

An aerial photograph of a vast, forested coastline meeting a large body of water. The foreground is dominated by a dense forest of tall, green coniferous trees. The coastline is rocky and irregular, with the forest extending down to the water's edge. The water is a deep blue, reflecting the sky. In the distance, more forested hills and mountains are visible under a sky with soft, wispy clouds, suggesting a sunset or sunrise. The overall scene is serene and natural.

KJRM

Sustainability Report 2025

Japan Metropolitan Fund Investment Corporation
Industrial & Infrastructure Fund Investment Corporation
KJRM Group

Japan Metropolitan Fund Investment Corporation

—Philosophy—

Support metropolitan life (live, work and consume) in Japan from the perspective of real estate

Industrial & Infrastructure Fund Investment Corporation

—Philosophy—

Invests in social infrastructure as a source of power for the Japanese economy and supports Japan's industrial activities from the perspective of real estate.

Asset Management Consignment



Asset Management Consignment



KJRM Group

—MISSION—

Always create new values, for people, the community and the world

Through real estate investment management, we create new demands in our society and new values that exceed people's expectations.

KJRM
KKR Japan Realty Management

Ownership



KKR & Co. Inc.

The Power of Together

To fortify companies and communities and help secure the futures of the institutions and individuals counting on us.

KKR

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● Industrial & Infrastructure Fund Investment Corporation (IIF)

● KJR Management (KJRM)

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Editorial Policy

Japan Metropolitan Fund Investment Corporation (JMF) and Industrial & Infrastructure Fund Investment Corporation (IIF), and their asset management company KJR Management (the Company), are highly aware of the importance of sustainability and are proactively making efforts to achieve it based on the “practicing Responsible Property Investment and contributing to solve global issues” as our sustainability strategy.



The Sustainability Report 2025 was prepared with reference to the GRI Standards and SASB (real estate) Standards and is issued for the purpose of disclosing to stakeholders the sustainability policies and initiatives of JMF, IIF and the Company.

Month of issuance: February 2025 (issued annually)

Reporting Coverage: In principle, JMF, IIF and the Company

Reporting period: January to December, 2024 (past data, efforts, and other information outside the reporting period are also included as necessary.)

Frequency of updates: Once annually Reference guidelines: GRI standards SASB standards (real estate)

The GRI Guidelines  and SASB Index  will be posted at the end of March 2025 on website.

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KJRM Holdings
President & CEO

Naoki Suzuki

Top Message

Japan Metropolitan Fund Investment Corporation (JMF) and Industrial & Infrastructure Fund Investment Corporation (IIF), together with their asset management company KJR Management (the Company) and KJR Holdings (collectively "KJRM Group"), are pursuing the Company's mission of "Always Create New Value for People, the Community, and the World" by undertaking initiatives to solve issues based on the "practicing Responsible Property Investment and contributing to solve global issues" as our sustainability strategy.

JMF and IIF aim to achieve net zero by 2050, and are steadily progressing with initiatives such as introducing renewable energy and energy-saving equipment toward their medium-term goal of reducing total Scope 1 and 2 greenhouse gas emissions by 42% by 2030 compared to FY2020 and FY2021 levels respectively. Regarding climate change, in response to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we disclosed a quantitative analysis of the financial impact of risks and opportunities. We use internal carbon prices to estimate the impact of regulations on emissions, and also refer to external data to estimate the impact of physical risks and opportunities.

Furthermore, regarding natural capital, we conducted an initial review of the assessment and analysis of nature-related issues pertaining to JMF and IIF based on the LEAP approach recommended by the Task Force on Nature-related Financial Disclosures (TNFD). Additionally, as part of efforts to maintain biodiversity, JMF and IIF have made green spaces available to the local community at some of the properties they own and are carrying out activities in the green spaces in collaboration with various experts. We have also taken steps with an awareness of the transition to a circular economy. In the large-scale renovation of G-Building Minami Ikebukuro 01, which is owned by JMF, the continued use of the building structure through renovations utilizing recycled materials was recognized as successfully reducing waste and embodied carbon, signifying JMF's second Positive Impact Real Estate Investment consistent with the PIF Principles and the PI RE Framework.

On the social front, in addition to seeking to respect human rights and promote DEI, we also engage in a wide range of social contribution activities. JMF and IIF are implementing initiatives to coexist with and contribute to local communities, such as concluding comprehensive partnership agreements with local governments with the aim of revitalizing local communities. Moreover, employees have taken the initiative in implementing matching donation programs and participating in charity activities.

With respect to governance, we continually hold compliance training with all officers and employees to promote ethical behavior through complying with laws and regulations and raising awareness among officers and employees. We will continue to strive to practice sound management based on our Code of Ethics, consisting of the Corporate Ethics Charter and the Code of Conduct for Officers and Employees.

JMF, IIF and the KJRM Group will continue to strive to consider sustainability issues through real estate asset management, and will aim to increase unitholder value through the medium- to long-term growth of JMF and IIF.



Japan Metropolitan Fund Investment Corporation
Executive Director

Masahiko Nishida



Industrial & Infrastructure Fund Investment Corporation
Executive Director

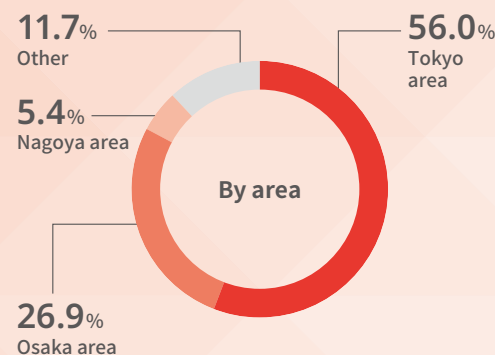
Kumi Honda

J

I

Japan Metropolitan Fund Investment Corporation

Diversified REIT that invests in real estate providing metropolitan life foundations, with a focus on retail properties, office buildings, mixed-use properties, residential properties, hotels, etc. located in urban areas (including commuter-town areas).



Major types of assets
Retail
Mixed-use
Office

Number of properties
141 Properties

Occupancy ratio
99.3%

Assets size based on acquisition price*
1,244.0 billion yen

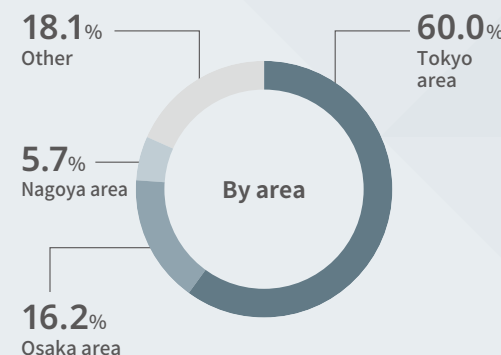
* Includes ownership of investment units in Private REIT Investment Corporation and equity interests in silent partnerships.

Ref. <https://www.jmf-reit.com/english/>

(As of August, 2024)

Industrial & Infrastructure Fund Investment Corporation

The only J-REIT specializing in industrial real estate, with a unique portfolio of logistics facilities, manufacturing and R&D facilities, and infrastructure facilities that support Japanese industry



Major types of assets
Logistics facilities
Manufacturing and R&D
Infrastructure facilities

Number of properties
108 Properties

Occupancy ratio
99.9%

Assets size based on acquisition price
498.7 billion yen

Ref. <https://www.iif-reit.com/english/>

(As of July, 2024)



KJRM Holdings and KJR Management

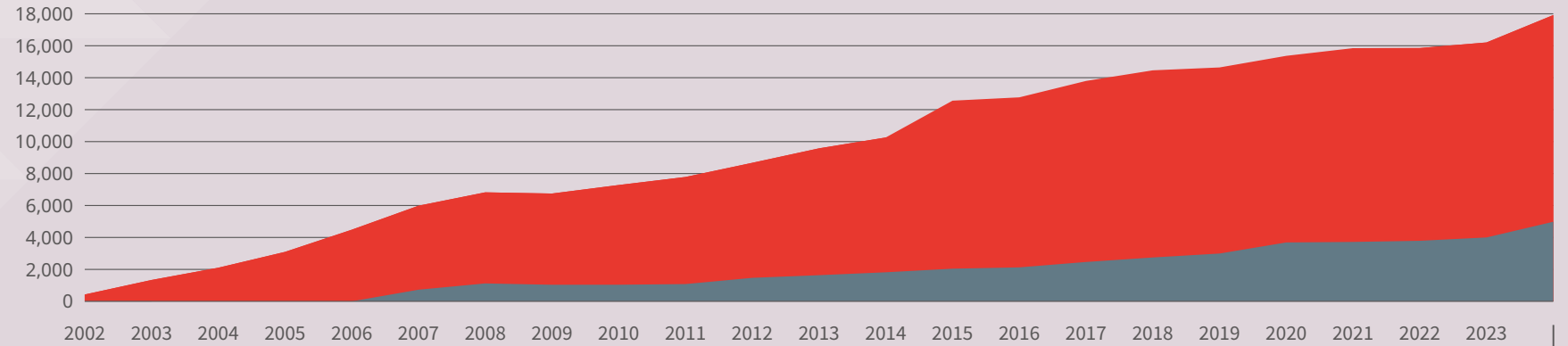
As a group member of KKR, one of the world’s largest alternative asset management firms, KJRM Holdings and KJR Management (KJRM Group) are entrusted with the asset management of Japan Metropolitan Fund Investment Corporation (JMF) and Industrial & Infrastructure Fund Investment Corporation (IIF), and provides discretionary investment and advisory agency services to private real estate investors. The Company aims to provide the best real estate management services in Japan through a management structure that enables real estate investment in a variety of applications, including retail, office, residential, hotel, logistics facilities, manufacturing and R&D facilities, and infrastructure facilities, as well as through sponsor support by the KKR Group.

Through the strategic partnership, KJRM Group looks to leverage KKR’s global network, expertise and experience to grow and deliver greater value for our investors. As part of this, KJRM Group looks to adopt and implement additional business-relevant sustainability initiatives in collaboration with KKR to advance its environmental, social and governance goals and seek to support a more sustainable real estate industry.

For more information on KJRM Group’s company split, please click here. [🔗](#)

Assets under management

(100 million Yen)



JMF **1,293.8**bn. (As of December, 2024)

IIF **498.3**bn. (As of December, 2024)








KKR & Co. Inc.

KKR is a leading global investment firm with assets under management of USD 624 billion as of September 30, 2024. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR has had an on-the-ground presence in Japan through an office in Tokyo since 2006.

For more information, please visit <https://www.kkr.com/>

History of Sustainability





Initiatives at JMF

- 2012** **E** Participated in GRESB for the first time 
- 2014** **E** Acquired DBJ Green Building Certification for the first time **First retail property** 
Became the first J-REIT to acquire DBJ Green Building Certification for retail properties, which was established in 2014
- 2015** **E** Acquired CASBEE Certifications for Real Estate for the first time 
- 2016** **E** Participated in CDP Climate Change Program for the first time **First J-REIT** 
E Acquired BELS Certification for the first time 
- 2018** **E** Issued Green Bonds **First J-REIT** **E** Received Special Award of the Principles for Financial Action for the 21st Century for Green Bond issuance **E** Selected as "Sector Leader" of Retail sector in Asia by the GRESB
- 2019** Issued first ESG Report

Initiatives at KJRM

- 2013** **E** Established Environmental Charter **E** Established the Responsible Property Investment Policy (RPI) **E** Signed Principles for Financial Action for the 21st Century **E** Signed Principles for Responsible Investment (PRI)  
- 2015** **E** Established the Corporate philosophy "Mission, Vision & Core Values"
- 2016** **E** Signed the United Nations Global Compact **First J-REIT asset manager** 
Since 2016, KJR Management has sought to support the business responsibility initiatives and the principles in the areas of human rights, labor, environment, and anti-corruption in the United Nations Global Compact (UNGC).
- 2019** **E** Declared support for Task Force on Climate-Related Financial Disclosures (TCFD) **First J-REIT asset manager** 
Issued first ESG Report

Initiatives at IIF

- 2012** **E** Acquired DBJ Green Building Certification for the first time **First logistics facility** 
- 2013** **E** Participated in GRESB for the first time **Selected as Sector Leader in Asia Industrial property sector** **First J-REIT** 
- 2014** **E** Acquired BELS Certification for the first time **First logistics facility** 
- 2017** **E** Acquired CASBEE Certifications for Real Estate for the first time **First logistics facility** 
- 2019** **S** Implemented an impact investment project based on the Principles for Positive Impact Finance **First J-REIT**
Issued first ESG Report

History of Sustainability

2021

- E** Established new CO₂ reduction targets toward carbon neutrality by 2050
- E** Publication of Positive Impact Real Estate Investments based on the Principles for Positive Impact Finance
- E** Implemented scenario analysis (qualitative analysis) based on TCFD recommendations
- E** Certification and Registration for the “Eco Action 21” (For an Environmental Management System)

2022

- E** Acquired SBT certification
Strengthened total GHG emissions reduction targets
- G** Elected first female Supervisory Directors

2023

- E** Reviewed the Green Bond Framework and established the Green Finance Framework
- E** Implemented scenario analysis (quantitative analysis) based on TCFD recommendations

2020

- E** Participated in Japan Climate Initiative (JCI)

2022

- G** Elected first female director
- S** Established systems for diverse workstyles (Well-being)
- S** Established childcare leave for male employees, and other systems (Diversity)
- Signed PRI Advance
First J-REIT asset manager

2023

- E** Joined Japan Business Initiative for Biodiversity (JBIB)
- E** Participated 30by30 Alliance for Biodiversity (30by30 Alliance)

2020

- G** Elected first female executive director

2021

- S** Established the Social Finance Framework
- S** Issued social bonds
- E** Established new CO₂ reduction targets toward carbon neutrality by 2050
- E** Switched to electricity from renewable energy in line with RE100 at IIF Shonan Health Innovation Park

2022

- E** Implemented scenario analysis (qualitative analysis) based on TCFD recommendations
- E** Participated in CDP Climate Change Program for the first time

2023

- E** Acquired SBT certification
Strengthened total GHG emissions reduction targets
- E** Certification and Registration for the “Eco Action 21” (For an Environmental Management System)
- E** Acquired ResReal certification

2024

- E** Acquired first BREEAM In-Use certification
First J-REIT
- E** Implemented scenario analysis (quantitative analysis) based on TCFD recommendations

GHG emissions reduction target



Cumulative reduction by 2023

Target 1 2030 (Mid-term Goals)

Target 2 2050 (Long-term Goals)

Absolute Scope1+2

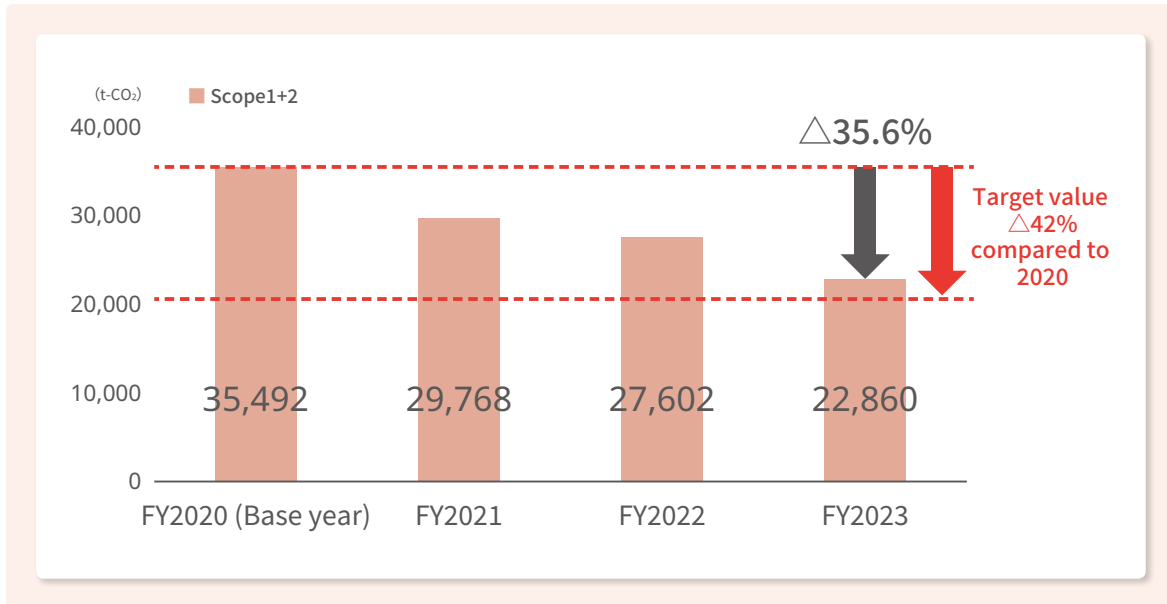
Absolute Scope1+2

GHG emissions throughout the entire value chain

Reduced by 35.6%
(Compared to 2020)

Reduced by 42%
(Compared to 2020)

Net-zero



For more information, see page 46 (Data).

External evaluation

GRESB Real Estate rating

5 stars (highest rank)

G R E S B

(As of October, 2024)

CDP Climate Change Program

A

CDP A List 2024

(As of February, 2025)

Highlights (As of August, 2024)

Percentage of properties with environmental certifications
(Based on Total Floor Space)

78.3%

(As of December, 2024)

Percentage of renewable energy installed
(Percentage of portfolio)

approx. 15.7%

(As of August, 2023)

Preparing emergency supplies

100%

Developing an emergency communication network

100%

Collecting engineering reports (ERs) regularly

100%

GHG emissions reduction target



Cumulative reduction by 2023

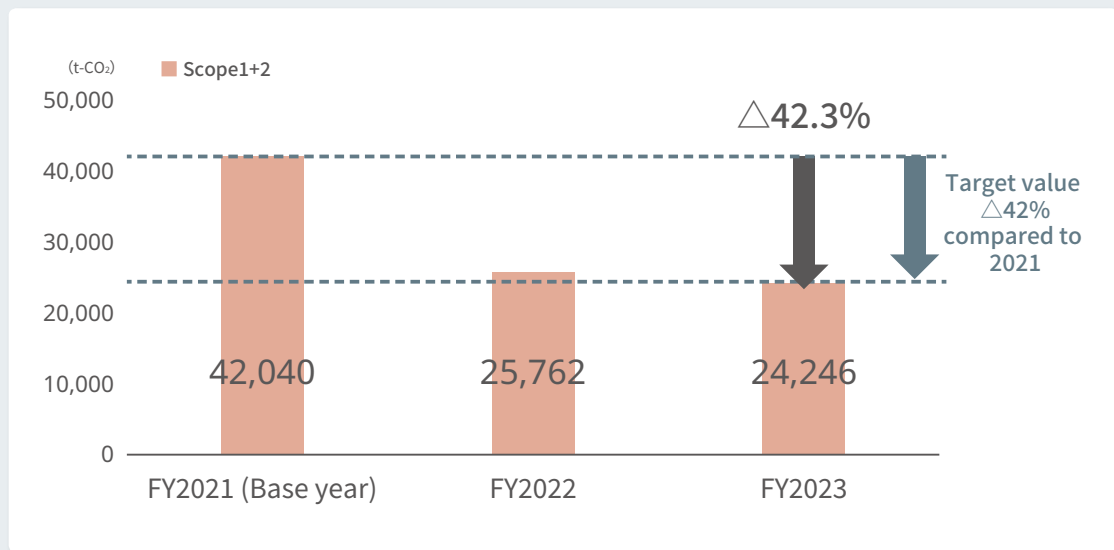
Target 1 2030 (Mid-term Goals)

Target 2 2050 (Long-term Goals)

Absolute Scope1+2
Reduced by 42.3%
(Compared to 2021)

Absolute Scope1+2
Reduced by 42%
(Compared to 2021)

GHG emissions throughout the entire value chain
Net-zero



External evaluation

GRESB Real Estate rating

4 stars



G R E S B

(As of October, 2024)

CDP Climate Change Program

A



(As of February, 2025)

Highlights (As of July, 2024)

Percentage of properties with environmental certifications
(Based on Total Floor Space)

48.2%

(As of January, 2025)

Building Certified Ratio
(Logistics facilities)

49.8%

(As of January, 2025)

Electricity consumption (per unit)
(compared to 2015)

Reduced by approx.

49.7%

(As of January, 2024)

Construction of emergency call tree

100%

Acquired BREEAM In-Use certification

BREEAM®

First J-REIT

Mission

"Always Create New Value for People, the Community, and the World"

We seek to practice Responsible Property Investment and contribute to solve global issues as our sustainability strategy.

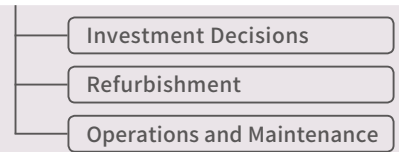
Our Concept of Sustainability in Property Investment

We aim to implement RPI (Responsible Property Investment) that integrates environmental, social, and governance elements into property investment.

We believe that owning and managing properties in a responsible manner adds value to an investment by limiting the risks of regulatory non-compliance and losing its competitive position in the market, by making a property more appealing to tenants and purchasers and by reducing expenses and improving returns. Therefore, we believe that this is an important strategy for us.

RPI Portfolio Management

- Develop and integrate into fund management strategy based on RPI approach
- Set objectives in order to make achievements transparent and measurable



Our sustainability activities are promoted in order of priority assigned according to the external environment with a focus on the following.



Sustainability-Related Policies

The Company and each of the investment corporations have established sustainability-related policies on Environmental, Social, and Governance issues.

