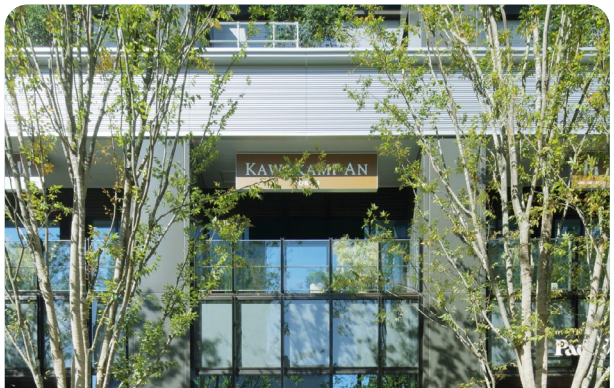
SUSTAINABILITY REPORT

2025



JAPAN REAL ESTATE INVESTMENT CORPORATION

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About the JRE ESG Website

Details regarding this report are posted on JRE's ESG website.
https://jre-esg.com/en/

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Information Disclosure Policy

JRE strives to disclose ESG-related information to its investors and other stakeholders.

As ESG garners more support globally, JRE also regards it as its social responsibility to improve its sustainability and disclose initiatives in pursuit of that goal, both of which are necessary to maximize its unitholder value. Accordingly, we will promote ESG initiatives and ESG information disclosure while fostering mutual communication with various stakeholders.

Specifically, we refer to the Global Reporting Initiative (GRI) Standards, an international sustainability framework for ESG-related reporting, and standard for the real estate industry put forth by the Sustainability Accounting Standards Board (SASB) for the disclosure of a wide range of ESG information on the JRE ESG website. We hope both this report and our ESG website will further deepen understanding of JRE's ESG activities.

Reporting scope and period

In principle, the reporting scope shall be JRE's entire portfolio and the report will be made every year.

The current reporting period is the fiscal year that started on April 1, 2024, and ended on March 31, 2025, but the report for the year does include some information outside this period.

Reference Guidelines: GRI, SASB, and TCFD

Issue Date: November 2025

Toward 2030

Adopted in 2015, the Paris Agreement is an international treaty with the goal of holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels. To achieve these goals, many countries and regions, as well as every industry, are strengthening initiatives and regulations for reducing greenhouse gas (GHG) emissions. Discussions are also underway on the possibility of further strengthening GHG emissions regulations in the future. In October 2020, the Japanese government declared its goal of achieving carbon neutrality by 2050. In October 2021, it revised its target for GHG emissions in fiscal 2030 to an ambitious 46% reduction compared with fiscal 2013. These developments have made it essential for companies, organizations, and other entities to proactively transition to renewable energies. COP27, held in Egypt in November 2022, affirmed the world's unwavering determination for reducing GHG emissions and achieving the 1.5°C goal.

Endorsing these trends in Japan and overseas, JRE has formulated environmental key performance indicators (KPIs) such as CO_2 reduction targets for fiscal 2030 and a target of achieving net-zero GHG emissions by fiscal 2050. These targets have been validated by the Science Based Targets initiative (SBTi) as being consistent with levels required by the Paris Agreement and based on scientific evidence. In addition, we became the first J-REIT to join RE100, a global initiative comprising companies committed to using 100% renewable energy in their business operations. We are therefore proactively advancing the adoption of renewable electricity at our buildings.

Environmental Performance KPIs for FY2030

CO_2 Emissions* (vs FY2019)

Reduce by 80%

Carbon Emissions Intensity

12 kg-CO_2/m^2 or lower

Renewable Electricity Rate

90% or higher

* Absolute emissions

Water Consumption Intensity (vs FY2019)

Reduce by 20%

Waste Recycling Rate

90% or higher

Environmental Certification Acquisition Rate

Maintained at over 90%

Number of JRE-Owned ZEBs

5 to 10 Buildings

ESG HIGHLIGHTS

CDP Climate Change Program

Selected as an A List company

GRESB Real Estate Assessment

★★★★★ 5 Stars

ISS ESG Corporate Rating

Prime Status

Environmental Certification Acquisition Rate

92.2% (achievement of FY2030 KPI)

Number of JRE-Owned ZEBs

5 buildings (achievement of FY2030 KPI)

JRE Higashi-Gotanda 1Chome Building / Daido Seimei Niigata Building / JRE Kayabacho 2Chome Building / JRE Yoyogi 1Chome Building / JRE Amagasaki Front Building

For external evaluations, please see External Evaluations and Certifications on page 08.

PRESIDENT'S MESSAGE

Aiming to Maximize Unitholder Value by Further Enhancing Our Sustainability Initiatives

Japan Real Estate Investment Corporation (JRE), which in September 2001 became the first J-REIT to be listed on the Tokyo Stock Exchange, invests in large-scale office buildings in Japan. Japan Real Estate Asset Management Co., Ltd. (JRE-AM), the asset management company of JRE, has long positioned sustainability as one of its management priorities, implementing various sustainability initiatives since establishing an ESG Office (currently the Sustainability Management Department) in 2018. Specifically, JRE-AM has conducted pioneering initiatives in the J-REIT industry. These include disclosing information in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), engaging in financing through sustainability-linked loans (SLLs), joining RE100, and converting existing buildings to net zero energy buildings (ZEBs) through equipment renovations. JRE's proactive stance on sustainability has gained extensive support from stakeholders.

Currently, one of our focus areas is the switch to electricity made from renewable energy ("renewable electricity"). At JRE-owned office buildings, we can reduce CO_2 emissions to zero, including the CO_2 emissions of tenants, by adopting renewable electricity for use in both common areas and tenant sections. JRE is proactively adopting renewable electricity, achieving an adoption rate of 82.2% as of the end of fiscal 2024. We will steadily advance initiatives for a sustainable future with the aim of achieving an adoption rate of 100% by fiscal 2050.

JRE aims to create long-term investment opportunities and maximize unitholder value through the provision of high-quality office buildings. We believe that a sustainability perspective is essential to achieving this goal. In recent years, tenant requirements for offices have become increasingly diverse. In addition to rent and location, a greater emphasis is now being placed on areas including environmentally-friendly equipment, high levels of energy efficiency performance, and comfortable workplace environments that enable employees to work with enthusiasm. Accurately identifying these needs and putting in place such equipment and office environments helps tenant companies in their efforts to retain and recruit human resources, ensure business continuity, and enhance corporate value. Meanwhile, Japan faces risks from natural disasters, including earthquakes, tsunamis, and typhoons. For example, in response to inundation risks, the adoption of both "hard" measures—such as the use of water-stopping plates and the installation of waterproofed doors for underground rooms with important equipment—and "soft" measures—including the implementation of disaster preparedness drills and the introduction of systems that enable the instant understanding of disaster conditions—enhances the safety of buildings. Although such efforts require a certain level of investment, they ensure that we remain the first choice of tenants in the office market and lead to the realization of returns to unitholders over the medium to long term by facilitating the recognition of JRE buildings by many companies as safe and secure office buildings. We engage in a process of trial and error to create and further extend such a virtuous cycle.

In 2025, the world of sustainability began to encounter headwinds, resulting in a turbulent start to the year. In the United States, a change of government has undermined the existing stance toward ESG issues, and the trend for sustainable investment appears to be in partial retreat. As strong concerns about greenwashing continue to feature and the credibility of sustainable investment is called into question, we are seeing a strengthening of legal restrictions and third-party verification centered on the United Kingdom and Europe. In light of these circumstances, we will go beyond superficial sustainability initiatives to pursue effective actions. Especially now, when concerns about greenwashing are intensifying, we have a responsibility to ensure sincere and transparent information disclosure and continue to be a trusted presence. We will therefore strengthen mutual communication with our stakeholders and improve the value of office buildings through collaboration to maximize unitholder value. We look forward to receiving your continued support.

Kazuyuki Inoue

President & CEO, Japan Real Estate Asset Management Co., Ltd.

For the full text, please visit the ESG website.
https://jre-esg.com/en/esg/message.html

Basic Policy and Management Structure of ESG Issues

Basic Policy and Management Structure of ESG Issues

JRE is committed to endeavoring to enhance consideration towards the environment, social contributions, and corporate governance to improve the sustainability of society. We recognize that this is an important social responsibility for a listed enterprise to assume, and also believe that it is essential for maximizing our unitholder value.

To put our commitment into practice based on the above recognition, Japan Real Estate Asset Management Co.,Ltd. (JRE-AM) has established its Sustainability Policy to communicate its priority issues and basic policies on sustainability with regard to its real estate investment management. Under the Policy, we implement various initiatives, including environmental impact reduction through facility upgrades and acquisition of Green Building certifications, as well as actions to contribute to local communities.

Sustainability Policy

1 Climate change initiative (promoting decarbonization and strengthening resilience)

In order to make the move toward a decarbonized society, we will reduce greenhouse gas (GHG) emissions through proactively introducing energy efficient equipment and renewable energy. Also, we will strengthen the resilience of our portfolio against the growing frequency and severity of natural disasters.

2 Contribution to resource conservation including water and resource recycling

We will protect and conserve water through introducing water saving equipment as well as promoting water reuse. For the sustainable use of resources, we will reduce waste (3Rs: Reduce, Reuse, Recycle) including plastic consumption.

3 Contribution to conserving biodiversity and ecosystem

We will conserve biodiversity and ecosystem in such a way as to select and manage native plant species.

4 Enhancement of tenants' health and well-being and safety

We will realize "offices of tenants' choice" through collaborating with our stakeholders such as property management companies.

5 Creating a workplace where a diverse workforce can thrive

We will provide education and training programs for officers and employees to raise ESG awareness and build capacity, as well as support a diverse human workforce and flexible work styles to meet individual lifestyles. We will also create an employee-friendly workplace considering employee's health and well-being.

6 Enhancement of governance systems

We will enhance our governance systems with an aim to maximizing our unitholders' value through complying with laws, regulations, and rules as well as ensuring appropriate management of conflicts of interest.

7 Stakeholder engagement through information disclosure and ESG evaluations

We will endeavor to disclose ESG related information, based on the various ESG reporting frameworks, to each of our stakeholders, including our investors, thereby promoting constructive dialogue with them.

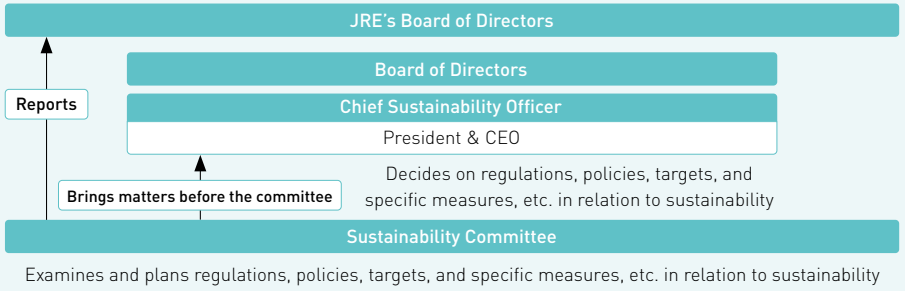
As stated above, we will develop sustainability promotion systems and reflect risks and opportunities that ESG presents in our business strategies.

Sustainability Committee

JRE-AM convenes its Sustainability Committee with a view to implementing the Sustainability Policy in order to improve sustainability and maximize its unitholder value.

Members of the committee:
President & CEO (Chief Sustainability Officer)
General Manager, Sustainability Management Department (Sustainability Officer)
General Managers of other departments and those practically in charge of sustainability at each department

Meeting frequency and decision-making process:
JRE-AM's Sustainability Committee meets four times a year. The committee examines and decides on regulations, policies, targets, and measures in relation to sustainability. It also strives to achieve continuous improvements as necessary using a Plan-Do-Check-Act (PDCA) cycle after evaluating progress and analysis results. The committee reports on these activities to JRE's Board of Directors once a year.



Materiality

Materiality

Based on the Sustainability Policy, JRE and JRE-AM have determined materiality in order to achieve a sustainable society under our corporate social responsibility, recognizing the importance of consideration for ESG. We will annually disclose the progress of KPIs linked to each objective and work toward contributing to the Sustainable Development Goals (SDGs) as well as achieving medium- to long-term growth of JRE through our responses to materiality.

Identifying Process for Materiality

STEP 1

Selection of Issues to Be Considered

We have selected and proposed a wide range of topics from the perspectives of a variety of stakeholders within and outside JRE. This selection was made in reference to the various guidelines and evaluation criteria specified by ESG rating agencies such as SASB Standards, GRI Guidelines, MSCI, FTSE, GRESB and CDP, as well as the status of initiatives undertaken by our peers in the same industry.

STEP 2

Prioritization of Proposed Topics

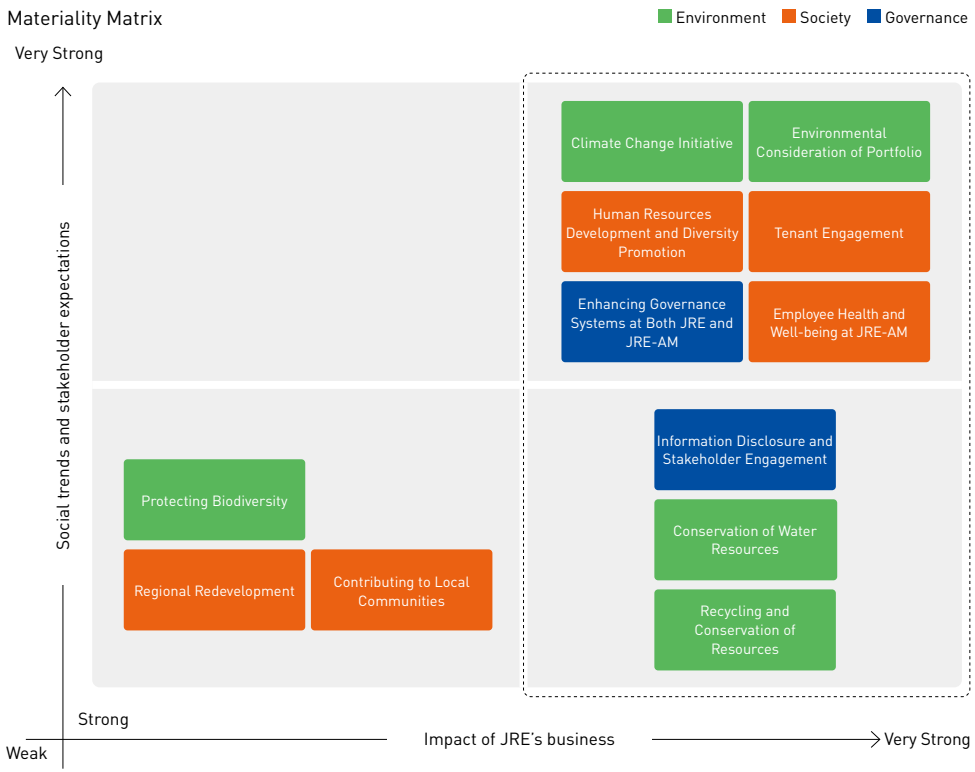
We have prioritized the proposed topics and created a materiality matrix in terms of their importance to stakeholders and their impact and importance to JRE.

STEP 3

Discussion, Confirmation of Appropriateness and Approval on the Management Level

Having determined their priorities, we have discussed these issues at the Sustainability Committee and officially positioned them as JRE's Materiality based on the advice from two ESG experts. Finally, JRE's Materiality was approved at the Investment Management Council of JRE-AM and was reported to the Board of Directors of JRE.

