About KPIs

In 2019, Japan Real Estate Investment Corporation (JRE) became the first J-REIT to disclose information based on the recommendations put forth by the TCFD, and announced environmental KPIs in 2020 to further respond to climate change risks. As a leader in the J-REIT industry, JRE will continue to promote ESG initiatives in the future.

- **CO₂ Emissions**
  - Reduce by 35%

- **Carbon Intensity**
  - 60 kg-CO₂/m² or lower

- **Waste Recycling Rate**
  - 90% or higher

- **Water Usage**
  - Reduce by 20%

- **Zero Energy Buildings**
  - Own 5~10

*1 Carbon intensity basis *2 Intensity (m³/m²) basis *3 Includes ZEB Ready and ZEB Oriented buildings

**Toward 2030**

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About the JRE ESG Website

Details regarding this report are posted on JRE’s ESG website (external site). Please refer to it as necessary.

https://jre-esg.com/en/

Disclaimer

JRE is not liable for any trouble, loss or damage caused by actions or mistakes made based on judgements using the information contained in this report. In addition, please note that JRE is not liable for any damages caused by falsification of the text, content leaks, unauthorized use by a third party, or other accidents that are not its responsibility.
Message from the President

We have published this sustainability report, the first sustainability report for the Company to disclose to our stakeholders the various ESG-related initiatives JRE has taken to date. In 2018, JRE-AM (Japan Real Estate Asset Management Company) established the ESG Office consisting of three to four dedicated members for ESG, and in the same year, became a signatory to PRI (the United Nations Principles for Responsible Investment). In 2019, JRE disclosed information in line with the TCFD (Task Force on Climate-Related Financial Disclosures) recommendations, making it the first J-REIT to do so. In 2020, we established environmental KPIs to further address climate change-related risks that include target for reducing CO2 emissions by 2030. When determining these KPIs, we set goals that we considered feasible and based on engineering studies and factoring in additional renewal costs. We are proud to be lauded as the front running J-REIT in ESG initiatives as a result of these efforts.

At JRE-AM, proactive ESG initiatives have been one of the top priorities of its management strategy. This is not only because greater society expects us to engage in efforts to improve social sustainability through enhancing environmental, social and governance-related efforts. We believe that these efforts will maximize long-term returns for unitholders in a listed J-REIT such as JRE.

One of the reasons I think that active ESG initiatives will lead to long-term returns for investors goes back to my experience when I was engaged in office building development at Mitsubishi Estate London Limited. I was involved with over five newly built office buildings and was always engaged in hot discussions with the design teams—teams of experts in design, machine & equipment, structure, cost, and construction management—on how we could acquire as strong BREEAM rating. When making these decisions, the question of where to find the balance between the profitability of an investment and its environmental performance of a building has always been a difficult one. On the other hand, even if costs increased a little, the best tenants were almost always willing to pay a higher rent than usual to move into an office building if it meant giving due consideration to the environment and comfort.

One strong impression that I drew from this experience was that tenants have become more aware of ESG that I had previously thought. There have been an increasing number of companies worldwide that make ESG a strong point of consideration in their core businesses. For these companies it is infeasible from a business strategy point of view to operate in an office building that does not factor in ESG.

What this means is that JRE’s active commitment to ESG initiatives, coupled with increasing the number of office buildings that can be opted by a large number of tenants, will lead to long-term returns for investors. I am confident that this is a win-win situation.

The global pandemic of COVID-19 in 2020 has had a massive impact on society and the economy, and there is no clear exit at this point. These circumstances have been a reminder for us as well, that the health and well-being of all stakeholders, including employees and their families, tenants, those working at property management companies, construction companies, and those living in local communities, is of utmost importance.

We have made it our mission to anticipate changes in the business environment and improve the competitiveness of our portfolio constantly, through forward-thinking and proactive asset management. Our ESG efforts may take some time to bear results, but we intend to use this sustainability report as a way to regularly share information with our stakeholders and confirm the progress of our efforts as we work toward our goals. As a leading company in the J-REIT industry, ESG initiatives are JRE’s social responsibility, but not only are we eager to take on these initiatives, but also to lead to long-term returns for unitholders.

*  Building Research Establishment Environmental Assessment Method, the ubiquitous sustainability rating for buildings in the UK.

President & CEO
Naoki Umeda

ESG HIGHLIGHTS

Number of green building-certified properties 48 Properties
Percentage of green building-certified properties 73.9%*

PRI Assessment Result A +
GRESB Real Estate Assessment 5 Stars
ISS ESG Corporate Rating Prime Status

Percentage of green building-certified properties
* Based on acquisition price

Japan Real Estate Investment Corporation

03

04
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, 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 contribution actions to the local communities.

Basic Concepts of Health and Well-being of Tenant Workers

In order to contribute to creating a society in harmony with nature, we will support efforts aimed at living harmoniously with the natural environment through planting initiatives conducive to biodiversity conservation.

Enhancement of safety and security

As part of disaster prevention and response initiatives, we will organize emergency drills based on public-private partnerships, and develop business continuity plans.

Initiatives aimed at officers and employees

We will provide education and training programs for officers and employees to raise environmental awareness and build capacity, as well as support a diverse human workforce and flexible work styles to meet individual lifestyles.

Collaboration with external stakeholders

We will collaborate with property management companies and other suppliers to work together to increase tenant satisfaction and build harmonious relationships with local communities.

Information disclosure and obtaining environmental certifications

We will endeavor to disclose ESG (Environment, Society and Governance)-related information to our investors and various other stakeholders. Also, we will work to obtain environmental certifications and ratings, including the Green Building certification, on a continuous basis.

Sustainability Policy

1. Contribution to creating a low-carbon society
   In order to contribute to creating a low-carbon society, we will proactively promote efficient use of energy, mainly by improving operation systems and introducing appropriate facilities to increase energy conservation.

2. Contribution to creating a recycling-oriented society
   In order to contribute to creating a recycling-oriented society, we will promote efficient use of water resources as well as implementing Reduce, Reuse and Recycling initiatives.

3. Contribution to creating a society in harmony with nature
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As stated above, we will develop sustainability promotion systems, comply with laws, regulations, and other rules pertaining to ESG, and implement sustainability initiatives, thereby contributing to creating a sustainable society through real estate management business.

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)
- Head of ESG Office, Real Estate Management Department
- Sustainability Officer
- General Managers of other departments and those practically in charge of sustainability at each department

Report details, meeting frequency, and examination process:
The Sustainability Committee meets four times a year in principle and executes the PDCA cycle by examining and planning measures, reporting and evaluating the progress and analysis results, and then examining and planning improvement actions, thereby making improvements on a continual basis.

For the matters examined by the Sustainability Committee, JRE-AM makes decisions and implements measures based on its decision making rules, and the results are reported to JRE’s Board of Directors once a year.
Disclosure Policy, Signatory to International Initiatives, and Evaluations from External Parties

JRE-AM attaches great importance to ESG-conscious investing in order to continuously improve the value of assets under management, and is a signatory or participant in the following international initiatives, and will actively engage in initiatives and disclosure in line with these frameworks.