Sustainability — Sustainability Policy



Investment Corporation — Communication with Stakeholders Basic Policy Disclosure Policy

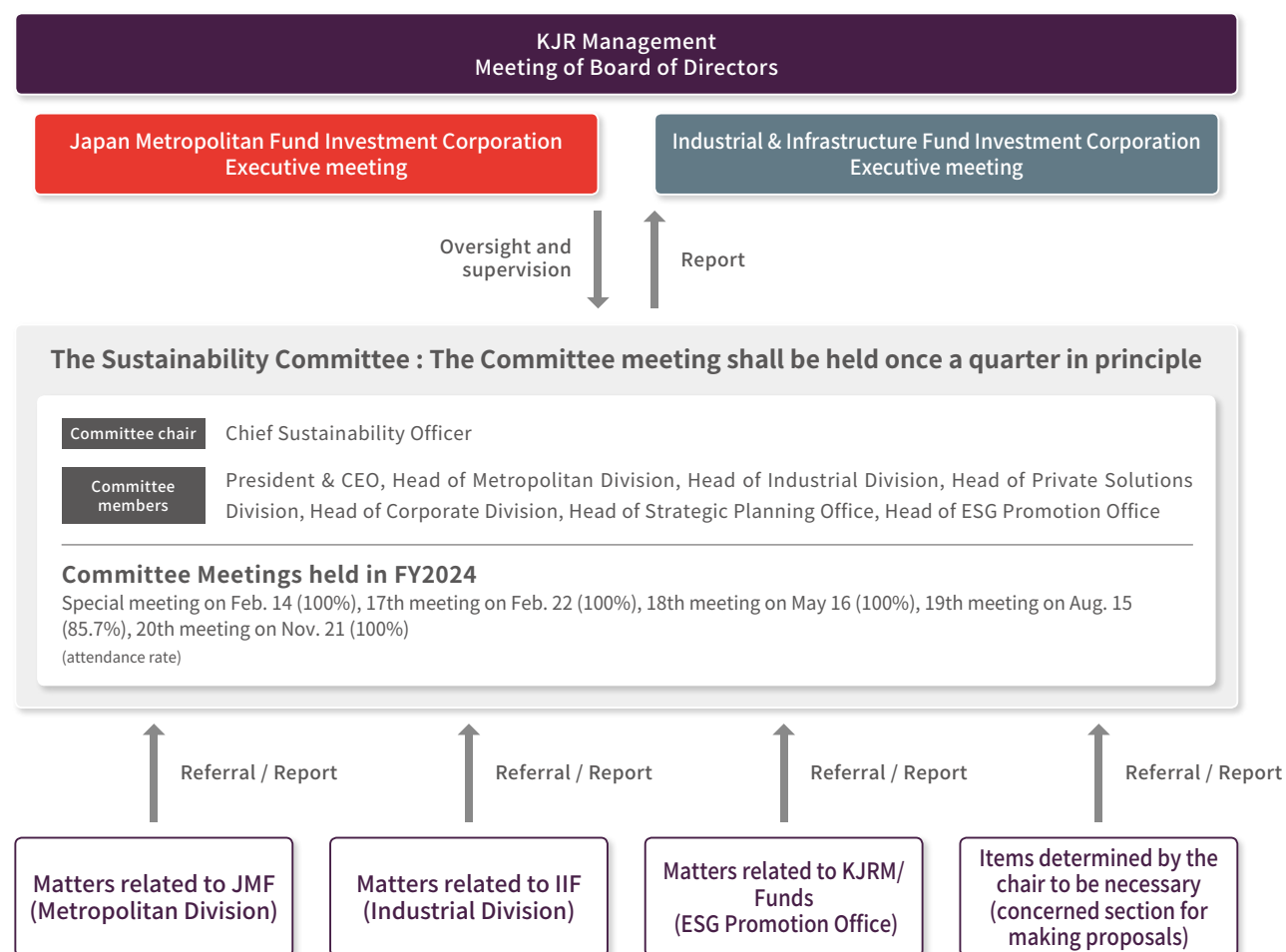
Collaboration with KKR

KKR believes that thoughtful management of sustainability issues in our investment process can not only build resiliency against potential risks, but also create opportunities. KKR and KJRM share learnings and best practices related to their sustainability efforts through regular working-level meetings and collaboration with KJRM's Senior Advisory Board.

Sustainability Promotion Structure

The Sustainability Committee

The Sustainability Committee is the body that approves resolutions concerning environmental, social, and governance policy, strategy, and structure, based on the Sustainability Policy. It also functions as a body that shares information on the status of activities, valuation results, and analysis of the sustainability of the investment corporations.



Chief Sustainability Officer (CSO)

The Company appointed President & CEO* as the Chief Sustainability Officer (CSO). CSO as the committee chairman reports the matter confirmed by the Sustainability Committee to the Board of Directors, chaired by the President & CEO and works to share awareness of issues and raise awareness levels.

Person in Charge of Sustainability

Sustainability officers in each related division are responsible for driving activities aligned with our sustainability goals.

In addition, Sustainability officers lead and hold meetings as necessary to discuss and review Sustainability-related issues and promotion methods in detail at the working level (hereinafter referred to as “subcommittees”), either within the division or in cooperation with other divisions. Through the subcommittees, individual issues are discussed, and information is shared to raise awareness and understanding of the issues among those in charge, and to integrate Sustainability considerations into the daily investment and management process.

Main agenda to be resolved/reported (2024)

- Establishment of sustainability goals
- Establishment of internal carbon price
- Information Disclosure Based on TCFD Recommendations (quantitative analysis)
- Review and establishment of frameworks related to sustainable finance
- Publication of the Sustainability Report
- Research report on TNFD recommendations and biodiversity certification
- Annual report on Positive Impact Finance
- Report on Eligible Green Projects, etc.



Through the meetings of the Sustainability Committee, the Company has examined its vision and targets for sustainability and carried out efforts toward their realization. As the level of interest toward sustainability is rising, the Company has further clarified the responses to be taken by identifying and visualizing related to sustainability materiality through dialogue with global stakeholders and collaborative efforts with other organizations. These issues were identified based on the Company's Corporate Philosophy and Sustainability Policy.



- 1 Continuous Risk Management**
The Company seeks to manage risks by checking the risk status of each division once every three months using a Risk Control Matrix (RCM).
- 2 Identification of Sustainability Issues**
The Company compiled lists of sustainability issues related to REITs based on the SDGs, global Sustainability disclosure criteria, and benchmark studies by overseas companies in the same industry.
- 3 Establishment of Priority Order**
The Company established an order of priority for the issues by taking into account their level of importance to the Company, each fund under the management, and external organizations.
- 4 Committee Deliberation**
Discussion and Approval of Validity. To confirm validity, the Company underwent a review by a third party organization, as necessary. (Issues are discussed by the Sustainability Committee in principle once every three years.)

List of Sustainability Issues

- Response to sustainability certifications
- Employee cultivation and level of satisfaction
- Biodiversity in areas surrounding our buildings
- Building resilience
- Efficient water use
- Human rights
- Response to climate change
- Waste disposal
- Diversity, equity, and inclusion
- Energy efficiency
- Partnership with stakeholders
- Compliance
- Ensuring of health and well-being of and convenience for people (tenants)
- Supply chain management

Materiality (Level of Importance ★★★)	Risk	Opportunity	Related SDGs
Response to sustainability certifications J I	Decline in assessment among tenants and investors who base their assessments on sustainability	<ul style="list-style-type: none"> Improve environmental performance of properties Expand the range of investors 	
Response to climate change J I	<ul style="list-style-type: none"> Drop in tenant sales & increase in property damages due to physical impact of climate change Decline in assessment by tenants & investors 	Cost reduction with efficient energy use	
Energy efficiency J I	<ul style="list-style-type: none"> Increase in energy-related expenses Reinforcement of environmental regulations 	Cost reduction with efficient energy use	
Building resilience J I	Increase in expenses for recovery, compensation, etc., after natural disasters	Increase in property competitiveness	
Ensuring of health and well-being of and convenience for people (tenants) K J I	<ul style="list-style-type: none"> Decline in property competitiveness Manpower outflow due to declining work conditions 	<ul style="list-style-type: none"> Improved sustainability assessment by assessment bodies and investors Improvement in employee satisfaction and tenant assessment & satisfaction 	
Diversity, Equity, and Inclusion K	Outflow of talent	<ul style="list-style-type: none"> Achievement of work-life balance and support for continued employment Recruitment of talent 	
Employee cultivation K	<ul style="list-style-type: none"> Outflow of talent Emergence of risks with decline in compliance awareness 	<ul style="list-style-type: none"> Development & recruitment of competitive human resources Assurance of customer trust through improved compliance awareness 	

Please refer to the KJRM and JMF and IIF websites for more information on Level of Importance ★★★ and ★.

J

Level of Importance ★★★

Materiality	Target	KPI	Target for FY2024	Progress in FY2024	Targets for FY2025	Reported Location
Response to sustainability certifications	Improve sustainability activities through participation in external evaluation organizations such as GRESB	GRESB: Acquiring five Star	Maintain five Star	Acquired five stars Achieved	Maintain five stars	P.8 P.24
		CDP: Acquiring more than “A- (Leadership)”	CDP: Acquiring more than A- (Leadership)	Acquired A (Leadership) Achieved	CDP: Acquiring more than A- (Leadership)	P.8
	Improving proportion of environmental certifications	Acquiring certifications for 75% or more of the total portfolio (Total floor area basis)	Acquiring certifications for 75% or more of the total portfolio (Total floor area basis)	Percentage of properties with environmental certifications as of December, 2024: 78.3% Achieved	Acquiring certifications for 75% or more of the total portfolio (Total floor area basis)	P.24
Response to climate change	Reduction in GHG emission	Reduce total emissions by 42% compared to 2020 Target: Scope 1&2 (Target year: 2030)	Reduction of 4.2% per year compared to 2020 Target: Scope 1&2	FY2023: Δ 35.6% (compared to 2020) Annual rate: Δ 11.9% Achieved	Reduction of 4.2% per year compared to 2020 * On pace for set SBT targets Target:Scope 1&2	P.19
Energy efficiency	Introduction of renewable energy	Renewable energy ratio of electricity used in business activities to 50% (Target year: 2030)	Percentage of renewable energy: 17%	Percentage of renewable energy in FY2023: 15.7%	Percentage of renewable energy: 17%	P.8 P.17 P.23
Building resilience	Implementing disaster prevention measures	- Preparing emergency supplies at 100% of the properties where such supplies can be kept - Developing an emergency communication network that covers 100% of properties - Collecting engineering reports (ERs) regularly for 100% of properties	- Preparing emergency supplies at 100% of the properties where such supplies can be kept - Developing an emergency communication network that covers 100% of properties - Collecting engineering reports (ERs) regularly for 100% of properties	- Preparing emergency supplies: 100% - Developing an emergency communication network: 100% - Collecting regular engineering reports: 100% Achieved	- Preparing emergency supplies at 100% of the properties where such supplies can be kept - Developing an emergency communication network that covers 100% of properties - Collecting engineering reports (ERs) regularly for 100% of properties	P.8 P.34
Ensuring of health and well-being of and convenience for people (tenants)	Improvement in tenant employee space	Improving communication space and refresh space at the time of renewal	Implement measures focused on tenant health and comfort	- Installed digital signage to raise awareness about wellness - Renovated employee restrooms Achieved	Implement measures focused on tenant health and comfort	
	Visualization of health and comfort	Considering acquisition of wellness certification				
Diversity, Equity, and Inclusion	KJRM Implementation of employee satisfaction survey	Survey conducted annually	Conduct employee satisfaction surveys	Implemented - Target: all employees - Response rate: 100% Achieved	Conduct employee satisfaction surveys	P.33
	KJRM Development of working environments where employees can fulfill their potential and achieve a work-life balance	Achievement of a 50% utilization rate of parental leave by male employees (at least one employee taking parental leave)	Achievement of a 50% utilization rate of parental leave by male employees (at least one employee taking parental leave)	33.4% as of December 31, 2024	Achievement of a 50% utilization rate of parental leave by male employees (at least one employee taking parental leave)	P.31
	KJRM Further promotion of women’s active participation in the workplace to continue fostering groundbreaking innovation	Raise the percentage of female employees in management roles to 20% (target year: 2027)	Raise the percentage of female employees in management roles to 20% (target year: 2027)	13.2% as of December 31, 2024	Raise the percentage of female employees in management roles to 20% (target year: 2027)	
Employee cultivation	KJRM Employee participation in compliance training	100% Training conducted annually	Participation rate: 100%	Participation rate: 100% Achieved	Participation rate: 100%	P.43

Please refer to the JMF websites and the KJRM websites for more information on Level of Importance ★★ and ★.











Level of Importance ★★★

Materiality	Target	KPI	Target for FY2024	Progress in FY2024	Targets for FY2025	Reported Location
Response to sustainability certifications	Improving proportion of environmental certifications	- Acquiring certifications for 70% or more of Logistics facilities (Target year: 2025) - Acquiring certifications for 60% or more of the total portfolio	- Five properties re-acquire Certification for CASBEE for Real Estate - One property newly acquire BREEAM	- Five properties re-acquired Certification for CASBEE for Real Estate - One property newly acquired BREEAM Achieved	Four properties newly acquire and seven properties re-acquire CASBEE Four properties re-acquire DBJ Green Building certification Three properties newly acquire BELS certification	P.9 P.27
	Improving sustainability activities through participation in GRESB and other external evaluation institutions	GRESB: Acquiring five Star CDP: Acquiring "Leadership" level	Acquiring five Star CDP: Acquiring more than A- (Leadership)	Acquired four stars Acquired A (Leadership) Achieved	Acquiring five Star CDP: Acquiring more than A- (Leadership)	P.9
Response to climate change	Reduction in GHG emission	Reduce total emissions by 42% compared to 2021 Target: Scope 1&2 (Target year: 2030)	- Incorporation of energy-saving effects from LEDs - Conversion of electricity to clean energy by installing solar panels - Reduction of environmental impact by purchasing green electricity	- Completed switch to LEDs at three properties, in process at one property - Completed conversion to green energy by installing solar panels at two properties - Completed purchase of green electricity at one property Achieved	- Incorporation of energy-saving effects from LEDs - Conversion of electricity to clean energy by installing solar panels - Reduction of environmental impact by purchasing green electricity	P.21
Energy efficiency	Improvement in energy consumption	Reduction in energy consumption per unit* by 30% compared with 2015(Target year: 2030)	- Reduction of environmental impact through the purchase of green electricity	Completed purchase of green electricity at one property Achieved	Reduction of environmental impact through the purchase of green electricity	P.20 P.26
	Introduction of renewable energy	Switching to electricity procured from renewable energy in IIF's directly managed properties (Target year:2030)	Reduction of environmental impact through the purchase of green electricity	Completed purchase of green electricity at one property Achieved	Reduction of environmental impact through the purchase of green electricity	
Building resilience	Implementing disaster prevention measures	Completion of construction of emergency call tree	Completion of construction of emergency call tree	Completion of construction of emergency call tree Achieved	Completion of construction of emergency call tree	P.9 P.36
Ensuring of health and well-being of and convenience for people (tenants)	KJRM Implementation of employee satisfaction survey	Survey conducted annually	Conduct employee satisfaction surveys	Implemented - Target: all employees - Response rate: 100% Achieved	Conduct employee satisfaction surveys	P.33
Diversity, Equity, and Inclusion	KJRM Development of working environments where employees can fulfill their potential and achieve a work-life balance	Achievement of a 50% utilization rate of parental leave by male employees (at least one employee taking parental leave)	Achievement of a 50% utilization rate of parental leave by male employees (at least one employee taking parental leave)	33.4% as of December 31, 2024	Achievement of a 50% utilization rate of parental-related leave by male employees (at least one employee taking parental leave)	P.31
	KJRM Further promotion of women's active participation in the workplace to continue fostering groundbreaking innovation	Raise the percentage of female employees in management roles to 20% (target year: 2027)	Raise the percentage of female employees in management roles to 20% (target year: 2027)	13.2% as of December 31, 2024	Raise the percentage of female employees in management roles to 20% (target year: 2027)	
Employee cultivation	KJRM Employee participation in compliance training	100% Training conducted annually	Participation rate: 100%	Participation rate: 100% Achieved	Participation rate: 100%	P.43

Please refer to the IIF websites and the KJRM websites for more information on Level of Importance ★★★ and ★.

* Calculated based on the total floor space (after considerations for occupancy rate)

E nvironment

Environmental Initiatives	 
Energy / Biodiversity / Circular Economy	 
Environmental Approvals and Evaluations for Assets	 
Green Finance Framework	 
Pollution Prevention	 

KJR Management formally established the Environmental Charter in June 2013, which sets out our environmental principles.

Environmental Charter

At KJR Management, we consider the Earth itself to be our most important stakeholder and are continually working towards the realization of a sustainable society through our business activities.



Toward Net Zero

We consider a healthy global environment to be essential for the continuation of our business activities, and by implementing new efficiency measures and technologies, engaging in dialogue with stakeholders, and other efforts, we will help achieve net zero while reducing greenhouse gas emissions and taking on climate change via both mitigation and adaptation.



Sustainability

We will promote the sustainable use of natural resources.



Biodiversity

We recognize the critical importance of what ecosystems can provide and are committed to protecting ecosystems and mitigating any potential impacts on biodiversity.



Pollution Prevention

We will strive to create and enhance environmental benefits by undertaking conservation activities and reducing our environmental footprint.



Communication

We will continue to actively engage and work with our various stakeholders and disclose information on the environmental impacts of our business operations in an appropriate and timely manner.



Policy Engagement

We will promote responsible engagement to help resolve environmental issues, avoiding involvement in any activities that impede environmental efforts, including for climate change and biodiversity.



Compliance

We will conduct all of our activities in compliance with environmental laws while adhering to international rules and social standards.

Environmental Initiatives

Environmental Initiatives		Energy / Biodiversity / Circular Economy		Environmental Approvals and Evaluations for Assets		Green Finance Framework		Pollution Prevention	
J	I	J	I	J	I	J	I	J	I

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Information Disclosure Based on TCFD and TNFD Recommendations

The Company is highly aware of the importance of sustainability and is proactively making efforts to incorporate material sustainability considerations based on its Sustainability Strategy of “Practicing Responsible Property Investment and Contributing to Solve Global Issues” in order to realize its mission: “Always Create New Value for People, the Community, and the World.” The Company has in place a Sustainability Promotion Structure to oversee and monitor its sustainability activities, including for environmental issues related to climate change and natural capital.

Governance

System of Supervision by the Board of Directors of the Company / each investment corporations
 The matters resolved by and reported to the Sustainability Committee chaired by the Chief Sustainability Officer (CSO) are overseen and supervised by being reported as needed to the Board of Directors, which meets at least once every three months and is chaired by the President of the Company, as well as the Board of Directors of each investment corporation, which in principle meets twice a month.

The Sustainability Committee

The Sustainability Committee, which held once a quarter in principle, identifies material risks and opportunities related to sustainability including climate change and natural capital, and plays a central role in sustainability activities by resolving policies, strategies, systems, and sustainability goals and monitoring performance.

For more information, see page 11 (Sustainability Promotion Structure).

Risk Management

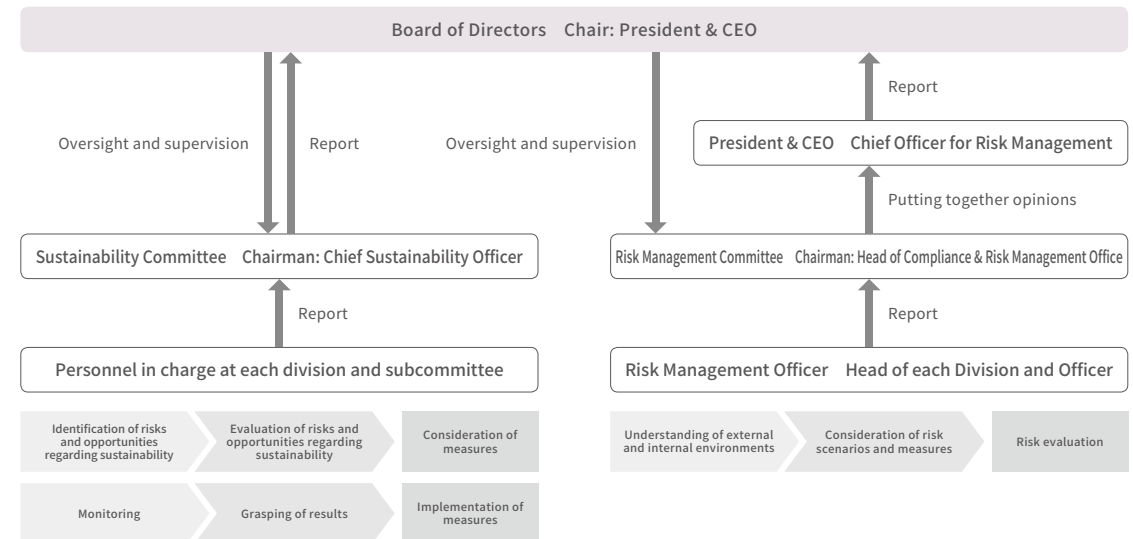
Organizational Process of Identifying and Evaluating Environment-related Risks
 Dependencies and impacts as well as risks and opportunities on climate change and natural capital are sorted out in consideration of the Company’s business activities and then reviewed for each investment corporation, led by the sustainability staff of each division. Dependencies and impacts as well as identified risks and opportunities, along with their degree of impact, are reported to, and discussed and confirmed by the Sustainability Committee.

Process of Managing Natural Capital-related Risks and Organizational Initiatives

The Company led by the person in charge of sustainability issues, holds meetings (hereinafter referred to as "subcommittees") as necessary to discuss and examine in detail sustainability-related issues and promotion methods at the working level, either within the division or in cooperation with other divisions. Through the subcommittees, individual issues are discussed, and information is shared to raise awareness and understanding of the issues among those in charge, and to integrate sustainability considerations into the daily investment and management process. Matters discussed and considered by the subcommittees are reported to the Sustainability Committee by each division, and the Sustainability Committee monitors that progress. Moreover, each investment corporation collects and monitors monthly environmental data for properties. To work on initiatives for environmental matters, including metrics and targets and efforts to address climate change, and collect environmental data, we have established an environmental management system and strive to continually strengthen and improve our initiatives by implementing a PDCA cycle.

Integration into Overall Risk Management

The Company operates the Risk Management Committee, in which senior management personnel serve as members. The Committee grasps and investigates matters related to major risks and formulates countermeasures and management policies. Risks and opportunities affecting business operations, including for climate change, natural capital and other environmental issues at each division, are reviewed once every three months using a Risk Control Matrix (RCM), and reported to the Committee for evaluation and management.