Please refer to the following discussion by experts on setting up JRE's materiality.
https://jre-esg.com/en/pdf/discussion.pdf



	Materiality, Objectives, and Targets		Supporting SDGs
Environment	**Climate Change Initiative**		
	Objective	KPI	
	• Manage and reduce CO_2 emissions • Manage and reduce energy use	• CO_2 emissions: 80% reduction by FY2030 (compared with FY2019) • CO_2 emissions intensity: 12kg-CO_2/m² or below • Renewable electricity rate: 85% by FY2025 / 90% by FY2030 / 100% by FY2050	7 13
	Conservation of Water Resources		
	Objective	KPI	
	• Manage and reduce water consumption	• Water consumption intensity: 20% reduction by FY2030 compared with FY2019	6 12
	Recycling and Conservation of Resources		
	Objective	KPI	
	• Reduce and reuse waste • Improve resource efficiency through reuse and recycling	• Waste recycling rate: 90% or more by FY2030	11 12
	Environmental Consideration of Portfolio		
	Objective	KPI	
	• Raise the proportion of "green" properties in our portfolio • Promote sustainable investment (Effective use of ESG criteria for property acquisition)	• Ensure that more than 90% of our properties are green building-certified • Number of JRE-Owned ZEBs: Aim to own 5 to 10 ZEBs by FY2030	7 9 13
Social	**Tenant Engagement**		
	Objective	KPI	
	• Collaborate with tenants on ESG through promoting green leases • Realize "offices of tenants' choice" through building management considering tenants' health and well-being	• Percentage of buildings with green leases • Percentage of buildings receiving environmental data feedback	3 9
	Human Resources Development and Diversity Promotion		
	Objective	KPI	
	• Improve employees' professional and practical skills and help them become professionals in the fields of REITs and real estate asset management through providing continuous specialized training programs and professional qualifications encouragement • Promote the diversity of our workforce which helps us attract competent personnel as well as encourages business innovations	• Number of training programs by external lecturers • Training hours per employee • Number of employees with qualifications • Ratio of female senior management & Female employee ratio / Number of employees aged 60 + years / Number of foreign employees	4 5 8
	Employee Health and Well-being at JRE-AM		
	Objective	KPI	
	• Strive to provide comfortable office environment and more generous employee benefits, enabling competent personnel to demonstrate their capabilities fully and to motivate them to stay with JRE-AM for a long time.	• Manage and improve employees' data regarding health and well-being / welfare and benefits	3 8
Governance	**Enhancing Governance Systems at Both JRE and JRE-AM**		
	Objective	KPI	
	• Operate the Board of Directors ensuring independence and diversity, which is composed of the directors appointed by the General Meeting of Unitholders • Pursue improvement of management performance through appropriate investment decision and appropriate asset management • Perform the asset management services in a fair way through compliance and efforts to prevent conflicts of interest • Promote investment management that prioritizes the unitholders' interests by introducing asset management fees linked to management performance	• Compliance / human rights / business ethics trainings attendance rate • Implementation of risk assessments • Implementation of internal audits • JRE's 1) outside director ratio, 2) female director ratio, and 3) Board of Directors' meeting attendance ratio • JRE-AM's female director ratio	16
	Information Disclosure and Stakeholder Engagement		
	Objective	KPI	
	• Promote information disclosure and dialogue with stakeholders	• Issuance of annual sustainability report • Maintaining positive evaluations for ESG Ratings	17

History of JRE's ESG Initiatives

FY2018

- Established a dedicated ESG team "ESG Office*1"
- Became a signatory to **PRI**
- Joined the **United Nations Global Compact (UNGC)*2**

Signatory of:

PRI Principles for Responsible Investment

WE SUPPORT UN GLOBAL COMPACT

FY2019

- Became a signatory to the Principles for **Financial Action for the 21st Century**
- Supported the **TCFD** and disclosed information **following TCFD recommendations** A first for a J-REIT
- Won the ESG Finance Award

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

2020 ESG FINANCE AWARDS JAPAN BRONZE

FY2020

- Announced **KPIs for FY2030**, including CO_2 emissions reduction targets
- Selected as GRESB's Office Asia Regional Listed "Sector Leader"
- Implemented sustainability-linked loans A first for a J-REIT
- Acquired the **first ZEB Certification**

GRESB REAL ESTATE Sector Leader 2020

BELS ZEB
この建物のエネルギー消費量53%削減
2021年3月5日交付 国土交通省告示に基づく第三者認証

JRE Higashi-Gotanda 1Chome Building

FY2021

- Started introducing RE100-compliant renewable energy
- Acquired the **second ZEB Certification**
- Formulated the Materiality
- Updated CO_2 emissions reduction targets

Switch over to RE100

BELS ZEB
この建物のエネルギー消費量51%削減
2022年1月21日交付 国土交通省告示に基づく第三者認証

Daido Seimei Niigata Building

FY2022

- **Joined RE100** A first for a J-REIT
- **Near-term targets** approved by **SBTi**
- Included in MSCI Japan ESG Select Leaders Index*3 for the first time
- Joined the Japan Climate Initiative (JCI)
- Selected as an **A List company,** the highest rating in the CDP's Climate Change Program
- Acquired the **third and fourth ZEB Certifications**

RE100 JAPAN CLIMATE INITIATIVE

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JRE Kayabacho 2Chome Building

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JRE Yoyogi 1Chome Building

FY2023

- Disclosed the quantitative analysis results of financial impact based on the TCFD recommendations
- Introduced **Internal Carbon Pricing**
- Established the Sustainability-Linked Loan Framework
- **Net-Zero targets** approved by **SBTi**
- Awarded **Prime Status** in the ISS ESG Corporate Rating for the second time

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Corporate ESG Performance Prime
RATED BY ISS ESG

FY2024

- Won the Good Action Award (Environment Category) in the ARES ESG Award 2024
- Selected as an **A List company**, the highest rating in the CDP's Climate Change Program, for the second time
- Received the highest score of "A" in the CDP's Supplier Engagement Assessment, earning a place on the leaderboard
- Environmental certification acquisition rate **92.2%** (achievement of FY2030 KPI)
- Acquired the **fifth ZEB Certification** (achievement of FY2030 KPI)
- JRE Amagasaki Front Building received ZEB Ready certification as a large-scale building A first for a J-REIT
- Certified for "Eco Action 21"

Climate CDP A List 2024

私たちは、地域と地球の環境に配慮した事業者です
環境省 エコアクション21

JRE Amagasaki Front Building

FY2025*4

- Received **5 Stars** and a Green Star rating in the GRESB Real Estate Assessment
- Received an "A-level" rating in the GRESB Public Disclosure Assessment

GRESB REAL ESTATE 2025

GRESB Public Disclosure 2025

*1 Currently the Sustainability Management Department *2 Mitsubishi Estate became a signatory to the United Nations Global Compact, with JRE-AM registering as a participant as a member of the Mitsubishi Estate Group *3 Continuously from FY2022 to FY2024 *4 Up to October 2025

External Evaluations and Certifications

GRESB Real Estate Ratings

In the 2025 GRESB Real Estate Assessment, JRE received a "5 Stars" in GRESB Rating, which is based on GRESB Overall Score and its quintile position relative to global participants. It also won a "Green Star" designation for the 10th consecutive year by obtaining a score higher than 50% of the points allocated to each component; "Management Component" that evaluates policies and organizational structure for ESG promotion, and "Performance Component" that assesses environmental performance and tenant engagement of properties owned.

Assessment Type	Content of the Assessment	Rating
GRESB Real Estate Assessment	GRESB Rating (Relative assessment based on the total score)	★★★★★ 5 Stars; Highest rating; Seventh time
	Evaluates ESG performance in terms of "management & policy" and "asset portfolio performance"	Green Star; 10th consecutive year
GRESB Public Disclosure Assessment	Evaluates the level of ESG-related information disclosure	A Level; Highest rating; Eighth consecutive year

Participation in the CDP's Climate Change Program

In the 2024 CDP climate change program, JRE received the highest score of "A" and was selected as an "A List" company for climate change in recognition of the high level, in international terms, of its initiatives and information disclosure stance toward addressing the issue of climate change.

CDP Supplier Engagement Assessment

In the 2024 CDP supplier engagement assessment, JRE received the highest score of "A" and earned a place on the Supplier Engagement Leaderboard in recognition of its supply chain initiatives for addressing climate change.

Efforts to Acquire Environmental Certifications

JRE proactively acquires various green building certifications, including CASBEE Certifications and DBJ Green Building Certifications, thereby promoting real estate management with consideration for the environment.

As of the end of March 2025, properties that had acquired various green building certifications and energy performance ratings accounted for 92.2% of JRE's portfolio.

We also formulate construction plans based on renovations that adopt equipment with low environmental impact. In fiscal 2024, JRE Amagasaki Front Building received ZEB Ready certification. This brought the total number of JRE properties with ZEB Certification to five.

DBJ Green Building

Properties with Environmental Certifications (Number of Properties, Gross Floor Area, and Acquisition Rate)

	Number of Properties		Gross floor area of owned building basis (m²)	Portfolio coverage (Gross floor area of owned building basis)
DBJ Green Building Certification	★★★★★	5	184,654.88	–
	★★★★	10	294,798.47	
	★★★	10	276,326.45	
	Subtotal	25	755,779.80	54.6%
CASBEE Certification	S	28	450,114.41	–
	A	6	51,793.41	
	Subtotal	34*1	501,907.82	36.2%
BELS Certifications	★★★★★★*4	1 (ZEB)	24,055.58	–
	★★★★★	5 (of which, 4 ZEBs)	29,166.65	
	★★★	2	22,851.55	
	★★	2	53,184.66	
	★	8	124,298.05	
	Subtotal	18	253,556.49	18.3%
Total		77*1 *2	1,276,076.17*3	92.2%*3

*1 Counts number of certifications obtained *2 Includes DBJ Green Building Certification, CASBEE Certification, and BELS Certification. Total number of certifications obtained. *3 Excludes duplication of DBJ Green Building Certifications, CASBEE Certification, and BELS Certifications for the same property. *4 This certification obtainment applies the new BELS evaluation system from April 1, 2024.

Properties with ZEB Certification

JRE Higashi-Gotanda 1Chome Building

ZEB Ready

BELS ZEB ★★★★★

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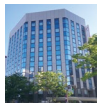
2021年3月5日交付 国土交通省告示に基づく第三者認証



Daido Seimei Niigata Building

ZEB Ready

BELS ZEB ★★★★★

この建物のエネルギー消費量51%削減
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JRE Kayabacho 2Chome Building

ZEB Ready

BELS ZEB ★★★★★

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JRE Yoyogi 1Chome Building

ZEB Oriented

BELS ZEB ★★★★★

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JRE Amagasaki Front Building

ZEB Ready

Environment

ENVIRONMENT

Based on the Sustainability Policy items "1. Climate change initiative (promoting decarbonization and strengthening resilience)" and "2. Contribution to resource conservation including water and resource recycling," JRE leverages a variety of environmental measures to raise the environmental performance of its real estate portfolio.

09 Setting Targets for CO_2 Emissions Reduction for 2030 and Declaration of Net Zero by 2050
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Setting Targets for CO_2 Emissions Reduction for 2030 and Declaration of Net Zero by 2050

In 2022, JRE formulated the following targets based on data verified by external experts. Our CO_2 emissions reduction targets were approved as near-term targets by the SBTi in the same year and as net-zero targets in 2024. In addition, we became the first J-REIT to join the RE100* as we aim to source 100% of our electricity from renewable energy.

JRE will further promote initiatives to realize a decarbonized society by proactively introducing renewable electricity in addition to renovating its buildings and making efforts to own more ZEBs (net zero energy buildings).

* RE100 is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity.

Target year	CO_2 emissions reduction target
FY2030	80% reduction* (vs FY2019)
FY2050	Net zero

* Established a more ambitious emissions reduction rate than required by the SBTi.

Near-term targets approved by SBTi

Net-zero targets approved by SBTi

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Target year	Renewable electricity rate
FY2025	85%
FY2030	90%
FY2050	100%

RE100 Joined RE100

	FY2019 (Base year)	FY2022	FY2023	FY2024	% change (vs FY2019)
▶ Total CO_2 Emissions					
Total (Scope 1 + Scope 2 + Scope 3) (t-CO_2)	102,942	31,038	25,518	24,158	−76.53%
Intensity (Scope 1 + Scope 2 + Scope 3) (kg-CO_2/m²)	77.7	23.1	19.1	18.0	−76.88%
▶ Renewable Electricity Rate (Scope 2) (%)	1.6	70.9	79.7	82.2	—
▶ Water Consumption Intensity (m³/m²)	0.669	0.519	0.583	0.596	−10.91%
▶ Waste Recycling rate*1 (%)	56.1	55.7	55.4	56.4	—

*1 Recycling / Total waste
*2 As we examined the data accuracy, some of the above data may differ from the previously disclosed data.

Environmental Measures

For details of our environmental initiatives, please see our website.
https://jre-esg.com/en/environment/environment.html

Contributions to the Environment through Real Estate Investment Management

Environment Management Systems (EMS)

▶ Grasping Accurate Data and Executing a PDCA Cycle

JRE measures and gains an understanding of the energy consumption, water consumption, waste volume of each building and recycling rate on a monthly basis. We outsource data calculation and data analysis to a company specializing in EMS to execute its PDCA cycle. If there is a large difference in the aggregated data from the previous month or year, we investigate the cause by conducting interviews with the property management companies and ensuring accurate data. We also constantly monitor the reduction effects of green refurbishments such as LED and AC upgrades.

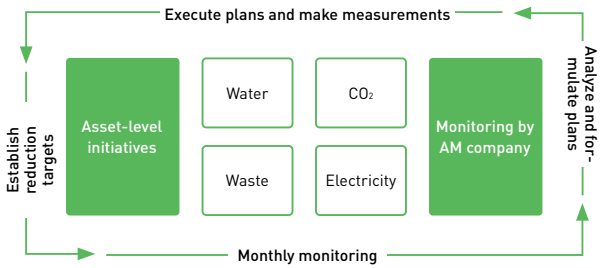
Aggregated data disclosed in "WEB information" on JRE's website has been given limited assurance in accordance with ISAE 3000 and ISAE 3410 (International Standard on Assurance Engagements) by a third-party organization.

▶ Monthly Data Entry, Analysis, and Feedback

JRE-AM recognizes environmental data aggregated via EMS as an important indicator, as well as performance data. Therefore, the data and analysis of the various indicators are reported to the Chief Sustainability Officer (President & CEO) on a monthly basis. This is not a matter of simply circulating documents.

Instead, these indicators are reported and analyzed at meetings and are an important part of decision-making for future asset management and CAPEX investments.

PDCA Cycle for Environmental Data



Incorporating ESG Criteria for Property Acquisition

JRE has newly added the following factors to the assessment criteria (such as location and building specifications) it applies when acquiring properties.

ESG criteria to be incorporated

- Green building certifications
- Environmental performance including CO_2 emissions

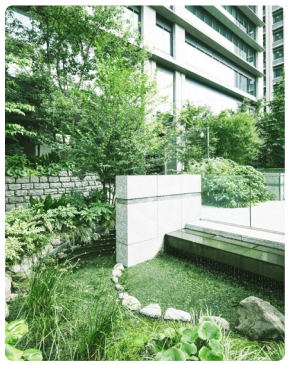
In establishing the abovementioned framework, JRE has obtained a second-party opinion from CSR Design Green Investment Advisory, Co., Ltd.

Environmental Risk Assessment at the Time of Acquisition

When acquiring real estate properties, JRE conducts on-site inspections and also investigates soil contamination and toxic substances such as asbestos and PCBs by obtaining real estate appraisal reports and engineering reports in addition to receiving related disclosure materials from the sellers.

Consideration to Urban Greenery and Biodiversity

JRE's Sustainability Policy stipulates a contribution to conserving biodiversity and the ecosystem. JRE gives consideration to biodiversity in the operation of buildings by endeavoring to conserve and improve the ecosystem on property premises and adjacent urban green areas and natural areas. In fiscal 2023, Otemachi Park Building's Hotoria Plaza was certified as an Other Effective area-based Conservation Measures (OECM) site.

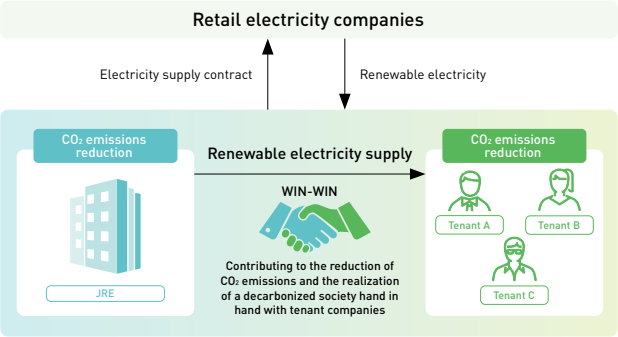


Otemachi Park Building

Accelerated Use of Electricity Made from Renewable Energy (RE100 Compatible)

JRE is accelerating the use of electricity that is made from renewable energy recognized by RE100 ("renewable electricity"). Doing so reduces a building's CO_2 emissions to zero, including the CO_2 emissions of tenant areas, in principle. As of September 2024, JRE has completed the switch to renewable electricity at its properties of 100% operational control. JRE proactively introduces renewable electricity into the buildings other than 100% operational control and further accelerates the reduction of CO_2 emissions.

JRE's Switch to Renewable Electricity (Outline)



Introduction of Renewable Energy

JRE promotes the reduction of CO_2 emissions through the utilization of renewable energy from solar generation at some of the office buildings we own.

