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For Immediate Release

Real Estate Investment Trust Securities Issuer

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Notice Concerning Introduction of Substantial renewable energy through purchase of FIT non-fossil certificates

SANKEI REAL ESTATE Inc. ("SANKEI REAL ESTATE") hereby announces that it has purchased FIT Non-Fossil Certificates on the renewable energy value trading market for the first time (the "Purchase"), and has introduced substantial renewable energy for the electricity consumption of the four properties owned by SANKEI REAL ESTATE, "Toyo Park Building", "Omori Park Building", "S-GATE AKASAKA" and "Miyazakidai Garden Office", for the year 2023.

1. Overview of the Purchase

SANKEI REAL ESTATE participated for the first time in 4th auction in FY2023 of the renewable energy value trading market through intermediary, and purchased FIT non-fossil certificates with tracking information (the "FIT Non-Fossil Certificates").

As a result of the Purchase, approximately 2.75 million kWh of electricity consumption in FY2023 will in effect come from renewable energy sources. The reduction in CO2 emissions is approximately 1,200 tonnes (t-CO2 equivalent), which means that 100% of the electricity-derived greenhouse gas emissions (Scope 2) for the above four properties in FY2023 have been reduced.

2. FIT Non-Fossil Certificates and the Renewable Energy Value Trading Market

FIT stands for Feed-in Tariff and refers to a feed-in tariff for renewable energy. Non-Fossil Certificates are certificates that are issued by extracting the 'non-fossil value' of power sources that do not use fossil fuels such as oil and coal. Among those certificates, FIT Non-Fossil Certificates with tracking information are those to which power source attribute information such as facility ID, power source type, power generation facility name, certification date and start of operation date of FIT power sources are added, and from FY2021, all of them are subject to tracking.

Trading of FIT Non-Fossil Certificates commenced in 2018, and from 2021 a renewable energy value trading market has been established in which consumers can also participate. While consumers are able to introduce electricity derived from renewable energy sources at a lower price through auctions held four times a year, the funds raised through the trading of FIT Non-Fossil Certificates are used to reduce the FIT levy, which is expected to contribute to the further spread of renewable energy.

3. Other

SANKEI REAL ESTATE and its asset management company, Sankei Building Asset Management Co., Ltd. recognize that efforts to reduce CO2 emissions from property operations through energy consumption, one of the main drivers of climate change, are an important issue for realizing a decarbonized society. Through ongoing efforts, We will continue to improve its competitiveness and unitholder value over the medium to long term.

* SANKEI REAL ESTATE Inc. website: <https://www.s-reit.co.jp/en/>

"This notice is the English translation of the original Japanese document and is provided solely for information purposes. There is no assurance as to the accuracy and/or the completeness of the English translation. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail."

<Attachment> Properties which Introduced Substantial Renewable Energy

[A-7] Toyo Park Building



[A-9] Omori Park Building



[A-10] S-GATE AKASAKA



[A-11] Miyazakidai Garden Office



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