The Company is reorganized on February 1, 2025. Please click here [for the latest information.](#)

Environmental Initiatives

Environmental Initiatives		Energy / Biodiversity / Circular Economy		Environmental Approvals and Evaluations for Assets		Green Finance Framework		Pollution Prevention	
J	I	J	I	J	I	J	I	J	I

J

Information Disclosure Based on TCFD Recommendations

Strategy

JMF assesses the financial impact on the entire portfolio based on climate change-related scenarios, with 2030 as the medium term and 2050 as the long term. Based on the assessment results, JMF's efforts and measures to respond to potential risks and opportunities are as described below. For our examination of the world views surrounding JMF based on the 4°C and 1.5°C climate change-related scenarios, please refer to our website. [↗](#)

Scenario Analysis (Qualitative Analysis)

Classification	Risk / Opportunity Items	Financial impact				Risk				JMF's efforts and measures
		Change in cash flow (qualitative expression)				Opportunity				
						4°C scenario		1.5°C scenario		
		Medium term 2030	Long term 2050	Medium term 2030	Long term 2050					
Transition Risks / Opportunities	Policy and Regulations	Increase in legal compliance costs	Increase in CO ₂ emissions costs due to introduction of CO ₂ emissions regulations and carbon tax	Small	Small	Middle	Large	Aim for net-zero absolute GHG emissions throughout the entire value chain by 2050 Reduce absolute Scope 1+2 emissions by 42% by 2030 (compared with 2020) Introduction of renewable energy-derived electricity in directly managed properties Promotion of switching to renewable energy-derived electricity for tenants of indirectly managed properties Reduction of total emissions from strategic replacement of large suburban properties with smaller urban properties Target 75% environmental certification acquisition rate for the entire portfolio Planned acquisition of environmental certifications/energy conservation ratings Conduct ESG training for PM and BM companies, including climate change response Installation of renewable energy-derived electricity and solar panels at directly managed properties Energy consumption management by proprietary EMS Planned acquisition of environmental certifications/energy conservation ratings Consideration of acquiring new properties that have already been converted to ZEB Study of planned ZEB conversion of existing properties Conduct energy efficiency and conservation audits by outside specialists. Energy saving in lighting, air conditioning, etc. through systematic facility renovation Implement systematic introduction of energy-saving equipment Installation of solar panels using the PPA method Regularly obtain environmental certifications to maintain and improve environmental performance Set KPI for percentage of environmental certifications obtained Continued issuance of green bonds The bidding system will allow for the introduction of renewable energy sources under cost-effective conditions The PPA method, which does not incur any cost, is used to install solar panels to generate renewable energy Disclosure of sustainability-related initiatives through the sustainability website Disclosure of Environmental Performance Information Active participation in various sustainability assessments Actively inform tenants and facility users about sustainability Flooding risk assessment in the DD process Periodically check hazard maps of owned properties to identify flooding risks Emergency communication network is 100% in place to quickly respond to confirm the status of disaster damage and to restore operations Conduct evacuation drills and other BCP measures on a regular basis Conduct disaster risk surveys through non-life insurance companies Renewal of energy-saving equipment such as LED lighting and energy-efficient air-conditioning equipment Introduction of renewable energy sources such as solar power generation Flooding risk assessment in the DD process Construction and equipment upgrades to enhance resilience performance		
			Increase in cost of acquiring environmental certifications/energy conservation ratings	Small	Small	Small	Middle			
			Increase in building management outsourcing costs due to increase in PM and BM companies' work to comply with laws and regulations	Small	Small	Small	Small			
			Improved competitiveness of properties by complying with laws and regulations	Small	Small	Middle	Large			
	Technology	Diffusion of low-carbon / energy-saving technologies	Increase in various costs for ZEB conversion	Small	Small	Middle	Middle			
			Increased costs associated with retrofitting low-carbon and energy-efficient facilities	Small	Small	Small	Middle			
			Reduction of utility costs through ZEB and energy-saving construction	Small	Small	Middle	Large			
	Market	Increased social importance regarding the environmental performance of buildings	Decreased rental income due to decreased needs and occupancy rates for properties with low environmental performance (e.g., not certified, not energy efficient, etc.)	Small	Small	Middle	Middle			
			Increase in appraised value and average rent for properties with high environmental performance	Small	Small	Middle	Middle			
		Lower financing costs through green finance	Small	Small	Middle	Middle				
Reputation	Increasing number of companies going carbon neutral	Increase in renewable energy installation and response costs	Small	Small	Middle	Middle				
		Increased importance of transition risk	Increase in cost of financing from investors and financial institutions due to the assessment of high transition risk	Small	Small	Small	Middle			
Physical Risks / Opportunities	Acute		Increase in typhoons, torrential rain, flooding and inundation	Improved reputation for transition risk response will improve the brand value of owned properties in response to climate change and increase rental income through improved use by tenants and facility users	Small	Small	Small	Middle		
		Increase in repair costs, proactive measures and property insurance premiums due to flooding of owned properties		Small	Large	Small	Small			
Chronic	Progression of average temperature increase	Decrease in property values of properties at high risk of flooding	Decrease in property values of properties at high risk of flooding	Small	Middle	Small	Small			
			Decrease in rent from tenants and percentage rent from commercial facilities due to loss of business opportunities due to flooding of owned properties	Small	Middle	Small	Small			
			Increase in work by PM and BM companies related to BCP, such as evacuation drills and disaster prevention stockpiling, and also increased building management outsourcing costs	Small	Small	Small	Small			
	Progressive sea level rise	Decrease in property values of properties at high risk of flooding	Gaining market competitiveness by increasing the number of tenants who appreciate BCPs for climate change and the comfort and safety of real estate	Small	Middle	Small	Small			
			Increase in air conditioning operation, maintenance and repair costs due to increased demand for cooling	Small	Middle	Small	Small			
			Increase in utilities costs due to higher energy use	Small	Middle	Small	Small			
Chronic	Progressive sea level rise	Decrease in property values of properties at high risk of flooding	Decrease in property values of properties at high risk of flooding	Small	Middle	Small	Small			
			Repair costs and loss of business opportunities due to flooding of owned properties	Small	Middle	Small	Small			

* Referenced climate change-related scenarios
 Transition Risk.....Sources IEA (International Energy Agency) World Energy Outlook 2023, 4°C scenario : IEA STEPS, 1.5°C scenario: IEA NZE2050
 Physical Risk...Sources IPCC (Intergovernmental Panel on Climate Change) Sixth Report, 4°C scenario : IPCC SSP5-8.5, 1.5 °C scenario : IPCC SSP1-1.9

Environmental Initiatives

Environmental Initiatives		Energy / Biodiversity / Circular Economy		Environmental Approvals and Evaluations for Assets		Green Finance Framework		Pollution Prevention	
J	I	J	I	J	I	J	I	J	I

Scenario Analysis (Quantitative Analysis)

(Unit: Million yen)

Classification	Risk / Opportunity Items	Financial impact				Risk/ Opportunity	JMF's efforts and measures						
		Change in cash flow		4°C scenario			1.5°C scenario						
				Medium term 2030	Long term 2050		Medium term 2030	Long term 2050					
Transition Risks / Opportunite	Policy and Regulations	Increase in legal compliance costs	Increase in CO ₂ emissions costs due to introduction of CO ₂ emissions regulations and carbon tax		Risk	▲12	▲19	▲411	0	Aim for net-zero absolute GHG emissions throughout the entire value chain by 2050 Reduce absolute Scope 1+2 emissions by 42% by 2030 (compared with 2020) Introduction of renewable energy-derived electricity in directly managed properties Promotion of switching to renewable energy-derived electricity for tenants of indirectly managed properties Reduction of total emissions from strategic replacement of large suburban properties with smaller urban properties			
			Increase in cost of acquiring environmental certifications/energy conservation ratings		Risk	—	—	▲9	▲16	Target 75% environmental certification acquisition rate for the entire portfolio Planned acquisition of environmental certifications/energy conservation ratings			
	Technology	Diffusion of low-carbon / energy-saving technologies	Increased costs associated with retrofitting low-carbon and energy-efficient facilities		Risk	—	—	▲126	▲152	Conduct energy efficiency and conservation audits by outside specialists. Energy saving in lighting, air conditioning, etc. through systematic facility renovation			
			Reduction of utility costs through ZEB and energy-saving construction		Opportunity	—	—	51	90	Implement systematic introduction of energy-saving equipment Installation of solar panels using the PPA method			
	Market	Increased social importance regarding the environmental performance of buildings	Increase in appraised value and average rent for properties with high environmental performance		Opportunity	—	—	3,071	5,419	Regularly obtain environmental certifications to maintain and improve environmental performance Set KPI for percentage of environmental certifications obtained			
			Lower financing costs through green finance		Opportunity	—	—	5	9	Continued issuance of green bonds			
Physical Risks / Opportunites	Acute	Increase in typhoons, torrential rain, flooding and inundation	Increase in repair costs, proactive measures and property insurance premiums due to flooding of owned properties		Risk	▲204	▲283	▲196	▲204	Flooding risk assessment in the DD process Periodically check hazard maps of owned properties to identify flooding risks			
			Decrease in rent from tenants and percentage rent from commercial facilities due to loss of business opportunities due to flooding of owned properties		Risk	▲111	▲111	▲55	▲55	Emergency communication network is 100% in place to quickly respond to confirm the status of disaster damage and to restore operations Conduct evacuation drills and other BCP measures on a regular basis Conduct disaster risk surveys through non-life insurance companies			
			Compensation for losses by insurance		Opportunity	75	104	72	75	Obtain insurance considering flooding and other such risk situations			

*1 The financial impact amounts of the calculated transition and physical risks/opportunities are estimated amounts based on internal carbon pricing and external reports published by international organizations and third parties. Therefore, we cannot guarantee the accuracy of the figures. Also, the response measures are based on assumptions, and decisions to implement them have not been made.

*2 In the quantitative analysis, the impact is calculated based on the assumption that targets are achieved or response measures are implemented.

Environmental Initiatives

Environmental Initiatives		Energy / Biodiversity / Circular Economy		Environmental Approvals and Evaluations for Assets		Green Finance Framework		Pollution Prevention	
J	I	J	I	J	I	J	I	J	I

J

Information Disclosure Based on TCFD Recommendations

Indexes and Goals

JMF has set targets for greenhouse gas emissions reduction toward realization of 2050 net-zero target. Based on validation by a third party specialized institution, a target has been set for reduction of absolute GHG emissions by 42% compared to FY2020 levels by 2030. The target has been certified as a science-based target by the Science Based Targets initiative (SBTi).

GHG Emissions Reduction Targets

- Reduce absolute Scope 1+2 emissions by 42% by 2030 (compared to 2020) **SBT Certified**
- Aim for net-zero absolute GHG emissions throughout the entire value chain by 2050 **SBT Certified**



Please refer to the JMF website for more information on SBTi.

Actual GHG emissions from Base year

			(t-CO ₂)			
			FY2020 (Base year)	FY2021	FY2022	FY2023
Scope1			5,608	5,135	5,542	5,302
Scope2 (Market Based)			29,884	24,633	22,061	17,558
Scope1+2			35,492	29,768	27,602	22,860
Scope3	Category 1	Purchased goods and services	16,998	17,110	16,975	17,207
	Category 2	Capital goods	30,182	23,994	28,757	32,943
	Category 3	Fuel- and energy-related activities not included in Scope 1 or 2	6,716	6,467	6,334	6,215
	Category 5	Waste generated in operations	13,017	14,478	14,374	16,074
	Category 6	Business travel	1	0	0	0
Category 7	Employee commuting	3	1	1	1	
Category 12	End of life treatment of sold products	0	0	0	0	
Category 13	Downstream leased assets	165,531	152,527	139,855	164,329	
Category 15	Investments	0	0	0	0	
			232,446	214,579	206,297	236,769
Total			267,938	244,347	233,899	259,629

Target

2030 **SBT Certified**
Reduce absolute Scope 1+2 emissions Scope2 (Market Based) by 42%*

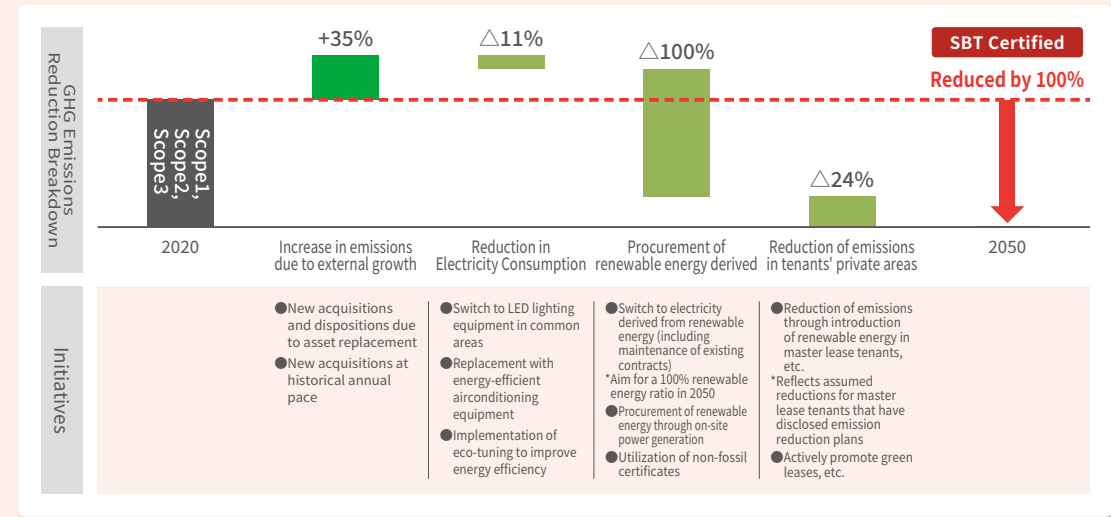
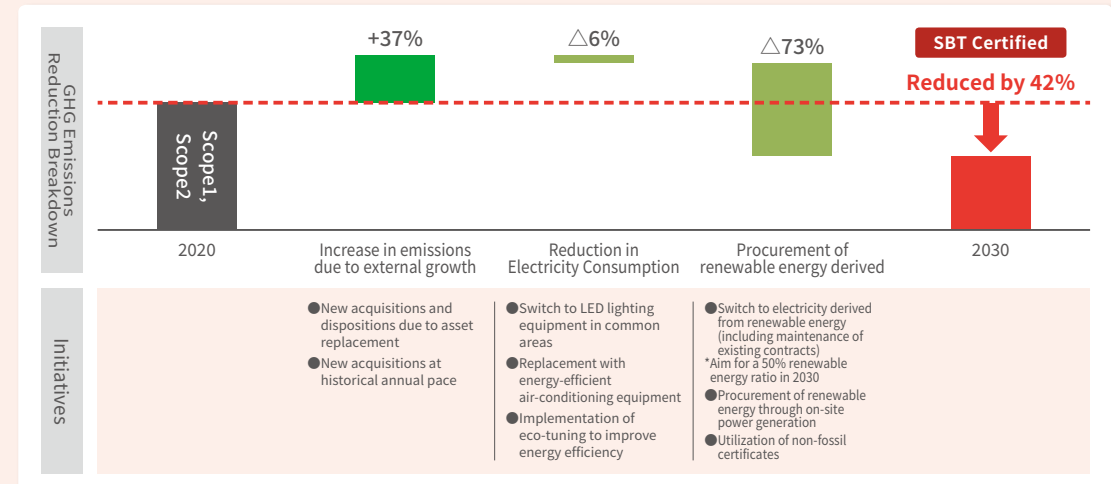
2050 **SBT Certified**
Net-zero

2030 Scope 3 total emissions calculate and reduce*

* Compared to FY2020

Movement toward reduction

GHG Emissions Reduction Toward 2030 Mid-Term Target (Scope1+2), 2050 long-term target (Scope1+2+3)



For the results and progress since 2015, please refer to P.46

For other indices and targets, please refer to P.13

Environmental Initiatives

Environmental Initiatives		Energy / Biodiversity / Circular Economy		Environmental Approvals and Evaluations for Assets		Green Finance Framework		Pollution Prevention	
J	I	J	I	J	I	J	I	J	I

Information Disclosure Based on TCFD Recommendations

Strategy

IIF assesses the financial impact on the entire portfolio based on climate change-related scenarios, with 2030 as the medium term and 2050 as the long term. Based on the assessment results, IIF's efforts and measures to respond to potential risks and opportunities are as described below. For our examination of the world views surrounding IIF based on the 4°C and 1.5°C climate change-related scenarios, please refer to our website [IIF](#)

Scenario Analysis

(Unit: Million yen)

Classification	Risk / Opportunity Items	Financial impact								IIF's efforts and measures			
		Change in cash flow (qualitative expression)	Risks / Opportunities	4°C scenario		1.5°C scenario		4°C scenario			1.5°C scenario		
				Medium term 2030	Long term 2050	Medium term 2030	Long term 2050	Medium term 2030	Long term 2050		Medium term 2030	Long term 2050	
Policy and Regulations	Increase in legal compliance costs	Increase in CO ₂ emissions costs due to introduction of CO ₂ emissions regulations and carbon tax	Risk	Small	Small	Small	Middle	▲ 18	▲ 34	▲ 487	0	<ul style="list-style-type: none"> 42% Reduction in absolute Scope 1+2 emissions by 2030 (compared with 2021) Aim for net-zero absolute GHG emissions throughout the entire value chain by 2050 Introduction of renewable energy-derived electricity in properties under direct electricity management Planned acquisition of environmental certifications/energy conservation ratings Target to obtain environmental certifications: 60% of the entire portfolio (target year: by 2030) Target to obtain environmental certifications for logistics facilities: No less than 70% (target year: by 2025) 	
		Increase in costs of acquiring environmental certifications/energy conservation ratings	Risk	Small	Small	Small	Middle	— ³	— ³	▲ 9	▲ 17		
		Improvement of properties' competitiveness through complying with laws and regulations	Opportunity	Small	Small	Middle	Large	—	—	—	—		
Technology	Diffusion of low-carbon / energy-saving technologies	Increase in costs to acquire ZEB properties, to convert existing properties to ZEB, and to research new technologies for introduction, etc.	Risk	Small	Small	Middle	Middle	—	—	—	—	<ul style="list-style-type: none"> Energy consumption management through proprietary EMS Introduction of renewable energy-derived electricity at properties under direct electricity management Consideration of acquiring new properties that have already been converted to ZEB Study on possibility of ZEB conversion at property acquisition stage Study on planned ZEB conversion of existing properties Energy saving in lighting, air conditioning, etc. through systematic facility renovation Conclusion of memorandum (green lease) with tenants to share the effect of reduced utility costs on installation of energy-saving equipment such as LED lighting, etc. Reduction of utility costs through planned energy-saving construction 	
		Increase in retrofit costs associated with the introduction of energy-saving equipment and renewable energy and the promotion of carbon neutrality of real estate	Risk	Small	Small	Small	Middle	— ³	— ³	▲ 27	▲ 100		
		Reduction of utility costs through ZEB and energy-saving construction	Opportunity	Small	Small	Middle	Large	— ³	— ³	65	123		
Transition Risks / Opportunities	Soaring renovation / equipment costs	Increase in costs to rebuild or update facilities on introduction of new technology to meet future environmental needs	Risk	Small	Small	Middle	Large	—	—	—	—	<ul style="list-style-type: none"> Implementation of planned development projects Energy saving in lighting, air conditioning, etc. through planned facility renovation 	
		Changes in market participants' awareness and perception towards climate change response	Risk	Small	Small	Small	Middle	—	—	—	—		
		Increase in financing costs due to assessed high transition risk	Risk	Small	Small	Small	Middle	—	—	—	—		
Market & Reputation	Changes in tenants' needs for environmental performance	Decrease in lease revenue due to relative decline in environmental performance of owned properties and decrease in income due to stranded assets	Risk	Small	Small	Middle	Middle	—	—	—	—	<ul style="list-style-type: none"> Planned reduction of portfolio energy intensity on per-unit basis Improvement of portfolio competitiveness through introducing sustainability assessments, including measures for climate change, into DD of property acquisitions, and through acquiring properties with high environmental performance Regular acquisition of environmental certifications and plans to maintain and improve environmental performance Establishment of KPI for the ratio of environmental certification acquisition Introduction of renewable energy-derived electricity at properties under direct electricity management (approximately 94% switchover completed based on electricity consumption) Utilization target for green finance in the future Disclosure of sustainability-related initiatives, including climate change initiatives, through the sustainability website Disclosure of environmental performance information Active participation in various sustainability assessments (GRESB, CDP, MSCI, etc.) Improvement of portfolio competitiveness through introducing sustainability assessments, including climate change responses, into DD of property acquisitions, and through acquiring properties with high environmental performance 	
		Increase in appraised value and average rent for properties with high environmental performance	Opportunity	Small	Small	Middle	Large	— ³	— ³	1,410	2,640		
		Increase in costs due to renewable energy installation	Risk	Small	Small	Middle	Middle	—	—	—	—		
Market & Reputation	Changes in social value for environmental performance	Lower financing costs through green finance	Opportunity	Small	Small	Middle	Middle	— ³	— ³	1	2		
		Increase in asset value through improvement of greening performance	Risk	Small	Small	Middle	Middle	—	—	—	—		
		Increase in value for environmental performance	Risk	Small	Small	Middle	Large	—	—	—	—		
Market & Reputation	Increases in number of companies going carbon neutral	Decrease in property value and average rent due to lack of progress in acquiring environmental certifications such as ZEB and DBJ Green Building certification	Risk	Small	Small	Middle	Large	—	—	—	—	<ul style="list-style-type: none"> Survey of existing tenants to research tenant needs for introduction of renewable energy and future needs Introduction of renewable energy-derived electricity at properties under direct electricity management Planned acquisition of environmental certifications/energy conservation ratings Lobbying for expansion of environmental certification systems 	
		Decrease in occupancy rates of buildings due to lack of energy creation and energy conservation function	Risk	Small	Small	Small	Middle	—	—	—	—		
		Decrease in brand value due to underdevelopment of green buildings	Risk	Small	Small	Small	Middle	—	—	—	—		
Physical Risks / Opportunities	Acute	Increase in typhoons, torrential rain, storm surges, floods, and inundation	Increase in costs for repair, proactive measures and insurance premiums due to inundation of owned properties	Risk	Small	Middle	Small	Small	▲ 130	▲ 180	▲ 124	▲ 130	<ul style="list-style-type: none"> Assessment of inundation risk in the DD process Periodical check of hazard maps for owned properties to examine flooding risk Establishment of full emergency communication network to respond promptly to confirm the status of damage from disasters and take recovery measures Validation of damage prediction by inundation risk assessment Construction and equipment upgrades to enhance resilience performance Target for obtaining resilience certification Establishment of full emergency communication network to respond promptly to confirm the status of damage from disasters and take recovery measures Insurance against risk situations such as inundation
			Loss of business opportunities due to inundation of owned properties	Risk	Small	Middle	Small	Small	▲ 7	▲ 9	▲ 6	▲ 7	
			Decrease in property values with high inundation risk	Risk	Small	Middle	Small	Small	—	—	—	—	
Physical Risks / Opportunities	Chronic	Progressive rise in average temperatures	Further improvement of market competitiveness through highly resilient portfolio	Opportunity	Small	Middle	Small	Small	—	—	—	—	<ul style="list-style-type: none"> Introduction of high-efficiency air conditioning (implemented as one of the energy conservation measures) Introduction of renewable energy sources such as solar power generation Adoption of building design anticipating the use of natural energy Validation of damage prediction by inundation risk assessment Area diversification of portfolio assets Implementation of construction and facility upgrades to enhance resilience performance
			Compensation for losses by insurance	Opportunity	Small	Middle	Small	Small	48	66	46	48	
			Increase in maintenance and repair costs for air conditioning and utility costs due to increasing cooling demand	Risk	Small	Middle	Small	Small	—	—	—	—	
Physical Risks / Opportunities	Chronic	Progressive rise in sea level	Increase in repair costs and property insurance premiums for countermeasures against sea level rise, etc.	Risk	Small	Middle	Small	Small	—	—	—	—	

* Referenced climate change-related scenarios
 Transition Risk.....Sources IEA (International Energy Agency) World Energy Outlook 2023, 4°C scenario : IEA STEPS, 1.5°C scenario: IEA NZE2050
 Physical Risk...Sources IPCC (Intergovernmental Panel on C limate Change) Sixth Report, 4°C scenario : IPCC SSP5-8.5, 1.5 °C scenario : IPCC SSP1-1.9

*1 The financial impact amounts of the calculated transition and physical risks/opportunities are estimated amounts based on internal carbon pricing and external reports published by international organizations and third parties. Therefore, we cannot guarantee the accuracy of the figures. Also, the response measures are based on assumptions, and decisions to implement them have not been made.

*2 In the quantitative analysis, the impact is calculated based on the assumption that targets are achieved or response measures are implemented.

*3 Not included in the scope of calculation due to the unlikelihood of occurrence.