Green Procurement Policy

JRE-AM has set the Green Procurement Policy as one of the Key policies to implement the specific items put forth in the Sustainability Policy. The Green Procurement Policy provides guidelines on the selection of products to be procured by JRE-AM as well as on the selection and evaluation of suppliers. JRE-AM promotes sustainability measures across its supply chain based on this policy.

Climate Change

For details of our climate change initiatives, please see our website.
https://jre-esg.com/en/environment/climate.html

Basic Policy and Approach

JRE believes that climate change is more than just an environmental issue. We also believe that it has a major influence on social and industrial structures, and therefore greatly impacts our business activities. To maintain sustainable and stable earnings over the long term and overcome the wave of oncoming changes stemming from climate change, it is important that we evaluate the risks and opportunities that climate change presents, and reflect them in our operational policies and asset management accordingly.

Supporting the TCFD Recommendations

The Task Force on Climate-related Financial Disclosures (TCFD), launched in 2016, has discussed and made recommendations on how financial institutions and companies should disclose information pertaining to the impact that the effects of climate change will have on business. At present time, the TCFD recommendations have received worldwide support from a great number of financial institutions, companies, investors, and governments.

JRE-AM became a supporter of the TCFD in June 2019. As a supporter, JRE-AM is now evaluating the risks and opportunities that climate change presents to all of our business and promoting disclosure of climate-related information to our stakeholders.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

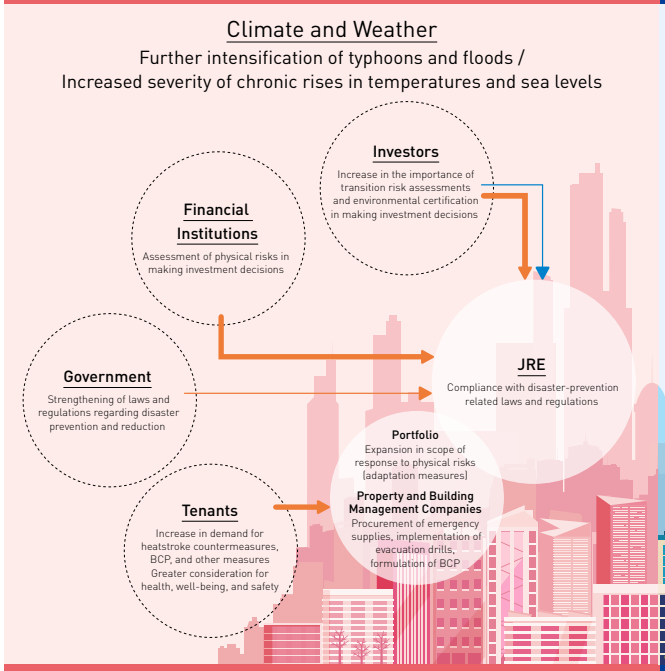
Governance Related to Climate Change

JRE-AM convenes its Sustainability Committee, chaired by the President & CEO of JRE-AM. The committee determines risks and opportunities related to climate change and investigates and decides on strategies to address these risks and opportunities.

Scenario Analysis

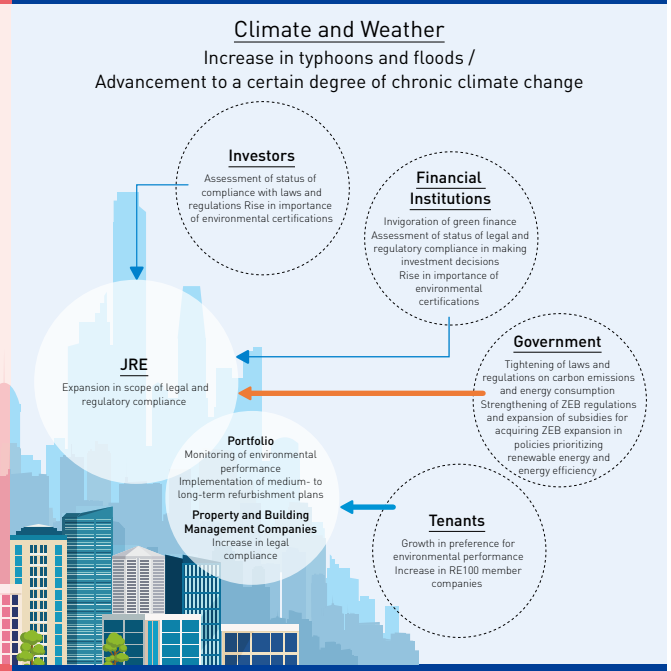
Using scenarios published by international organizations and other entities that predict the impact of global warming and climate change and of the changes that may occur in the business environment as a result of long-term policy trends in relation to climate change, JRE has examined how its businesses could be affected.

Global Outlook under the 4°C Scenario*



The 4°C scenario assumes that policy responses to climate change will remain largely the same as current policies, with average global temperatures rising 4°C by the end of the 21st century. The impact of climate change would result in weather and climate events becoming more extreme and intense, including sea level rise (approximately 0.4 to 0.8 m) and an increase in the frequency and intensity of very heavy rain and typhoons, leading to an increase in physical risks. Conversely, as this scenario assumes that laws and regulations would remain largely unchanged, transition risks would be minimal.
(Reference Scenario: Intergovernmental Panel on Climate Change RCP8.5)

Global Outlook under the 1.5°C Scenario



The 1.5°C scenario assumes that efforts to promote a decarbonized society with the aim of achieving net zero greenhouse gas (GHG) emissions by around 2050 will restrict the rise in temperature to around 1.5°C. Under this scenario, the implementation of stringent laws and regulations and tax systems in conjunction with the promotion of policies to achieve a decarbonized society and the development of decarbonation technologies would result in a decrease in GHG emissions, thereby restricting the rise in temperature. Accordingly, although physical risks would be minimized, transition risks would increase as this scenario assumes the implementation of major changes in the social structure aimed at achieving decarbonization.
(Reference Scenario: International Energy Agency "NZE2050")

* Reference material: Prediction for Japan by the Japan Meteorological Agency based on Representative Concentration Pathway (RCP) 8.5 (as at the end of the 21st century)

Impact Risks Impact Opportunities

Climate change	Compared with the end of the 20th century
Annual average temperature	Rise of approx. 4.5°C
Occurrence of very heavy rain (200 mm per day) (days per year)	Approx. 2.3 times
Occurrence of violent showers (50 mm per hour) (times per year)	Approx. 2.3 times

Climate change	Compared with the end of the 20th century
Sea level	Rise of approx. 0.71m
Sea-surface temperature	Rise of approx. 3.58°C
Typhoons	Increase in intensity

Source: Climate Change in Japan 2020 - Report on Observations and Projections Assessment on Atmosphere, Land, and Oceans, Ministry of Education, Culture, sports, Science and technology (MEXT) and the Japan Meteorological Agency (JMA)

Examination of Financial Impact Based on Scenario Analysis

JRE examined the magnitude of the financial impact of risks and opportunities that it identified for the aforementioned 4°C and 1.5°C scenarios. Our qualitative financial impact analysis analyzed the impact for 2030 (medium-term prospects) and 2050 (long-term prospects), while our quantitative financial impact analysis analyzed the impact by envisaging circumstances in 2050 based on the level of operating income in FY2021. The results are outlined in the following table.

Estimated Result of Risks and Opportunities

Category		Risk and Opportunity Factors	Change in Cash Flow		Classification	in hundreds of millions 4°C Scenario Long Term 2050	in hundreds of millions 1.5°C Scenario Long Term 2050	Explanation of Calculation
Transition Risks and Opportunities	Policy and Legal	Introduction of CO_2 emission regulations Adoption of carbon taxes	1	◆ Changes in the cost of complying with laws and regulations (carbon tax costs imposed on business activities)	Risks	−0.21	−15.86	Significant increase in carbon taxes under the 1.5°C scenario
					Effects of Countermeasures	0	15.86	Avoid the imposition of carbon taxes by conducting energy-efficient renovations, introducing renewable electricity, and achieving zero emissions from fossil fuels
	Technology	Spread of decarbonization technology (Improvement of environmental performance of existing properties)	2	◆ Cost of purchasing non-fossil fuel energy certificates for achieving net-zero carbon emissions	Risks	0	−3.50	Procure all electricity used in business activities from renewable energy (by non-fossil fuel energy certificates) under the 1.5°C scenario
					Effects of Countermeasures	0	2.10	Reduce the cost of procuring non-fossil fuel energy certificates by implementing further energy- efficient renovations under the 1.5°C scenario
			3	◆ Cost of achieving zero emissions from fossil fuels	Risks	0	−0.59	Achieve zero emissions from fossil fuels (by carbon credits)
					Effects of Countermeasures	(0)	(1.98)	Avoid the imposition of carbon taxes *Included in the effects of countermeasures (see 1)
			4	◆ Increase in costs incurred through retrofits, such as energy-efficient renovations and renovations for acquiring ZEB certifications	Risks	0	−21.10	Renovation costs for ensuring that 85% of portfolio is certified as ZEB Ready to reflect expectations under the 1.5°C scenario
					Effects of Countermeasures	0	22.89	Significantly reduce utility costs through renovations
	Market and Reputation	Changes in social values regarding environmental performance	5	Lower fund procurement costs through green finance	Opportunities	0	0.30	Secure preferential interest rates by procurement of funds through sustainability-linked loans and achieving sustainability performance targets (SPTs)
		Rise in value of environmental performance	6	◆ Variations in rent income depending on the acquisition of environmental certifications	Risks	0	0	Achieve environmental certification acquisition rates of 100% under the 1.5°C scenario
					Cost of Countermeasures	0	−0.26	Cost of acquiring environmental certifications
					Effects of Countermeasures	0	30.16	Command rent premium by maintaining environmental certifications
		Changes in tenants' environmental performance needs	7	Decrease in rent income that results from assets becoming stranded due a failure to implement countermeasures	Risks	0	−64.58	Decline in rent income that results from assets becoming stranded due to a failure to take action (calculated using the results of CRREM analysis)
					Effects of Countermeasures	0	64.58	Avoid declines in rent income by introducing renewable electricity and achieving zero emissions from fossil fuels to prevent assets becoming stranded

Category		Risk and Opportunity Factors	Change in Cash Flow		Classification	in hundreds of millions 4°C Scenario Long Term 2050	in hundreds of millions 1.5°C Scenario Long Term 2050	Explanation of Calculation
Physical Risks and Opportunities	Acute	Increase in typhoons, concentrated heavy rains, floods, and building inundation	8-1	Decline in rent income stemming from flooding at JRE-owned properties (in the event of damage on the expected scale)	Risks	−0.14	−0.1	Decline in rent income in the event of flood damage on the design scale
					Effects of Countermeasures	0.14	0.1	Avoid damage to facilities by implementing planned flood countermeasures
			8-2	Facility repair costs stemming from flooding at JRE-owned properties (in the event of damage on the expected scale)	Risks	−0.4	−0.29	Expected flood damage repair costs in the event of flood damage on the design scale
					Effects of Countermeasures	0.4	0.29	Avoid damage to facilities by implementing planned flood countermeasures
	Chronic	Advancement of rise in annual average temperatures	9	◆ Rise in electricity charges due to higher temperatures in summer	Risks	−0.36	−0.16	Increase in electricity consumption due to a rise in annual average temperatures
					Effects of Countermeasures	0	0.08	Reduce electricity consumption by implementing energy-efficient renovations and renovations for acquiring ZEB certifications

◆ Reflects forecasted future increases in assets under management

Note 1: Figures for risks include costs for implementing proactive countermeasures, such as converting properties to ZEBs

Note 2: This estimate is an analysis of part of JRE's business and does not assess the overall impact. We will continue to examine the approach to assumptions in estimated items and expand estimated items based on the policy trends in the world and Japan in order to further deepen our analysis.

Note 3: This estimate is made based on JRE's actual performance and refers various parameters such as scenarios and reference materials presented by major organizations. The amount of financial impact is an annual basis. No assurances are provided on the accuracy thereof. Furthermore, the assumed measures are estimated assumptions, and no plans or decisions have been made to execute them.

Quantitative Financial Impact Analysis of Physical Risks

JRE conducts quantitative financial impact analyses based on scenario analysis. In fiscal 2024, we conducted a detailed examination of physical risks. In this examination, we refined our assessment of physical risks by revising the basis for the assessment from the maximum expected rainfall (exceptionally rare heavy rain, occurring once every 1,000 years) to the design scale (rainfall occurring every 10 to 200 years, which serves as the basis for flood countermeasures). We have therefore updated the estimated result of risks and opportunities.

Estimated Business Impact

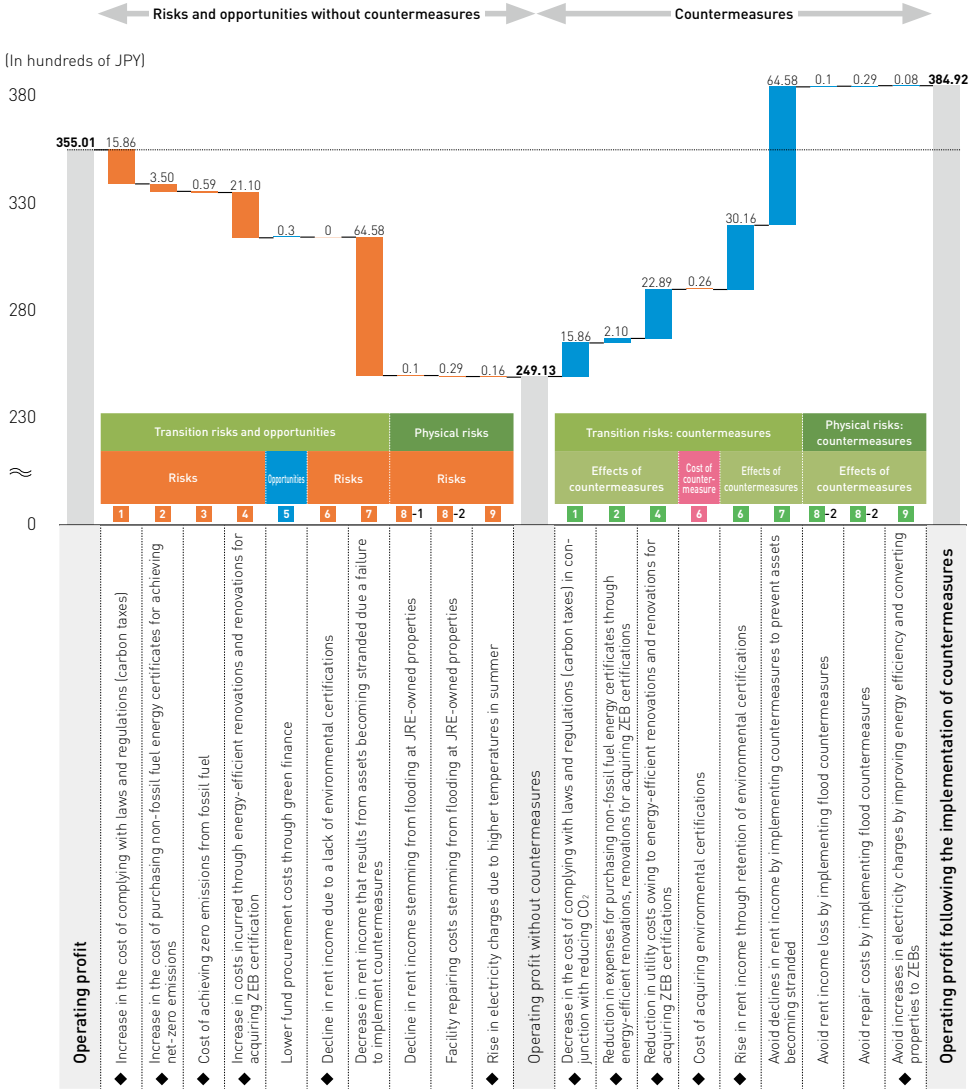
1.5°C: The effects of JRE's countermeasures including ZEB initiative and energy-efficient renovations increased operating profit despite the significant impacts of transition risks.

4°C: JRE's inundation countermeasures avoided the significant impacts of inundation risks, thereby maintaining operating profit.