In addition, several of JRE-AM’s ESG initiatives have been evaluated highly by external organisations in Japan and overseas. Going forward, we will maximize long-term returns by strengthening our environmental, social, and governance initiatives.

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 shareholder value. Accordingly, we will promote ESG initiatives and the ESG information disclosure while fostering mutual communication with various stakeholders.

Specifically, we refer to the Global Reporting Initiative Standards (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 corporate website. We hope both this report and our corporate 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, 2019 and ended on March 31, 2020, but the report for the year does include some information outside this period.

International Initiatives

International Initiatives to which JRE-AM is Signatory or Participant

- Signatory to PRI
- Signatory to UNEP FI
- Participation in UNGC

JRE-AM has become a signatory to the following international initiatives and participated in UNGC based on the idea that asset management considering ESG is essential to sustainable asset value growth.

Signatory to the Principles for Responsible Investment (PRI)

PRI comprises an international network of investor signatories and encourages the incorporation of environment, social, and governance issues into investment decision-making processes, with the aim to help companies enhance long-term investment performance and better fulfill their fiduciary duty.

JRE-AM became a signatory in August 2018 in solidarity with the basic approach of PRI.

Signatory to United Nations Environment Programme Finance Initiative (UNEP FI)

UNEP FI is a broad-based and closely knit partnership between UNEP and more than 200 banks, insurance, and securities companies around the world to promote sustainable finance. Since it was established in 1992, it has cooperated with financial institutions, policymakers, and regulatory authorities to promote a shift to a financial system that integrates economic growth and consideration for ESG issues.

JRE-AM agreed with the basic approach of UNEP FI and became a signatory in August 2018. It also participates in the UNEP FI Property Working Group. As of March 2020, this working group consisted of approximately 30 representative real estate institutions in the world and promotes and encourages Responsible Property Investment (RPI).

Participation in the United Nations Global Compact (UNGC)

UNGC is a voluntary, global initiative supporting a global framework for sustainable growth through the demonstration of creative, responsible leadership by the respective corporations and organizations as principled members of society.

First proposed in 1999, participants currently includes more than 13,000 organizations and companies based in 160 countries. It engages in activities based on ten universally accepted principles in the four areas of human rights, labor, environment, and anti-corruption.

Mitsubishi Estate Co., Ltd. became a signatory of the UNGC and the Mitsubishi Estate Group was registered as a participant in April 2018. Along with this, JRE-AM has participated in this initiative as a member of the Mitsubishi Estate Group.

GRESB Ratings

JRE received the following evaluations in GRESB Real Estate Assessment and GRESB Public Disclosure conducted in 2019, with a first place ranking among the listed and unlisted office sector in Japan.

- Real estate assessment: Overall score 5 Stars (highest evaluation)
- Disclosure assessment: Information disclosure level A (highest evaluation)
Sustainability-related initiatives that have been highly evaluated are as follows:

- Issuance of green bonds to fund the refurbishment project of the existing property which improves energy efficiency
- Obtaining third-party assurance by Ernst & Young ShinNihon LLC on energy consumption, greenhouse gas emissions and water usage data
- More than 70% of the company’s portfolio is green certified
- Enhancement of a cooperative relationship with tenants (e.g., promoting green lease program and conducting tenant satisfaction surveys)
- Promoting health & well-being initiative for tenant/customer and community

Selected as Sustainability Champion at the Milestone of 10 Years of GRESB
As a member of the international initiative, JRE-AM has been working for greater sustainability by networking and sharing information with companies that are advanced in terms of ESG as well as by showcasing Japanese practices to the global community. In December 2019, our Head of the ESG Office was selected as one of the sustainability champions at the milestone of 10 years of GRESB.

About GRESB
The Global Real Estate Sustainability Benchmark (GRESB) was established in 2009 by a group of pension funds in Europe. The GRESB assessment does not target individual real estate, but is characterized by evaluating consideration for the environment and sustainability efforts at each real estate company and REIT assets.

PRI Assessment Result

About the PRI Assessment Result

PRI signatories are required to report annually on the status of their ESG integration practices for evaluation. JRE-AM has received the highest “A+” rating in 2020 as shown at right. This is the highest result among all signatories worldwide.

Participation in the CDP’s Climate Change Program

CDP Score

JRE has received the “B” designation in the 2019 Carbon Disclosure Project (“CDP”) Climate Change Program.

About CDP
CDP is an international non-profit organization researching measures taken against global warming by listed companies with the support of institutional investors around the world. CDP has gradually come under the spotlight in recent years as a private-sector effort working to ensure the effectiveness of the Paris Agreement. Since 2003, CDP has been sending out questionnaires to major companies around the world seeking the disclosure of information with relation to areas such as business risks and opportunities coming about due to greenhouse gas emissions and climate change. CDP then assesses corporate actions being taken against the issue of climate change based on their responses. In terms of assessments, there are eight grades; A-, B, C, D, and E.

MSCI ESG Rating

Evaluations
JRE holds an MSCI Rating of “BBB” as of July 2020.

About the MSCI ESG Ratings
MSCI ESG Ratings by MSCI ESG Research LLC comprise a rating system where companies are rated on a seven-tier scale ranging from “AAA” (highest) to “CCC” (lowest) according to their exposure to industry-specific environmental, social, and governance (ESG) risks and their ability to manage those ESG risks.

MSCI ESG Ratings are used by over 1,300 investors worldwide and as the foundation of over 1,000 investment indexes, such as the MSCI Japan ESG Select Leaders Index, which has been selected as an ESG index for passive investment tracking by the Government Pension Investment Fund (GPIF).

Achieved Institutional Shareholder Service (ISS) ESG Corporate Rating “Prime” Status

About the ISS ESG Corporate Rating
JRE achieved ISS ESG Corporate Rating Prime status in March 2020. ISS highly noted JRE for eco efficiency, climate change strategy, and environmental management. Prime status companies are regarded as sustainability leaders in their industry.

ESG Finance Award

Winning the ESG Finance Award
JRE Investment Corporation Bonds (JRE Green Bonds) won bronze at the Ministry of the Environment’s inaugural ESG Finance Awards in February 2020.

About the ESG Finance Award
The ESG Finance Award is an award program launched in 2019 by the Ministry of the Environment to recognize those investors and financial institutions that have been actively involved in promoting green projects and contributed toward creating positive impacts on the environment and society. The award program also celebrates outstanding company initiatives which have incorporated significant environmental risks and opportunities into their corporate strategies while also enhancing their corporate values and having a positive impact on the environment.

Efforts to Acquire Environmental Certifications

JRE will continue to acquire various green building certifications, including DBJ Green Building certification, and CASBEE certifications.

As of March 2020, over 70% of our portfolio has been green certified, obtaining one or more certifications out of DBJ Green Building certification, CASBEE certification, as well as BELS certification.
JRE implements measures to improve the environmental performance of its real estate portfolio based on the Sustainability Policy items “1. Contribution to creating a low-carbon society” and “2. Contribution to creating a recycling-oriented society.”