Environmental Initiatives

Environmental Initiatives		Energy / Biodiversity / Circular Economy		Environmental Approvals and Evaluations for Assets		Green Finance Framework		Pollution Prevention	
J	I	J	I	J	I	J	I	J	I

Information Disclosure Based on TCFD Recommendations

Indexes and Goals

IIF has set targets for greenhouse gas emissions reduction toward realization of 2050 net-zero target. Based on validation by a third party specialized institution, a target has been set for reduction of absolute GHG emissions by 42% compared to FY2021 levels by 2030. The target has been certified as a science-based target by the Science Based Targets initiative (SBTi).



GHG Emissions Reduction Targets

- Reduce absolute Scope 1+2 emissions by 42% by 2030 (compared to 2021) **SBT Certified**
- Aim for net-zero absolute GHG emissions throughout the entire value chain by 2050

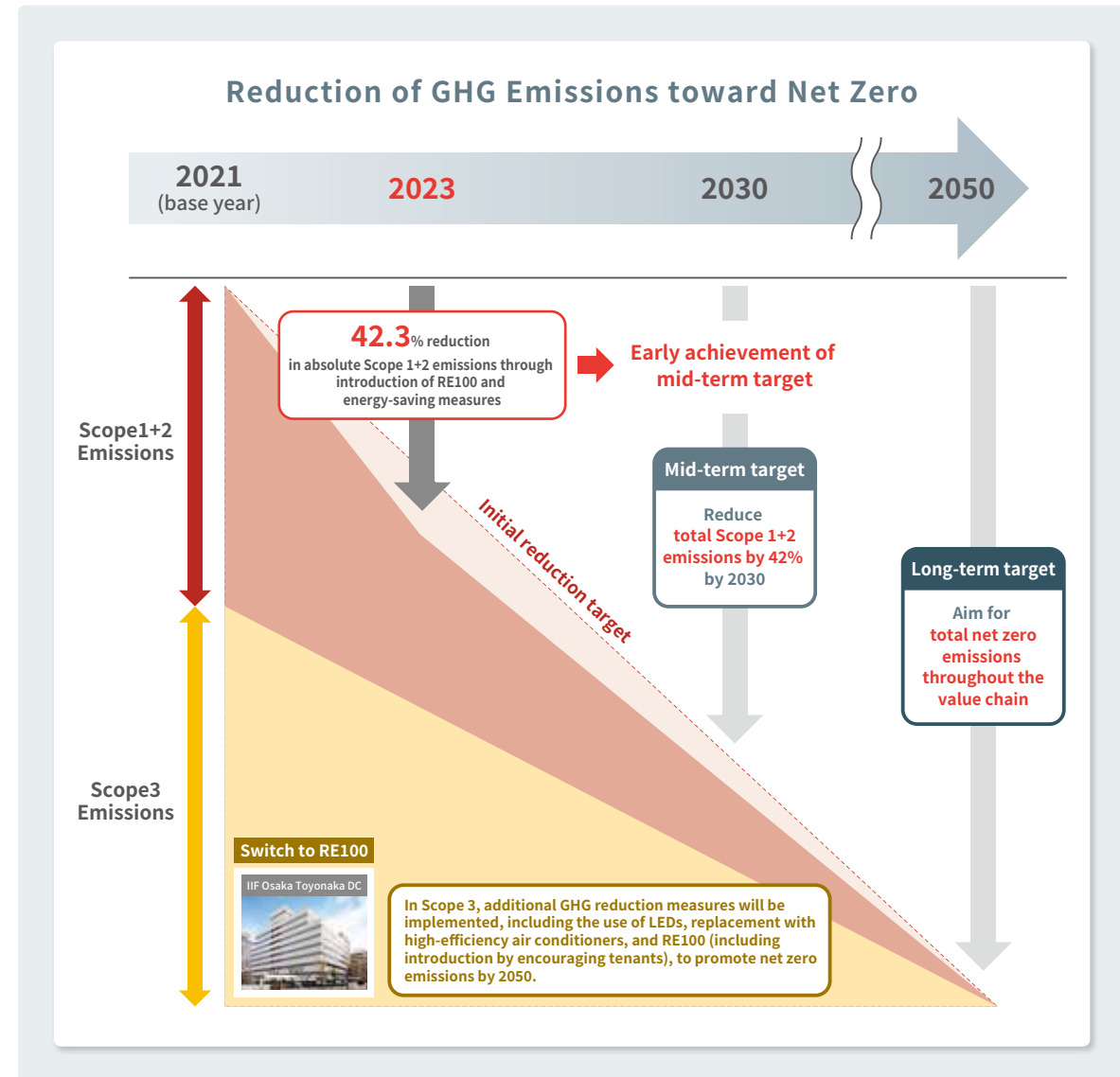
Please refer to the IIF website for more information on SBTi.

Actual GHG emissions from Base year

			(t-CO ₂)			Target	
			FY2021 (Base year)	FY2022	FY2023		
Scope1			25,758	25,733	24,149	2030 SBT Certified	
Scope2 (Market Based)			16,282	29	97	Reduce absolute Scope 1+2 emissions by 42%*	
Scope1+2			42,040	25,762	24,246		
Scope3	Category 1	Purchased goods and services	6,707	7,349	7,085		
	Category 2	Capital goods	13,327	17,307	23,113		
	Category 3	Fuel- and energy-related activities not included in Scope 1 or 2	27,392	46,241	46,124		
	Category 5	Waste generated in operations	724	681	557		
	Category 6	Business travel	1	1	1	2030 Scope 3 total emissions calculate and reduce*	
	Category 7	Employee commuting	1	1	1		
	Category 12	End of life treatment of sold products	0	137	156		
	Category 13	Downstream leased assets	78,802	72,655	67,644		
	Category 15	Investments	56	54	0		
Total			127,009	144,425	144,681	2050 Net-zero	

※Compared to FY2021

Movement toward reduction



For the results and progress since 2015, please refer to P.47

For other indices and targets, please refer to P.14

Environmental Initiatives

Environmental Initiatives		Energy / Biodiversity / Circular Economy		Environmental Approvals and Evaluations for Assets		Green Finance Framework		Pollution Prevention	
J	I	J	I	J	I	J	I	J	I

J

Information Disclosure Based on TNFD Recommendations

Basic Policy

We recognize the critical importance of what ecosystems can provide and are committed to protecting ecosystems and mitigating any potential impacts on biodiversity.

Relationship with Natural Capital

The Company recognizes that human life and economic activities are based on natural capital, including biodiversity. The Company will continue to examine the relationship between its business activities and natural capital with reference to the TNFD recommendations.

LEAP Approach

The TNFD recommendations favor the LEAP approach as a means of identifying and assessing the relationship between business activities and nature. This process was used to analyze the dependencies and impacts of the Company on nature and to select potential priority locations.

Dependencies and Impacts

The TNFD recommendations encourage the use of the ENCORE tool to identify dependencies and impacts on natural capital in the sectors in which a company operates. Referring to real estate management as the sector in which it has direct operations, the Company considered its dependencies and impacts on natural capital that ought to be considered. In its considerations, the Company took account of the status of the relevant actions taken in each fund, in reference to the real estate management sector. After that, it identified dependencies and impacts.

Heat Map of Dependencies and Impacts

		Natural capital	Atmosphere	Habitat	Land geomorphology	Minerals	Ocean geomorphology	Soils and sediments	Species	Water
Dependencies	Ecosystem services									
	Surface water									
	Groundwater									
	Decomposition function									
	Filtration function									
	Noise and light pollution attenuation									
Impacts	Impact factors									
	Water pollution									
	Soil contamination									
	Use of terrestrial ecosystems									
	GHG emissions									
	Air pollution other than GHG emissions									
Solid waste										

* Heat Map of Dependencies and Impacts (created using ENCORE) ENCORE Partners (Global Canopy, UNEP FI, and UNEP-WCMC) (2024). ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure. [yOn-line], [insert month/year of the version downloaded], Cambridge, UK: the ENCORE Partners. Available at: <https://encore.nature.org>. DOI: <https://doi.org/10.34892/dz3x-y059>.

In its current review, although the Company has analyzed high dependency items as not applicable, it believes that land use in its real estate operations has the potential to have a high impact on species, water, and habitat through the impact factors of use of terrestrial ecosystems and GHG emissions. The Company anticipates that these impacts pose a risk of land use change due to climate change, such as the occurrence of fires and floods.

Interface with Nature

At the start of analysis, ecological information was organized for four areas, taking into account the asset holdings of each fund. Based on this assessment, potential priority locations have been selected. In the assessment process, reference is made to external data on interface with nature to identify sensitive locations as potential locations. While each of these areas meets at least one of the criteria for a sensitive location and thus could be a potential location, given the asset status of each fund, the Company will continue to consider priority locations.

TNFD priority locations (overlap between sensitive locations and material locations) + five requirements for sensitive locations and descriptions of material locations

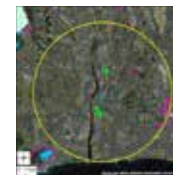


[Sensitive locations] Locations that meet any of the following conditions:
 1. Areas important for biodiversity 2. Areas of high ecosystem integrity 3. Areas of rapid decline in ecosystem integrity 4. Areas of high physical water risks 5. Areas of importance for ecosystem service provision, including benefit to indigenous peoples, local communities and stakeholders

Source: Recommendations of the Taskforce on Nature-related Financial Disclosures (September 2023) Modified in part from: <https://tnfd.global/wp-content/uploads/2023/08/Recommendations-of-the-Taskforce-on-Nature-related-Financial-Disclosures.pdf>

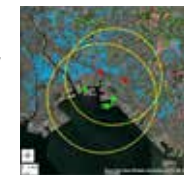
Areas important for biodiversity

- Nature conservation area
- Wildlife protection area
- KBA
- Important marine area



Areas of high ecosystem integrity / Areas of rapid decline in ecosystem integrity

- Farmland to urban area
- Forest to farmland
- Forest to urban area



Sources: Biodiversity Assessment Map (Biodiversity Chart), Ministry of the Environment National Land Information Web Mapping System, Environmental Impact Assessment Database System (EADAS), KBA Map (Conservation International Japan), Ecologically or Biologically Significant Marine Areas Identified by Japan (Ministry of the Environment) Esri, Maxar, Earthstar Geographics, and the GIS User Community

Initiatives for Biodiversity

The Company recognizes the critical importance of what ecosystems can provide and is considering initiatives at properties held by JMF and IIF to help protect ecosystems and mitigate any potential impacts on natural capital. The initiatives it is promoting in relation to preserving biodiversity at properties include the establishment of green zones, consideration for the use of native species, and management of green space in accordance with the Green Space Management Manual.

For more information on JMF's efforts, see page 23.

For more information on IIF's efforts, see page 26.

I

Energy / Biodiversity / Circular Economy

Environmental Initiatives		Energy / Biodiversity / Circular Economy		Environmental Approvals and Evaluations for Assets		Green Finance Framework		Pollution Prevention	
J	I	J	I	J	I	J	I	J	I

J

Energy

At JMF, we implement certain sustainability and energy-saving measures and make efforts toward more efficient energy use at our properties to show greater consideration for the environment and lessen its environmental impact. We collectively manage GHG emissions, electrical power and fuel etc. and analyze the accumulated data, which is both accurate and highly transparent to actively manage reduction of energy use.

Target	Introduction of renewable energy	KPI	Renewable energy ratio of electricity used in business activities to 50% (Target year: 2030)	Progress	Approx. 15.7% <small>(As of August, 2023)</small>
					See Data for details

Biodiversity

JMF recognizes the critical importance of what ecosystems can provide, and is committed to protecting ecosystems and mitigating any potential impacts on natural capital. In addition, to provide peace of mind to our customers, we are actively adding greenery to our facilities and creating parks and other communal spaces.



Initiatives at Twin 21

At Twin 21, JMF investigates community green space plans and the situation in nearby green spaces before examining its activities for green spaces. Taking into account collaboration with nearby green spaces, JMF has installed birdhouses and birdbaths, and its employees carry out activities in the green spaces.

Community Engagement

Nara Family: Comprehensive cooperation agreement with Nara City
 Round1 Stadium Sakai Chuo Kanjo: Signed agreement with Osaka Prefectural Government for the conservation and restoration of the natural environment

Please refer to the JMF website [for other initiatives](#)

Circular Economy

It aims to contribute to the realization of a sustainable society by enabling both reduced environmental impact and economic growth through the efficient use of resources and minimization of waste. JMF works towards the sustainable use of resources by actively working to make effective use of water resources and promoting waste minimization.

Target	Reduction in water consumption	KPI	Implementation of reducing water consumption	
Target	Increase in waste recycling rate	KPI	Increase in waste recycling rate	Progress Recycling rate 45.8%

JMF is working with tenants to promote reduced water consumption by installing portable hand washing machines that reuse water and introducing cleaning robots, etc. In addition, GYRE is working to reduce waste by introducing measuring instruments to visualize industrial waste that is generated in its building and to improve the recycling rate.



Portable hand washing machine Measuring instruments

In September 2024, JMF carried out a large-scale renovation of its G-Building Minami Ikebukuro 01.

The renovation was focused on environmental considerations and social responsibility perspectives. It was evaluated for its reduced CO₂ emissions from continuing to use the building structure and for its active use of recycled building materials, and it has realized a Positive Impact Real Estate Investment consistent with the PIF Principles and the PI RE Framework.



Renovated exterior 1F entrance hall

Indicators of impact

- Circularity/Resource Intensity & Waste: Continued use of the building structure through renovations utilizing recycled materials
- Climate Stability: Reduction of CO₂ emissions by choosing to renovate
- Inclusive and Healthy Economy: 1F lobby renovated to allow walk-through access

For more information on the third-party opinion, please click here. [for more information](#)

Environmental Approvals and Evaluations for Assets

Environmental Initiatives		Energy / Biodiversity / Circular Economy		Environmental Approvals and Evaluations for Assets		Green Finance Framework		Pollution Prevention	
J	I	J	I	J	I	J	I	J	I

Environmental Certification

Target	KPI	Percentage of portfolio with certifications
Improving proportion of environmental certification	Acquiring certifications for 75% or more of the total portfolio (Total floor area basis)	78.3% (As of December, 2024)
	Certification for CASBEE for Real Estate 39 properties	S : 26 properties A : 12 properties B+ : 1 property
	DBJ Green Building Certification 23 properties	★★★★★ : 1 property ★★★★ : 9 properties ★★★ : 10 properties ★★ : 2 properties ★ : 1 property
	BELS Certification 6 properties	★★★★★ : 1 property ★★★★ : 2 properties ★★ : 3 properties
Tokyo Low-Carbon Small and Medium-Sized Model Building	9 properties	A4 : 1 property A3 : 2 properties A2 : 3 properties A1 : 3 properties

*Calculated on a per-building basis.

Type of Use	Property Name	CASBEE for Building Certificates	DBJ Green Building Certification	BELS Certification	Tokyo Low-Carbon Small and Medium-Sized Model Building
Urban retail	Abiko Shopping Plaza	S	★★★★		
Urban retail	GYRE	S	★★★★		
Urban retail	Bic Camera Tachikawa		★★		
Urban retail	AEON Itabashi SC	S			
Urban retail	SEIYU Hibarigaoka		★		
Mixed-use	JMF-Bldg. Jiyugaoka 01 (A Bldg.)		★★		
Mixed-use	JMF-Bldg. Jiyugaoka 01 (B Bldg.)		★★★	★★★★	
Urban retail	AEON MALL Musashi Murayama	S			
Urban retail	La Porte Aoyama		★★★		
Urban retail	Makuhari Plaza	A			
Office	Colline Bajikouen				A3+
Office	KAWASAKI Le FRONT	A	★★★★		
Office	G-Bldg. Omotesando 02				A3
Office	JMF-Bldg. Takadanobaba 01				A2
Office	JMF-Bldg. Ginza Chuo-Dori 01				A4
Office	MARINE & WALK YOKOHAMA	S	★★★★		
Office	Machinoma Omori	S	★★★★		
Office	AEON MALL Tsudanuma	S			
Office	JMF-Bldg. Yokohama Bashamichi 01	S			
Office	JMF-Bldg. Kawasaki 01	S			
Office	JMF-Bldg. Shibuya 02	A		★★	
Office	JMF-Bldg. Shibuya 03	A		★★	
Office	JMF-Bldg. Toyochō 01	A			A1
Office	JMF-Bldg. Nihombashi Hamacho 01	A		★★★	
Office	JMF-Bldg. Sasazuka 01				A2-
Office	JMF-Bldg. Ueno 01				A2
Office	JMF-Bldg. Yokohama 01	S			
Office	JMF-Bldg. Kanda01				A1
Office	JMF-Bldg. Edogawabashi 01				A1+
Office	JMF-Bldg. Akasaka 02	S			
Residence	JMF-Residence Gakugeidaigaku		★★★★		
Residence	JMF-Residence Ikebukuro 1-chome		★★★		
Residence	JMF-Residence Machida		★★★		
Residence	unimo chiharadai		★★★★		
Residence	Kyoto Family	S	★★★		
Urban retail	AEON MALL Tsurumi Ryokuchi	S			
Urban retail	AEON MALL Itami	S			
Urban retail	Ario Otori	S			
Urban retail	AEON MALL Kobe Kita	S			
Urban retail	KAMISHIN PLAZA	S	★★★		
Urban retail	Twin 21	S	★★★		
Office	JMF-Bldg. Kitahama 01	A	★★★	★★★	
Office	JMF-Bldg. Osaka Fukushima 01	S			
Office	JMF-Bldg. Higobashi 01		★★★	★★	
Office	JMF-Bldg. Imabashi 01	A			
Office	JMF-Bldg. Osaka Fukushima 02	A			
Office	mozo wonder city	S	★★★★★		
Office	JMF-Bldg. Nagoya Sakae 01	S			
Residence	Nara Family	S	★★★★		
Urban retail	AEON MALL Sapporo Naebo	S			
Urban retail	AEON Naha SC	S			
Office	Oyama Yuen Harvest Walk	S	★★★★		
Office	AEON MALL Sapporo Hassamu	S			
Office	DFS T GALLERIA OKINAWA	A	★★★		
Office	G-Bldg. Naha-shintoshin 01	A			
Office	JMF-Bldg. Sendai 01	A			
Residence	JMF-Residence Chihaya	B+			

Urban retail Suburban retail Office Mixed-use Hotel Residence

Green Finance Framework

Environmental Initiatives		Energy / Biodiversity / Circular Economy		Environmental Approvals and Evaluations for Assets		Green Finance Framework		Pollution Prevention	
J	I	J	I	J	I	J	I	J	I

JMF has developed a Green Finance Framework for the issuance of Green Bonds (investment corporate bonds) and the execution of Green Loans that are intended to be used for financing or refinancing existing or new projects that contribute to reducing the environmental impact of the portfolio.

Use of proceeds

Proceeds procured through Green Finance are used as funds for properties that satisfy eligibility criteria¹ (“Eligible Green Projects”) and renovation works, etc. that satisfy eligibility criteria², or the repayment of borrowings or the redemption of issued investment corporation bonds required for such properties or works.

¹ Properties that have received and/or are expected to receive (including receiving again) any of the following green certifications within 36 months of the payment date or the effective date of the relevant procured funds. In addition, the same criteria must be satisfied at the time of reporting at the end of February of each year.
Buildings that have received three, four or five stars under the DBJ Green Building Certification Program.
Buildings that have received B+, A, or S rank under the CASBEE Certification Rank (including building certification, real estate certification, and local government versions of those certifications).
Buildings that have received three, four or five stars under the BELS certification (2016 criteria).
Buildings that have received Silver, Gold, or Platinum rank under the LEED certification.

² Meaning works, etc. that satisfy any of the following criteria:
Renovation works intended to improve the number of stars or rank by one or more levels in buildings that have received, or are expected to receive, one of the Eligible Green Projects certifications.
Renovation works that can reduce energy consumption, CO₂ emissions, or water consumption by 30% or more.
Renovation works related to the installation or acquisition of equipment related to renewable energy.

Project evaluation/selection

Eligible Green Projects and renovation works are evaluated and selected based on the Sustainability Policy and eligibility criteria by the Sustainability Committee. The Committee is chaired by the President & CEO of the asset management company, who also serves as Chief Sustainability Officer (CSO) of the company, and consists of the head of each division and a secretariat, assumed by the ESG Promotion Office.

Management of Green Bond proceeds

The outstanding amount of the debts of Eligible Green Projects is calculated by multiplying the Eligible Green Projects extracted from the portfolio by the interest-bearing liabilities ratio. JMF manages the proceeds to ensure that the total amount of proceeds procured by Green Bonds and Green Loans does not exceed the debts of Eligible Green Projects.

JMF portfolio book value



Eligible Green Project balance sheet

Extracted Eligible Green Projects from portfolio



Debts of Eligible Green Projects* 238.0 billion yen



*Debts of Eligible Green Projects (238.0 billion yen)
= Eligible Green Projects × LTV ratio (44.1%)
(539.7 billion yen)

Maximum of outstanding amount of Green Finance

As of the end of February, 2024

* Eligible Green Projects are calculated by subtracting duplication of properties that have acquired DBJ Green Building Certification, Certification for CASBEE for Real Estate, and BELS Certification (nine properties, 163.2 billion yen).

Impact Report

Eligible Green Projects

	No. of properties*	Percentage	Total floor area*	Percentage
March 2023 - February 2024	36 properties	28.8%	1,701,303.26m ²	58.4%
March 2022 - February 2023	29 properties	24.4%	1,648,917.93m ²	56.6%
March 2021 - February 2022	22 properties	18.3%	1,015,348.79m ²	32.6%
March 2020 - February 2021	19 properties	16.0%	1,199,580.52m ²	39.1%

*Excluding land with leasehold interest

Eligible Green Projects: Energy Consumption

	Electricity (Mwh)	Fuel (Mwh)	Water (Thousand m ³)	GHG emissions* (Thousand tCO ₂)
March 2023 - February 2024	244,566	82,262	1,803	104
March 2022 - February 2023	233,101	80,461	1,618	102
March 2021 - February 2022	146,134	55,086	1,298	60
March 2020 - February 2021	129,524	32,431	1,032	57

* When converting energy consumption into GHG emissions, we use the calculation methods and emissions factors stipulated by the Act on Promotion of Global Warming Countermeasures.

Amount of waste recycled

	Amount of waste recycled (t)
March 2023 - February 2024	6,558

Second-Party Opinion

Regarding the eligibility of JMF’s Green Finance Framework, JMF has received from the Green Finance evaluation agency, Japan Credit Rating Agency, Ltd. (JCR), the Green 1 (F) grade, which is the highest evaluation grade of the JCR Green Finance Framework Evaluation.