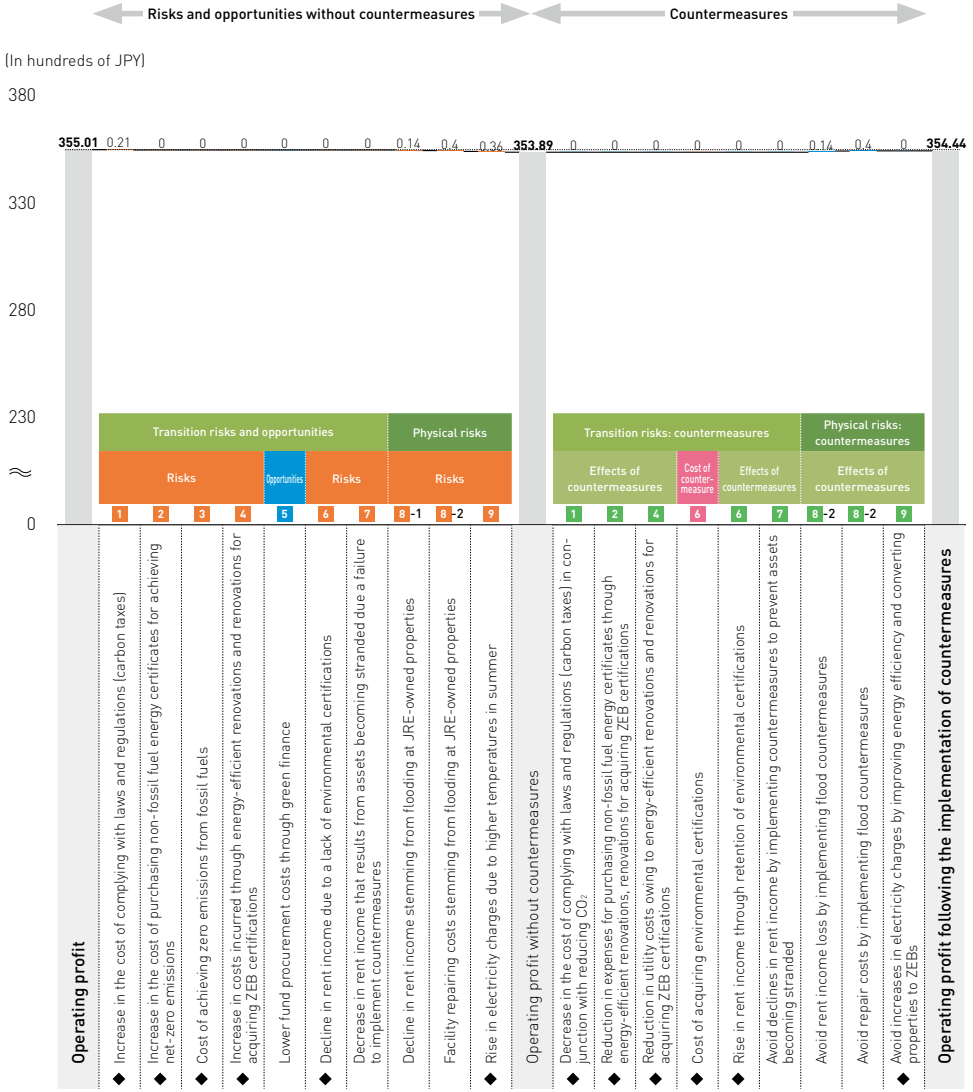
Operating profit | Risks | Opportunities | Initial profit

◆ Reflects forecasted future increases in assets under management

1.5°C



4°C



Climate Change-Related Risks, Opportunities, and JRE's Response

Transition Risks

Reduction of CO_2 emissions

To respond to the future possibility of even stronger regulations for reducing emissions, such as obligation to reduce total emissions or introduction of carbon taxes, JRE has set a reduction target for its entire portfolio of 80% compared to fiscal 2019 by fiscal 2030.

Reduction of carbon emissions intensity

Rising awareness on climate change risks has been appearing in not only the real estate industry but in every industry around the world. Also, an increasing number of office building tenants have started to make efforts to address climate change as an important issue. JRE believes that properties with high CO_2 emissions will decrease in value while properties with high energy efficiency will increase in value as this market trend continues.

By fiscal 2030, JRE aims to reduce the average carbon intensity of its entire portfolio to 12kg-CO_2/m^2 as well as own 5–10 net zero energy buildings (ZEBs).

We believe improving energy efficiency of each asset will prevent it from becoming a "stranded asset," and increase its value in the market. We will pursue higher profits by utilizing ZEB properties and other highly competitive, high-performance green buildings to appeal to our tenants.

Physical Risks

Resilience of JRE Portfolio According to Past Cases of Disasters and Data

Japan is a country that experiences numerous natural disasters. In recent years, Japan has been struck by several catastrophic disasters, such as the 2011 Great East Japan Earthquake (earthquake and tsunami), the Heavy Rain Event of July 2018 (heavy rain and inundation), the 2018 Hokkaido East Iburi Earthquake (earthquake, landslides and wide-ranging power outages), Typhoon Faxai (strong winds, house damage and long-term power outages) and Typhoon Hagibis (heavy rain, river collapse and inundation) in 2019, and the 2024 Noto Peninsula Earthquake (earthquake and house damage).

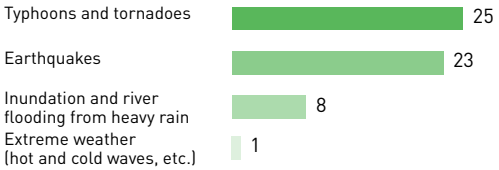
JRE's portfolio has not been exempt from these disasters and several properties have been affected by in some way, but thanks to the resilience of the buildings and the strong response from PM companies, damage to these buildings has been limited. 1

Even when a disaster occurs, buildings have been restored within one week in almost all cases, with repair costs under JPY 10.0 million. 2 3

In addition, there is only one example of a building becoming inoperable (closed, etc.) due to a disaster.

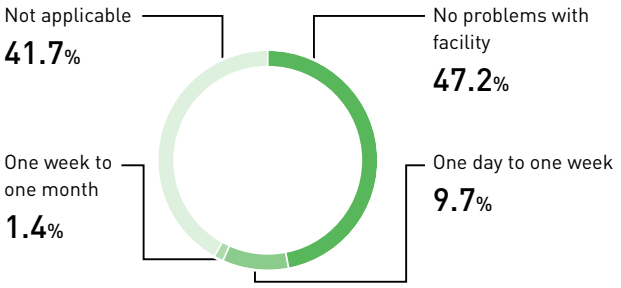
1 Types of Disasters that Have Caused Damage in the Past (number of cases)*

As of March 2020



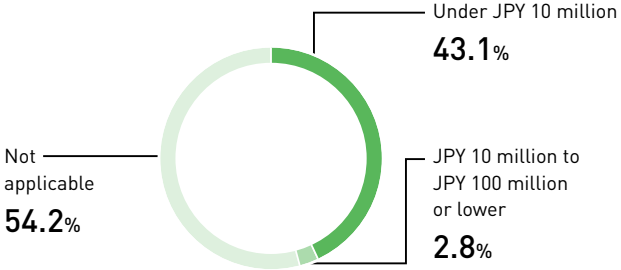
* There are 32 properties that have never been affected by disasters.

2 Time Required for Post-Disaster Building Repairs (%)



Note: Earthquake risks are generally distinguished from climate change risks, but JRE has combined its climate change and disaster countermeasures as part of physical disaster risk management in an effort to increase resiliency.

3 Repair Costs (%)



Future Risk Forecast

Analysis of JRE's Portfolio Based on Municipal Hazard Map

In recent years, typhoons around the Japanese archipelago have been increasing in size. In addition, river flooding and inundation have been occurring frequently due to typhoons and heavy rains. Damages due to inundation are predicted by the hazard maps of each local government. These maps are believed to have high accuracy when compared against actual disaster occurrence.

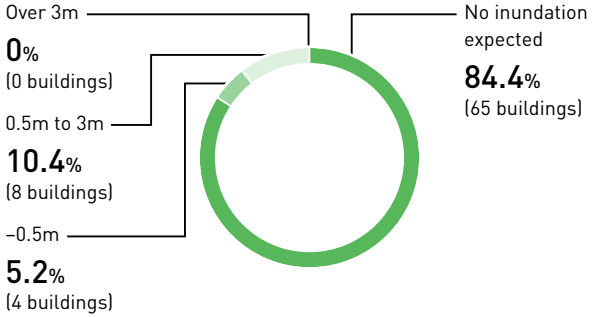
The graph below outlines expected inundation for JRE's portfolio. 4

84% of buildings in the portfolio fall under the category of "No inundation expected" (based on the total number of buildings). JRE conducts hard measures, such as installation of water-stopping plates, and soft measures, such as training on how to stop inundation, at all buildings where inundation is expected.

JRE also focuses on risks due to rising sea levels, identifying potential risks based on projections of rising sea levels and the location of properties.

4 Expected Inundation According to Design Scale Flood

As of March 2024



"Hard" Measures at Buildings to Address Natural Disasters (Typhoons, Heavy Rain)

To address flooding caused by typhoons and heavy rain, which affect Japan due to geographical factors, we have taken "hard" measures at buildings that include installing water-stopping plates in building apertures, preparing sandbags and water-stopping sheets, and installing waterproofed doors for underground rooms with important equipment.

"Soft" Measures for When Disasters Occur

Disaster countermeasures and training appropriate to each type of disaster are implemented by a top-class PM company in Japan. In addition, appropriate "soft" measures have been taken, which include holding disaster prevention council meetings with tenants, distributing BCP manuals, and introducing a system between JRE-AM and PMs to assess the damage in the event of disaster.

Overview of CRREM

CRREM (Carbon Risk Real Estate Monitor) calculates and publishes GHG emissions pathways (carbon reduction pathways) up to 2050 consistent with the 2°C and 1.5°C targets of the Paris Agreement for each use of real estate in a total of 44 countries (as of September 2025) in Europe, North America and the Asia-Pacific region, including Japan. This tool is expected to be utilized for operational improvement by comparing the property data analyzed and pathways to calculate the timing of assets becoming stranded and carbon costs for each property, and to grasp the scale of renovation required to address these issues.

JRE has targeted the properties owned by JRE (as of March 2022) and analyzed the potential stranded asset risk of the portfolio using CRREM's risk assessment tool. The analysis is based on the Asia-Pacific version of the tool (ver. 1.22) and global pathways (ver. 2.01). JRE will use this analysis to make our business strategies, including renovation, disposition of properties and other initiatives.

JRE Amagasaki Front Building — the First Existing Large-Scale Office Building Owned by a J-REIT to Receive ZEB Ready Certification

A net-zero energy building (ZEB) is a building that realizes energy efficiency to achieve net-zero primary energy consumption while maintaining a comfortable indoor environment. The larger the building, the greater the impact of equipment, making the acquisition of ZEB certification more challenging.

However, despite accounting for only around 1% of new buildings under construction annually, based on the number of buildings, large-scale buildings with a gross floor area of 10,000 m^2 or more account for around 36% of energy consumption, a significant portion.* Accordingly, the conversion of large-scale buildings to ZEBs is exceptionally important for achieving decarbonization in cities.

JRE Amagasaki Front Building (gross floor area of 19,927.41 m^2 for ZEB application purposes) received ZEB Ready certification and the highest Building-Housing Energy-Efficiency Labeling System (BELS) certification rank of 6 stars for upgrading to equipment with high energy-efficiency performance. As the first example involving a J-REIT, receiving such certification was an important achievement for the promotion of ZEBs into the future.

* Future Direction of Consideration for the Further Promotion of ZEBs (April 26, 2021) by the ZEB Roadmap Follow-up Committee

JRE's Approaches toward Climate Change Opportunities and JRE's KPIs

While climate change presents business risks, it also provides opportunities for socioeconomic reform and new value creation. JRE is driving the below strategies to increase value and to seize REIT growth opportunities in terms of internal growth, external growth, and financial strategy.

Internal Growth Opportunities

Effective CAPEX (capital expenditure) control / internal carbon pricing

1. Effective CAPEX Control

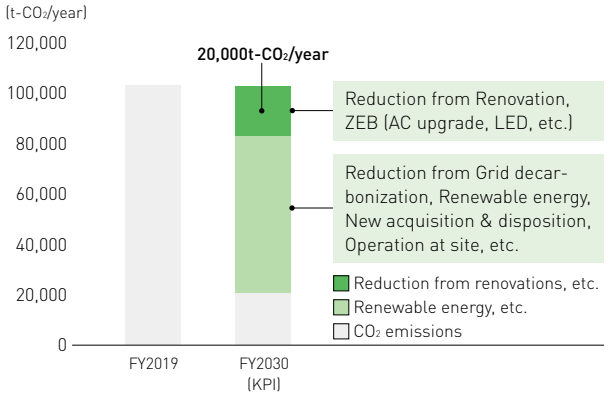
JRE-AM has a dedicated engineering team (Construction Management Office), which is engaged in efficiently controlling the CAPEX and refurbishment works of over 70 properties. Furthermore, we collaborate with the engineering team of Mitsubishi Jisho Disign Inc., which is one of the leading architectural firms in Japan, to conduct technical assessments of our properties, review lifecycle costs of the existing properties, and control costs.

2. Internal Carbon Pricing

JRE has introduced an Internal Carbon Pricing (ICP) system which promotes reduction of environmental burden by converting the amount of CO_2 emissions to cost virtually. JRE will further accelerate energy-efficient investments that lead to achieving Net Zero by 2050.

3. Roadmap for CO_2 Emissions Reduction by FY2030 CO_2 Emissions Reduction Pathway

JRE aims for 80% reduction compared to FY2019 of CO_2 emissions by FY2030. The breakdown of the reductions is shown in the bar chart below. We expect 20,000t-CO_2/year reduction mainly from renovation of existing buildings and ZEBs.



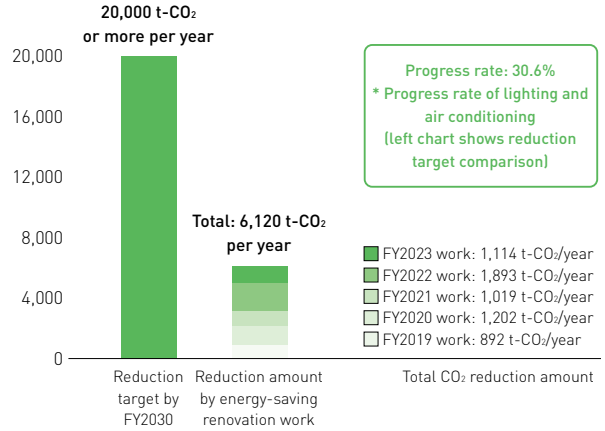
Conducting Energy-Efficient Renovations with the Aim of Realizing Both Environmental Value and Higher Profitability

In addition to upgrading aging facilities and implementing energy efficiency measures, JRE strives to enhance the profitability of its properties through renovations, with a focus on improving tenant and user satisfaction.

Various green renovation projects, such as upgrading to LED lighting, realize higher net operating income (NOI) and strengthen the appeal of our properties to environmentally conscious tenants. We also work to create a green premium, including rent increases and the introduction of green cooperation fees, through negotiations with tenants.

In addition, we annually calculate and monitor CO_2 emissions reductions attributable to energy efficiency renovation work. As of fiscal 2024, annual reductions were as follows.

Total CO_2 emissions reductions target through energy-saving renovation work



Future ZEB Achievements in JRE's Portfolio

JRE has adopted the target of owning 5 to 10 ZEBs (including Nearly ZEB, ZEB Ready, and ZEB-Oriented) by fiscal 2030.

Since fiscal 2019, JRE has promoted the conversion of existing building to ZEBs in cooperation with Mitsubishi Jisho Design Inc. In fiscal 2024, we acquired ZEB Ready certification for JRE Amagasaki Front Building, which brought the number of our buildings with ZEB Certification to five, achieving our initial target.

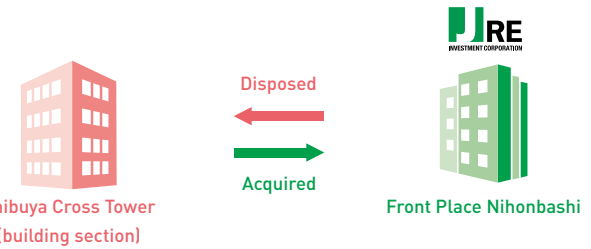
We will continue to promote ZEB conversions to reduce our environmental impact.

Please refer to the following website for a report by Mitsubishi Jisho Design Inc.
https://jre-esg.com/en/environment/climate.html#anchor06

External Growth Opportunities

With the cooperation of JRE-AM's sponsor, Mitsubishi Estate Co., Ltd, we continue to build a portfolio that balances profitability with adaptability to a decarbonized society by leveraging property replacements and mutual trading to replace older properties with newly constructed buildings with high energy efficiency.