P12 Environmental Measures
P15 Climate Change Initiatives
P21 Green Bonds

KPIs and Strategies to Reach Targets

- **JRE established KPIs in line with SDGs to help realize a sustainable society.**
- **Water Usage**: Reduce by 20%
- **Carbon Intensity**: 60 kg CO₂/m² or lower
- **Zero Energy Buildings**: Own 5~10
- **Waste Recycling Rate**: 90% or higher

**KPIs for Water and Waste Management**
JRE supports the "SDGs (Sustainable Development Goals)" adopted by the United Nations and has established related KPIs for 2030.

**KPIs for Reduce CO₂ Emissions**
JRE has set KPIs to reduce energy and CO₂ emissions generated from our portfolio by 2030 from a 2013 base year. We will continue to proactively address climate change.

**KPIs to Reduce CO₂ Emissions**
- **CO₂ Emissions**
  - Fiscal 2013 (base year): 92.1 kg CO₂/m²
  - Fiscal 2019: 79.7 kg CO₂/m²
  - Fiscal 2030 targets: 60 kg CO₂/m² or lower
  - Reduce by 13.5%
  - Reduce by 35%

- **Water Usage**
  - Fiscal 2013 (base year): 0.793 m³/m²
  - Fiscal 2019: Reduce by 15.5%
  - Fiscal 2030 targets: Reduce by 20%

- **Waste Recycling Rate**
  - Fiscal 2013 (base year): —
  - Fiscal 2019: 57.7%
  - Fiscal 2030 targets: 90% or higher

*1 Carbon intensity basis *2 Intensity (m³/m²) basis *3 Includes ZEB Ready and ZEB Oriented buildings

*4 The data accuracy is being examined.
Contributions to the Environment through Real Estate Investment Management

Energy Management Systems (EMS)
Grasping Accurate Data and Executing a PDCA Cycle
JRE measures and gains an understanding of the energy consumption, water use, and waste of each building on a monthly basis. We undertake 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 consistently 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 [International Standard on Assurance Engagements 3000] by a third-party organization (Ernst & Young ShinNihon LLC).

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.

Environmental Contribution in Collaboration with Tenants
Aiming to make environmental contributions by collaborating with tenants, JRE has been gradually introducing Green Leases in terms of both operational improvement and efficiency retrofits.

Moreover, JRE is conducting diverse sustainability initiatives together with our tenants.

Environmental Risk Assessment at the Time of Acquisition
When acquiring real estate properties, JRE conducts on-site inspections and also investigates on 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.

Environmental Risk Assessment at the Time of Acquisition

Consideration to Urban Greenery and Biodiversity
JRE’s Sustainability Policy stipulates that it will support efforts aimed at living harmoniously with the natural environment and contribute to creating a society in harmony with nature. 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.

At the Otemachi Park Building, located in the vicinity of the Imperial Palace, we have taken biodiversity into consideration, creating homes for a variety of flora and fauna by including a variety of trees and bushes, birdhouses, porous stone walls, and waterfountains into the design. Under the leadership of our sponsor, Mitsubishi Estate Co., Ltd., we conduct monitoring of the living creatures in the area both as part of our cleaning and plant maintenance duties, and as an activity that the community can participate in as efforts to visualize the biodiversity network centered on the Imperial Palace and to collect and disseminate information aimed at high-quality green space management and greater environmental awareness.

In recognition of the efforts to conserve biodiversity in these spaces, the building has been certified by the Organization for Landscape and Urban Green Infrastructure under the Social and Environmental Green Evaluation System (SEGES) for creating green spaces. Furthermore, it has acquired ABINC certification in the urban/SC category, issued by the Association for Business Innovation in Harmony with Nature and Community (ABINC).
Climate Change Initiatives

JRE believes that climate change is more than an environmental issue. We also believe that it bears 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.

Global Trends

Global Trends in Climate Action

The Paris Agreement is an international framework adopted in 2015 and signed by 197 countries, with the goal of limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit it even further to 1.5°C. It also aims to achieve net-zero greenhouse gas (GHG) emissions by the end of this century. To achieve these goals, efforts are being made and regulations are being strengthened in many countries and regions and in every industry, aimed at reducing emissions. Furthermore, the possibility of even stronger regulations for reducing emissions has been also discussed.

The fact of the matter is that climate change (global warming) was already underway in the latter half of the 20th century, according to the Intergovernmental Panel on Climate Change (IPCC). This is starting to become apparent through a growing frequency of heatwaves as well as heavy rain and other natural disasters. We are expected to respond to these and other physical risks of climate change as a major issue, as they may bear a strong influence on business.

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.

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 above effects of climate change will have on business. At present time, the TCFD recommendations have received widespread 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.

Climate Change Initiatives

Climate Change-Related Risks and JRE’s Response

The TCFD recommendations broadly categorize climate change-related risks into two types: “transition risks” and “physical risks.” We anticipate that climate change will present various risks and opportunities to JRE that have been reflected in our management policy and asset management activities.

Transition Risks

The government of Japan and local municipalities are already making moves to tighten regulations as a measure against climate change. If policies, laws, and regulations are strengthened to keep within the 2°C global temperature limit stated in the Paris Agreement, there are concerns that the outcomes, including regulations on GHG emissions, in Japan, regulations on energy-saving capabilities for buildings, and the introduction of carbon taxes, could have various impacts on the real estate business. Moreover, as we make the move toward a decarbonized society, there is the belief that tenants of office buildings will be incentivized to reduce energy consumption and GHG emissions in their rental spaces. These incentives could change conditions in the office market. Financial institutions and investors are also incorporating the climate-related risks of their investment targets into their investment processes. This may have an effect on business’ procurement of funds.

To address these “transition risks,” JRE is promoting a variety of specific measures and actions, such as Green Projects that reduce GHG emissions or improve energy efficiency, and obtaining green building certifications.

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Due to its geographical circumstances, Japan experiences typhoons and heavy rain every summer and an accumulation of snow in the winter. This, in conjunction with its susceptibility to earthquakes, classifies Japan as a country prone to many natural disasters. As global warming continues on a global scale, there is a possibility that these disasters will become more numerous and severe, with a greater financial impact. These “physical risks” brought on by major climate change are cause for global concern.

In order to mitigate risks toward the profitability of its portfolio as a result of disaster-related damages, JRE employs a strategy to minimize damage in the event of a disaster, and to increase resilience against the growing severity of these disasters.

“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 have installed water-proofed 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 a 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 a disaster.

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

As of March 2020

<table>
<thead>
<tr>
<th>Number of cases</th>
<th>Disaster Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Extreme weather (hot and cold waves, etc.)</td>
</tr>
<tr>
<td>23</td>
<td>Earthquakes, volcanic eruptions, and tsunamis</td>
</tr>
<tr>
<td>8</td>
<td>Inundation and river flooding from heavy rain</td>
</tr>
<tr>
<td>25</td>
<td>Typhoons and tornadoes</td>
</tr>
</tbody>
</table>

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

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 shows the estimated status of inundation damage in the hazard map of the JRE portfolio. 82% of buildings within JRE’s portfolio (based on the number of buildings) fall under the category of “No inundation damage expected” or “inundation of 0.2m to 0.5m in depth (minor damage expected).”