Please refer to the JCR website [for details of the JCR Green Finance Framework Evaluation.](#)

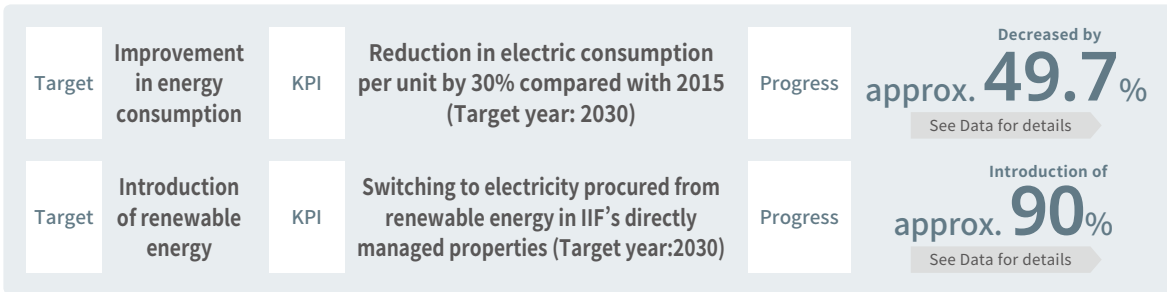
Energy / Biodiversity / Circular Economy

Environmental Initiatives		Energy / Biodiversity / Circular Economy		Environmental Approvals and Evaluations for Assets		Green Finance Framework		Pollution Prevention	
J	I	J	I	J	I	J	I	J	I



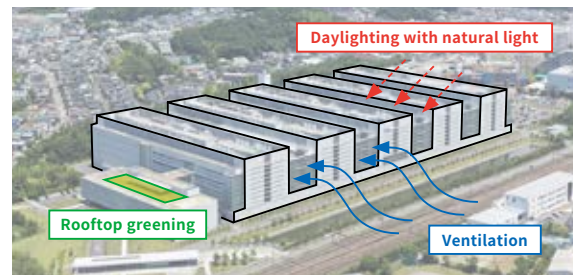
Energy

IIF is actively working with tenants on energy conservation measures, such as the procurement of electricity from renewable energy, installation of LED lighting, and solar power generation.



Sourcing of Renewable Energy in Line with RE100

IIF Shonan Health Innovation Park has a green building design and is the first research facility to be selected by the Ministry of Land, Infrastructure, Transport and Tourism's Model Project for Promoting GHG Reduction in Housing and Building. In addition, the facility switched to electricity derived from renewable resources in electricity procurement in line with RE100 standards from August, 2021, thus contributing to IIF's newly established CO₂ emissions reduction targets toward carbon neutrality by 2050.



IIF Shonan Health Innovation Park

Biodiversity

IIF recognizes the critical importance of what ecosystems can provide, and has established green zones on its properties and checks for soil contamination in order to mitigate any potential impacts on natural capital and contribute to its preservation.

Initiatives at IIF Shonan Health Innovation Park

IIF Shonan Health Innovation Park opens up part of its green space to local residents every Sunday, providing them a place where they can enjoy a stroll in nature.

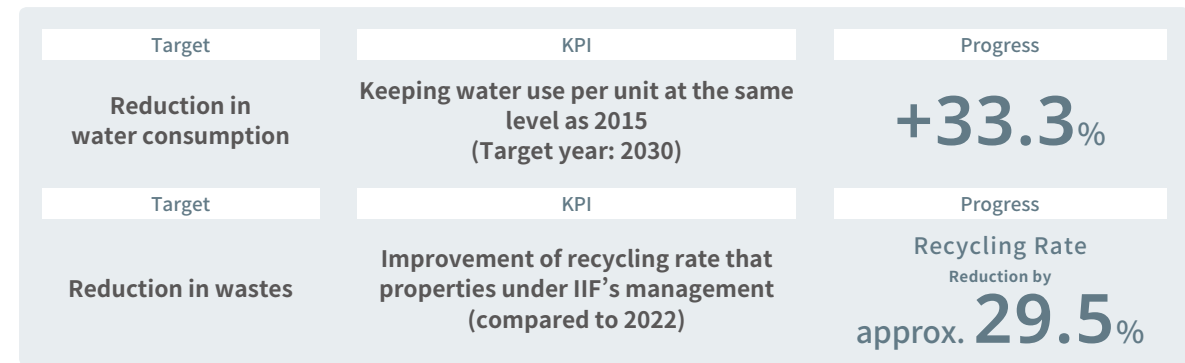
Community Engagement

IIF Shonan Health Innovation Park: Environmental preservation agreement with Fujisawa City and Kamakura City

Please refer to the IIF website for other initiatives.

Circular Economy

It aims to contribute to the realization of a sustainable society by enabling both reduced environmental impact and economic growth through the efficient use of resources and minimization of waste. IIF works towards the sustainable use of resources by actively working to make effective use of water resources and promoting waste minimization.



While water use per unit increased slightly from 0.51 in 2015 to 0.68 in FY2023, there was no significant increase in any individual property.

Initiatives for reduced water consumption

IIF Mitaka Card Center seeks to use water resources effectively by tapping reclaimed water, which is hauled from a well through automated pumping machine, for the premises' sprinkler systems. Intermediate water is also used as daily water in the event of an emergency or disaster.






Initiatives for reduced waste

We seek to manage waste properly by means such as appropriately separating the waste produced by the properties to improve the recycling rate and advancing initiatives to minimize the amount of waste by monitoring the amount of waste generated.

Environmental Approvals and Evaluations for Assets


Environmental Initiatives		Energy / Biodiversity / Circular Economy		Environmental Approvals and Evaluations for Assets		Green Finance Framework		Pollution Prevention	
J	I	J	I	J	I	J	I	J	I

Environmental Certification

Target	KPI	Percentage of portfolio with certifications						
Improving proportion of environmental certifications	Acquiring certifications for 60% or more of the total portfolio*	48.2%* <small>(As of January, 2025)</small>						
	Certification for CASBEE for Real Estate	<table border="0"> <tr><td>S</td><td>: 8 properties</td></tr> <tr><td>A</td><td>: 19 properties</td></tr> <tr><td>B+</td><td>: 2 properties</td></tr> </table>	S	: 8 properties	A	: 19 properties	B+	: 2 properties
S	: 8 properties							
A	: 19 properties							
B+	: 2 properties							
	DBJ Green Building Certification	<table border="0"> <tr><td>★★★</td><td>: 3 properties</td></tr> <tr><td>★★</td><td>: 1 property</td></tr> </table>	★★★	: 3 properties	★★	: 1 property		
★★★	: 3 properties							
★★	: 1 property							
	BREEAM In-Use Certification	<table border="0"> <tr><td>Good</td><td>: 1 property</td></tr> </table>	Good	: 1 property				
Good	: 1 property							

* Combined percentage of Certification for CASBEE for Real Estate, DBJ Green Building Certification, and BREEAM In-Use Certification

	BELS Certification	<table border="0"> <tr><td>★★★★★</td><td>: 1 property</td></tr> <tr><td>★★★★★</td><td>: 13 properties</td></tr> <tr><td>★★★★★</td><td>: 6 properties</td></tr> <tr><td>★★★</td><td>: 1 property</td></tr> <tr><td>★★</td><td>: 5 properties</td></tr> </table>	★★★★★	: 1 property	★★★★★	: 13 properties	★★★★★	: 6 properties	★★★	: 1 property	★★	: 5 properties
★★★★★	: 1 property											
★★★★★	: 13 properties											
★★★★★	: 6 properties											
★★★	: 1 property											
★★	: 5 properties											

	Floods	<table border="0"> <tr><td>Silver</td><td>: 2 properties</td></tr> </table>	Silver	: 2 properties
Silver	: 2 properties			

Applications	Property Name	Certification for CASBEE for Real Estate	DBJ Green Building Certification	BREEAM In-Use Certification	BELS Certification	ResReal
■	IIF Shinonome Logistics Center	A				
■	IIF Noda Logistics Center	S	★★★		★★★★★	
■	IIF Koshigaya Logistics Center	B+	★★★		★★★★★	
■	IIF Nishinomiya Logistics Center (Existing)	A				
■	IIF Nishinomiya Logistics Center (Extension)	S			★★★★	
■	IIF Yokohama Tsuzuki Logistics Center	A			★★★★★	
■	IIF Saitama Logistics Center (Warehouse)	A			★★★★★	
■	IIF Saitama Logistics Center (Office)	A			★★★★	
■	IIF Nagoya Logistics Center	A				
■	IIF Higashi-Osaka Logistics Center	A			★★★★	
■	IIF Kashiwa Logistics Center	A			★★★★★	
■	IIF Misato Logistics Center	S				
■	IIF Iruma Logistics Center	A				
■	IIF Tosu Logistics Center		★★★			
■	IIF Hiroshima Logistics Center	S	★★		★★★★	
■	IIF Kyotanabe Logistics Center	S				
■	IIF Kazo Logistics Center (Building 1)	A			★★★★★	
■	IIF Kazo Logistics Center (Building 2)	A			★★	
■	IIF Fukuoka Hakozaki Logistics Center I	A			★★★★★	
■	IIF Fukuoka Hakozaki Logistics Center II (Existing)	S				
■	IIF Fukuoka Hakozaki Logistics Center II (Extension)	A			★★★★★	
■	IIF Itabashi Logistics Center	A			★★★★	
■	IIF Sendai Taiwa Logistics Center	B+			★★★★★	
■	IIF Osaka Suminoe Logistics Center I	A				
■	IIF Morioka Logistics Center II	A				
■	IIF Hyogo Tatsuno Logistics Center				★★★★★	
■	IIF Akishima Logistics Center	S				
■	IIF Gifu Kakamigahara Logistics Center	A			★★★★★	
■	IIF Hiroshima Seifushinto Logistics Center				★★★★★	
■	IIF Shonan Logistics Center	A				
■	IIF Kitakyushu Logistics Center III	A				
■	IIF Tsuchiura Logistics Center				★★★★★	
■	IIF Hadano Logistics Center				★★★★★	
■	IIF Sapporo Kitahiroshima Logistics Center	A				
■	IIF Kitakyushu Logistics Center II	A				
■	IIF Haneda Airport Maintenance Center (Maintenance Center 1)				★★	
■	IIF Haneda Airport Maintenance Center (Maintenance Center 2)				★★	
■	IIF Shinagawa Data Center					Silver
■	IIF Yokohama Tsuzuki Technology Center				★★	
■	IIF Kawasaki Science Center				★★	Silver
■	IIF Atsugi Manufacturing Center				★★★★	
■	IIF Shin-Kawasaki R&D Center	S			★★★	
■	IIF Shonan Health Innovation Park			Good		

■ Logistics facilities ■ Manufacturing and R&D ■ Infrastructure facilities

*For each environmental certification, if each building in a property has the same environmental certification, it is calculated as one property.

Green Finance Framework

Environmental Initiatives	Energy / Biodiversity / Circular Economy	Environmental Approvals and Evaluations for Assets	Green Finance Framework	Pollution Prevention
J I	J I	J I	J I	J I

IIF has developed a new Green Finance Framework as part of its efforts to promote sustainability further and expand its financing options. Regarding the eligibility of IIF's Green Finance Framework, IIF has received from the Green Finance evaluation agency, Japan Credit Rating Agency, Ltd. (JCR), the Green 1 (F) grade, which is the highest evaluation grade of the JCR Green Finance Framework Evaluation.

Use of proceeds

Proceeds procured through Green Finance are used as funds for (1) properties that satisfy eligible criteria and (2) renovation works that satisfy eligible criteria, or the repayment of borrowings or the redemption of issued investment corporation bonds required for such properties or works.

Eligible criteria①

Properties that satisfy eligibility criteria (Eligible Green Projects)* are properties that have received and/or are expected to receive (including receiving again) any of the following green certifications within 36 months of the payment date or the effective date of the relevant procured funds.

- DBJ Green Building Certification Buildings that have received three, four or five stars
- CASBEE Certification Rank (including building certification, real estate certification, and local government versions of those certifications)
- Buildings that have received B+, A, or S rank (In local government versions, only those within three years from the date of completion of construction).
- BELS certification (2016 criteria) Buildings that have received three, four or five stars
- BELS certification (2024 criteria)
- Buildings excluding residence that have received four, five or six stars
- Residence with renewable energy facilities that have received three, four, five or six stars
- Residence without renewable energy facilities that have received three or four stars
- LEED certification Buildings that have received Silver, Gold, or Platinum rank (LEED BD+C: after v4)
- BREEAM certification including BREEAM In-Use Certification Buildings that have received Outstanding, Excellent or Very Good rank

Eligible criteria②

- Renovation works that satisfy any of the following criteria:
- Renovation works intended to improve the number of stars or rank by one or more levels in buildings that have received, or are expected to receive green certification satisfies above Eligible criteria①.
 - Renovation works that can reduce energy consumption, CO₂ emissions, or water consumption by 30% or more.
 - Renovation works related to the installation or acquisition of equipment related to renewable energy.

Management of proceeds

The outstanding amount of the debts of Eligible Green Projects is calculated by multiplying the total book value of Eligible Green Projects as of the end of January of each year by the Loan to Value (LTV, interest-bearing debt basis) as of the end of January of each year. IIF manages the proceeds once a year to ensure that the balance of proceeds does not exceed the debts of Eligible Green Projects.

Asset Category	Property Name	Certification for CASBEE for Real Estate	DBJ Green Building Certification	BELS Certification
■	IIF Shinonome Logistics Center	A		
■	IIF Noda Logistics Center		★★★	
■	IIF Koshigaya Logistics Center		★★★	
■	IIF Nishinomiya Logistics Center (Extension)	S		
■	IIF Yokohama Tsuzuki Logistics Center	A		
■	IIF Higashiosaka Logistics Center	A		
■	IIF Misato Logistics Center	S		
■	IIF Iruma Logistics Center	A		
■	IIF Tosu Logistics Center		★★★	
■	IIF Kyotanabe Logistics Center	S		
■	IIF Fukuoka Hakozaiki Logistics Center I	A		★★★★★
■	IIF Fukuoka Hakozaiki Logistics Center II (Existing)	S		
■	IIF Itabashi Logistics Center			★★★★
■	IIF Sendai Taiwa Logistics Center	B+		★★★★★
■	IIF Hyogo Tatsuno Logistics Center			★★★★★
■	IIF Kitakyusyu Logistics Center III	A		
■	IIF Tsuchiura Logistics Center			★★★★★
■	IIF Hadano Logistics Center			★★★★★
■	IIF Sapporo Kitahiroshima Logistics Center	A		
■	IIF Kitakyusyu Logistics Center II	A		
■	IIF Atsugi Manufacturing Center			★★★★

■ Logistics facilities ■ Manufacturing and R&D

* For properties that qualify as eligible social project as well as eligible green project, only one of the two will be considered as eligible projects when evaluating and selecting.
* Environmental certifications obtained after February 1, 2022

Reporting

Use of funds

While proceeds remain outstanding, once a year, IIF reports the book value of Eligible Green Projects, the debts of Eligible Green Projects, and the balance of proceeds as of the end of every January.

Impact reporting

For as long as Green Bonds and/or Green Loans remain outstanding, once a year, IIF discloses quantitative environmental performance indicators as of the end of every January.

- (1) Eligible Green Projects
 - Types of certifications for portfolio properties, number of certifications, rating of each certification
 - Following quantitative indicators for portfolio properties
 - Electricity consumption
 - Water consumption
 - CO₂ emissions
- (2) Renovation works
 - Energy consumption, CO₂ emissions, or water consumption before and after the renovation

Please refer to the JCR website for details of the JCR Green Finance Framework Evaluation.

Pollution Prevention

Environmental Initiatives	Energy / Biodiversity / Circular Economy	Environmental Approvals and Evaluations for Assets	Green Finance Framework	Pollution Prevention
J I	J I	J I	J I	J I

The Company and each investment corporation strive to create and enhance the environmental value generated by reducing environmental impact and preserving the surrounding environment, where possible.

Assessments When Acquiring Real Estate Properties

When acquiring real estate properties, the Company takes various environmental factors into consideration before making investment decisions: property inspections, land history investigations, and other related research on environmental risk factors.

Recognizing that hazardous substances related to soil contamination and buildings (PCB, asbestos, etc.) are one of the risk factors in real estate transactions. Adequate and reasonable measures are taken in light of socially accepted ideas and trustee obligations, and legal regulations, complaints, and other risk management are implemented in relation to hazardous substances related to soil contamination and buildings.

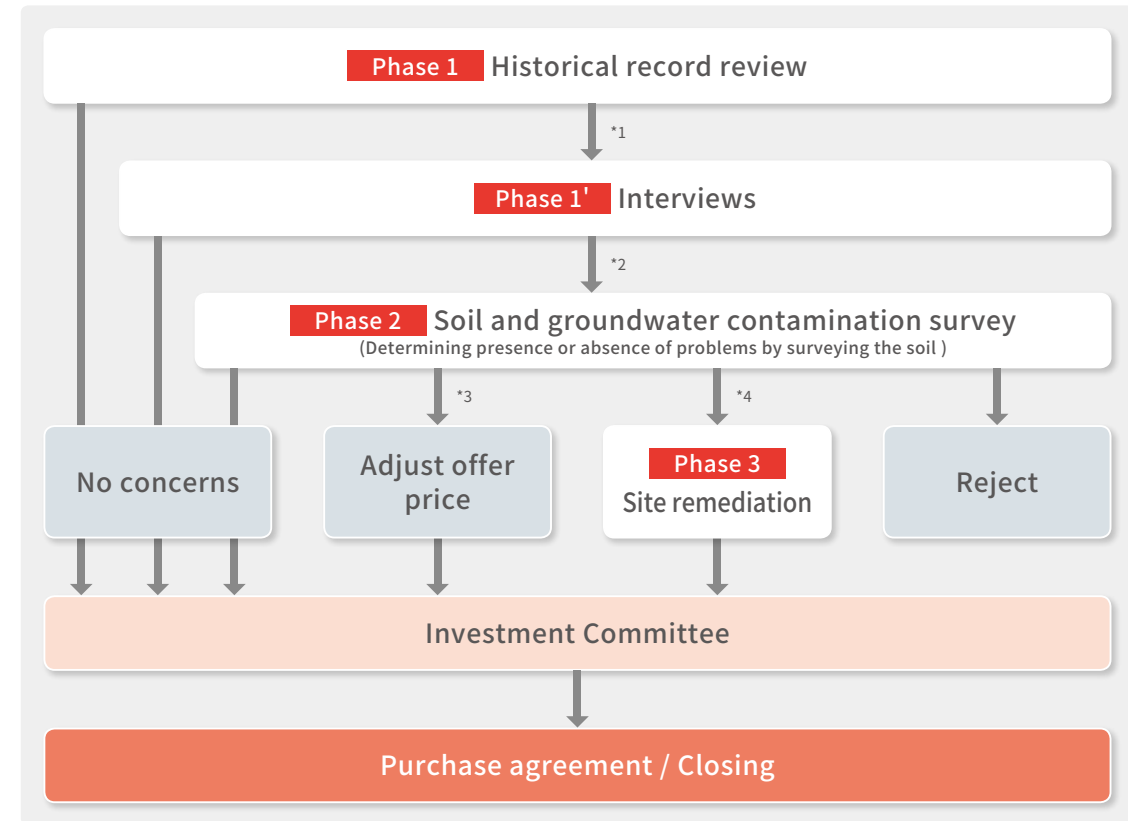
Adequate measures

1. To accurately calculate the risk for the judgment materials for the acquisition of real estate
2. Minimize risk in acquiring real estate
3. Compliance with laws and regulations regarding soil contamination, etc. after acquisition of real estate (soil contamination countermeasures laws)

During soil and environmental investigations, third party experts perform environmental pollution investigations. Prior to executing any purchase agreement, Investment Corporations will have experts conduct a soil and environmental contamination survey to assist it in assessing a property’s environmental risks. Investment Corporations will use the pre-investment assessment workflow chart indicated below to determine whether the investment would be appropriate.

Concerning soil contamination, its property acquisition manual stipulates that investment targets shall be, in principle, properties “that are very unlikely to have soil contamination or that cannot eliminate the possibility of having soil contamination but are very unlikely to carry environmental damage risk.”

Pre-Investment Assessment Workflow



*1 If we are unable to determine solely from a review of historical records that there is no risk of soil contamination or that no other environmental contamination exists (for example, a manufacturing facility that utilized toxic or other hazardous substances in the past).

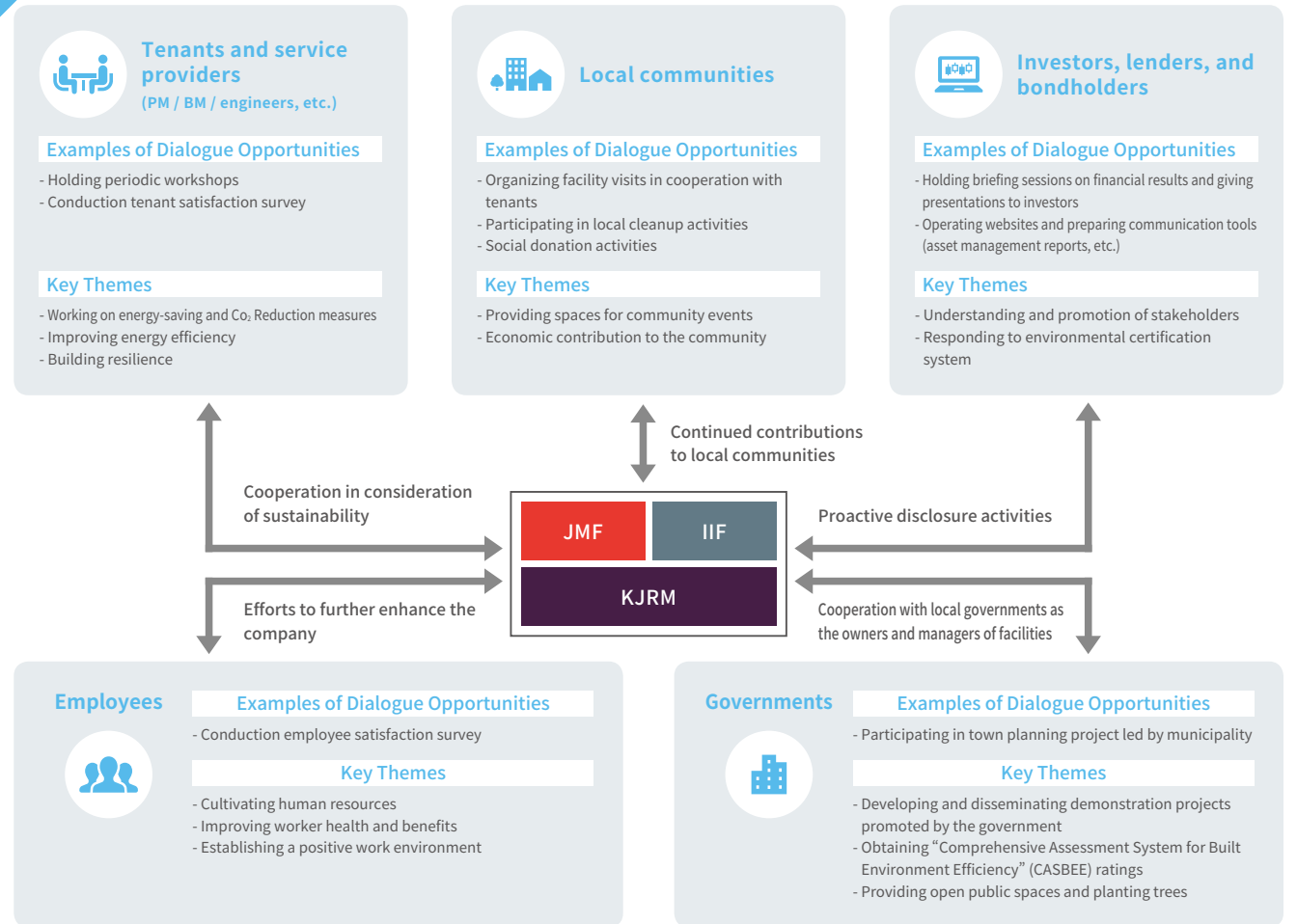
*2 If we are unable to determine from interviews with the seller that there is no risk of soil or other environmental contamination.