Example of Property Replacement with Sponsor



CO_2 emissions	Water Consumption	Actual yield after depreciation
−89.2%	−83.4%	2.2% ▶ 3.1%

Financial Strategy Opportunities

As the financial impact of climate change comes increasingly to light, it is likely that financial institutions and investors will place more focus on green financing. In order to obtain advantageous funding opportunities as a green investment and lending target, JRE is actively utilizing green finance as follows.

- Procurement of funds through sustainability-linked loans
- Issuance of green bonds

To ensure that our green commitment can be objectively verified, we are making use of DBJ Green Building Certification, BELS Certification, and other certifications, establishing a system for evaluating and measuring positive impacts on the environment and society, and also actively reporting to external parties.

Green Finance

Sustainability-Linked Loans

JRE announced the borrowing of funds in January 2021 and several SLLs have been implemented since then, which will be procured through sustainability-linked loans (SLLs), the first such arrangement in the J-REIT industry.

Sustainability-linked loans are loan instruments that aim to facilitate and support environmentally and socially sustainable economic activity and growth. In this loan scheme, the borrower sets sustainability performance targets (SPTs) based on its business management strategy, and the lender incentivizes the borrower's achievement of those objectives by aligning loan terms to the borrower's performance against the relevant, predetermined SPTs.

Moreover, the SLLs are designed in such a way that, based on the SPTs set, achievement confirmation shall be made several times and, if the predetermined levels are achieved upon each confirmation, a reduction in the interest rate will be offered.

Sustainability-Linked Loans Framework

JRE has established a Sustainability-Linked Loan Framework for the purpose of flexible SLL implementation, and has been implementing Sustainability-Linked Loan financing based on this framework. The Framework sets the KPI, SPT, and loan characteristics as follows.

Item	Content	Details of Contents JRE Has Set
KPI	Sustainability Strategy Indicator	Reduction of CO_2 emissions (Base year: FY2019)
SPT	Ambitious Target for KPI	Reduce CO_2 emissions by 80% by FY2030 (Base year: FY2019 / Absolute CO_2 emissions basis)
Loan Characteristics	Incentive Based on SPT Achievement	Reduction in the interest rate will be offered if SPT is achieved.

Sustainability-Linked Loans

In fiscal 2024, JRE implemented eight SLLs, totaling ¥16.5 billion, based on its Sustainability-Linked Loan Framework.

Lenders	Loan Amount	Borrowing Date	Principal Repayment Date
Saitama Resona Bank, Limited	JPY 5,000 million	August 30, 2024	August 31, 2034
The Gunma Bank, Ltd.	JPY 1,000 million	September 30, 2024	September 30, 2031
Mizuho Bank, Ltd.	JPY 2,500 million	October 1, 2024	October 2, 2034
The Bank of Fukuoka, Ltd.	JPY 2,000 million	November 14, 2024	November 14, 2034
The Gunma Bank, Ltd.	JPY 1,000 million	November 18, 2024	November 18, 2030
The Keiyo Bank, Ltd.	JPY 1,000 million	December 16, 2024	December 18, 2034
The Kiyo Bank, Ltd.	JPY 1,000 million	January 27, 2025	January 27, 2033
Sumitomo Mitsui Banking Corporation	JPY 3,000 million	March 26, 2025	September 26, 2029

Note: SPT of achieving an 80% reduction in CO_2 emissions by FY2030 (base year: FY2019 / absolute CO_2 emissions basis)
We have received a third-party opinion report from the Japan Credit Rating Agency, Ltd. on the Sustainability-Linked Loan Framework's compliance with SLL principles and the rationality of SPTs.

Green Bonds

JRE issues Green Bonds in order to further promote our sustainability initiatives. We will promote energy conservation, improve customer satisfaction and encourage acquiring green building certifications, through various measures such as ESG investments giving consideration to environment, which includes refurbishment work etc. Thereby realize Positive Impact*.

* "Positive Impact" is defined as "that which produces a positive impact on society or the environment and simultaneously ensures the market-level return." It is advocated by the United Nations Environment Programme Finance Initiative (UNEP FI).

For details of green finance, please see our website.
https://jre-esg.com/en/environment/greenbond.html

Society

SOCIETY

Based on its ESG Basic Policy, JRE-AM strives to improve the value of properties by promoting investment management of office buildings with consideration for the health and well-being of tenant workers. Similarly, JRE-AM practices corporate management that enriches both JRE-AM and employees through efforts to improve the physical and mental health of officers and employees.

18 Diversity, Equity, and Inclusion
21 Respect for Human Rights
22 Initiatives for Local Communities
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24 Social Impact Real Estate

Diversity, Equity, and Inclusion

Basic Policy

JRE strives to create a workplace where all employees can equally access opportunities to thrive, thereby enabling them to demonstrate their talents to the fullest extent, by uniting individuals and organizations to promote diversity, equity, and inclusion (DEI). In addition to helping us attract competent personnel, we believe that promoting DEI leads to business innovations, sophisticated risk management, and a more efficient and vibrant organization as a whole. Based on this idea, we aim to maximize value arising from diverse values and individuality by fostering an open corporate culture.

Employees (Human Capital Development)

Talent Pipeline & Development Strategy

JRE-AM have access to professionals with extensive experience and expertise in real estate investment and asset management as seconded staff from our shareholder, Mitsubishi Estate Co., Ltd., and also recruit experienced, talented individuals to acquire competent personnel on a timely basis. We employ a human resources development strategy that includes support for acquiring various qualifications and specialized training after joining JRE-AM.

In addition, we are developing an easy-to-work-in environment for employees that is mindful of their health and well-being.

We continually host junior employees (with fewer than ten years' experience) seconded from our sponsor who regularly recruits new graduates. By creating a well-balanced, diverse workforce consisting of both young and experienced professionals, we ensure that our specialized knowledge and skills in real estate asset management are shared and passed on within JRE-AM, thereby enhancing the sustainability of the organization as a whole.

Human Capital Development

Learning and Development for All Employees

We encourage all employees, including permanent, seconded, contract, and temporary staff, to pursue self-development and professional development. We conduct our own training programs that increase knowledge of the REIT industry and awareness of compliance issues. Furthermore, we encourage employees to actively participate in a variety of training programs offered by our shareholder. By participating in such programs, we expect each employee to develop as both a businessperson and an industry professional.

Examples of training programs by external lecturers in FY2024 (19 programs were conducted in total):

- CASE 1 Compliance training for those engaged in investment management business (June 2024 and February 2025)
- CASE 2 Internal Audit Training (May 2024)
- CASE 3 Anti-Money Laundering Training (July 2024)
- CASE 4 Anti-Harassment Training (January 2025)
- CASE 5 Sustainability Training (January 2025)

Fair Performance Evaluation and Remuneration

Targeting all employees, our employee evaluation system consists of a performance evaluation to evaluate them based on the degree of their target achievement and a process evaluation to evaluate them based on the individual's ability to perform various tasks, as well as various other perspectives, including compliance and sustainability initiatives. At the beginning of the fiscal year, each employee set their own targets with advice from their managers, and bonuses are paid based on the degree of achievement of those targets. Employees receive comprehensive feedback on their performance and specific contributions through the Semi-Annual Follow-Up Meeting and the Final Appraisal Meeting. For the evaluation feedback, we make sure to provide accurate and specific information and help employees improve their skills by identifying expectations, priorities for growth, and areas for improvement for each of them.

For each year, bonuses are calculated based on fair performance evaluation for the corresponding year (variable remuneration) and final appraisal results, including promotions, are determined through official internal procedures.

Human resources evaluation system
Performance evaluation
Process evaluation

→

Percentage of employees who had performance review meetings
100%

Creating Fair Work Environments

Communication with Employees

We implement the following measures to foster an open and efficient communication environment among all employees.

Employee Satisfaction Survey

At JRE-AM, we consider our employees to be our closest stakeholders, and we believe that improving their satisfaction is important for sustainable growth. For this reason, we regularly conduct annual surveys of all employees on a wide range of topics, including the work environment, ease of working including benefits, and educational support, in a way that prevents the identification of individuals. Through this survey, we strive to actively collect honest opinions and frank views. The results of this survey are fed back to the President & CEO and are used for improvement activities. In addition, the HR department conducts interviews with employees to gather their opinions on how to improve operational efficiency.

Employee satisfaction survey	FY2021	FY2022	FY2023	FY2024
Employee satisfaction level (5-point scale)	4.4	4.2	4.3	4.2
Response rate	100%	100%	100%	100%

Note: Employee satisfaction is the average of all items on a 5-point scale.

Support for Promoting a Strong Team Culture

We provide a certain amount of subsidies for expenses related to employee social gatherings, such as welcome parties and year-end parties, to support building and maintaining a strong team culture among employees. We believe it helps not only with creating a comfortable work environment but also strengthening JRE-AM's competitiveness through open communication.

Non-Financial Data Highlights

Category	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees	46	42	43	49	56
Of which female employees	24	20	20	23	26
Female employee ratio	52.2%	47.6%	46.5%	46.9%	46.4%
Number of directors (Includes part-time directors)	4	4	4	4	4
Of which female directors	0	1	1	1	1
Ratio of female directors	0%	25%	25%	25%	25%
Number of managers	17	13	12	9	8
Of which female managers	3	2	1	1	1
Employees aged 60+ years	1	3	3	3	3
Foreign employees	2	2	2	2	2

Developing Connections Among Employees—JRE-AM's Communication Measures

In recent years, JRE-AM's human resources, comprising people from different generations and backgrounds, have become increasingly diverse as the number of employees has grown. In such an environment, smooth communication across divisions and job roles is taking on greater importance. With this in mind, in 2024 JRE-AM established the Communication Promotion Office to strengthen connections among employees.

We have adopted a mentor system as our main measure, with experienced employees from different departments supporting new employees. The mentor system helps new employees become settled in the workplace while enhancing the development capabilities of the mentors. We also encourage natural communication and cross-divisional interactions among employees by holding Companywide events with refreshments available.

We believe that these initiatives serve to both strengthen mutual understanding among employees and help create employee-friendly workplaces, improving work quality.

Creating Fair Work Environments

Employee Health and Well-being

We believe that the physical and mental health of employees and the creation of an accommodating work environment are important management issues in terms of improving business performance.

Based on this understanding, we implement various measures to promote the physical and mental health of employees, help them achieve a good work-life balance, and increase worker motivation.

Creating a Productive and Employee-Friendly Workplace

JRE-AM Office Environment

- A work environment that enhances productivity through consideration for health and well-being

We have operated from our new office at Otemachi Park Building since December 2017. Otemachi Park Building is a state-of-the-art building aiming to offer an employee-friendly workplace that reforms working styles and improves the creativity and productivity of workers, featuring advanced energy-efficient facilities, BCP functions, and facilities focused on coexistence with the environment. The building is equipped with a designated lounge space for tenants complete with a fitness room, nap room, shower room, etc., in addition to a nursery and a community plaza with natural greenery that is designed with consideration for biodiversity.

- Office Design Promoting Internal Communication

In the current office, we have adopted a free seating system for employees and have upgraded communication spaces within JRE-AM. These spaces are aimed at invigorating in-Company communication and have been set up to add a playful touch to our office and promote employees' physical activities. In addition, we are working to make our offices more comfortable places to work. For example, we installed new "blue sky" LED lighting that replicates blue sky and natural light to create a spacious feel in a portion of our conference rooms. We believe that these offices will facilitate employee workstyle reforms and lead to improved productivity.

In October 2023, we renovated the office layout to further promote and strengthen internal communication, improve employee satisfaction, and foster synergy among employees. We strive to create an office environment for maximizing the performance of each employee by realizing an environment where they can make their own choices from a large number of options, an environment where they can be themselves, and a work position structure that respects individual work styles and personalities.

Health Consultation Desk

We have made a contract with an industrial physician out of consideration for our employees' mental and physical health. The industrial physician provides health consultations and stress checks for employees who have concerns about their health or the amount of overtime they are working beyond certain standards set by law. The industrial physician also judges whether an employee needs a leave of absence or is able to return to work. Also, as a member of Mitsubishi Estate Group, all employees can access the health consultation desk of Mitsubishi Estate Co., Ltd. for not only work-related problems but also concerning issues that they are hesitant to discuss with other people, such as family or human relationship problems.

Establishment of the Health Committee

We have established the Health Committee, which meets once a month with the industrial physician to exchange opinions on the workplace environment and learn about health in order to prevent health problems and maintain and promote the health of employees and officers.

Promoting Diverse Work Styles

We endeavor to provide a comfortable working environment by offering various employee benefit programs and promoting a better work-life balance so that no employee has to give up their employment for childbirth, childcare, nursing care, or other life events.

Introduction of a Fully Flextime System that Abolishes Core Working Hours

We have introduced a flextime system for all employees. Under this system, prescribed work hours are managed by the month and not by the day, meaning that employees can measure their work obligations and private affairs and come up with a workstyle that takes into account a proper work-life balance.

Introduction of working from home

Each employee can use working from home system. Together with the above-mentioned flex-time working system, each employee can practice a work style that considers work-life balance.

Taking Childcare Leave and Nursing Care Leave

Category	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees who took childcare leave	Male 1	Male 0	Male 2	Male 0	Male 0
	Female 2	Female 0	Female 2	Female 1	Female 1
Return after leave ratio (%)	100%	— (No employee was scheduled to return to work in FY2021)	100%	— (No employee was scheduled to return to work in FY2023)	— (No employee was scheduled to return to work in FY2024)
Number of employees who took nursing care leave	Male 0	Male 0	Male 0	Male 0	Male 0
	Female 0	Female 0	Female 0	Female 0	Female 0

Respect for Human Rights

Human Rights Initiatives

As a member of society, the Mitsubishi Estate Group, to which JRE-AM belongs, is keenly aware of the importance of respect for human rights. To fulfill our responsibility to respect the basic human rights of all stakeholders, not only those involved in Group businesses, we set up the Mitsubishi Estate Group Human Rights Policy on April 1, 2018. Respect for human rights is part of the Mitsubishi Estate Group Guidelines for Conduct, which all employees are expected to follow on a daily basis. These Guidelines stress the importance of respect for human rights and diversity, which means that employees show concern for human rights and the environment in the course of their business activities.

The Human Rights Policy is intended to ensure that we, as a good corporation, understand that internationally-mandated human rights are a bare minimum that we must go beyond, that we reaffirm the importance of supporting, protecting, and respecting human rights and that we work to respect the fundamental human rights of every single person involved in the Group's businesses.

Mitsubishi Estate Group Code of Corporate Conduct (Excerpt)

Respecting Human Rights and Employee Diversity

We respect human rights and believe that diversity maximizes value.

1. We respect human rights at all times.
2. We reject discrimination and harassment in any form.
3. We strive to establish a creative and competitive organization that safeguards and respects the beliefs of the individual as reflected in the diverse communities in which we work and live.
4. We foster an open corporate culture in which all employees are encouraged to speak freely.

Mitsubishi Estate Group Human Rights Policy (Excerpt)

The Mitsubishi Estate Group's basic mission is to build attractive, environmentally sound communities where people can live, work and relax with contentment, thus contributing to the creation of a truly meaningful society. Over its history of more than 100 years in urban development, the Mitsubishi Estate Group has raised its corporate value and prospered by addressing social issues and continuing to create social value.

The Mitsubishi Estate Group Code of Conduct and the Mitsubishi Estate Group Guidelines for Conduct form the base of our approach to ensuring that the Group works to resolve social issues independently and flexibly. One important section in the Guidelines for Conduct, in particular, concerns respect for human rights and diversity. It explains the Group's approach to maximizing value by drawing on diversity and respecting human rights.

This Mitsubishi Estate Group Human Rights Policy (hereafter, "Human Rights Policy") details specific principles concerning human rights in accordance with the Code of Conduct and Guidelines for Conduct, and it applies to all employees and corporate officers of the Mitsubishi Estate Group. The Human Rights Policy is intended to ensure that we, as good corporate citizens, reaffirm the importance of respecting human rights and work to fulfill our responsibility to respect the fundamental human rights of one another and all other stakeholders of the Group.