The remaining 18% of buildings are susceptible to 0.5m of inundation or more, but every building in the portfolio is subject to hard measures, such as installation of water-stopping plates, and soft measures, such as training on how to stop inundation.

* 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.

Expected Inundation According to Hazard Map (%)

<table>
<thead>
<tr>
<th>Inundation Depth</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 2m</td>
<td>6.9%</td>
</tr>
<tr>
<td>1m to 2m</td>
<td>4.9%</td>
</tr>
<tr>
<td>0.5m to 1m</td>
<td>5.1%</td>
</tr>
<tr>
<td>0.2m to 0.5m</td>
<td>6.9%</td>
</tr>
<tr>
<td>No damage expected</td>
<td>51.4%</td>
</tr>
</tbody>
</table>

As of March 2020

Response to Damage from the Hokkaido Earthquake

The 8·3 Square Kita Building was closed as result of large-scale power outages lasting about two days stemming from the 2018 Hokkaido Eastern Iburi Earthquake that occurred in the summer of that year. The building was closed as a result of the power outage, with no damage to the building. On the day of the event, on-site staff responded appropriately and promptly to ensure that all tenants and visitors in the building were evacuated smoothly, and were successful in their efforts. Furthermore, there was no loss of profits as a result of the building closing. Despite the difficulty in gathering information due to the power outage, JRE was able to get an accurate and timely grasp of the situation and deliver press release on the disaster situation, as its system for understanding such situations was functioning normally.

Time Required for Post-Disaster Building Repairs (%)

<table>
<thead>
<tr>
<th>Repairs Required</th>
<th>Time Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>43.7%</td>
</tr>
<tr>
<td>One week to one month</td>
<td>14%</td>
</tr>
<tr>
<td>One day to one week</td>
<td>9.7%</td>
</tr>
<tr>
<td>Two problems with facility</td>
<td>7.4%</td>
</tr>
<tr>
<td>Not applicable</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

Repair Costs (%)

<table>
<thead>
<tr>
<th>Repair Costs</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>JP¥ 10 million or lower</td>
<td>56.2%</td>
</tr>
<tr>
<td>JP¥ 100 million or lower</td>
<td>43.1%</td>
</tr>
</tbody>
</table>

As of March 2020

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

Japan is a country that experiences numerous natural disasters. Over the past 10 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, inundation), the 2018 Hokkaido East Iburi Earthquake (earthquake, landslides, wide-ranging power outages), and Typhoon Faxai (strong winds, house damage, long-term power outages) and Typhoon Hagibis (heavy rain, river collapse, inundation) in 2019.

JRE’s portfolio has not been exempt from these disasters and several properties have been affected by these disasters 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.

Even when a disaster occurs, buildings are restored within one week in almost all cases, with repairs costs under JP¥ 10.0 million.

In addition, there is only one example of a building becoming inoperable (closed, etc.) due to a disaster. We will introduce this past example of our disaster response, where a building was closed due to a large-scale power outage.

(please refer to the 8·3 Square Kita Building case on the following page)
Overview of Climate Risks and JRE’s Countermeasures

Risks and Potential Mitigation Strategies

1. **Effective CAPEX Control**
   - **Reduce carbon intensity** by implementing stringent energy management policies and promoting energy efficiency measures.
   - **Establish a medium-term construction budget** to ensure cost-effectiveness and timely completion.
   - **Enhance lifecycle cost management** through comprehensive asset management and strategic planning.

2. **Internal Carbon Pricing**
   - **Implement a carbon pricing mechanism** to internalize carbon costs and promote energy efficiency.
   - **Support green projects** and enhance the value proposition of environmentally conscious investments.

3. **Pathway for CO2 Emissions Reduction by 2030**
   - **Reduce CO2 emissions** by 25% from the 2013 baseline through targeted measures.
   - **Implement a PDCA cycle** to continuously improve environmental performance.

JRE’s Approach to Climate Change Opportunities and JRE’s KPI

**Internal Growth Opportunities**

**Effective CAPEX (capital expenditure) control/internal carbon pricing**

1. JRE-AM has a dedicated engineering team (Lifecyle Design Office), which is engaged in efficiently controlling CAPEX and refurbishment works of over 70 properties. Furthermore, we collaborate with the engineering team of Mitsubishi Jisho Sekkei 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 develops a medium-term construction budget every year. As for green refurbishments (air conditioning and LED upgrades), tenant & washroom refurbishment for common areas, etc., we calculate how much we can have the energy and water reduction effects from these works. The impacts we calculate are converted into CO2-ton equivalent, which helps us know how much CO2 saved of the entire portfolio and how much it costs to reduce 1t-CO2. Generally, introduction of renewable energy has been considered cost-effective to reduce GHG emissions rather than renovation work. However, JRE has found that retrofitting existing buildings will also reduce GHG emissions without significant additional costs.

3. **Pathway for CO2 Emissions Reduction by 2030**
   - **Reduction from Operations**
     - **Medium-term**
       - **Renewable energy**, **New acquisition & disposition**, **Operation at site**, etc.
     - **Long-term**
       - **Strategic planning**, **Technology and society**, and also actively reporting to external parties.

**Asset-level Renovation Projects and Value-add Approach**

While improving the energy efficiency of individual buildings serves as an advance response to the transition risk of reducing GHG emissions, it also serves as an opportunity to improve profitability by increasing net operating income (NOI) via savings of utility costs and raising appeal for environmentally conscious tenants.

JRE is reducing utility costs by upgrading to LED lighting. Furthermore, we are moving forward with asset-level green refurbishment projects. These projects receive a green premium after conferring with tenants comprising increased rent and payment into a cooperative green fund, resulting in lower emissions and higher profitability.

Future ZEB Achievements in JRE’s Portfolio

JRE aims to own 5-10 ZEBs by 2030 (including ZEB Ready and ZEB Oriented buildings). In collaboration with Mitsubishi Jisho Sekkei Inc., we have started to verify the future possibility to make the existing properties to ZEBs through renovations.

**External Opportunities**

With the cooperation of JRE-AM’s sponsors, Mitsubishi Estate Co., Ltd. and Mitsubishi Jisho Sekkei 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.

**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. As a green investment and lending target, JRE has developed a green bond framework and has been promoting green financing as a means to acquire advantageous funding opportunities.

**Based on the results, JRE will work on the way between Case II and Case III.**

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*Please refer to pages 21 for more details.*

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**Example of Property Replacement with Sponsor:**

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*Please refer to page 22 for more details.*

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**Japan Real Estate Investment Corporation**
Green Bonds

JRE issues Green Bonds in order to further promote our sustainability initiatives. Going forward, we will promote energy conservation, improve customer satisfaction, and encourage acquiring green building certifications through various measures such as refurbishment work and other ESG investments that give consideration to the environment, and achieve Positive Impact* by doing so.

**Use of Proceeds from Issuing Green Bonds**

The net proceeds of Green Bonds are used to finance the refurbishments to or the acquisition of assets that meet the eligibility criteria.