*3 If a contamination concern exists, but the necessary remediation would be technically or economically infeasible (for example, remediation is extremely difficult due to structures existing above the contaminated area).

*4 If, after discussions with the seller, remediation is deemed technically and economically feasible.

Social

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Human rights / Diversity, equity, and inclusion

Human rights

Basic Policy

Recognizing that addressing human rights issues is based on the “practicing Responsible Property Investment and contributing to solve global issues” as our sustainability strategy.

Human Rights Policy

The Company established the KJR Management Human Rights Policy in December 2022. Under this Policy, the Company aims to support international human rights frameworks such as the Universal Declaration of Human Rights, the International Bill of Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the UNGC and the UNGP, and aims to apply this Policy to the Company’s officers, employees, dispatched employees, and all other persons who engage in work for the Company. At the same time, the Company expects its business partners to support this Policy and cooperate with the implementation of measures regarding respect for human rights by complying with this Policy.

For the full text of the KJR Management Human Rights Policy, please click here. [🔗](#)

Human Rights Due Diligence

Human Rights Risk Management and Monitoring

The Company operates the Risk Management Committee, in which senior management personnel serve as members. The Committee understands and investigates matters related to major human rights risks and formulates countermeasures and management policies. Regarding business risks, including priority issues related to human rights risks, it checks the risk status of each division once every three months using a Risk Control Matrix (RCM), and reports the results at the Committee, thereby implementing evaluation and management. In addition, we conduct monitoring to prevent any negative impact on human rights and to understand the current situation.

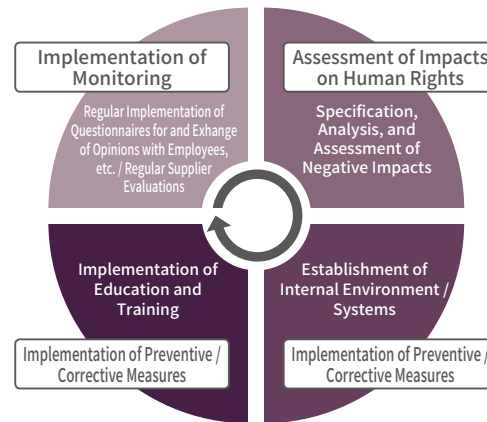
Publication of Initiatives

We will disclose information on the status of our response to human rights issues [🔗](#) on the Company’s website as appropriate.

Remedial Measures

We have established an internal inquiry counter for all executives and employees as well as our business partners in order to receive consultations and reports regarding violations of laws and regulations, information management violations, various types of harassment, human rights, and the working environment. In addition, we have designated the internal inquiry counter of KKR & Co. Inc., and an external law firm as an external point of contact for these matters, for consultation and reporting, and have secured a route for external consultation and reporting. When the internal inquiry counter receives a whistle-blowing report, the Head of the Compliance & Risk Management Office assumes responsibility and the Compliance & Risk Management Office investigates the facts.

Please refer to the page 43 for further details.



Diversity, equity, and inclusion

Basic Policy

We believe that the promotion of diversity, equity and inclusion (“DEI”) leads to better decision-making and results. Based on this idea, the Company is working to create an environment in which each of our people, with various backgrounds and perspectives differing in gender, race, nationality, disabilities, age, experience and other aspects, can be proud of working and fully demonstrate their abilities.

DEI Promotion Structure

Matters concerning DEI are set as one of our Materiality and KPIs, and their progress is reported to the Sustainability Committee. The Human Resources Department promotes the DEI-related initiatives in coordination with each division, including management, in accordance with the Basic Policy.

For more information on Sustainability Promotion Structure, please click here. [🔗](#)

Initiatives to Promote DEI

Prohibition of Discrimination

The Company believes that it is essential to ensure a safe and comfortable work environment in which each and every officer and employee can fully demonstrate their abilities and concentrate on performing their duties. To this end, in order to clarify our stance that unfair discrimination among officers and employees must not be tolerated, our Code of Ethics stipulates that “officers and employees of the Company shall endeavor to ensure a pleasant work environment and to maintain order in the workplace in which each officer and employee is respected as an individual and can trust each other.” Our Rules of Employment also stipulate that there shall be no unreasonable discrimination or harassment based on race, ethnicity, skin color, nationality, place of birth, sexual orientation, physical characteristics, status as a person with disabilities, or political or religious beliefs. [🔗](#)

Work-Life Balance, and Balancing Work and Child Raising

We have formulated an action plan to create a work environment in which employees can achieve work-life balance, and balance work and child raising, while fully demonstrating their abilities.

Target	Creation of a work environment where employees can fully demonstrate their abilities while maintaining work-life balance	KPI	Achievement of a 50% utilization rate of parental leave by male employees (at least one employee taking parental leave)	Progress	2023/3	16.7%
					2024/3	0.0%
					2024/12	33.4%

Promotion of Advancement of Women

We aim to further promote the advancement of women in the workplace.

Target	Further promote the advancement of women in the workplace, thereby continuing to create groundbreaking innovations.	KPI	Raise the ratio of female employees in managerial posts to 20% (target year: 2027)	Progress	2023/3	15.2%
					2024/3	16.1%
					2024/12	13.2%

Human Capital Development

Human rights	Diversity, equity, and inclusion	Human Capital Development	Work Environment	Communication with Tenants / Building resilience	Communication with Local Communities / Creating a Positive Impact	Social Finance Framework	Social Contribution Activities
				J	I	J	I

Basic Policy

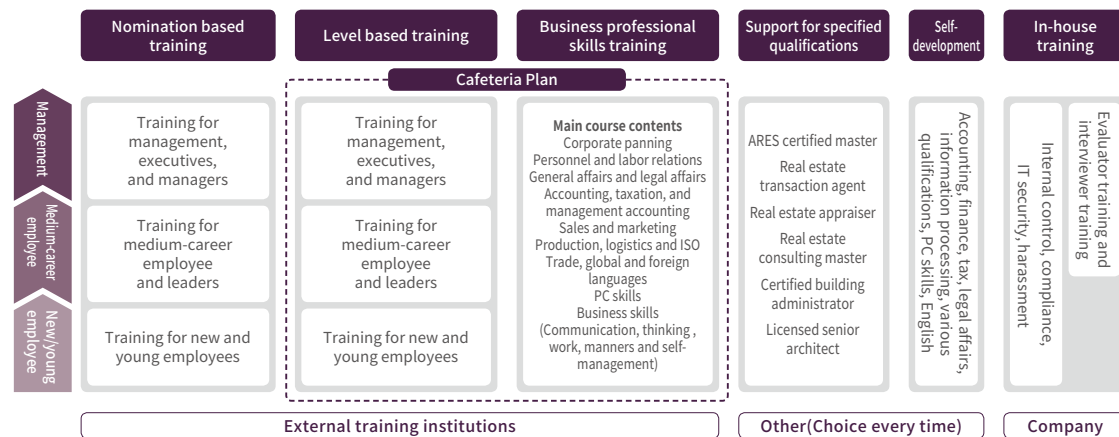
Based on the concept that human resources are our most important asset, KJR Management supports autonomous career development by preparing various development programs so that each employee is able to grow and achieve self-fulfillment through working at the Company. As an organization consisting of diverse human resources with different backgrounds, we strive to spread its “Mission, Vision & Core Values” so that employees with various specialties and different values can respect each other and utilize their individual strengths to achieve high performance.

Human Capital Development

For the purpose of proactive career development and enhancement of expertise, we have been implementing an internal recruitment system that allows employees to be challenged by the duties of their choice, as well as regular transfers by company order based on their own wishes. In addition, to meet the diversified needs for training and support for self-development, we have established a training system that allows employees to take courses at their own request. In addition to the development of various training programs and the system to support the acquisition and maintenance of qualifications, we are also strengthening performance management to support growth and regular career discussions with supervisors.

Training for Managers

We take various measures to enhance people-management skills and leadership of managers and to train next-generation employees. Newly-promoted managers who have subordinates for the first time are required to attend a training program for managers by an external training organization. We also support our managers actively in improving their skills by offering a leadership development program, a workshop for appraisers, and a training course for interviewers by external lecturers in addition to cafeteria-style training programs that employees can attend according to their individual needs. In addition, we regularly provide a frontline-care training course on mental health for managers to support subordinates from a mental health perspective.



For details regarding in-house training for acquiring expertise in real estate and finance, please click here. [🔗](#)

Compensation Program

The Company's compensation system is applied to all permanent employees. We seek to provide competitive compensation to attract, develop, and retain excellent human resources for the Company's stockholders and investment corporation's investors. Based on the Total Compensation Approach, fixed pay is determined based on the Pay for Job principle and variable pay is determined based on the Pay for Performance principle. Variable pay reflects the performance of the Company and appraisals of employees.

In addition, a long-term incentive system, in which pay is tied to the Company's performance and the investment unit prices of managed funds, has been introduced for senior-level employees. The system seeks to avoid outflows of excellent human resources and achieve stable management of the Company and to create growth of medium- to long-term funds from the viewpoint of investors and to motivate and reinforce consciousness for performance improvement of the Company.

Compensation that employees receive is determined according to their relative achievements and contribution levels compared to the individual targets linked to the organizational targets including sustainability-related targets, the embodiment of the corporate philosophy, and expected roles.

Support for Acquiring Further Qualifications

The Company encourages acquisition of certifications for the development of professional human resources in the real-estate finance business and covers at least a portion of the necessary costs and offers training opportunities. In particular, we actively support the acquisition of professional certifications by the Association for Real Estate Securitization (ARES), of which the Company is a regular member. When an employee becomes an ARES Certified Master of the Association, the Company covers the entire fee for the examination (first time only) and for maintaining the certification. The Company also encourages employees to participate in training courses and seminars for those who already have certification.

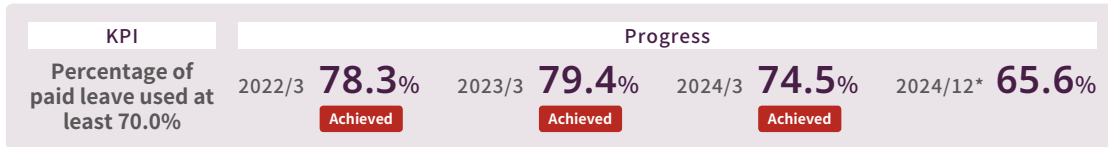
The Company also covers at least a part of the cost required for training, examination, and maintenance of certifications related to work. Many employees tackle the challenges of acquiring certifications.

For the number of qualified employees (including non-subsidized qualifications), please refer to page 48 for further details.

Work Environment

The Company considers its employees to be its most important management resource and essential for carrying out its activities. We are actively working to create conditions where each and every employee can perform their work in a lively manner and to cultivate them accordingly. In addition, we regularly conduct employee opinion polls with the aim of building an even better company. The Company is working to ensure that all employees can work with peace of mind and to improve the benefits it provides to them.

Health of Employees



*For the nine months from April to December, 2024

Besides meeting the legal requirements in Japan for employee health and safety, including labor and risk management, The Company emphasizes the prevention of excessive work and understanding the appropriateness of working hours, and is enhancing its system for managing working hours through an original monitoring framework. In addition to an emphasis on measures aimed at reducing overtime, we require employees to take long-term leave and are taking steps to increase the rate that paid leave is used.

Moreover, we provide various wellness programs to maintain and improve the mental and physical health of our employees and their families. We have also established the in-house Health Committee comprising employees representing each division and the Human Resources Department. The committee meets once a month to exchange opinions on working conditions alongside industrial physicians and to gain health-related insight. Through these initiatives, we are supporting employees in the preservation of their health.

- Working time monitoring system
- Check and report on deviation in working hours (every month)
- Report on long working hours to secure health (professional employees/once per half month)
- Annual paid leave (15 to 20 or 25 days granted, depending on the length of employment (the number of days granted by law is 10 to 20 days))
- Mandatory acquisition of long-term consecutive leave
- Health checkup/complete medical checkup
- Influenza immunization shot
- Various counseling services (EAP) by external experts
- Health consultations by industrial physicians/health nurses
- Health Committee
- Conducting of stress checks

Diversity in Work Styles

The Company has created an environment that allows its employees to work in ways that suit their respective lifestyles and the characteristics of their duties. Toward the maintenance and realization of flexible working styles, it abolished the upper limit on the number of teleworking days and has introduced measures such as a flextime system, working from home and paid leave in units of hours. Expecting that its employees will achieve a better work-life balance and increase productivity, the Company is working to create systems that enable diverse human resources to play an active role.

- Flextime system
- Working from home (satellite offices available)
- A variety of special leave programs, including family care special paid leave
- Acquisition of paid leave in units of hours

Improving Employee Benefits

In addition to completely supplying a social insurance system, we have introduced an original retirement pension system, have entered into general welfare group term life insurance, group long-term income compensation insurance, member welfare services, a congratulatory and condolence payments system and ESOP (Employee investment unit ownership system) and other systems.

Work Environment

The office space has ample natural light coming in through the windows, and plants are placed in various places to create an environment where employees can work comfortably and actively. In addition, individual booths have been set up in consideration of the current work style that combines office and telework.



Bright office with plantings



Individual booths where employees can concentrate on their work

We have upgraded communal spaces to promote communication with fellow co-workers and have incorporated rest areas where employees can relax and refresh themselves. We also conduct environmental checks periodically to provide comfortable working conditions for employees.



Communal space to promote communication among coworkers



Regular air quality inspections

KJRM Family Day

We held a Family Day for the families of our employees. In addition to an office tour, we also held an ink stamp collection tour, business card exchanges for children, and a social event.

Objectives

1. Have families gain a better understanding of the Company
2. Improve mutual understanding among employees



Communication with Tenants / Building resilience

J

Human rights Diversity, equity, and inclusion Human Capital Development Work Environment **Communication with Tenants / Building resilience** Communication with Local Communities / Creating a Positive Impact Social Finance Framework Social Contribution Activities

JMF operates a wide variety of properties, including retail facilities, mixed-use and office buildings, which means our tenants are also diverse. We make efforts in consideration of our tenants' safety and the facility environment. Furthermore, we promote measures that consider the global environment as well.

Communication with Tenants

Introduction of Green Leasing

JMF proposes the introduction of green leasing, the practice of voluntarily making and implementing agreements or memorandums to introduce renewable energy, in order to reduce the environmental burden of real estate by energy saving and other measures, and improve the work environment. An increasing number of tenants are becoming deeply interested in green leasing in line with society's move towards decarbonization. We plan to continue advancing initiatives to promote GHG emissions reduction through collaboration with tenants in promoting the introduction of green leases and other initiatives.



Tecc LIFE SELECT Fukuoka Shime Main Store

Main installation properties: Abiko Shopping Plaza, AEON MALL Tsudanuma, Makuhari Plaza, Kamishin Plaza, JMF-Bldg. Imabashi 01, etc.

Conduct tenant satisfaction surveys

A satisfaction survey of tenants of office buildings and some retail properties is conducted by an outside research organization once a year. Comprehensive decisions are made as to whether or not to accommodate requests based on the results of this survey, and the tenants are informed of any actions taken.

Collaboration with partner companies to reduce environmental impact

JMF aims to promote environmental considerations through collaboration with tenants, PM companies and building management companies. (BM companies) Recognizing that cooperation with PM companies and BM companies is essential to addressing environmental issues, JMF holds regular study sessions and meetings to discuss and share measures. In parallel, JMF is working to strengthen communication with tenants by providing them with proposals for environmental actions.

We include clauses on environmental initiatives in our contracts, such as Commercial Agreements with each stakeholder, confirming our commitment to cooperation.

Sustainability Study Sessions

JMF holds sustainability study sessions with tenants and PM companies in order to deepen their understanding of sustainability initiatives. JMF are also working to raise sustainability awareness by introducing JMF's efforts at events conducted by commercial facility operators.



Sustainability study session

Building resilience

Target	KPI	Progress
Implementing disaster prevention measures	Preparing emergency supplies at 100% of the properties where such supplies can be kept	100%
	Developing an emergency communication network that covers 100% of properties	100%
	Collecting engineering reports (ERs) regularly for 100% of properties	100%

Measuring Air Environment

Asbestos is a naturally occurring mineral fiber sometimes called sekimen or ishiwata, and breathing it is highly likely to be hazardous to health, thus implementation of some measures is required. JMF measures the air environment once a year to confirm the dispersal status of asbestos.

Installation of the waterproofing board

JMF installs waterproofing board in some of its properties to prevent the inundation to the building.



JMF-Bldg. Akasaka 02

For further information on communication with tenants and other efforts, please refer to the JMF website: [📄](#)

Communication with Local Communities / Creating a Positive Impact

Human rights	Diversity, equity, and inclusion	Human Capital Development	Work Environment	Communication with Tenants / Building resilience	Communication with Local Communities / Creating a Positive Impact	Social Finance Framework	Social Contribution Activities
				J	I	I	I

Communication with Local Communities

Introduction of Inclusive Play Equipment

“Mizu-no-Hiroba” (water plaza) in Higashi-Totsuka Aurora City was renovated in March 2024. As part of the renovation, we focused on the health, comfort, and convenience of people (residents) and introduced inclusive play equipment* for the first time in a commercial facility in Yokohama City, in order to meet a wide range of needs.

*Play equipment designed for everyone to enjoy together, regardless of whether they may have a disability or not



Nara Family and Nara City Regional Comprehensive Cooperation Agreement

In April 2024, Nara Family signed a comprehensive cooperation agreement with Nara City with the aim of revitalizing the region and improving public services. In addition to the current collaboration, the two parties intend to further work together to publicize the municipal government, launch projects to solve local issues, and create a greater sense of community.

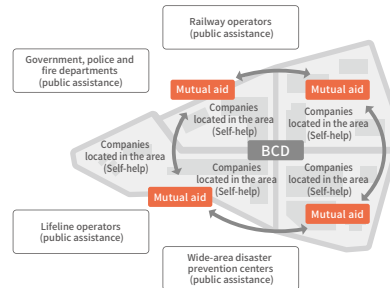


Main agreements with local governments

	Government	Property	Overview
June, 2023	Abiko City	Abiko Shopping Plaza	Agreement on efforts aimed at integrating relevant SDGs
April, 2024	Nara City	Nara Family	Agreement on regional revitalization and improving public services
June, 2024	Osaka Prefecture	Round 1 Stadium Sakai Chuo Kanjo	Agreement on nature conservation and restoration

Initiatives through public-private partnerships

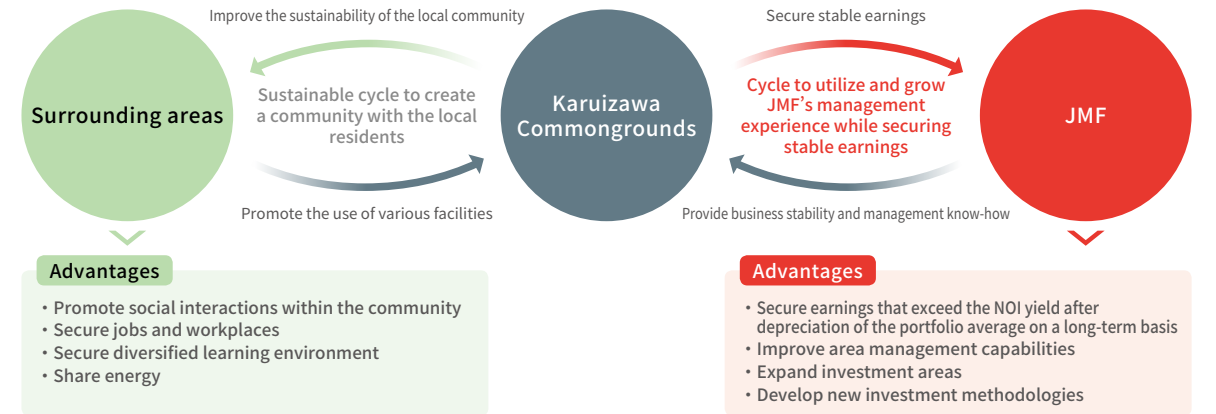
We are cooperating in public rescue and assistance and mutual help initiatives through public-private partnerships at Twin 21, located in Osaka Business Park (OBP). Based on plans for ensuring safe urban regeneration of the entire area, rules have been established for maintaining transportation during a disaster and evacuation drills have been carried out in anticipation of people being unable to return home due to a large-scale earthquake. Through participating in such initiatives, we are working with the community and the government to reduce environmental impact and increase resilience.



OBP area future targets image

Creating a Positive Impact

JMF decided to acquire "Karuzawa Commongrounds (land with leasehold interest)" in March 2023. JMF will participate in the creation of the local community in Karuzawa as a land owner. We believe that acquisition can contribute to the creation of a local community in Karuzawa, and simultaneously contribute to promote certain sustainability initiatives of the local community and generate stable income for JMF.



Core impacts of the Acquisition

Core Impacts	KPIs to Identify Impacts	FY2023 Results
Increase positive impacts	Reduce carbon emissions in development and operation	<ul style="list-style-type: none"> • Energy consumption: 180,298.80 kWh • CO₂ emissions: 74.42 t-CO₂ • Renewable energy generation by solar panels: 32,485.20 kWh • Self-sufficiency ratio through renewable energy: 18.43% (Annual average) • BEI value by new construction or renovation: None • Percentage of local building materials used in new construction or renovation: None • Number of EV-sharing introduced and used: Number of units introduced: 2 units • Approximate number of visitors to the entire facility: -
	Contribute to improving the wellbeing of users through operation of a community "hub"	<ul style="list-style-type: none"> • Number of registered users of shared offices, their attributes and satisfaction levels: Number of registered users: 10 (as of February 29, 2024) Attributes: Neighborhood residents and tourists, etc. Conducted satisfaction surveys • Number of events held in the facility and their characteristics: Onsite events: 7
Reduce negative impacts	Reduce carbon emissions in operation	<ul style="list-style-type: none"> • Energy consumption and intensity: 0.07 (= Energy consumption (crude oil equivalent kL) / Operating floor area m²) • CO₂ emissions and intensity: 0.002 (= CO₂ emissions / Amount of electricity sold) • Percentage of LEDs in all lighting equipment in the facility: Approx. 90%

* For a third-party opinion on the impact investment, please click here.