For details of the Mitsubishi Estate Group's human rights initiatives, please see the following website.
https://mec.disclosure.site/e/sustainability/activities/social/human-rights/

Employee Hotlines and Grievance Reporting (Confidential)

For the purpose of empowering staff, uncovering risks/problems, and increasing workplace satisfaction, all employees can consult with either the GM of the Compliance Department, a legal advisory firm on such matters as work problems, grievances, improvement requests, and whistleblowing on illegal/unethical behavior by officers and employees. Consultations and reports can be made confidentially, and whistleblowers are given protection under the Whistleblower Protection Act in accordance with JRE-AM's internal regulations. The internal regulations stipulate that employees who have consulted with or made a report to the hotlines based on the internal regulations must not be subject to dismissal; disciplinary action; demotion; salary reduction; disadvantageous transfer, secondment, or reassignment; encouragement to resign; non-renewal of contract; claims for damages; de facto harassment; disadvantageous treatment in relation to retirement allowance and other benefits; or any other disadvantageous treatment on the basis of having consulted or made a report. Upon receiving a consultation or report, JRE-AM conducts an investigation and takes the measures necessary to resolve the issue while taking into consideration the protection of the whistleblower.

Furthermore, all employees at JRE-AM can also use the Mitsubishi Estate Group helpline, which is operated externally. This helpline serves as a contact point for Mitsubishi Estate Group employees, and for temporary employees, part-time employees, and others engaged in part time work at the Mitsubishi Estate Group, to consult with and report on matters that would be difficult to resolve through the regular reporting route. Employees can consult and report confidentially. The helpline also ensures the protection of those who consult with or report to it by, for example, not disclosing matters related to privacy, such as the identity of said individuals or the details of their consultation or report, to anyone other than the parties involved.

Contact information for consulting and reporting hotlines and helplines is posted at office workspaces and on the in-house intranet to ensure that the information is widely known among employees.

Anti-Harassment

We conduct harassment training regularly to raise awareness and provide employees with the tools and guidance they need to identify, prevent, and remove harassment from the workplace. Furthermore, we keep everyone informed about the existence of the compliance hotline.

Initiatives for Local Communities

Local Communities

JRE has been participating in a range of activities to contribute to local communities and local society. We also foster mutual communication with various stakeholders, including local authorities, local residents, and visitors to our properties, through such activities.

Contribution to Community Development

JRE addresses issues related to community development, including urban redevelopment and revitalization as part of investing in and operating office buildings located in major cities throughout Japan. JRE works to improve the long-term value of its portfolio by contributing to the sustainable development of cities through cooperation with local stakeholders, including local governments, regional councils, tenants, and our sponsor who is a developer.

Contribution to the Local Environment and Community Health

Akasaka Park Building hosts the "SpoGOMI" event, turning trash pickup into a fun sport. This event brings together tenant companies, the property management company, and the owner to beautify the local environment, promote participants' health, and strengthen community ties. Unlike conventional trash pickup, "SpoGOMI" is a social contribution activity that participants enjoy.

Local Contribution in the Event of a Disaster

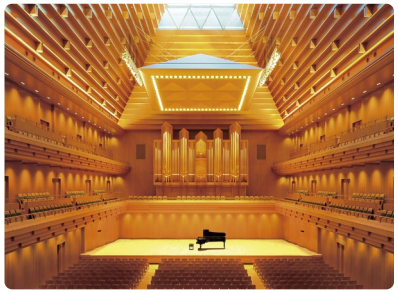
For Akasaka Park Building and others, we have established a system to host stranded commuters in the event of a disaster, and for Otemachi Financial City we have concluded an agreement with Chiyoda ward to host stranded commuters in such an event. In addition, we have installed a well on the premises of Kanazawa Park Building for disaster control. We also participate in disaster control drills held in Mitsubishi UFJ Trust and Banking Building and other buildings. Through these activities, we strive to contribute to the community by offering places they can turn to in the event of disaster, thereby contributing to local communities.

Support for Local Events, Local Groups, and Artistic and Cultural Activities

JRE is committed to promoting community revitalization as well as artistic and cultural activities by supporting a range of events.

- Shiodome Building and Seavans S Building: Provide assistance, make a venue available, and supply human resources for local summer festivals
- JRE Higashi Nibancho Square and Tokyo Opera City Building: Use open spaces and common areas to hold local music events on a regular basis
- Toyosu Foresia: Provides assistance for holding markets that contribute to the appeal of food culture and nature and the development of agriculture

Summer festival at Shiodome Building



Tokyo Opera City Concert Hall

Market at Toyosu Foresia (outdoor market)

Initiatives for Tenants

Tenants and Partners

Sustainability Program for Tenants

JRE is implementing various initiatives to increase the satisfaction and enhance the sustainability of tenants in each building.

Sustainability Guide to Promote Owner and Tenant Collaboration

JRE creates and distributes the Sustainability Guide as part of its efforts to promote collaboration with tenants. The Sustainability Guide introduces activities that we can do in the office, mainly from the viewpoints of the "environment" and "tenant well-being."

Theme

- Commitment to achieving a sustainable society
- What we can do now
- Efforts to make effective use of finite resources by separating waste

Introduction of Green Leases

JRE works to reduce environmental impact in cooperation with tenants by promoting the incorporation of green lease clauses in leasing contracts. Green lease clauses incentivize tenants to work on improving environmental performance and to share data on the consumption of energy, water, and other resources, reduce the amount of waste generated in renovations, and use energy-efficient and environment-friendly equipment and materials.

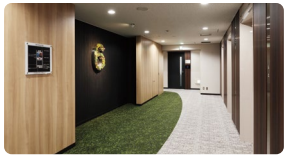
We also promote green refurbishments that utilize green leases that contain a cost recovery clause. When carrying out green refurbishments, both the building owner and its tenants reap the benefits of reduced utility and other bills to realize a win-win relationship. For example, the owner receives a portion of the savings made on electricity bills through green refurbishments back as green lease payments for a certain period by incorporating a cost-recovery clause, thereby ensuring a fair distribution of the economic benefits of such refurbishments.

Survey on Tenant Satisfaction

We carry out satisfaction surveys to achieve a high level of customer satisfaction and realize sustainable buildings.

- Example of tenant satisfaction survey

In a bid to increase the asset value, JRE conducted the renovation work for common areas in JRE Shiba 2Chome Daimon Building, including switching from central to individual air conditioning systems and upgrading them to more energy-saving ones, converting to LED lights in the building, and installing card access security systems, which led to increased satisfaction of its tenants in a survey on how they are satisfied with the building and its management.



Elevator hall after renovation

Restroom after renovation

Feedback of Environmental Data / Online Tenant Services

We provide feedback to tenants including energy, water consumption, and waste-related data. In addition, we provide online feedback and services using our proprietary system.

Feedback on Sustainability to PMs

JRE conducts surveys for PMs for all properties in the portfolio based on the GRESB-related questions, a global real estate sustainability certification. Based on the survey results, we analyze sustainability efforts at each asset level. As for the survey results and each property's sustainability efforts, we provide PM companies with opportunities to provide feedback.

We believe that property managers who are connected with tenants and visitors to each building will improve the level of sustainability of our entire portfolio by raising their sustainability-related knowledge and awareness.

ESG Seminars for Stakeholders

JRE offers ESG seminars for our business partners, master lessees, and property managers, among others, for the purpose of raising stakeholder awareness. We invite ESG experts from outside JRE to cover global ESG trends and discuss specialized fields such as GRESB and ZEB.

We believe that raising sustainability awareness not only within JRE, but among all our stakeholders, will benefit sustainability efforts at each asset level.

Percentage Tenant Sustainability Programs Implemented

Percentage of Buildings with Green Leases

65 buildings / 76 buildings 85.5%

Percentage of Buildings Conducting Survey on Tenant Satisfaction

51 buildings / 76 buildings 67.1%

Percentage of Buildings Receiving Environmental Data Feedback

66 buildings / 76 buildings 86.8%

Percentage of Buildings with Tenant Services

76 buildings / 76 buildings 100.0%

(As of May 2025)

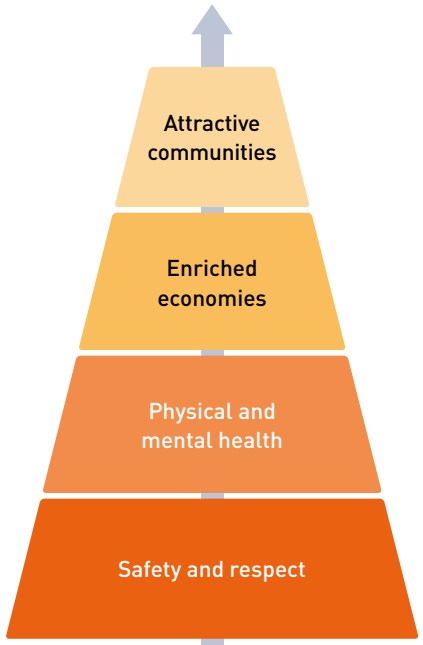
Note: The above percentages were calculated based on the number of buildings

Social Impact Real Estate

What is Social Impact Real Estate?

JRE undertakes various initiatives related to "social impact real estate". Our goal is to improve societal value and address social issues through real estate, whilst aiming to realize 'offices of tenants' choice'.

The "Practical Guidance on 'Social Impact Real Estate'", published by the Ministry of Land, Infrastructure, Transport and Tourism, organizes social issues to address through real estate into four stages. In accordance with this classification, JRE organized and disclosed initiatives (activities) and social impact at JRE and JRE-owned properties.



Stage	Social Issues
4	• Community appeal, cultural development, and invigoration (identity) • Development of greenery and scenic landscapes (MIDORI) • Regeneration and formation of communities • Development of human resources • Easily accessible environments (mobility)
3	• Active participation of human resources and improvement of productivity • Invigoration of local economies and industries (innovation)
2	• Realization of healthy and safe lifestyles and workstyles (health and safety) • Highly comfortable and convenient environments (wellness)
1	• Preparedness for natural disasters (resilience) • Crime prevention efforts • Measures for children and in response to the falling birthrate and aging population • Realization of diversity and inclusion • Addressing of human rights
Common points	• Proper maintenance and management • Cooperation with tenants and administrators, etc. • Utilization of digital and new technologies

Addressing of Social Issues Through Real Estate (Four Stages)
Prepared by JRE based on the Ministry of Land, Infrastructure, Transport and Tourism's "Practical Guidance on 'Social Impact Real Estate'" (March 2023) (available only in Japanese)

Examples of Initiatives (Activities) to Address Social Issues

Otemachi Park Building

Social issues to address	
	2 Physical and mental health: Highly comfortable and convenient environments (wellness)
	4 Attractive communities : Development of greenery and scenic landscapes (MIDORI) and regeneration and formation of communities

In 2024, JRE installed benches and planted flowers and trees using the Ministry of Land, Infrastructure, Transport and Tourism's Public Green Space Accreditation System at Hotoria Square, an open space connecting the premises of the Otemon Tower ENEOS Building and the Otemachi Park Building. Respecting the natural environment of the Imperial Palace Outer Garden and the historical landscape of Otemachi from the outset, Hotoria Square was designed as a space for both biodiversity and human activity through a design based on ecological surveys and geographical and historical investigations. The improvements in 2024 further strengthened Hotoria Square's community interaction functions through the installation of benches, the greening of walls, and other measures. We have also been promoting the creation of urban spaces with a focus on environmental coexistence by installing water purification equipment for the Imperial Palace Outer Garden moat and pursuing participatory biological conservation activities.

Kanazawa Park Building

Social issues to address	
	1 Safety and respect : Realization of diversity and inclusion
	4 Attractive communities: Community appeal, cultural development, and invigoration (identity) and regeneration and formation of communities

In 2024, we made available the first and second floor entrance halls and the second-floor meeting room at Kanazawa Park Building as a venue to hold a Mouth and Foot Painting Artists of the World art exhibition by a tenant. Displaying around 50 paintings by artists, from Japan and overseas, who have lost the use of both arms for various reasons, the exhibition helped visitors relate emotionally to the artists and contributed to the creation of cultural value rooted in community. Through such events, JRE aims to foster understanding for and empathy with people with disabilities while supporting the regeneration and formation of communities. Visitors expressed their desire for the continued holding of events and to use our event space, expanding the potential of Kanazawa Park Building as a venue to enhance the appeal of the community.

Please refer to the following website for examples of initiatives (activities) to address social issues.
https://jre-esg.com/en/society/society.html#anchor04

Governance

GOVERNANCE

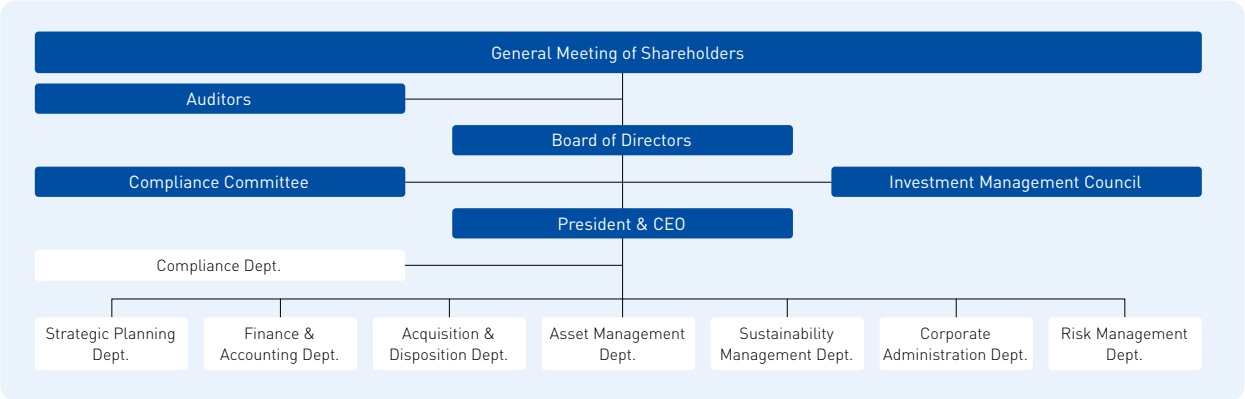
Our basic policy as an investment corporation and asset management company is not only to comply with laws and regulations, but to meet social demands as well. Taking care to have each employee perform their duties with high ethical standards and strict self-discipline raises our reputation among investors and garners the trust of the wider society.

25 Management System
25 Governance Structure of JRE
26 Risk Management
28 Compliance

Management System

JRE entered into an entrustment contract for asset investments with JRE-AM. JRE has also entered into business consignment contracts with various trust banks for custodial business related to assets and general business. Under the management structure below, JRE-AM conducts asset investments such as acquisition and transfer of properties and leasing spaces to tenants.

Organizational Structure of the Asset Management Company



Governance Structure of JRE

Status of Executive Director and Supervisory Directors

Candidates for investment corporation directors shall be elected at a general unitholders' meeting on the proviso that they do not fall under any of the grounds for disqualification stipulated in the Act on Investment Trusts and Investment Corporations and other applicable laws and regulations.

The attendance rates of Executive Director and Supervisory Directors at the board of directors' meetings of the investment corporation (from April 2024 to March 2025) are as follows:

Title	Name	Attendance at Board of Directors Meetings	
		Sep. 2024 period	Mar. 2025 period
Executive Director	Jo Kato	100% (3 times / 3 times)	100% (4 times / 4 times)
Supervisory Director	Hiroaki Takano	100% (3 times / 3 times)	100% (4 times / 4 times)
Supervisory Director	Miyuki Aodai	100% (3 times / 3 times)	100% (4 times / 4 times)

Risk Management

In order to gain an understanding of risk inherent in operations and manage them in appropriate fashion, JRE-AM has formulated a Basic Risk Management Policy, Risk Management Regulations, and Risk Management Rules, and has established the Risk Management Department, which handles risk management for JRE and reports the status of risk management for JRE to the Board of Directors.

1 Basic Risk Management Policy

This policy defines JRE's basic policy regarding risk management. This policy stipulates: 1) the classification and definition of risks and management in line with the characteristics of each risk; 2) risk identification, assessment, and analysis; 3) activities to mitigate risks based on assessment and the means to monitor these activities; and 4) implementation of measures when risks become apparent. This policy also lays out provisions for an organizational structure regarding risk management and for reporting to the Board of Directors.

2 Risk Management Regulations

Under the Basic Risk Management Policy, the Risk Management Regulations clarify the types of risks related to JRE's business operations and where they may occur, and determines management methods and systems to mitigate these risks.

Types of Risk

1. Asset management risks

- Real estate investment risks
  (risks related to volatility in the real estate market, real estate credit risks, etc.)
- Other asset management risks
  (market risks, credit risks, operational risks, etc.)

2. Other risks

- Companywide risks
  (risks caused by inadequate organizational structure, corporate governance, and internal control systems)
- Disclosure risks
  (risks caused by failure to disclose information in a timely and appropriate manner)
- Reputation risks
  (risks caused by the spread of negative information or perception)
- Event risks
  (risks caused by unpredictable external factors such as earthquakes and other natural disasters)

Risk Management System

The Board of Directors determines the Basic Risk Management Policy and supervises the development of an appropriate risk management system. In addition, the Risk Management Department has been established as the department responsible for handling risk management, and risk management managers have been assigned to each department to promote appropriate risk management. Furthermore, the status of risk management is reported to the Board of Directors.