<table>
<thead>
<tr>
<th>Name of investment corporation</th>
<th>Japan Real Estate Investment Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series of the bond</td>
<td>12th Unsecured Bond</td>
</tr>
<tr>
<td>Date of issue</td>
<td>November 1, 2018</td>
</tr>
<tr>
<td>Final redemption date</td>
<td>November 1, 2023</td>
</tr>
<tr>
<td>Payment period</td>
<td>Five years</td>
</tr>
<tr>
<td>Nominal amount of bonds to be issued</td>
<td>JPY 10 billion</td>
</tr>
<tr>
<td>Denomination of each bond</td>
<td>JPY 100 million</td>
</tr>
<tr>
<td>Substitution method</td>
<td>Public offering</td>
</tr>
<tr>
<td>Rating</td>
<td>AA (Rating and Investment Information, Inc.)</td>
</tr>
<tr>
<td>Underwriters</td>
<td>Mitsubishi Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., SMBC Nikko Securities Co., Ltd., plus two other companies</td>
</tr>
<tr>
<td>Issue of proceeds</td>
<td>• Refurbishments of Shiba 2Chome Daimon Building: JPY 5 billion</td>
</tr>
<tr>
<td></td>
<td>• Payment of loan for acquiring Akasaka Park Building: JPY 6 billion</td>
</tr>
<tr>
<td></td>
<td>• Payment of loan for acquiring Shijo Karasuma Center Building: Any remaining proceeds</td>
</tr>
</tbody>
</table>

**Green Bond Framework**

Eligible Green Projects must meet one or more of the following eligibility criteria.

**Refurbishments**

- Refurbishments with more than 10% reduction in CO₂ emissions or energy consumption
- Refurbishments with more than 10% reduction in water consumption
- More than one level of star/rank improvement in the green building certifications listed in (ii)
- Refurbishment that contributes to the conservation and recovery of biodiversity, including of diversity of outdoor plants which will also be considered if one or more of “a” through “c” criteria in (i) are met.
- Refurbishment that contributes to the local community by improving public open space connected to the buildings and renovating for accepting people who are temporarily unable to return home will also be considered if one or more of “a” through “c” criteria in (i) are met.
- Either one of the certifications/recertification listed in (ii)

(ii) Acquisition

- 3, 4 or 5 Stars under the DBJ Green Building certification
- B+, A or S Rank under CASBEE

**Winning the ESG Finance Award**


**Evaluation by an External Organization (Second-Party Opinion)**

JRE has obtained a second-party opinion from Sustainalytics, an international ESG evaluation company for the eligibility of its green bond framework.

**Reporting**

Allocation Reporting

Allocation is reported every year at the end of March.

Impact Reporting

- Energy consumption
- Water usage
- CO₂ emissions

The environmental impacts resulting from refurbishment will be disclosed annually after the construction has been completed.

JRE will indicate either an estimated % of reduction of energy consumption or water usage or CO₂ emissions before and after refurbishment.

* Changes in customer satisfaction and actual investment returns are disclosed on an annual basis.

* "Positive Impact" is defined as “that which produces a positive impact on society or the environment and simultaneously ensures the market-level return”.

* Result of the ESG Finance Award:

- Energy consumption: Reduction 30%
- Water consumption: Reduction 46%
- Green Building certification: 3 Stars under the DBJ Green Building certification.
- Investment return: 4~5%
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 the Company and employees through efforts to improve the physical and mental health of officers and employees.

**Society**

**Relationship Between JRE’s Real Estate Investments and Stakeholders**

JRE makes investments based on its ESG Policy and conducts office building management and operations in order to generate stable and sustainable profits. We are creating a system to improve property value and generate returns over the medium-to-long term by both increasing stakeholder engagement and promoting environmental initiatives.

**Sustainability Policy**

- Contribution to creating a low-carbon society
- Contribution to creating a recycling-oriented society
- Contribution to creating a society in harmony with nature
- Enhancement of safety and security
- Initiatives aimed at officers and employees
- Collaboration with external stakeholders
- Information disclosure and obtaining environmental certifications

**Unitholders**

**Investment and management**

**Office Building Investments**

**Japan Real Estate Investment Corporation**

**External Evaluation and Certifications**

- GRESB
- ESG Finance Award
- DBJ Green Building certifications

**Promotion of ESG-related initiatives**

**Employees**

**PM Companies**

**Local Communities**

**Tenants**

**Stakeholders**

We are working with PM companies to improve the asset value of each property, with consideration given to reducing the environmental impact of building operations.

We are making efforts to increase tenant satisfaction and are committed to building long-term trust relationships between owner and tenant.

Please refer to page 25-29 for more details.

P25 Tenants and Partners
P26 Local Communities
P27 Employees
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.”

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.

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 the Company 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.

Introducing green leases

We are promoting the incorporation of green lease clauses into lease contracts with tenants.

Survey on Tenant Satisfaction

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

Feedback of Environmental Data / Online Tenant Services on the Internet

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

Enhancing Long-Term Value of Portfolios

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

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 sponsors that are developers.

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 and a regional warehouse on the premises of Harumi Front 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 where they can turn to in the event of disaster, thereby contributing to local communities.

Support for Local Events, Local Group Activities, and Artistic and Cultural Activities. For Shiodome Building, we support the local summer festival by providing a venue and supplying human resources while holding local music events in the open spaces and common areas of Higashi Nibincho Square and Tokyo Opera City Building on a regular basis. Furthermore, we support a range of artistic and cultural activities conducted in Tokyo Opera City Building, which comprises multiple cultural facilities. In these ways and others, JRE has committed to promoting regional revitalization as well as artistic and cultural activities by supporting a range of events.

Feedback for each building
Basic Policy

JRE is prohibited from having any employees under the Japanese Act on Investment Trusts and Investment Corporations, and therefore commissions business operations to JRE-AM. As the asset management company for JRE, JRE-AM believes that acquiring and training top-level human resources is a very important aspect of maintaining top-level management. In addition, JRE-AM has highlighted efforts related to officers and employees as an important issue in its Sustainability Policy. To achieve these goals, JRE-AM is promoting efforts to improve the health and well-being of its employees by creating a system to acquire and develop professional human resources who can handle the responsibility of asset management.

Talent Pipeline & Development Strategy

We have access to professionals with extensive experience and expertise in real estate investment and asset management as seconded staff from our shareholders, Mitsubishi Estate Co., Ltd. and Mitsui & 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 a support for acquiring various qualifications and specialized training after joining the Company. In addition, we are developing an easy-to-work-in environment for employees that is mindful of their health and well-being.

Whereas JRE-AM currently does not hire new graduates, we continually host junior employees (with fewer than ten years’ experience) seconded from our sponsors who regularly recruit 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 the company, 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 shareholders. By participating in such programs, we expect each employee to develop as both a business person and an industry professional.

Specialized Skills Training

We offer training programs led by external lecturers and experts that improve employees’ professional and practical skills, helping them become professionals in the fields of REITs and real estate asset management. Further, we encourage all employees and officers to pursue educational opportunities outside the company by subsidizing relevant educational expenses such as the costs of attending seminars and training programs offered by external organizations.

