C) Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers (PS21/24) [United Kingdom]
- (D) EU Taxonomy Regulation [European Union]
- (E) Improving shareholder engagement and increasing transparency around stewardship (PS19/13) [United Kingdom]
- (F) IORP II (Directive 2016/2341) [European Union]
- (G) Law on Energy and Climate (Article 29) [France]
- (H) MiFID II (2017/565) [European Union]
- (I) Modern Slavery Act [United Kingdom]
- (J) PEPP Regulation (2019/1238) [European Union]
- (K) PRIIPS Regulation (2016/2340 and 2014/286) [European Union]
- (L) Regulation on the Integration of Sustainability Risks in the Governance of Insurance and Reinsurance Undertakings (2021/1256) [European Union]
- (M) SFDR Regulation (2019/2088) [European Union]
- (N) SRD II (Directive 2017/828) [European Union]
- (O) The Occupational Pension Schemes Regulation on Climate Change Governance and Reporting [United Kingdom]
- (P) Climate Risk Management (Guideline B-15) [Canada]
- (Q) Continuous Disclosure Obligations (National Instrument 51-102) [Canada]
- (R) Disposiciones de Carácter General Aplicables a los Fondos de Inversión y a las Personas que les Prestan Servicios (SIEFORE) [Mexico]
- (S) Instrucciones para la Integración de Datores ASG en Los Mecanismos de Revelación de Información para FIC (External Circular 005, updated) [Colombia]
- (T) Provides for the creation, operation, and disclosure of information of investment funds, as well as the provision of services for the funds, and revokes the regulations that specifies (CVM Resolution No. 175) [Brazil]
- (U) SEC Expansion of the Names Rule [United States of America]
- (V) SEC Pay Ratio Disclosure Rule [United States of America]
- (W) ASIC RG65 Section 1013DA Disclosure Guidelines [Australia]
- (X) Circular to Licensed Corporations: Management and Disclosure of Climate-related Risks by Fund Managers [Hong Kong SAR]
- (Y) Financial Investment Services and Capital Markets Act (FSCMA) [Republic of Korea]
- (Z) Financial Instruments and Exchange Act (FIEA) [Japan]
- (AA) Financial Markets Conduct Act [New Zealand]
- (AB) Guiding Opinions on Regulating the Asset Management Business of Financial Institutions [China]
- (AC) Guidelines on Environmental Risk Management for Asset Managers [Singapore]
- (AD) Guidelines on Sustainable and Responsible Investment Funds [Malaysia]
- (AE) Modern Slavery Act (2018) [Australia]

- (AF) Stewardship Code for all Mutual Funds and All Categories of AIFs [India]
- (AG) ADGM Sustainable Finance Regulatory Framework [United Arab Emirates]
- (AH) JSE Limited Listings Requirements [South Africa]
- (AI) Other
- (AJ) Other
- (AK) Other
- (AL) Other
- (AM) Other
- (AN) Not applicable; our organisation did not report to any ESG-related legislation and/or regulation during the reporting year.

Additional context to your response(s): (Voluntary)

Under FIEA, the disclosure of sustainability information in annual securities reports has become mandatory, but only listed companies are subject to this law, and our Company does not fall under this category.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 2	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which voluntary responsible investment/ESG frameworks did your organisation report?

- (A) Asset Owners Stewardship Code [Australia]
- (B) Código Brasileiro de Stewardship [Brazil]
- (C) New Zealand Stewardship Code
- (D) Principles for Responsible Institutional Investors (Stewardship Code) [Japan]
- (E) Stewardship Code [United Kingdom]
- (F) Stewardship Framework for Institutional Investors [United States of America]
- (G) CFA Institute ESG Disclosure Standards for Investment Products [Global]
- (H) Guidelines on Funds' Names using ESG or Sustainability-related Terms [European Union]
- (I) Luxflag ESG Label [Luxembourg]
- (J) RIAA Responsible Investment Certification Program [Australia]
- (K) SRI Label [France]
- (L) ANBIMA Code of Regulation and Best Practices of Investment Funds [Brazil]
- (M) Code for Institutional Investors 2022 [Malaysia]
- (N) Code for Responsible Investing in South Africa (CRISA 2) [South Africa]
- (O) Corporate Governance Guidelines [Canada]
- (P) Defined Contribution Code of Practice [United Kingdom]
- (Q) European Association for Investors in Non-Listed Real Estate Vehicles (INREV) Guidelines [Global]
- (R) **Global ESG Benchmark for Real Assets (GRESB) [Global]**
- (S) Global Impact Investing Network (GIIN) Impact Reporting and Investment Standards (IRIS+) [Global]
- (T) OECD Guidelines for MNES - Responsible Business Conduct for Institutional Investors [Global]
- (U) UN Guiding Principles (UNGP) on Business and Human Rights [Global]
- (V) Net Zero Asset Managers (NZAM) Initiative [Global]
- (W) Net-Zero Asset Owner Alliance (NZAOA) [Global]
- (X) **Recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) [Global]**
- (Y) The Net Zero Investment Framework (NZIF) 2.0 [Global]
- (Z) Recommendations of the Taskforce for Nature-related Financial Disclosure (TNFD) [Global]
- (AA) **Global Reporting Initiative (GRI) Standards [Global]**
- (AB) IFC Performance Standard [Global]
- (AC) International Sustainability Standards Board (ISSB) Standards [Global]
- (AD) Sustainability Accounting Standards Board (SASB) Standards [Global]
- (AE) Other
- (AF) Other
- (AG) Other

- (AH) Other
- (AI) Other
- (AJ) Not applicable; our organisation did not report to any voluntary responsible investment/ESG frameworks during the reporting year.