3 Risk Management Rules

In accordance with the Risk Management Regulations, the Risk Management Rules stipulate that each department is to clarify the risks to be managed, that each department is to recognize and address these risks, and that the Risk Management Department will monitor these efforts. As a general rule, once every fiscal year, each department uses a "Risk Assessment Table" to revise their list of risks, reassess their approach, and review countermeasures. The Risk Management Department monitors these actions and reports their findings to the Board of Directors.

Basic Risk Management Policy
Determine basic policy related to JRE's risk management

Risk Management Regulations
Clarify the types of risks, where they may occur, and determine management methods and systems to mitigate these risks.

Risk Management Rules
Establish risk management procedures such as risk recognition and responses for each department, monitoring by the Risk Management Department, and reporting results of monitoring to the Board of Directors.

4 Efforts Related to Risk Management

Based on the Risk Management Rules, the "Risk Assessment Table" created by each department is reviewed every year in principle according to the following process in order to properly manage various types of risks and confirm the status of risk management.

Risk Assessment Process

1

Recognize the external and internal environment
Recognize changes in the external environment (market trends, regulatory and institutional trends, etc.) and internal environment (organizations, processes, systems, etc.) and reflect them in the following processes

2

Identify risks and review
Identify risks comprehensively according to the operational processes and sub-processes of each department and review them using benchmarks such as supervisory guidelines and case studies

3

Assess specific risks
Assess specific risks based on "impact" and "frequency of occurrence"

4

Assess controls
Assess controls based on "impact" and "ability to control frequency of occurrence"

5

Assess residual risks
Assess residual risks based on the results of assessing (3) and (4)

Compliance Risk Management through Three Lines Model

Each department of JRE-AM is proactively and autonomously working on compliance risk management. The following is a summary based on the "Three Lines Model" concept

1st Line Self-Control by Front Divisions	• A compliance manager has been appointed in each department to promote compliance, which includes daily compliance checks and assessments, formulation and practice of compliance programs*, and formulation and practice of rules and manuals under jurisdiction of each department. • A risk management manager is appointed in each department to promote efforts such as reviewing the "Risk Assessment Table," gaining an understanding of the types of risks inherent to work under the jurisdiction of each department in order to ensure that these risks are managed appropriately.
2nd Line Control by Risk Management and Compliance Divisions	• The Compliance Department drafts general compliance plans, practices compliance, and inspects, checks, and works to improve the level of compliance in each department. • In addition to planning and promoting the Basic Risk Management Policy, the Risk Management Department monitors the status of risk management in each department and provides direction based on the "Risk Assessment Table." • A variety of compliance training is conducted to ensure an understanding of the laws and regulations to be complied with, and to ensure that officers and employees can engage in activities while maintaining thorough compliance.
3rd Line Review by Audit Divisions	• Internal audits are conducted every year to inspect and verify the appropriateness and effectiveness of our system in terms of legal compliance, internal management, risk management, crisis management, and other matters from the perspective of ensuring investor protection and fair market formation as an asset management company.

* A concrete implementation plan for achieving proper compliance

Compliance

Basic Principle of Compliance

Basic Principle of Compliance for the Investment Corporation (JRE)

JRE's basic principle of compliance is to thoroughly observe legal and other relevant norms in regard to the business operation as well as to respond to the requirements from society. This means that the investment corporation administers and oversees the outsourcing companies from the same standpoint, while complying with legal and other relevant norms in its decision-making.

Basic Principle of Compliance for the Asset Management Company (JRE-AM)

1. Ensuring thorough compliance is one of its top priority issues, since JRE-AM understands that any insufficiency in compliance would affect even its management base.
2. As an asset management company, JRE-AM recognizes that it bears the responsibility for realizing the values that are required by society in its business operation, and makes proactive and continuous efforts for full compliance to enhance the value of its business operation both qualitatively and quantitatively.
3. JRE-AM is determined to achieve a reputation for quality among its investors by promoting compliance activities, and thereby gains the trust of a wide spectrum of society.

Compliance Promotion Structure for the Asset Management Company

Organization	Main roles
Board of Directors of the Asset Management Company	Oversees the companywide compliance and is fully responsible for all compliance issues. Main roles are below. 1. Formulate Basic Principle of Compliance for the Asset Management Company 2. Establish compliance organizational structure 3. Approve rules, manuals and programs regarding compliance
Compliance Committee	The committee's activities include deliberating over and deciding on system development and important matters (including verifying important transactions that involve key related parties) in relation to compliance. The committee consists of the President & CEO, General Manager of Compliance Department, General Manager of Risk Management Department, and one or more external experts.
Compliance Department	Drafts general compliance plans, practices compliance, and inspects, checks, and works to improve the level of compliance in each department.
Compliance Manager and Compliance Promoter in Each Department	A compliance manager has been appointed in each department to promote compliance, which includes daily compliance checks and assessments, formulation and implementation of compliance programs, and formulation and practice of rules and manuals under jurisdiction of each department.

Regular Internal Audits

JRE-AM has set up its Internal Audit Regulations and it states Internal Audit Plan shall be formulated and internal audits shall be conducted based on the said plan every year. Through the annual internal audits, we inspect and verify the appropriateness and effectiveness of legal compliance, internal management, risk management, crisis management, and other systems from the perspective of ensuring investor protection and fair market formation as an asset management company. Internal audits shall be conducted targeting operations of all departments while also receiving support from external experts encompassing a broad range of items such as appropriateness of information management, observance of internal rules, and anti-money laundering measures, etc. The results of the audits will be reported to the Board of Directors of JRE-AM, for issues found through the audits, the audited departments will work on improvement activities and the department in charge of the audit will periodically check the status of the improvement.

Establishment of Employee Consultation and Grievance Reporting Hotlines (Internal and External, Confidential) and a Dedicated Business Partner Helpline

As part of its efforts to promote compliance, JRE-AM has established internal and external consultation and grievance reporting hotlines (confidential) for use by employees, putting in place a system to receive whistleblowing reports on misconduct by officers and employees.

In addition, the Mitsubishi Estate Group has established a dedicated business partner helpline targeting companies and other business partners to receive consultations and reports on misconduct, including illegal behavior and unfair transactions, at Group companies. The Legal & Compliance Department at Mitsubishi Estate Co., Ltd. serves as the contact point for the helpline, addressing consultations and reports by working together with the relevant Group company while confirming matters with the whistleblower based on the information provided.

Please refer to the website for the Mitsubishi Estate Group's dedicated business partner helpline (available only in Japanese).
https://www.mec.co.jp/inquiry/
Inquiry>Inquiry regarding Mitsubishi Estate>Helpline for business partners including companies

For details of the employee consultation and grievance reporting hotline, please see the "Human Rights" section under Respect for Human Rights on page 21.

Conflict of Interest Policy of JRE-AM

JRE-AM recognizes the importance that its business of investing the assets of the investment corporation (JRE) is to manage the funds of the unitholders of the investment corporation, and makes it a principle that JRE-AM always gives the first priority to the interest of the investment corporation, which entrusts the asset investment to JRE-AM, and performs the asset management services in a loyal, fair, sincere, and equitable way. JRE-AM acts in the best interest of the investment corporation, and discharges the fiduciary duties as an asset management company, and makes a fair deal at all times.

Decision-making structure in internal control system

In a case where a transaction is made with an interested party and above a certain amount

Reject and refer back

Consideration, Selection, Draft by Department in Charge <The first compliance check>	The department in charge consults a third-party expert as appropriate, and especially regarding transactions with an interested party, drafts a proposal after confirmation that there is no issue on compliance from the perspective of conflict of interest, among other things.
Preliminary Verification by Compliance Department <The second compliance check>	The said proposal is verified preliminarily by the compliance department head. In the event of an issue of compliance, it is referred back to the department in charge.
Deliberation and Approval by Compliance Committee <The third compliance check>	The said proposal is approved by the majority vote of the compliance committee members and all of the votes of the external compliance committee members present. As needed, the committee orders its halt or alteration.
Approval by Board of Directors of Investment Corporation <The fourth compliance check>	Subject to the attendance of the majority of the executive and supervisory directors, the said proposal is approved by the majority vote of the directors present.
Deliberation and Decision by Investment Management Council <The fifth compliance check>	Subject to the attendance of the majority of the committee members with voting rights, the said proposal is decided by the majority vote of the committee members with voting rights who are present.
Report to JRE-AM's Board of Directors, Executive Director and Board of Directors of Investment Corporation	JRE-AM reports the decision to the boards of directors of JRE-AM and the investment corporation.

For details, please refer to the report on the management systems of the issuers of real estate investment trust securities (available only in Japanese).
https://www.j-re.co.jp/ja_cms/ir/library.html
2. Management systems of investment corporations and asset management companies, (3) Measures for transactions that constitute conflicts of interest

Preventing Fraud and Corruption at the Asset Management Company

The Mitsubishi Estate Group has declared that it will carry out equitable, transparent corporate activities with a primary emphasis on earning trust. The Group's Guidelines for Conduct forbid not just actions that could be construed as collusion with government officials or other actions considered illegal, but also entertainment and gift-giving that goes beyond the bounds of social convention.

When providing support related to the activities of political parties and political groups, the Group ensures it is appropriate in accordance with relevant laws and regulations such as the Political Funds Control Act and the Public Offices Election Act, as well as internal regulations such at the Mitsubishi Estate Group Guidelines for Conduct.

Moreover, in 2013, the Group established the Mitsubishi Estate Group Basic Regulations on the Prevention of Corruption to put in place a system to prevent corruption across the organization. In 2018, the Group established and published the Mitsubishi Estate Group Anti-Corruption Guidelines. The Guidelines document expectations of business partners with the aim of ensuring compliance throughout the supply chain based on the cooperation of all of the Group's business partners.

JRE-AM observes the Mitsubishi Estate Group Basic Regulations on the Prevention of Corruption and the Mitsubishi Estate Group Anti-Corruption Guidelines, of which it is a part, and works toward preventing bribery when entertaining clients or giving gifts. Specifically, Rules for Entertainment and Gifts of JRE-AM makes the following stipulations, which are strictly enforced, such as detailed reporting and documentation of the details of entertainment or goods provided or received by officers and employees.

- "JRE-AM's officers and employees shall not request, provide, or receive entertainment or gifts incompatible with sound business practices or common sense"
- "The giving or receiving of cash as a business gift is prohibited except for congratulatory or condolence expenses at weddings, funerals, or ceremonial occasions."

Moreover, with a high regard for the "Guideline to Prevent Bribery of Foreign Public Officials," formulated by the Ministry of Economy, Trade and Industry, JRE-AM has established the Rules for Entertainment and Gifts and conducts specific internal processes when dealing with public officials such as entertaining, giving gifts, inviting, donating, and utilizing their agencies, etc. The said Rules for Entertainment and Gifts of JRE-AM provides "Entertainment and gift-giving to public officials and others are prohibited. When entertainment or gift-giving is required for business purposes, regardless of the amount, prior approval must be obtained from the head of the department and the Director of Compliance Department, and after expenditure, approval for settlement must be obtained from the head of the department."

For Mitsubishi Estate Group Guidelines for Conduct, please click here.
https://www.mec.co.jp/en/company/charter/index.html

For Mitsubishi Estate Group Anti-Corruption Guideline, please click here.
https://mec.disclosure.site/e/sustainability/activities/governance/compliance/#sec_4

GRI Content Index

Statement of use	Japan Real Estate Investment Corporation has reported in accordance with the GRI Standards for the period 1/April/2024 to 31/March/2025
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
General disclosures				
GRI 2: General Disclosures 2021	2-1	Organizational details	Overview of JRE	Corporate Data
			IR Library	Annual Report
			Organizational Structure	Organizational Structure
	2-2	Entities included in the organization's sustainability reporting	Overview of JRE	Corporate Data
	2-3	Reporting period, frequency and contact point	Disclosure of ESG-Related Information	Reporting Scope and Period Inquiries
	2-4	Restatements of information	Basic Policy on ESG / Management Structure	Sustainability Committee The previous year's data for the reporting year has been revised from the previously disclosed data as we examined the data accuracy.
	2-5	External assurance	Environmental Initiatives	Environmental Performance
			Disclosure of ESG-Related Information	GRI Content Index / SASB Framework
	2-6	Activities, value chain and other business relationships	Portfolio List (Portfolio Overview)	Portfolio List
			IR Library	Annual Report
	2-7	Employees	Asset management company (JRE-AM) Web page>Employee Initiatives	Employee Initiatives JRE is prohibited from having any employees under the Japanese Act on Investment Trusts and Investment Corporations, and therefore commissions business operations to its asset management company, Japan Real Estate Asset Management Co., Ltd. (JRE-AM). The information regarding employees of JRE-AM is disclosed here.
	2-8	Workers who are not employees	Asset management company (JRE-AM) Web page>Employee Initiatives	Employee Initiatives JRE is prohibited from having any employees under the Japanese Act on Investment Trusts and Investment Corporations, and therefore commissions business operations to its asset management company, Japan Real Estate Asset Management Co., Ltd. (JRE-AM). The information regarding employees of JRE-AM is disclosed here.

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
General disclosures				
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	Basic Policy on ESG / Management Structure	Sustainability Committee
			Governance Structure of JRE	Governance Structure of JRE
			Management System	Management System
			Compliance System	Compliance System
	2-10	Nomination and selection of the highest governance body	IR Library	ARTICLES OF INCORPORATION OF JAPAN REAL ESTATE INVESTMENT CORPORATION
	2-11	Chair of the highest governance body	IR Library	ARTICLES OF INCORPORATION OF JAPAN REAL ESTATE INVESTMENT CORPORATION
			Compliance System	Conflict of Interest Policy of Asset Management Company
	2-12	Role of the highest governance body in overseeing the management of impacts	Social Initiatives	Stakeholder Engagement Relationship with Local Communities
			Asset management company (JRE-AM) Web page>Employee Initiatives	Employee Initiatives
			Basic Policy on ESG / Management Structure	Sustainability Committee
			Management System	Risk Management
	2-13	Delegation of responsibility for managing impacts	Basic Policy on ESG / Management Structure	Sustainability Committee
			Management System	Management System
			Compliance System	Compliance System

GRI Content Index

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
General disclosures				
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	Basic Policy on ESG / Management Structure	Sustainability Committee
	2-15	Conflicts of interest	Compliance System	Conflict of Interest Policy of Asset Management Company
	2-16	Communication of critical concerns	Basic Policy on ESG / Management Structure	Sustainability Committee
			Management System	Risk Management
			Compliance System	Conflict of Interest Policy of Asset Management Company No significant concerns were reported in the reporting period.
	2-17	Collective knowledge of the highest governance body	Basic Policy on ESG / Management Structure	Sustainability Committee
	2-18	Evaluation of the performance of the highest governance body	Basic Policy on ESG / Management Structure	Sustainability Committee
	2-19	Remuneration policies	Governance Structure of JRE	Governance Structure of JRE
	2-20	Process to determine remuneration	Governance Structure of JRE	Governance Structure of JRE
	2-21	Annual total compensation ratio		Information unavailable: As Japan Real Estate Investment Corporation has no employees, it is impossible to calculate the ratio of annual total compensation. It is not available such information of the asset management company at this time.
	2-22	Statement on sustainable development strategy	JRE Information	Message from Executive Director
			Basic Policy on ESG / Management Structure	Basic Policy on ESG / Management Structure

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
General disclosures				
GRI 2: General Disclosures 2021	2-23	Policy commitments	Climate Change Initiatives	Climate Change-Related Risks and JRE's Response
			Basic Policy on ESG / Management Structure	Basic Policy on ESG / Management Structure
			Compliance System	Basic Principle of Compliance for the Asset Management Company (JRE-AM)
			Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives
	2-24	Embedding policy commitments	Basic Policy on ESG / Management Structure	Basic Policy on ESG / Management Structure
	2-25	Processes to remediate negative impacts	Asset management company (JRE-AM) Web page > Complaint Handling and Dispute Resolution	Complaint Handling and Dispute Resolution
	2-26	Mechanisms for seeking advice and raising concerns	Compliance System	Compliance Promotion Structure for the Asset Management Company
	2-27	Compliance with laws and regulations		No significant regulatory violations occurred during the reporting period.
	2-28	Membership associations	Asset management company (JRE-AM) Web page > About JRE-AM	Memberships
	2-29	Approach to stakeholder engagement	Environmental Initiatives	Contributions to the Environment through Real Estate Investment Management Collaboration with Suppliers
			Social Initiatives	Stakeholder Engagement Improving Tenant Satisfaction Relationship with Local Communities
			Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives
	2-30	Collective bargaining agreements		It is not applicable because the investment corporation does not have any employees. All employees except managerial positions of the asset management company are covered under a collective bargaining agreement.