Advanced Leadership Development

At JRE-AM, managerial positions are given to those who display management potential and show a willingness to acquire specialized knowledge from both inside and outside the Company. After these managers are appointed, we expect them to improve their management abilities on a voluntary basis. To support their participation in management seminars and symposiums, we bear the costs of these activities. To ensure up-to-date knowledge of laws, such as the Financial Instruments and Exchange Act and the Act on Investment Trusts and Investment Corporations, we periodically invite external experts to lecture on these topics, and also provide training for managers conducted by our shareholders (sponsors).

Examples of Training Programs by External Lecturers in Fiscal 2019 (20 Programs Conducted Total)

- 1: Compliance training for those engaged in investment management business (June and September 2019)
- 2: Internal Audit Seminar (June and July 2019)
- 3: Anti-money Laundering Training (February 2020)
- 4: Sustainability Seminar (January 2020)
- 5: Seminar by Industrial Physician on Stress (October 2019)
- 6: Anti-Harassment Training (February 2020)

Fair Performance Evaluation and Remuneration

JRE-AM has introduced an evaluation system for all employees based on performance and processes. At the beginning of the fiscal year, each employee sets his or her 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.

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.

Employee Health and Well-being

Creating Productive and Employee-friendly Workplace

JRE-AM Office Environment

We moved to our new office at Otemachi Park Building in 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 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.

We employ a human resources development strategy that acquires and trains top-level human resources who can handle the responsibility of asset management. These offices will facilitate work style reforms and lead to improved productivity.

Promote 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 Flex-Time Working Hours for All Employees

We have introduced a flex-time system for all employees in which they can schedule their daily working hours outside of our core business hours of 9am until 5pm which allows employees to find a manner of working that suits their lifestyles. Furthermore, pre-arranged 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 working style that takes into account a proper work-life balance.

As part of our business continuity plans during times of emergency, we have an operating environment that allows for remote working as needed.

Employee Voice

Thanks to the flextime system, I was able to work without having to worry about sticking to set working hours or having do work a set amount of hours each day, which let me work after returning from childcare leave without trouble. Since the core required time under this system can be as short as two hours, I can adjust my day to suit my child’s schedule for things such as vaccinations, nursery school events, or whatever else may come up. What is more, I can work more efficiently by deciding and managing my daily working hours. All in all, I feel like the system has improved my productivity.

The work environment is such that I can take paid leave with ease, even though I have a small child I can still find time for myself, and this work-life balance is another plus for me.

- Office Design Promoting Internal Communication

To coincide with our relocation, we have adopted a free seating system for employees and have upgraded communication spaces within the Company. These spaces are aimed at integrating in–Company communication and have been set up to add a playful touch to our office and promote employees’ physical activities. We believe that these offices will facilitate work style reforms and lead to improved productivity.

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Satisfaction Survey
We believe that hearing the frank and honest opinions of employees is indispensable for creating a good work environment. In accordance with this recognition, JRE's HR department regularly conducts the Employee Satisfaction Survey* and interviews employees in order to improve working environments.

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

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 the company's competitiveness through open communication.

Policies and Initiatives amid COVID-19
Amid the ongoing impact of COVID-19, we are making a variety of efforts to protect the health of JRE-AM's employees and our tenants and to provide a safe working environment. We will continue to keep an eye on social trends and respond to requests from the government in a flexible manner.

<table>
<thead>
<tr>
<th>Consideration for Employees</th>
<th>Consideration for Tenants</th>
<th>Consideration for Suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>We are conducting operations while staying mindful of work-life balance in an effort to prevent infection. Therefore, we have established rules for adopting teleworking and are promoting staggered commuting. We have clarified work priority and promoted the use of IT through online meetings and other means, and have set up a system that allows work to be carried out smoothly even when working from home. In the office, we are careful to apply disinfectants and wear masks to prevent infection.</td>
<td>We are working to ensure the safety and security of our tenants by providing disinfectants in common areas, communicating the benefits of washing hands, gargling and wearing masks, and setting up stations to check temperatures with non-contact thermometers.</td>
<td>Taking the health and safety of employees of the suppliers such as construction companies, equipment companies, and FM companies into consideration, particularly as it pertains to preventing the spread of infection, we are postponing refurbishment works and maintenance inspection when possible after washing urgency and importance. At the same time, we are making efforts to ensure safe operations by distributing work through rotating schedules.</td>
</tr>
</tbody>
</table>

Employee hotlines & grievance reporting
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, or an external specialist organization on such matters as work problems, grievances, improvement requests, and whistleblowing on illegal/unethical behavior by officers and employees. Every employee can access the above hotlines at any time and consultations can be made anonymously; and whistleblowers are given protection under the Whistleblower Protection Act or the equivalent. If deemed necessary, the contact point will report the details of the consultation to the Representative Director, and the Representative Director will conduct an investigation in consideration of the human rights of the employees and take the measures necessary for resolution of the issue.

Employee-related data is listed below. Particularly notable is data related to the active participation of women, as the proportion of female employees at the Company has increased for the third consecutive year, far exceeding the average for Japanese companies of 25.2%.* In addition, results from the reporting period below show a 100% return and retention rate for employees 12 months after taking childcare leave.

* Source: “Corporate awareness survey on promoting the participation of women in their workforce” conducted in August 2019 and released by Teikoku Databank Ltd.
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 his or her duties with high ethical standards and strict self-discipline raises our reputation among investors and garners the trust of the wider society.

 Governance

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 outsourcing. Under the management structure below, JRE-AM conducts asset investments such as acquisition and transfer of properties and leasing spaces to tenants.

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
   - Company-wide 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.

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.

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 (1) and (4)
Compliance Risk Management through Three Lines of Defense

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

1st Line of Defense—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 implementation of compliance programs, and formulation and implementation 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.
- A compliance program has been developed as a concrete implementation plan aimed at achieving proper compliance.

2nd Line of Defense—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 Compliance Committee has been set up to examine, deliberate over, and make decisions on compliance-related concerns and pressing matters such as important transactions that involve key related parties. Independent external experts also serve in the committee as members.
- A sense 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 of Defense—Review by Audit Divisions
- Internal audits are conducted every year to 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.

Basic Principle of Compliance for 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 administrators 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 JRE-AM
- Ensuring thorough compliance is its basic management principle, since JRE-AM fully understands that any insufficiency in compliance would affect its management base.
- 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.
- JRE-AM is the asset management company of the real estate fund which is jointly managed by Mitsubishi Estate Co., Ltd., and Mitsui & Co., Ltd. across business boundaries. They are Japan’s leading companies in real estate, finance, and risk management. JRE-AM therefore promotes a sophisticated compliance system as the key member of these companies.
- 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.