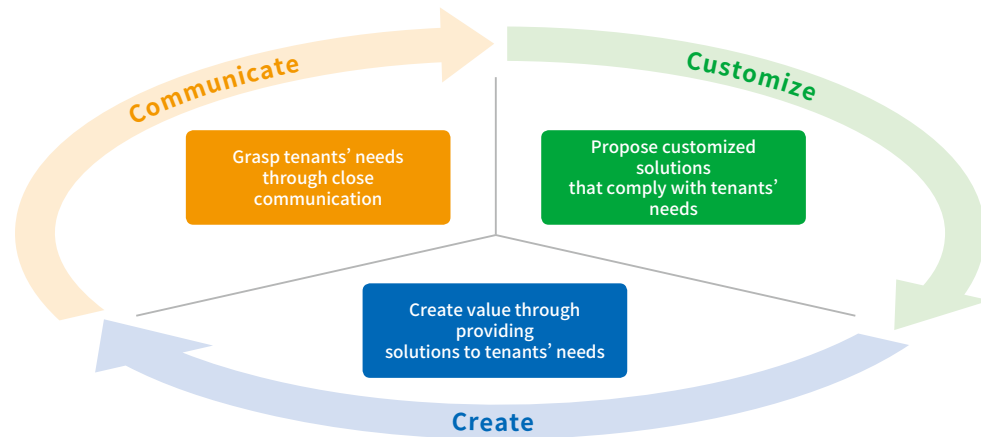
* For more information on the impact investment, please visit the JMF website.

Communication with Tenants / Building resilience

Communication with Tenants

3C Management Cycle

By seeking to provide value to tenants, IIF continues to manage its portfolio using its “3C Management Cycle,” which is designed to realize internal growth through stable, long-term management that goes beyond the norm.



Promotion of Green Leasing

These activities serve as a foundation for IIF’s cooperation with tenants in initiatives such as conclusion of green lease agreements. IIF is actively upgrading equipment at the owner’s expense with the aim of reducing environmental burdens, and has already succeeded in reducing electricity consumption and GHG emissions through the installation of solar panels and LED lighting carried out in 2024. IIF plans to continue upgrading equipment and facilities to further reduce GHG emissions.



IIF Osaka Suminoe Logistics Center I

Conduct tenant surveys

IIF conducts sustainability-related surveys of tenants in order to promote initiatives with tenants regarding climate change measures.

Please refer to the IIF website [for additional information on tenant communication and other initiatives.](#)

Collaboration with partner companies to reduce environmental impact

IIF seeks to promote environmental initiatives in cooperation with tenants, PM companies, and BM companies through continuous communication. IIF strives to promote measures that lead to environmental considerations by conducting questionnaires for tenants, including energy-saving measures, and making proposals in line with their requests. In parallel, recognizing that cooperation with PM companies and BM companies is essential to addressing environmental issues, IIF holds meetings that discuss and share measures.

IIF includes clauses on environmental initiatives in our contracts, such as Commercial Agreements with each stakeholder, confirming our commitment to cooperation.

Building resilience

Target	KPI	Progress
Implementing disaster prevention measures	Completion of construction of emergency call tree	100%

IIF is working to maintain the safety of its buildings by conducting building and earthquake risk assessments at the time of acquisition as well as collecting engineering reports on a regular basis. In addition, secondary assessments are performed as well. When results of those assessments conclude that earthquake-resistant reinforcement construction is required, we aim to make choices that will provide the necessary seismic retrofitting while minimizing waste. At the same time, we also work to reduce GHG emissions and energy consumption in the updated facility.

Measuring Air Environment

Asbestos is a naturally occurring mineral fiber sometimes called sekimen or ishiwata, and breathing it is highly likely to be hazardous to health, thus implementation of some measures is required. IIF measures the air environment once a year to confirm the dispersal status of asbestos.

Installation of the waterproofing board

IIF installs waterproofing board in some of its properties to prevent the inundation to the building.

Communication with Local Communities / Creating a Positive Impact

Communication with Local Communities

IIF is engaging in activities that contribute to local communities in collaboration with government administrative authorities. IIF Shinagawa Data Center provides a shared open space as a sidewalk-like open space in a pocket park under an agreement with Shinagawa-ku. IIF's activities in this pocket park, including providing meals using a food truck for employees working for tenants of IIF Shinagawa Data Center and neighboring residents, are contributing to the liveliness of the community.

Additionally, green areas are set aside for restoration of the natural environment, and to prepare for earthquake emergencies, a fireproof water tank has been installed for earthquake disaster prevention. For its cooperation in the installation of fireproof water tanks over the years, IIF has received a letter of appreciation from Shinagawa-ku as an organization cooperating in fire prevention operations.

In addition, IIF Shonan Health Innovation Park has concluded an environmental preservation agreement with the cities of Kamakura and Fujisawa, where the facility is located, in order to protect the health and safety of local residents and to preserve the living environment, by preventing environmental preservation problems, disasters, and accidents associated with the operation of the research facility.

Furthermore, once a year we hold an Environmental Preservation Liaison Conference as a forum to disclose information and provide explanations to local residents. Members of nearby neighborhood associations and residents' associations are invited to the conference, where we report on the results of environmental measurements and other matters.



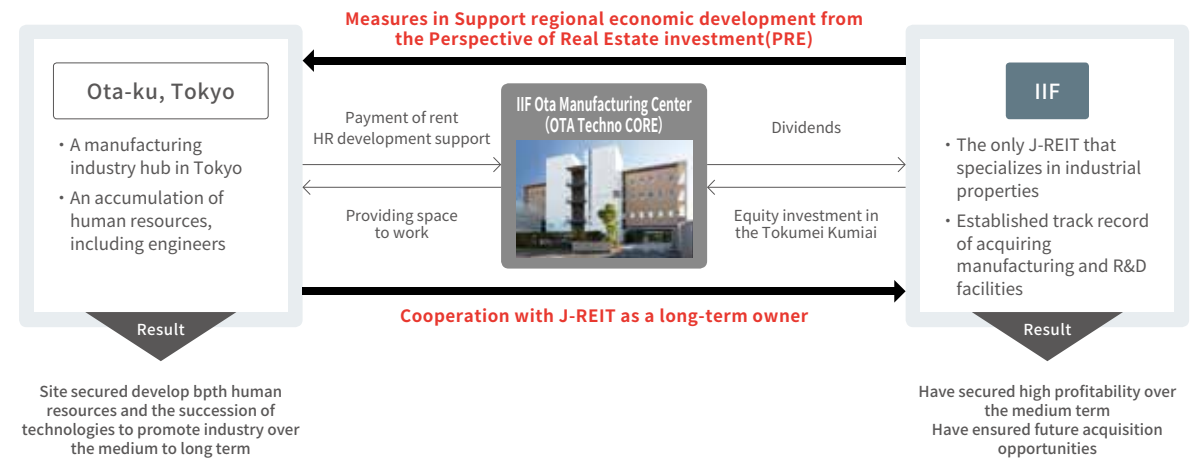
IIF Shinagawa Data Center



IIF Shonan Health Innovation Park

Creating a Positive Impact

In February 2019, IIF carried on an impact investment project (a silent partnership, herein referred to as the "Tokumei Kumiai") related to IIF Ota Manufacturing Center (OTA Techno CORE). This is the first case of a J-REIT making such an agreement based on the Principles for Positive Impact Finance.



Positive Impact Investment Monitoring Policy

We perform regular monthly or annual measurements concerning the impact set at OTA Techno CORE in accordance with the following monitoring policy.

Positive impact	Employment and a Comprehensive and Sound Economy It reports on provision of inexpensive lease space to small and medium enterprises and number of jobs maintained and created by tenant companies
Negative impact	Climate: It reports on energy consumption intensity and CO ₂ emissions intensity Soil: It reports on hazardous waste release volume

*For more information on monitoring, please click here. [🔗](#)

* For a third-party opinion on the impact investment, please click here. [🔗](#)

* For more information on the impact investment, please visit the IIF website [🔗](#)

Social Finance Framework

Human rights | Diversity, equity, and inclusion | Human Capital Development | Work Environment | Communication with Tenants / Building resilience | Communication with Local Communities / Creating a Positive Impact | **Social Finance Framework** | Social Contribution Activities

IIF has established the Social Finance Framework to implement social financing including issuing social bond in accordance with Social Bond Principles 2021. In addition, IIF has received “Social 1 (F)” (the highest for JCR Social Finance Framework Evaluation) rating from Japan Credit Rating Agency, Ltd. (JCR) for the Social Finance Framework.

Please refer to the ICMA Social Bond Principles for more information. [📄](#)

Please refer to the Social Finance Framework Evaluation (Japanese language only) [📄](#)

Project evaluation / selection

Projects to use proceeds are submitted to the Sustainability Committee after Portfolio Management & Investor Relations Department in Industrial Division of the company considers their eligibilities to meet the Eligible Social Criteria, and are evaluated and selected by the Sustainability Committee based on the Eligible Social Criteria and the “Responsible Property Investment Policy”.

For more information on the Eligible Social Criteria, please visit the IIF website [📄](#)

Use of the proceeds

Proceeds from social financing including social bond based on the Social Finance Framework are allocated towards acquisition funds to purchase Eligible Social Projects, repayment of debts and redemption of investment corporation bonds (includes refinancing of these debts and investment corporation bonds) related to acquire Eligible Social Projects.

Issuing Social Bonds

As part of initiatives to resolve social issues, IIF has issued the first social bonds for IIF in September 2021. IIF promotes further ESG initiatives and expands financing methods by expanding investor base who are proactive in ESG investment by implementation of social financing through the Social Bond issuance.

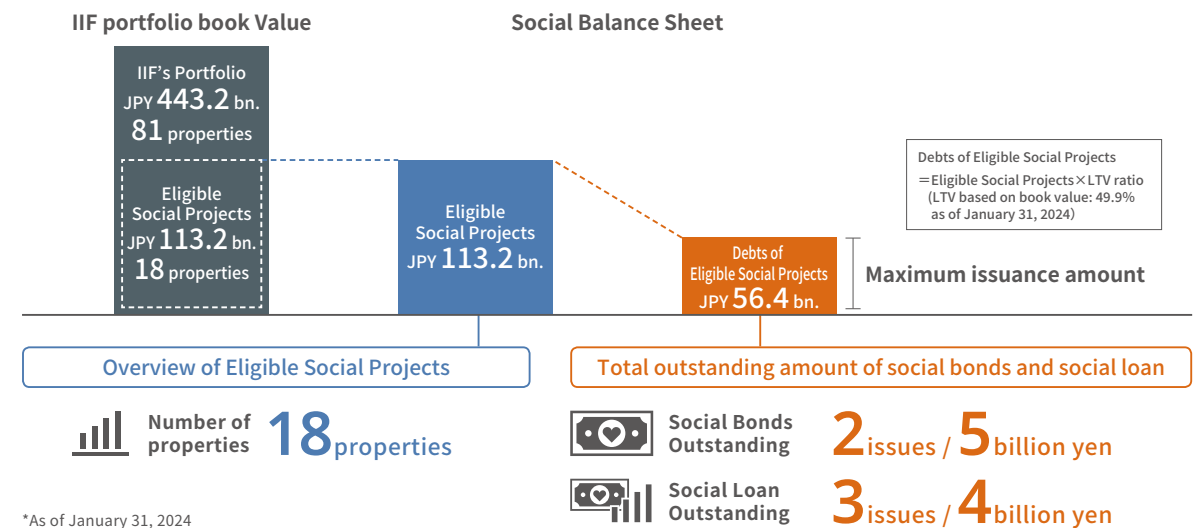
Social Loan

IIF raised 4 billion yen through its first social loan under the Social Finance Framework established by IIF to be applied to the acquisition of IIF Ota Manufacturing Center, which is an Eligible Social Project, and related expenses.

For more information on Social Finance, please visit the IIF website [📄](#)

Management of social financing proceeds

The amount of Eligible Social Projects in our portfolio is 113.2 billion yen in total as of January 31, 2024 (based on book value), comprised by 18 properties. The maximum outstanding amount of social financing is “Debts of Eligible Social Projects”, which is 56.4 billion yen, calculated by multiplying the total book value of Eligible Social Projects by IIF’s LTV ratio (49.9% as of January 31, 2024).



Impact Reporting

While social financing including social bonds remain outstanding, IIF reports annually the total amount of Eligible Social Projects, Debts of Eligible Social Projects and the outstanding amount of social financing as of the end of January of each year.

Social Contribution Activities

Human rights	Diversity, equity, and inclusion	Human Capital Development	Work Environment	Communication with Tenants / Building resilience	Communication with Local Communities / Creating a Positive Impact	Social Finance Framework	Social Contribution Activities
				J	I	J	I

"Always Create New Value for People, the Community, and the World," we have set "cooperation with local communities" as our materiality and are engaged in various social contribution activities.

Social Contribution Activities by Employees

A cross-divisional working group leads examining our social contribution activities and spreading them within the Company, and promotes charity and volunteer activities.

Purpose of the activities

- To contribute to the happiness of the local community and build trust
- To support employees' participation in building better local communities
- To raise employees' awareness regarding various communities
- To expose employees to various social issues and deepen their insight into important issues addressed by the Company in its business

Wide-ranging contribution activities

FIT For Charity Run

Through our participation in the FIT For Charity Run*, we donate to organizations engaged in socially significant activities for poverty, people with disabilities, biodiversity, etc.



FIT For Charity Run

PAIYAKIGAMA

A sales event was held at our office for handmade confectionery from a welfare facility that supports the independence of people with disabilities. People with disabilities who made the confectionery participated in the sales and interacted with our employees.



Sales of handmade sweets from welfare facilities

*FIT For Charity Run (Financial Industry in Tokyo For Charity Run)

A charity event organized by Japanese financial institutions and financial-related service companies that started in 2005. It contributes to society through donations to non-profit organizations that are engaged in socially significant activities but have not been able to secure adequate funds due to insufficient recognition and other problems.

Volunteer leave system to support employee's social contribution activities

We believe that it is important for our employees to make their own choices and to have opportunities to interact with various parts of the community in order to promote social contribution activities. For that purpose, a leave system has been established for employees to use five days a year for volunteer activities. Our employees, using volunteer leave, tidied classrooms and art rooms of a special needs school and cleaned them with mops and vacuum cleaners.

Participation in cleanup day based on Living Environment Ordinance

We participated in the Chiyoda Cleanup Day as part of our volunteer activities to beautify the environment around our office and contribute to the local community in accordance with the Living Environment Ordinance and the associated enforcement regulation of Chiyoda-ku, Tokyo, where our company is located.



Social Contribution Activities at Properties

Each of our investment corporations conducts social contribution activities that meet the characteristics of the properties they own and local needs.

JMF's KAWASAKI Le FRONT holds exhibitions of art and artwork from nearby kindergartens, elementary schools, and welfare facilities for people with disabilities.



Shonan iPark Festa was held at IIF Shonan Health Innovation Park and featured many events such as science experiences and science shows presented by tenant companies.



Governance



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Compliance/
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Code of Ethics

The Company hereby sets forth the Code of Ethics which constitutes the Corporate Ethics Charter and Code of Conduct for Officers and Employees, for the purpose of operating sound business based on high ethical standards, establishing social confidence and contributing to social development.

Corporate Ethics Charter

- Contribution to Society and Securing Confidence
- Earning Investors' Satisfaction
- Information Disclosure and Ensuring Operational Transparency, Maintaining Sound Management
- Compliance with Laws and Regulations and Social Norm
- Respect for Employees

Code of Conduct for Officers and Employees

- Compliance with Laws and Regulations/Various Rules
- Responsible Performance of Business
- Maintenance of Fair Relationship
- Maintenance of Order of Workplace
- Distinction between Public and Private Matters

Corporate Governance

J

I

Governance of JMF

JMF has one or more executive directors and two or more supervisory directors (at least one more than the number of executive directors). The organization of JMF consists of one executive director, two supervisory directors, the Officers Meeting, plus an accounting auditor, in addition to the General Meeting of Unitholders, which is comprised of investors.

JMF Board of Directors

Executive Director



Masahiko Nishida Male

Experience and expertise

Elected as deemed to be qualified to execute the duties as an executive director of JMF based on his expertise in accounting and long experience as a supervisory director of JMF.

Supervisory Directors



Osamu Ito Male

Experience and expertise

Elected as deemed to be qualified to supervise executive directors' activities from the viewpoint of a legal expert.



Yoko Shirasu Female

Experience and expertise

Elected as deemed to be qualified to supervise executive directors' activities from the viewpoint of a treasury expert.

Governance of IIF

IIF has one or more executive directors and two or more supervisory directors (at least one more than the number of executive directors). The organization of IIF consists of one executive director, three supervisory directors, the Officers Meeting, plus an accounting auditor, in addition to the General Meeting of Unitholders, which is comprised of investors.

IIF Board of Directors

Executive Director



Kumi Honda Female

Experience and expertise

Elected as deemed to be qualified to execute the duties as an executive director of IIF based on her expertise in legal and long experience as a supervisory director of IIF.

Supervisory Directors



Yutaka Usami Male

Experience and expertise

Elected as deemed to be qualified to supervise executive directors' activities from the viewpoint of an accounting expert.



Koki Ohira Male

Experience and expertise

Elected as deemed to be qualified to supervise executive directors' activities from the viewpoint of a legal expert.



Fumito Bansho Male

Experience and expertise

Elected as deemed to be qualified to supervise executive directors' activities from the viewpoint of a legal expert.

Asset Management Entrustment

Asset Management Entrustment



KKR Japan Realty Management

Each of the investment corporations entrusts their asset management to the Company as their asset manager, and the Company is committed to upholding its fiduciary duty to the investment corporations.

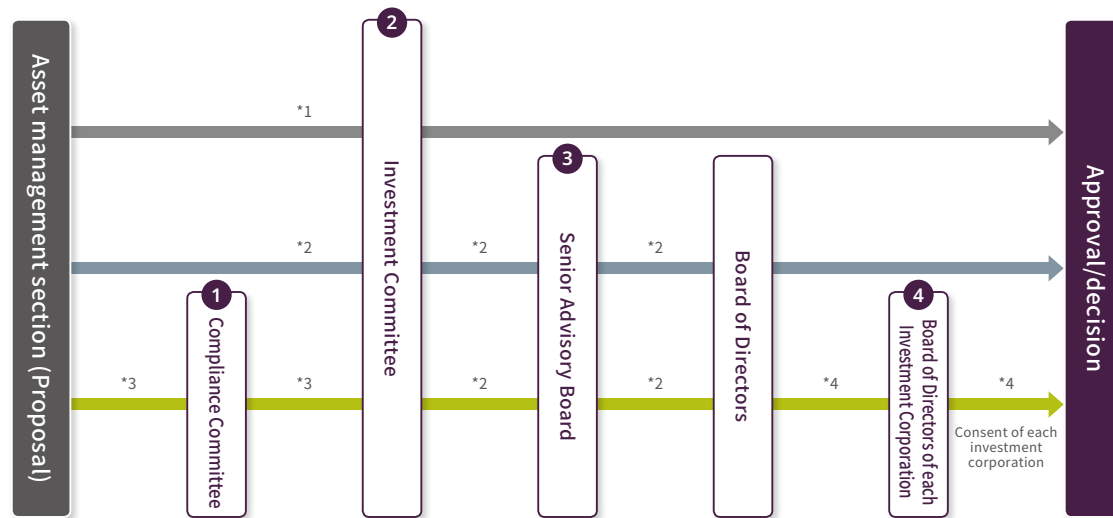
Please refer to page 42 for more details on how it manage.

Corporate Governance

As an asset management company, KJR Management receives asset management consignments from JMF and IIF, and is committed to upholding its fiduciary duty to investment corporations.

Decision-making Process

In the course of making decisions regarding the acquisition, disposal, or operation and management of assets, approval is obtained from the Investment Committee and the Senior Advisory Board/Board of Directors in accordance with the Guidelines for the Investment Committee, Rules of the Senior Advisory Board (the “Senior Advisory Board Rules”) and the Rules of the Board of Directors. Furthermore, in the course of making decisions regarding investment policies and standards, operation and management policies and standards, budget, and financing of each investment corporation, the Investment Committee makes decisions, and a proposal is submitted to the Senior Advisory Board for approval in accordance with the Senior Advisory Board Rules. If a transaction constitutes a transaction between stakeholders stipulated in the Regulations for Transactions with Stakeholders of the Asset Manager, the Compliance Committee must first adopt resolutions before the Investment Committee makes decisions (excluding transactions that meet certain minor requirements as stipulated in the Regulations for Transactions with Stakeholders, (“Minor Transactions”). In addition, if a transaction to be executed involves the acquisition, disposal, or lending of securities or real estate between any investment corporation and a related party of the like of the Asset Manager as stipulated in Article 201(1) of the Investment Trust Act (“ITA”), then, subsequent to the Compliance Committee adopting a resolution and the Investment Committee adopting a resolution, each Investment Corporation’s consent must, by the time the transaction is executed, be obtained based on the approval of the Board of Directors of each Investment Corporation, except in certain cases in which it is determined that the transaction will have a minor impact on each Investment Corporation’s assets.



*1 For matters relating to the acquisition, disposal or operation and management of assets, and the like of assets in which a single transaction is in an amount of less than JPY 8 billion, the Investment Committee’s approval is obtained.
 *2 With regard to investment policies and standards; operation and management policies and standards; budget; financing; and the acquisition, disposal, and the like of assets for which a single transaction is in an amount of not less than JPY 8 billion and less than JPY 60 billion, approval of the Investment Committee and of the Senior Advisory Board is obtained. In addition, with regard to the acquisition, disposal, and the like of assets for which a single transaction is in an amount of not less than JPY 60 billion, approval of the Board of Directors is obtained.
 *3 For matters relating to transactions with stakeholders, in addition to the procedures stipulated in *1 and *2 above, approval is obtained from the Compliance Committee. However, if the transaction constitutes a Minor Transaction, approval of the Compliance Committee is not required.
 *4 For matters relating to transactions with related parties or the like as defined in Article 201-2(1) of the ITA, in addition, approval of the Board of Directors of each Investment Corporation and the consent of each Investment Corporation based on such approval is obtained. However, if a transaction is determined to be a transaction that will have a minor impact on each Investment Corporation’s assets under the Ordinance for Enforcement of the ITA, approval of the Board of Directors of each Investment Corporation and consent of each Investment Corporation based on such approval is not required.

Overview of each meeting body

	1 Compliance Committee	2 Investment Committee	3 Senior Advisory Board	4 Board of Directors of each Investment Corporation
Object	Approval body for transactions with stakeholders that makes resolutions and reports on matters relating to internal compliance and its systems as an advisory body to the Board of Directors	To deliberate and make resolutions and reports on overall risks in investing and investment management policies, budgets, funding, acquisition/disposal/ investment management of assets, and investment effects, etc.	To make resolutions and reports on matters relating to the operation of the asset management business and real estate investment management business, investment advisory/agency and other businesses based on investment advisory agreements, and the Company	To make resolutions and reports on matters set forth in the Act on Investment Trusts and Investment Corporations and matters prescribed in the Investment Corporation Rules
Chair	Head of Compliance and Risk Management Office	President & CEO	President & CEO	Executive Officer
Members	President & CEO, Division Heads, external expert(s), and person(s) nominated by the Chair	Full-time Directors, Executive Officer controlling the Division in charge of fund asset management, Head of Compliance & Risk Management Office, external real estate appraiser(s), and person(s) nominated by the Chair	Directors nominated by the Board of Directors	Supervisory Directors
Frequency	In principle, once every three months	In principle, every week	In principle, once a month	In principle, twice a month

Compliance

Compliance Basic Policy

We define compliance not only as compliance with laws and regulations, but also as voluntary efforts to adapt to broader social expectations behind laws and regulations, and has established a compliance system with the intention of conducting sincere and fair corporate activities and ensuring sound management based on self-discipline.