GRI Content Index

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
Material topics				
GRI 3: Material Topics 2021	3-1	Process to determine mate rial topics	Basic Policy on ESG / Management Structure	Materiality
	3-2	List of material topics	Basic Policy on ESG / Management Structure	Materiality GRI Content Index / SASB Framework
	3-3	Management of material topics	Basic Policy on ESG / Management Structure	Materiality
			Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives
			Environmental Initiatives	Environmental Performance Collaboration with Suppliers Contributions to the Environment through Real Estate Investment Management Climate Change-Related Risks and JRE's Response
			Social Initiatives	Relationship with Local Communities Improving Tenant Satisfaction
			External Evaluations and Certifications	Sustainability Certification
			Green Finance	Sustainability-Linked Loans Green Bonds
			Asset management company (JRE-AM) Web page > Complaint Handling and Dispute Resolution	Complaint Handling and Dispute Resolution
			Basic Policy on ESG / Management Structure	Sustainability Committee
			Climate Change Initiatives	Governance
			External Evaluations and Certifications	GRESB Real Estate Ratings

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
Energy				
GRI 302: Energy 2016	302-1	Energy con-sumption within the organization	Environmental Initiatives	Environmental Performance
	302-2	Energy con-sumption outside of the organization	Environmental Initiatives	Environmental Performance
	302-3	Energy intensity	Environmental Initiatives	Environmental Performance
	302-4	Reduction of energy consumption	Environmental Initiatives	Environmental Performance Contributions to the Environment through Real Estate Investment Management
			Green Finance	Sustainability-Linked Loans Green Bonds
	302-5	Reductions in energy require-ments of prod-ucts and services	Environmental Initiatives	Environmental Performance Contributions to the Environment through Real Estate Investment Management

GRI Content Index

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
Water and effluents				
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Environmental Initiatives	Environmental Performance
	303-2	Management of water discharge-related impacts		Not applicable: The wastewater discharged from all of our properties does not exceed the general waste-water standards set by the government and the local government.
	303-3	Water withdrawal	Environmental Initiatives	Environmental Performance
	303-5	Water discharge	Environmental Initiatives	Environmental Performance
Biodiversity				
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	Environmental Initiatives	Contributions to the Environment through Real Estate Investment Management
Emissions				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environmental Initiatives	Environmental Performance
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental Initiatives	Environmental Performance
	305-3	Other indirect (Scope 3) GHG emissions	Environmental Initiatives	Environmental Performance
	305-4	GHG emissions intensity	Environmental Initiatives	Environmental Performance
	305-5	Reduction of GHG emissions	Environmental Initiatives	Environmental Performance Contributions to the Environment through Real Estate Investment Management

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
Waste				
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Environmental Performance > WEB information	Waste
	306-2	Management of significant waste-related impacts	Environmental Initiatives	Environmental Management Systems (EMS)
	306-3	Waste generated	Environmental Performance > WEB information	Waste
	306-4	Waste diverted from disposal	Environmental Performance > WEB information	Waste
	306-5	Waste directed to disposal	Environmental Performance > WEB information	Waste

GRI Content Index

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
Supplier environmental assessment				
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria		There were no new suppliers that were screened using environmental criteria.
	308-2	Negative environmental impacts in the supply chain and actions taken		No suppliers were identified that had a particularly significant negative impact in the reporting period.

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
Employment				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives
	401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives
	401-3	Parental leave	Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
Occupational health and safety				
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives
	403-3	Hazard identification, risk assessment, and incident investigation	Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives
	403-6	Promotion of worker health	Social Initiatives	Improving Tenant Satisfaction
			Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives
	403-8	Workers covered by an occupational health and safety management system	Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives
	403-10	Work-related ill health	Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
Training and education				
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives
	404-2	Programs for upgrading employee skills and transition assistance programs	Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives
	404-3	Percentage of employees receiving regular performance and career development reviews	Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives

GRI Content Index

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
Diversity and equal opportunity				
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Asset management company (JRE-AM) Web page > Employee Initiatives	Employee Initiatives
	405-2	Ratio of basic salary and remuneration of women to men		There is no institutional pay gap based on gender.
Local communities				
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Social Initiatives	Social Impact Real Estate Relationship with Local Communities
	413-2	Operations with significant actual and potential negative impacts on local communities	Portfolio	Portfolio List (Portfolio Overview) No property was identified that had a particularly significant negative impact on the local community in the reporting period.
Supplier social assessment				
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		There were no new suppliers that were screened using social criteria.
	414-2	Negative social impacts in the supply chain and actions taken		No suppliers were identified that had a particularly significant negative impact in the reporting period.

GRI STANDARD / OTHER SOURCE	DISCLOSURE		LOCATION	URL REASON OF OMISSION / EXPLANATION
Customer health and safety				
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Social Initiatives	Improving Tenant Satisfaction
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		There were no serious violations of laws and ordinances since we have taken appropriate actions as the engineering reports requested us to be careful not to let it become normal in our operations.
Others (G4 Construction and Real Estate Sector Disclosures)				
Sustainability Certifications				
Sustainability Certifications (CRE8)		Evaluations from External Parties	External Evaluations and Certifications	Sustainability Certification
Customer Satisfaction				
Customer Satisfaction (PR5)		Results of surveys measuring customer satisfaction	Social Initiatives	Improving Tenant Satisfaction

SASB Framework

Activity Metrics

SASB Disclosure Code	Disclosure Metric	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Unit
IF-RE-000.A	Number of assets	72	75	76	77	77	assets
IF-RE-000.B	Leasable floor area	873,873	907,231	907,251	912,901	894,737	m^2
IF-RE-000.C	Percentage of indirectly managed assets	1.0	1.0	1.0	1.0	1.0	%
IF-RE-000.D	Average occupancy rate	97.9	97.0	95.5	96.6	97.6	%
	Note: Fiscal years refer to the period starting from April 1 and ending at March 31 of the following year. Fiscal 2024 represents the 46th and 47th fiscal year. The number of assets and the leasable area are the figures for the entire year and include properties sold during each fiscal period. Accordingly, they differ from the figures at the end of fiscal periods (excluding leasehold land assets). The average occupancy rate is the portfolio average of the year-end occupancy rate at the end of each fiscal year.						

Disclosure Topic: Energy Management

SASB Disclosure Code	Disclosure Metric	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Unit
IF-RE-130a.1	Energy consumption data coverage	100	100	100	100	100	% (on a floor area basis)
IF-RE-130a.2	Total energy consumed by portfolio area with data coverage	231,097	226,719	228,073	239,395	240,704	MWh
	Percentage grid electricity	77.02	77.29	76.94	77.52	77.01	%
	Percentage renewable electricity	1.77	17.66	56.33	63.30	64.87	%
IF-RE-130a.3	Like-for-like percentage change in energy consumption for the portfolio area with data coverage	–7.90	–3.36	0.25	2.22	2.32	%
	Percentage of area with data coverage	91.00	94.70	84.29	88.15	95.61	% (on a floor area basis)

Disclosure Topic: Energy Management

SASB Disclosure Code	Disclosure Metric	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Unit
IF-RE-130a.4	Percentage of eligible portfolio that has an energy rating	21.34	21.16	19.85	17.96	18.31	% (on a floor area basis)
	Percentage of eligible portfolio that is certified to ENERGY STAR Not applicable as the ENERGY STAR Program does not cover real estate in Japan						
Reference information	Percentage of eligible portfolio with Green Building certification	75.65	74.19	74.99	74.32	90.83	% (on a floor area basis)
	Notes: Properties that have obtained BELS certification have been included. Reference information: Percentage of eligible portfolio that has DBJ Green Building certification or CASBEE certification. Percentage of properties to have acquired environmental certifications (green building certification and energy rating) is 92.2% based on gross floor area.						

IF-RE-130a.5

■ Description of how building energy management considerations are integrated into property investment analysis and operational strategy (Please refer to the "Environment" section of this report beginning on page 19 for more information)

Based on the Sustainability Policy items "1. Climate change initiative (promoting decarbonization and strengthening resilience)" and "2. Contribution to resource conservation including water, and resource recycling," JRE has set reduction targets for GHG emissions in order to improve the environmental performance of its real estate portfolio. In order to achieve these targets, JRE's asset management company, JRE-AM, 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 its "GHG Emissions Reduction Policy," which aims to create a decarbonized society.

In light of growing worldwide concern in recent years over the risks from climate change, JRE recognizes the importance of implementing an appropriate response, which includes reduction of GHG emissions, is an important management issue in regard to our business strategy for ensuring the sustainability of business activities. JRE has formulated targets for achieving net-zero GHG emissions by fiscal 2050. These targets have been validated by the Science Based Targets initiative (SBTi) as being consistent with the levels required by the Paris Agreement and based on scientific evidence. In addition, we became the first J-REIT to join RE100, a global initiative comprising companies committed to using 100% renewable energy in their business operations. We are therefore proactively advancing the adoption of renewable electricity at our buildings. Going forward, JRE will contribute to a shift to a decarbonized society through the reduction of GHG emissions while securing its preparedness for natural disasters and other phenomena arising from climate change.

JRE is steadily implementing equipment retrofitting that includes switching to LED lighting and installing more energy-efficient air conditioning units to reduce its environmental impact based on its sustainability plan.

JRE measures and gains an understanding of the energy consumption, water consumption, and waste of each building on a monthly basis, outsourcing data calculation and data analysis to a company specializing in EMS to execute its PDCA cycle. If there is a large difference in the aggregated data from the previous month or year, we investigate the cause by conducting interviews with the property manager and ensuring accurate data. We also constantly monitor the reduction effects of green refurbishments such as LED and air conditioning upgrades.

JRE has established selection criteria for PM companies to which it commissions the management of properties and evaluates all of the PM companies once a year, in principle. In addition to the companies' building management and maintenance abilities, JRE evaluates the PM companies by their environmental friendliness in terms of operations, occupational health and safety measures for their employees, and understanding of and cooperation with the Sustainability Policy set by JRE-AM. Moreover, JRE requests the PM companies to make proposals to help JRE reduce environmental impacts, such as measures to reduce energy consumption as part of their management duties. In this way, JRE makes environmental improvement efforts in cooperation with the PM companies.

JRE makes contracts with professional firms to conduct energy assessments of a selection of its properties, utilizing the results to understand the current level of their energy performance and to formulate future policies. JRE has determined "Environmental Consideration of Portfolio" as one of its key ESG issues (materiality) and established the acquisition of environmental certifications (including green building certifications and energy-efficiency ratings) as a KPI. JRE will ensure that more than 90% of its properties obtain environmental certifications and will work to continuously operate office buildings that are the tenants' first choice.

SASB Framework

Disclosure Topic: Water Management

SASB Disclosure Code	Disclosure Metric	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Unit
IF-RE-140a.1	Water withdrawal data coverage as a percentage of total floor area	100	100	100	100	100	% (on a floor area basis)
	Water withdrawal data coverage as a percentage of floor area in regions with high or extremely high baseline water stress At this time, there are no properties located in regions with high or extremely high baseline water stress.						
IF-RE-140a.2	Total water withdrawn by portfolio area with data coverage	655,641	645,753	698,002	779,941	801,545	m^3
	As percentage of water withdrawal in regions with high or extremely high baseline water stress	0	0	0	0	0	%
IF-RE-140a.3	Like-for-life percentage change in water withdrawn for portfolio area with data coverage	−26.89	−2.35	7.04	7.07	4.20	%
	Percentage of area with data Coverage	91.00	94.70	84.29	88.15	95.61	% (on a floor area basis)
IF-RE-140a.4	■ Description of water management risks and discussion of strategies and practices to mitigate those risks At this time, there is no region in Japan where water stress has been deemed high or extremely high, so JRE's portfolio is subject to low risk of water shortage. However, as a general rule, public water and sewerage services are purchased for properties within JRE's portfolio, and if the usage prices are raised, the overall operating costs for the portfolio may increase. Conversely, if we can reduce consumption by improving the efficiency of water usage in buildings, there will be a corresponding reduction in operating costs. For this reason, JRE has set "2. Contribution to resource conservation including water and resource recycling" in its Sustainability Policy. In keeping with this policy, JRE engages in efficient usage and management of water resources for its portfolio. We have set a target of achieving a 20% reduction in water consumption intensity, relative to fiscal 2019, by fiscal 2030. At JRE, we are employing the following strategies for managing water consumption in our portfolio: • Implementation of technical evaluations (water-saving estimates) on the water-saving potential of buildings • Active introduction of water-saving equipment such as water-saving toilets and devices upon retrofit • Introduction of on-location water drainage equipment and equipment for water reuse • Renewal of irrigation equipment for exterior planting and adoption of landscaping that is easy to manage, with less water consumption • Thorough compliance with environmental laws and regulations, monitoring of water consumption, and timely improvement through the implementation of an in-house EMS PDCA cycle						

Disclosure Topic: Management of Tenant Sustainability Impact

SASB Disclosure Code	Disclosure Metric	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Unit
IF-RE-410a.1	Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements	—	66.7	84.5	91.0	98.1	% (on a floor area basis)
	Associated leased floor area	—	134,037	163,112	148,812	143,560	m^2
Reference information	Percentage of total leasable floor area for buildings leased under a green lease agreement	67.9	75.0	78.2	83.9	88.8	% (on a floor area basis)
	Of which, floor area percentage for buildings leased under a green lease agreement that contains a cost recovery clause	53.1	58.4	69.6	83.9	88.8	% (on a floor area basis)
	Note: "Green lease agreements" in the reference information above refers to provisions in leasing contracts related to both refurbishments and arrangements for environmentally conscious building operations.						
IF-RE-410a.2	Percentage of tenants that are separately metered or submetered for grid electricity consumption	100	100	100	100	100	% (on a floor area basis)
	Percentage of tenants that are separately metered or submetered for water withdrawals	91.7	92.9	93.7	93.7	93.9	% (on a floor area basis)

SASB Framework

Disclosure Topic: Management of Tenant Sustainability Impact

SASB Disclosure Code	
IF-RE-410a.3	■ Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants (Please refer to the "Initiatives for Tenants" section of this report beginning on page 23 for more information) Aiming to make environmental contributions by collaborating with tenants, JRE has been gradually introducing green leases that incorporate both operational improvements and efficiency retrofits. Moreover, JRE is conducting diverse sustainability initiatives together with our tenants. Sustainability Guide to Promote Owner and Tenant Collaboration: JRE has created the Sustainability Guide and distributes it to its tenants, aiming to promote close collaboration with them. The Sustainability Guide provides tenants with various tips on what they can do in the office, mainly from the viewpoints of the "environment" and "tenant well-being," supplemented with real-life case studies. In March 2025, we issued and distributed a new Sustainability Guide under the following themes. **Sustainability Guide Themes** • Commitment to achieving a sustainable society • What we can do now • Efforts to make effective use of finite resources by separating waste In addition to the guide, we have the following engagements with our tenants: • Introduction of an online system that enables tenants to check their energy use • Holding Global Warming Prevention Committee meetings open to tenant participation • Participation in the energy conservation month campaign and other activities to promote energy efficiency In many buildings, tenants enter into leasing contracts in which JRE bills the tenants for utility costs based on actual consumption of energy, water, etc. for which the tenant is obligated to pay the actual cost. This scheme therefore provides tenants with incentives to reduce actual consumption. Tenants are also able to reap the repair-related benefits of green leases, with these costs being shared with the property owner.

Disclosure Topic: Climate Change Adaptation

SASB Disclosure Code	Disclosure Metric	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Unit
IF-RE-450a.1	Area of properties located in 100-year flood zones	676,024	691,570	775,641	708,757	638,610	m^2
	Amount recorded refers to the total floor area of properties located in areas where inundation of more than 0 m in depth is expected based on hazard maps (primarily the maximum expected scale) issued by local governments. Japanese hazard maps (maximum estimated scale) are developed for areas with an annual exceedance probability of 1 in 1,000 for flood damage.						
IF-RE-450a.2	■ Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks Please refer to the ESG website "Climate Change Initiatives" page. https://jre-esg.com/en/environment/climate.html						

JAPAN REAL ESTATE INVESTMENT CORPORATION

https://www.j-re.co.jp/en/