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 entrusted 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

- Consideration, Selection, Draft by Department in Charge (The first compliance check)
- Preliminary Verification by Compliance Department (The second compliance check)
- Deliberation and Approval by Compliance Committee (The third compliance check)
- Approval by Board of Directors of Investment Corporation (The fourth compliance check)
- Deliberation and Decision by Investment Management Council (The fifth compliance check)
- 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 (2. Management systems of investment corporations and asset management companies, 3. Measures for transactions that constitute conflicts of interest available only in Japanese).
### GRI Content Index

#### GRI 100: Universal Standard

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Note: The above table is a partial representation of the GRI Content Index for Japan Real Estate Investment Corporation for the year 2016. For a comprehensive understanding, please refer to the company's official report.
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**List of material topics**

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<tr>
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**GRI 102-55 GRI content index**

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<td>3. Contribution to creating a society in harmony with nature</td>
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**Other risks and opportunities due to climate change**

- Energy ("Contribution to creating a low-carbon society")
- Water ("Contribution to creating a recycling-oriented society")
- Water and Effluents ("Contribution to creating a society in harmony with nature")

**External assurance**

- Environmental Measures
- ESG Information Disclosure Framework
- GRI

**Other risks and opportuni-**

- Climate Change Initiatives
- Climate Change-Related Risks and JRE’s Response

**Boundary**

- Environmental Measures
- Environmental Performance
- Environmental Measures
- Environmental Performance
- Environmental Measures
- Environmental Performance
### GRI Content Index

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<tr>
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### 305 Emissions 2016

| 305-1 Direct (Scope 1) GHG emissions | Environmental Measures | Environmental Performance |
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| 305-4 GHG emissions intensity | Environmental Measures | Environmental Performance |
| 305-5 Reductions of GHG emissions | Environmental Measures | Contributions to the Environment through Real Estate Investment Management |

### Supplier Environmental Assessment (Collaboration with external stakeholders)

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### GRI 400: Social Standards

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| Training and Education (Initiatives aimed at officers and employees) | | |
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Local Communities (Collaboration with external stakeholders)

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| 103-3 Evaluation of the management approach | Basic Policy and Management Structure of ESG, Environmental, Social and Governance Issues | Sustainability Committee, Commitment to GRESB |

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*Ernst & Young ShinNihon LLC was engaged to provide independent limited assurance on the Environmental Performance Data on the company’s website. *

*CSS Design Green Investment Advisory, Co., Ltd. reviewed accuracy of JRE’s ESG performance.
### Local Communities ("Collaboration with external stakeholders")

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<td></td>
<td>and development programs</td>
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<td></td>
<td>Social Responsibility</td>
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<td>Relationship with Local Communities</td>
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<tr>
<td></td>
<td>Note: Properties owned by JRE are referred to as Office in the requirement of Risk item taking into account the general meaning of the report. Please see Portfolio List of JRE’s website regarding properties held by JRE.</td>
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<td>impacts on local communities</td>
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<tr>
<td></td>
<td>No specific office with significantly negative impact on local municipalities was determined during the reporting period.</td>
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### Supplier Social Assessment ("Collaboration with external stakeholders")

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<td></td>
</tr>
<tr>
<td></td>
<td>Supplier applicable of social criteria was not newly hired.</td>
<td></td>
</tr>
<tr>
<td>414-2</td>
<td>Negative social impacts in the supply chain and actions taken</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No specific supplier with significantly negative social impact was determined during the recent period.</td>
<td></td>
</tr>
</tbody>
</table>

### Customer Health and Safety ("Enhancement of safety and security")

<table>
<thead>
<tr>
<th>GRI Index</th>
<th>Location on the Company’s web site</th>
<th>Reviewed by a third-party organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>415</td>
<td>Customer Health and Safety 2016</td>
<td></td>
</tr>
<tr>
<td>415-1</td>
<td>Assessment of the health and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>safety impacts of product and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>service categories</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social Responsibility</td>
<td></td>
</tr>
</tbody>
</table>

### Sustainability Certifications ("Information disclosure and obtaining environmental certifications")

<table>
<thead>
<tr>
<th>GRI Index</th>
<th>Location on the Company’s web site</th>
<th>Reviewed by a third-party organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>103</td>
<td>Management Approach 2016</td>
<td></td>
</tr>
<tr>
<td>103-1</td>
<td>Exploration of the material topic and its boundary</td>
<td>Sustainability Policy</td>
</tr>
<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td>Sustainability Policy</td>
</tr>
<tr>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>Sustainability Policy</td>
</tr>
</tbody>
</table>

### Customer Satisfaction ("Collaboration with external stakeholders")

<table>
<thead>
<tr>
<th>GRI Index</th>
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</tr>
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<tbody>
<tr>
<td>103</td>
<td>Management Approach 2016</td>
<td></td>
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<tr>
<td>103-1</td>
<td>Exploration of the material topic and its boundary</td>
<td>Sustainability Policy</td>
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<tr>
<td>103-2</td>
<td>The management approach and its components</td>
<td>Sustainability Policy</td>
</tr>
<tr>
<td>103-3</td>
<td>Evaluation of the management approach</td>
<td>Sustainability Policy</td>
</tr>
</tbody>
</table>

### Others

- **Sustainability Certifications**
  - **Type and number of sustainability certification, rating and labeling schemes for new construction, management, occupation and redevelopment.**
  - **External Evaluation**
  - **Sustainability Certification**

- **Customer Satisfaction**
  - **Results of surveys measuring customer satisfaction.**
  - **Social Responsibility**
  - **Improving Tenant Satisfaction**
Disclosure Topic: Energy Management

<table>
<thead>
<tr>
<th>SASB Disclosure Code</th>
<th>Disclosure Metric</th>
<th>Fiscal 2019</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-RE-130a.1</td>
<td>Energy consumption data coverage</td>
<td>100%</td>
<td>Percentage (%) by floor area</td>
</tr>
<tr>
<td>IF-RE-130a.2</td>
<td>Total energy consumed by portfolio area with data coverage</td>
<td>244,914</td>
<td>MWh</td>
</tr>
<tr>
<td>IF-RE-130a.3</td>
<td>Percentage grid-electricity</td>
<td>79.52</td>
<td>%</td>
</tr>
<tr>
<td>IF-RE-130a.4</td>
<td>Percentage renewable-electricity</td>
<td>1.28</td>
<td>%</td>
</tr>
<tr>
<td>IF-RE-130a.5</td>
<td>Like-for-like percentage change in energy consumption for the portfolio area with data coverage</td>
<td>4.51</td>
<td>%</td>
</tr>
<tr>
<td>IF-RE-130a.6</td>
<td>Percentage of area with data coverage</td>
<td>93.64</td>
<td>Percentage (%)</td>
</tr>
<tr>
<td>IF-RE-130a.7</td>
<td>Percentage of eligible portfolio that has an energy rating</td>
<td>20.69</td>
<td>Percentage (%) by floor area</td>
</tr>
<tr>
<td>IF-RE-130a.8</td>
<td>Percentage of eligible portfolio that is certified to ENERGY STAR</td>
<td>20.69</td>
<td>Percentage (%) by floor area</td>
</tr>
<tr>
<td>IF-RE-130a.9</td>
<td>Reference information</td>
<td>71.32</td>
<td>Percentage (%) by floor area</td>
</tr>
</tbody>
</table>

