

【To whom it may concern】

Tosei Corporation
March 30, 2023

**~Contributing to Growth in ESG Investment in Cooperation with
Domestic Institutional Investors~
Established the Green x Value Up Residential Fund for the revitalization
of rental apartments**

Tosei Corporation (Head Office: Minato-ku, Tokyo; President & CEO: Seiichiro Yamaguchi; Securities Code: 8923; hereinafter the "Company") announces that Tosei Asset Advisors, Inc. (Head Office: Minato-ku, Tokyo; President & CEO: Kaname Wakabayashi; hereinafter "TAA"), a wholly owned subsidiary of the Company, has established the Green x Value Up Residential Fund (hereinafter "the Fund"), which aims to significantly reduce whole-building greenhouse gas (hereinafter "GHG") emissions through energy-saving renovations with investment from domestic institutional investors. It has today completed the acquisition of the first target property.

◇Reducing GHG emissions through energy-saving renovations and energy visualization even in the exclusive area of existing rental apartments

The Fund will operate its properties with the goal of significantly reducing whole-building GHG emissions by holding existing rental apartments over the long term and conducting energy-saving renovations not only of common areas but also vacant units. In principle, the Fund will invest in rental apartments in Tokyo and the surrounding three prefectures, and after incorporating them into the Fund, renovate each property over approximately five years* and consider exit strategies after reducing running costs through the reduction of GHG emissions and the improvement of NOI through green leasing, etc.

*Assuming an annual move-out rate of 20% for each property unit.

The first target property is a rental apartment with 106 units that are of two types: 1 K units for single person and 3 LDK units for families. The property is located within a 3-minute walk from Inagi Station on the Keio Dentetsu Sagami-hara Line. It is a property the Company has owned to date for the earning of rental revenue. The renovation work will be carried out utilizing the expertise that the Tosei Group has cultivated through its revitalization business, and with the Company acting as construction manager, the value of the property will be increased with a focus on the reduction of environmental impact, thereby revitalizing the property as a rental apartment building that contributes to the realization of a decarbonized society. In addition to LED lighting and the introduction of motion sensors in common areas, the installation of solar power generation equipment on the rooftop is planned along with the application of highly reflective paint. In the exclusive areas, water, lighting, and air conditioning equipment will be upgraded to energy- and water-saving models, and a Home Energy Management System (HEMS) is scheduled to be installed to enable the visualization and optimization of energy use. Through these measures, we aim to reduce GHG emissions for the whole-building by more than 30% from the previous level.

Property management will be conducted by Tosei Community Co., Ltd. (Head Office: Minato-ku, Tokyo; President & CEO: Hisashi Hasegawa), a wholly-owned subsidiary of the Company, with the aim of providing a one-stop service for the Group.



Exterior view of the target property



Rooftop where solar power generation equipment will be installed

◇Aiming for operations that will improve the environmental quality of real estate through dialogue with tenants

The Fund aims to improve operations by reviewing energy-saving renovation plans and management status as necessary while implementing the PDCA cycle by establishing relationships with tenants for the reduction of the GHG emissions of exclusive areas and the appropriate verification of effectiveness based on dialogue with tenants. In addition, at the stage where a certain improvement of environmental value has been achieved, the Fund will also strive to increase asset value by acquiring external evaluations such as environmental real estate certifications.

【Each company's role in the Fund leveraging Group synergy】



◇Long-term use of existing stock and an environmental approach to social issues

Positioning the promotion of sustainable ESG management as one of the basic policies in its Infinite Potential 2023 medium-term management plan, the Group is striving to resolve environmental and social issues through various businesses, such as addressing climate change issues and acquiring environmental real estate certifications for the properties it owns.

Rather than demolishing and rebuilding older rental apartments, the Fund will manage and operate them by revitalizing them so that they become environmentally friendly real estate properties through its unique expertise. The Fund will approach social issues from the aspects of both the utilization of existing stock and the environment by leveraging the synergy of the Tosei Group, combining its extensive track record in the revitalization and management businesses and its management experience in the fund consulting business. The Group will aim to enhance its corporate value by continuing to promote ESG management.

【Outline of the target property】

Property Name	T's garden Inagi
Location	3111-1 Higashi-naganuma, Inagi-shi, Tokyo
Transportation	3-minute walk from Inagi Station on the Keio Dentetsu Sagami-hara Line 18-minute walk from Inagi Naganuma Station on the JR Manbu Line
Structure and Scale	Reinforced concrete flat-roofed 6-story building with one underground story
Year Built	September 1994
Total Floor Area	6,690.80 m ² (2,023.96 tsubo)
Rental Units	106 units

< Corporate Profile of Tosei Corporation >
(As of Nov. 30,2022)

Company Name: Tosei Corporation
<https://www.toseicorp.co.jp/english/>
President & CEO: Seiichiro Yamaguchi
Address: Tamachi Tosei Bldg,4-5-4 Shibaura, Minato-ku, Tokyo
Capital: 6,624million yen
Employees: 663(Consolidated) 244(Non-consolidated)
Fields of business: Revitalization; Development; Rental;
Fund and Consulting; Property Management; Hotel

< Corporate Profile of Tosei Asset Advisers, Inc. >
(As of Nov. 30,2022)

Company Name: Tosei Asset Advisers,Inc.
<https://tosei-asset.co.jp/en/>
President & Representative Director: Kaname Wakabayashi
Address: Tamachi Tosei Bldg,4-5-4 Shibaura, Minato-ku, Tokyo
Capital: 100million yen
Field of Business: Fund and Consulting Business

< Media Contacts >

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