Disclosure Topic: Water Management

<table>
<thead>
<tr>
<th>SASB Disclosure Code</th>
<th>Disclosure Metric</th>
<th>Fiscal 2019</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-RE-140a.1</td>
<td>Water withdrawal data coverage as a percentage of total area</td>
<td>100</td>
<td>Percentage (%) by floor area</td>
</tr>
<tr>
<td>IF-RE-140a.2</td>
<td>Total water withdrawn by portfolio area with data coverage</td>
<td>87,460</td>
<td>Mm3</td>
</tr>
<tr>
<td>IF-RE-140a.3</td>
<td>Reference information</td>
<td>5.17</td>
<td>%</td>
</tr>
<tr>
<td>IF-RE-140a.4</td>
<td>Percentage of area with data coverage</td>
<td>93.64</td>
<td>Percentage (%) by floor area</td>
</tr>
</tbody>
</table>

Disclosure Topic: Environmental Sustainability

- **Disclosure Topic: Energy Management**
  - **Activity Metrics**
    - **SASB Framework**
      - **Disclosure Topic: Energy Management**
        - **SASB Disclosure Code**: IF-RE-130a.1
          - **Disclosure Metric**: Energy consumption data coverage
          - **Fiscal 2019**: 100%
          - **Unit**: Percentage (%) by floor area
        - **SASB Disclosure Code**: IF-RE-130a.2
          - **Disclosure Metric**: Total energy consumed by portfolio area with data coverage
          - **Fiscal 2019**: 244,914 MWh
        - **SASB Disclosure Code**: IF-RE-130a.3
          - **Disclosure Metric**: Percentage grid-electricity
          - **Fiscal 2019**: 79.52%
        - **SASB Disclosure Code**: IF-RE-130a.4
          - **Disclosure Metric**: Percentage renewable-electricity
          - **Fiscal 2019**: 1.28%
        - **SASB Disclosure Code**: IF-RE-130a.5
          - **Disclosure Metric**: Like-for-like percentage change in energy consumption for the portfolio area with data coverage
          - **Fiscal 2019**: 4.51%
        - **SASB Disclosure Code**: IF-RE-130a.6
          - **Disclosure Metric**: Percentage of area with data coverage
          - **Fiscal 2019**: 93.64%
        - **SASB Disclosure Code**: IF-RE-130a.7
          - **Disclosure Metric**: Percentage of eligible portfolio that has an energy rating
          - **Fiscal 2019**: 20.69%
        - **SASB Disclosure Code**: IF-RE-130a.8
          - **Disclosure Metric**: Percentage of eligible portfolio that is certified to ENERGY STAR
          - **Fiscal 2019**: 20.69%
        - **SASB Disclosure Code**: IF-RE-130a.9
          - **Disclosure Metric**: Reference information
          - **Fiscal 2019**: 71.32%

- **Disclosure Topic: Water Management**
  - **SASB Disclosure Code**: IF-RE-140a.1
    - **Disclosure Metric**: Water withdrawal data coverage as a percentage of total area
    - **Fiscal 2019**: 100%
    - **Unit**: Percentage (%) by floor area
  - **SASB Disclosure Code**: IF-RE-140a.2
    - **Disclosure Metric**: Total water withdrawn by portfolio area with data coverage
    - **Fiscal 2019**: 87,460 Mm3
  - **SASB Disclosure Code**: IF-RE-140a.3
    - **Disclosure Metric**: Reference information
    - **Fiscal 2019**: 5.17%
  - **SASB Disclosure Code**: IF-RE-140a.4
    - **Disclosure Metric**: Percentage of area with data coverage
    - **Fiscal 2019**: 93.64%

**Footnotes**
- Disclosure of how building energy management considerations are integrated into property investment analysis and operational strategy.
- Reference information: Percentage of eligible portfolio that has Obin Green Building certification or CASBEE certification for real estate is 73.9% based on acquisition price.

**JRE measures and gains an understanding of the energy consumption, water use, and waste generation 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 in energy generation of green refinements such as LED and AC upgrades.

**Disclosure Topic: Environmental Sustainability**

- **Disclosure Topic: Water Management**
  - **SASB Disclosure Code**: IF-RE-140a.1
    - **Disclosure Metric**: Water withdrawal data coverage as a percentage of total area
    - **Fiscal 2019**: 100%
    - **Unit**: Percentage (%) by floor area
  - **SASB Disclosure Code**: IF-RE-140a.2
    - **Disclosure Metric**: Total water withdrawn by portfolio area with data coverage
    - **Fiscal 2019**: 87,460 Mm3
  - **SASB Disclosure Code**: IF-RE-140a.3
    - **Disclosure Metric**: Reference information
    - **Fiscal 2019**: 5.17%
  - **SASB Disclosure Code**: IF-RE-140a.4
    - **Disclosure Metric**: Percentage of area with data coverage
    - **Fiscal 2019**: 93.64%

**Footnotes**
- **Disclosure of water management risks and discussion of strategies and practices to mitigate those risks**.
- **At JRE, we are employing the following strategies for managing water consumption in our portfolio:**
  - Implementation of technical evaluations (water-saving diagnoses) 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 landscapes that are 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 on-site EMS PDCA cycle
Disclosure Topic: Management of Tenant Sustainability Impact

<table>
<thead>
<tr>
<th>SASB Disclosure Code</th>
<th>Disclosure Metric</th>
<th>Fiscal 2019</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-RE-410a.1</td>
<td>Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements</td>
<td>(To be disclosed)</td>
<td>Percentage (%) by floor area</td>
</tr>
<tr>
<td>Associated leased floor area</td>
<td>(To be disclosed)</td>
<td>m²</td>
<td></td>
</tr>
</tbody>
</table>

Reference information:
- Percentage of total leasable floor area leased under a green lease agreement: 42.3% Percentage (%) by floor area
- Percentage of total leasable floor area leased under a green lease agreement: 54.1% Percentage (%) by building

Note: “Green lease agreements” in the reference information above refers to provisions in leasing contracts related to 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 Percentage (%) by floor area

IF-RE-410a.3 Percentage of tenants that are separately metered or submetered for water withdrawals: 90.7% Percentage (%) by floor area

Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants

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 them to its tenants aiming to promote close collaboration with them.

The Sustainability Guide provides tenants 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.

Contents
- Toward a Sustainable Society
- Our Thoughts
- Case 1: Example of a Large-Scale Office
- Case 2: Example of Small- and Medium-Sized Offices
- Case 3: Creating New Spaces in the Current Office
- What We Can Do Now

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

<table>
<thead>
<tr>
<th>SASB Disclosure Code</th>
<th>Disclosure Metric</th>
<th>Fiscal 2019</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF-RE-450a.1</td>
<td>Area of properties located in 100-year flood zones</td>
<td>551,331</td>
<td>m²</td>
</tr>
</tbody>
</table>

Note: Amount recorded refers to the total floor area of properties located in areas where inundation of more than 0.1m in depth is expected based on the hazard map (planned scale) issued by the local government. Japanese hazard maps (planned scale) are developed primarily for areas with an annual exceedance probability of 1/100 to 1/200 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 “Climate Change” section of this report beginning on page 15 for more information)