Compliance System and Its Practices

In accordance with the Compliance Rules, we have established the Compliance Committee and the Compliance & Risk Management Office to develop a company-wide cross-sectional compliance system.

Role of the Board of Directors in Compliance

The Board of Directors decides on the basic matters related to the promotion of company-wide compliance, and receives reports on the status of compliance promotion.

Compliance Committee

The Compliance Committee, chaired by the Head of the Compliance & Risk Management Office, who is also an executive officer, is comprised of senior management and outside attorneys, and meets once every three months in principle.

Compliance Training

In addition to mandatory compliance training at the time of joining the Company, we conduct compliance training for all executives and employees including seconded employees, contract employees and temporary staff, four times a year.

	2020/3	2021/3	2022/3	2023/3	2024/3	2024/12*
Compliance training (times)	4	4	4	4	4	3

*For the nine months from April to December, 2024

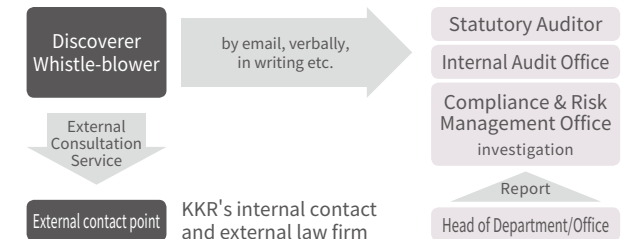
*KJR Management has reorganized an organization. Please refer to the latest information.

Whistle-Blowing and Reporting

We have established an internal inquiry counter for all executives and employees as well as our business partners in order to receive consultations and reports regarding violations of laws and regulations, information management violations, various types of harassment, human rights, and the working environment. In addition, we have designated the internal inquiry counter of KKR & Co. Inc., and an external law firm as an external point of contact for these matters, for consultation and reporting, and have secured a route for external consultation and reporting. When the internal inquiry counter receives a whistle-blowing report, the Head of the Compliance & Risk Management Office assumes responsibility and the Compliance & Risk Management Office investigates the facts.

All contact points are available at any time, and anonymous reporting is allowed. For the protection of whistle-blowers, consideration must be given to preventing disadvantageous treatment in accordance with the Whistleblower Protection Act and our Whistle-Blowing Rules.

If, as a result of the investigation, corrective measures and measures to prevent recurrence are needed, appropriate action will be taken. Also, at the end of the investigation, we share with the whistle-blower the conclusion as to whether the reported event is regarded as a fact or not and the details of the necessary corrective measures, as well as notifying the whistle-blower of the progress of the investigation as necessary during its course.



Compliance Reporting Desk for Business Partners

We accept consultations and reports concerning violations of laws and regulations, information management violations, various types of harassment, human rights, and the working environment in our business.

For the Compliance Reporting Desk for Business Partners, please click here.

Responding to Compliance Violations

For the purpose of accurate and fair treatment in the event of finding an act or a possibility of violation of laws and regulations and the Articles of Incorporation, etc. or for preventing occurrence of such an act, the Administrative Incident Handling Rules set forth specific actions.

For more information on Compliance, please click here.

Please refer to the page 48 for further details on Compliance.

Compliance / Anti-Corruption and Bribery Prevention

Conflicts of Interest

The Company has implemented a management system as described below to ensure that conflicts of interest do not arise from the management of assets at JMF and IIF and the discretionary investment and investment advisory business such as private real estate fund management.

1 Separation of asset management divisions and support structure

We have established the Metropolitan Division and the Industrial Division as divisions that are engaged in asset management of JMF and IIF, respectively, and the Private Solutions Division as the division that is engaged in supervising businesses, including the discretionary investment and the investment advisory business for private real estate funds or similar, thereby clarifying asset management responsibilities.

2 Securing of independence in investment decision-making

Decisions made on asset management of each investment corporation are examined solely from the perspective of whether or not such decisions are appropriate as decisions made by the Metropolitan Division, the Industrial Division, or the Private Solutions Division, without taking into consideration the situation of other investment corporations.

3 Rules on preferential investigation rights pertaining to investment information

With regard to information on sales of real estate obtained by the Company, we have established rules concerning determinations as to which division, the Metropolitan Division, the Industrial Division, or the Private Solutions Division, should conduct investigations in preference to the other divisions.

Establishment of a system to eliminate antisocial forces

To preempt violence from antisocial forces, clarify how we will respond as an organization and ensure that we will never have any relations or dealings with antisocial forces and use them, we also provide the “Basic Rules around How to Deal with Antisocial Forces” which stipulates that we will take a resolute attitude as an organization to antisocial forces, including coordinating with external specialized institutions, as our basic principle. Each division of the Asset Manager is expected to confirm in advance that counterparts to transactions, etc. are not considered as antisocial forces, to report any questionable acts or behaviors when they are expected directly or indirectly to the Head of the Compliance & Risk Management Office and the President, and review social risks thoroughly to make a decision of whether the transaction can go ahead or not, in accordance with the Basic Rules as per their respective operations manuals for each division that are provided separately.

Anti-Corruption and Bribery Prevention

In line with our mission to "always create new values, for people, the community and the world," we established one of our core values as "we act proactively and professionally and adhere to the highest standards of compliance and discipline". Recognizing that we have a social responsibility to prevent corruption and bribery, we have established the "Anti-Corruption and Bribery Prevention Policy" to prohibit corruption and bribery.

We signed up to the Call to Action From Business to Government invited on the 20th anniversary of the adoption of the United Nations Convention against Corruption (UNCAC). [For details on the Call to Action, please click here.](#)

Basic Policy

We have established the Code of Ethics, consisting of the Charter of Corporate Ethics and the Code of Conduct for Officers and Employees, for the purpose of ensuring sound management based on high ethical standards, gaining unwavering trust from society, and contributing to the development of society, as an entity which engages in investment management and investment advisory businesses. We endeavor to ensure that all the officers and employees, including the management, comply with all laws and rules related to the business in their activities, practice honest and fair corporate activities on a daily basis, do not tolerate corruption and bribery not only in the public sector but also in the relation with the private sector, and strive so that we would be widely recognized as a company with a high standard of corporate ethics.

[For the full text of the Anti-Corruption and Bribery Prevention Policy, please click here.](#)

In addition, the Compliance Manual and the Regulations Concerning Entertainment, and Internal Meetings set forth, and the general policy is not to receive any entertainment or gifts. In principle, when receiving gifts or entertainment from business partners, it is necessary to obtain prior approval. The implementation status of the procedures is monitored by the Compliance & Risk Management Office and reported to the Compliance Committee once every six months.

We signed up to the UN Global Compact (UNGC) in 2016, and endeavors to strengthen corporate governance against corruption through supporting the UNGC’s ten principles.

	2020/3	2021/3	2022/3	2023/3	2024/3	2024/12*
Total amount of political donations (yen)	0	0	0	0	0	0
Number of improper conduct/corruption-related cases exposed (times)	0	0	0	0	0	0
Number of improper conduct/corruption-related cases that resulted in punishment/dismissal (times)	0	0	0	0	0	0
Improper conduct/corruption-related fines, penalties, and settlement costs (yen)	0	0	0	0	0	0

*For the nine months from April to December, 2024

Risk Management

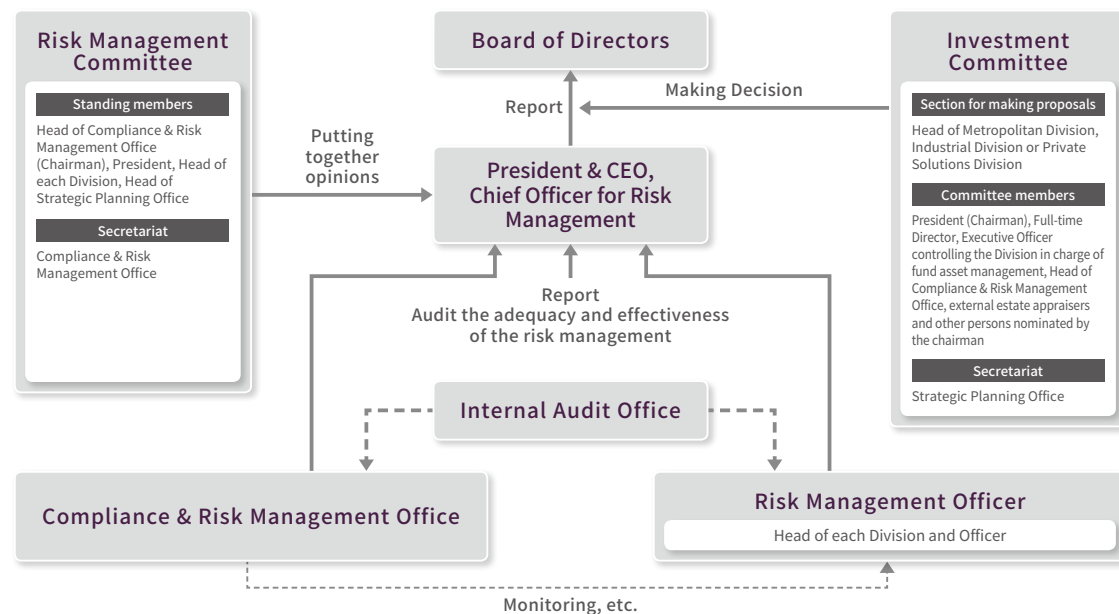
The Company has established "Risk Management Rules" to ensure sound management through appropriate management and operation of risks.

Structure on Risk Management

We believe that implementing risk management will ensure the continuity and stable development of our business. Being fully aware of our public mission and social responsibility in conducting asset management, we carry out necessary risk management, and we also conduct necessary risk management of the investment corporations to strive to protect investors and operate the investment management business appropriately. We strive to conduct sound and appropriate business management, based on our management policy and strategic goals. With regard to the risks arising as part of that management, we have established an income and risk management system in line with the management policies of each of the investment corporations and based on the strategic goals, and we manage the system so that risk is appropriately controlled.

Key Risks to be Managed

- Investment management risk
- Clerical work risk
- System risk
- Reputation risk
- Conduct risk



The Company is reorganized on February 1, 2025. Please click here [📄](#) for the latest information.

Internal Audits

We have established the Internal Audit Office, which is independent of any department, to conduct audits once every three years for each department, based on the internal audit plan established for each fiscal year. We believe that internal audits contribute to the achievement of management goals, not only by finding and pointing out problems in business operations, including compliance, but also by evaluating the internal control systems of each department, and proposing methods of improvement, etc. Details about the implementation of internal audits based on the Internal Audit Rules are specified in the detailed rules on internal audits. When the audited department receives any instruction or proposal for improvement through the internal audit, it prepares an improvement response plan, implements the improvement measures, and reports the results to the Internal Audit Office.

Information Security

The Company has established the Basic Rules on Information Security to ensure the appropriate and rigorous protection of all assets held by the Company.

Basic Policies

1. Appropriately store and manage information assets and effectively prevent information leakage and falsification.
2. Give due consideration to the handling of confidential information and personal information.
3. When outsourcing business to an external contractor, confirm the contractor's eligibility and security control measures, etc. for personal information.
4. Implement the same information security management for information assets that have been licensed for use.

Measures are taken for the following items based on the Basic Policies.

Management system, information assets management, access control, secure use of information infrastructure, and systems management

Implementation of training to improve IT security awareness such as e-mail attack drills

There is an increased risk of information leakage by "targeted (hoax) e-mail" attacks aimed at organizations such as corporations and government agencies. Since attack techniques are evolving day by day and the ultimate best defense to prevent damage is raising awareness and appropriate action of all employees as e-mail recipients, we implement training e-mail attack drills every month targeting all users. Additionally, between March and December 2024, we conducted special training on two occasions using videos on specific cases, etc.

Environment

		2015	2016	FY2017	FY2018	FY2019 ¹	FY2020 (Base year)	FY2021	FY2022	FY2023	2030 (Target)	2050 (Target)
GHG emissions		—	—	—	—	—	267,938	244,347	233,899	259,629		
Scope 1 (direct emissions)	(t-CO ₂)	23,230	23,767	23,126	20,515	6,238	5,608	5,135	5,542	5,302		
Scope 2 (indirect emissions)	(t-CO ₂)	228,985	225,272	216,142	202,521	32,658	29,884	24,633	22,061	17,558		
Scope 1+2	(t-CO ₂)	252,215	249,039	239,269	223,036	38,896	35,492	29,768	27,602	22,860		
Scope 3	(t-CO ₂)	—	—	—	—	—	232,446	214,579	206,297	236,769		
	Category 1 (Purchased goods and services)	—	—	—	—	—	16,998	17,110	16,975	17,207		
	Category 2 (Capital goods)	—	—	—	—	—	30,182	23,994	28,757	32,943		
	Category 3 (Fuel- and energy-related activities not included in Scope 1 or 2)	—	—	—	—	—	6,716	6,467	6,334	6,215		
	Category 5 (Waste generated in operations)	—	—	—	—	—	13,017	14,478	14,374	16,074		
	Category 6 (Business travel)	—	—	—	—	—	1	0	0	0		
	Category 7 (Employee commuting)	—	—	—	—	—	3	1	1	1		
	Category 12 (End of life treatment of sold products)	—	—	—	—	—	0	0	0	0		
	Category 13 (Downstream leased assets)	—	—	—	—	—	165,531	152,527	139,855	164,329		
	Category 15 (Investments)	—	—	—	—	—	0	0	0	0		
Per unit	(t-CO ₂ /m ²)	0.10	0.10	0.09	0.09	0.08	0.09	0.08	0.08	0.09		
Date collection rate	(%)	89.7	93.6	90.3	93.0	97.9	97.6	99.9	99.9	99.0		
Energy consumption	(MWh)	413,471	432,473	423,783	399,940	394,471	400,765	386,950	383,880	426,522		
Per unit	(kWh/m ²)	164.17	170.68	159.24	163.52	155.75	133	132	135	152.34		
Date collection rate	(%)	89.7	93.6	90.3	93.0	97.9	97.6	99.9	100.0	99.0		
Fuel consumption (fuel only)	(MWh)	125,639	126,779	133,907	118,587	117,223	130,452	123,172	112,284	127,529		
Per unit	(kWh/m ²)	49.88	50.03	50.32	48.49	46.28	43	42	39	45.55		
Date collection rate	(%)	94.5	100.0	100.0	100.0	93.4	89.6	90.1	89.9	98.1		
Water Use	(thousandm ³)	2,605	2,691	2,615	2,541	2,621	2,811	2,914	2,681	3,046		
Per unit	(m ³ /m ²)	1.02	1.05	0.98	1.04	1.04	1	1	1	1.09		
Date collection rate	(%)	91.2	93.6	90.3	92.9	97.9	97.5	99.9	99.6	98.7		
Total waste	(t)	42,321	37,580	30,151	24,456	29,486	20,737	26,546	27,480	26,633		
Date collection rate	(%)	99.2	89.8	64.8	86.6	80.8	78.3	96.3	99.4	96.4		

SBT Certified

Reduce by 42%^{*2}

SBT Certified

Net-zero

* The above Environment data is compiled based on reports from tenants and operators of each property, but data values may vary due to changes in the scope of reporting. *1 Each figures before FY2019 are simply adding up the values of the former Japan Retail Fund Investment Corporation and the former MCUBS MidCity Investment Corporation. *2 Compared to FY2020

		2022/2	2022/8	2023/2	2023/8
Percentage of renewable energy consumption to the entire portfolio electricity consumption	(%)	10.9	11.5	13.1	15.7

Governance

Name of Directors	Masahiko Nishida Executive Director		Osamu Ito Supervisory Director		Yoko Shirasu ^{*3} Supervisory Director		
	JMF Fiscal Year	2024/2	2024/8	2024/2	2024/8	2024/2	2024/8
Attendance at Officers Meetings		12 meetings (100%)	11 meetings (100%)	12 meetings (100%)	11 meetings (100%)	6 meetings (100%)	11 meetings (100%)

*3 Yoko Shirasu was appointed as Supervisory Director in November 2023.

See JMF website for GRI Guidelines.

See JMF website for SASB Index.

Environment

		2015	2016	FY2017	FY2018	FY2019	FY2020	FY2021 (Base year)	FY2022	FY2023
GHG emissions		—	—	—	—	—	—	169,049	170,187	168,927
Scope 1 (direct emissions)	(t-CO ₂)	218	588	429	0	0	9,133	25,758	25,733	24,149
Scope 2 (indirect emissions)	(t-CO ₂)	7,588	8,337	6,599	2,694	2,564	11,412	16,282	29	97
Scope 1+2	(t-CO ₂)	7,806	8,925	7,028	2,694	2,564	20,545	42,040	25,762	24,246
Scope 3	(t-CO ₂)	—	—	—	—	—	117,711	127,009	144,425	144,681
Category 1 (Purchased goods and services)	(t-CO ₂)	—	—	—	—	—	—	6,707	7,349	7,085
Category 2 (Capital goods)	(t-CO ₂)	—	—	—	—	—	—	13,327	17,307	23,113
Category 3 (Fuel- and energy-related activities not included in Scope 1 or 2)	(t-CO ₂)	—	—	—	—	—	—	27,392	46,241	46,124
Category 5 (Waste generated in operations)	(t-CO ₂)	—	—	—	—	—	—	724	681	557
Category 6 (Business travel)	(t-CO ₂)	—	—	—	—	—	—	1	1	1
Category 7 (Employee commuting)	(t-CO ₂)	—	—	—	—	—	—	1	1	1
Category 12 (End of life treatment of sold products)	(t-CO ₂)	—	—	—	—	—	—	0	137	156
Category 13 (Downstream leased assets)	(t-CO ₂)	—	—	—	—	—	—	78,802	72,655	67,644
Category 15 (Investments)	(t-CO ₂)	—	—	—	—	—	—	56	54	0
Per unit	(t-CO ₂ /m ²)	0.11	0.09	0.08	0.08	0.07	0.11	0.11	0.11	0.11
Date collection rate	(%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Energy consumption	(MWh)	138,913	125,801	139,627	146,045	151,381	190,541	236,215	152,185	149,619
Per unit	(kWh/m ²)	194.35	177.46	159.02	157.79	134.05	147.94	156.70	102.70	97.79
Date collection rate	(%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Fuel/gas consumption	(MWh)	7,633	12,435	12,997	12,977	11,241	65,296	163,548	161,875	147,679
Per unit	(kWh/m ²)	10.68	17.54	14.80	14.02	9.95	50.70	108.50	109.20	96.52
Date collection rate	(%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Water Use	(thousandm ³)	363	362	543	549	532	656	916	927	1,038
Per unit	(m ³ /m ²)	0.51	0.51	0.61	0.59	0.47	0.51	0.61	0.63	0.68
Date collection rate	(%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Volume of non-hazardous waste	(t)	2,376	3,505	5,827	6,403	5,422	6,176	7,676	7,090	6,324
Volume of hazardous waste	(t)	210	94	105	104	33	163	293	329	360
Recycling rate	(%)	—	33.2	31.6	32.1	45.2	45.1	40.4	40.5	29.5
Date collection rate	(%)	94.5	100.0	100.0	100.0	93.4	89.6	90.1	89.9	88.4

2030 (Target)

SBT Certified

Reduce by 42%^{*1}

2050 (Target)

Net-zero

* The above Environment data is compiled based on reports from tenants and operators of each property, but data values may vary due to changes in the scope of reporting. *1 Compared to FY2021

Governance

Name of Directors	Kumi Honda Executive Director		Yutaka Usami Supervisory Director		Koki Ohira Supervisory Director		Fumito Bansho Supervisory Director	
	2024/7	2025/1	2024/7	2025/1	2024/7	2025/1	2024/7	2025/1
Attendance at Officers Meetings	15 meetings (100%)	12 meetings (100%)	15 meetings (100%)	12 meetings (100%)	15 meetings (100%)	12 meetings (100%)	15 meetings (100%)	12 meetings (100%)

See IIF website for GRI Guidelines.

See IIF website for SASB Index.



Social

			2020/3	2021/3	2022/3	2023/3	2024/3	2024/12
Total number of employees ¹	Full-time employees	Men	87	93	97	95	103	105
		Women	55	55	55	56	57	59
	Other than full-time employees	Men	2	2	3	5	5	4
		Women	0	0	0	0	0	0
Total workforce ¹	Men	61.8	63.3	64.5	64.1	65.5	64.9	
	Women	38.2	36.7	35.5	35.9	34.5	35.1	
Percentage of women in executive management (%)		—	—	—	11.1	12.5	16.7	
Women in managerial posts ¹ (%)		25.7 ^{*3}	17.2	12.1	15.2	16.1	13.2	
Diversity of employees ¹	Under 30 years old		4.0 ^{*3}	4.0	5.2	1.9	2.4	2.4
		30 to 50 years old	80.5 ^{*3}	80.0	74.2	74.4	73.3	71.4
		50 years old or older	15.5 ^{*3}	16.0	20.6	23.7	24.2	26.2
Number of new hires ²	Men	—	16	14	21	21	11 ^{*5}	
	Women	—	3	3	4	6	3 ^{*5}	
Percentage of New hires ²	Men	89.5 ^{*3}	84.2	82.4	84.0	77.8	78.6	
	Women	10.5 ^{*3}	15.8	17.6	16.0	22.2	21.4	
Employee turnover rate (%)		—	9.5	8.4	10.7	10.7	9.7	
Rate of taking childcare leave ² (%)	Men	—	50.0	0.0	16.7	0.0	33.4	
	Women	—	No eligible employees	100.0	100.0	100.0	100.0	
Training attendance rate ^{1, *4} (%)	Men	—	90.6	88.0	98.9	92.7	93.1	
	Women	—	95.9	87.0	97.8	95.8	100.0	
Rate of taking paid leave ¹ (%)		64.7	68.5	78.3	79.4	74.5	65.6	
Health checkup rate ² (%)		100.0	100.0	100.0	100.0	100.0	80.9	
Satisfaction survey response rate (%)		94.0	93.0	94.5	Not implemented	96.7	98.7	

Results of In-house research

¹ Employees with subordinates, excluding executives and temporary employees² Excludes executives, seconded employees, and temporary staff ^{*3} As of December 31, 2020,^{*4} Excluding internal training by our departments ^{*5} For the nine months from April to December, 2024

See KJRM website for GRI Guidelines.

See KJRM website for SASB Index.

Employees 169 staff members⁶

Of which, the number of qualified employees	Real-estate transaction specialists	72	Lawyer	1
	ARES certified master	88	CPA	7
	First-class architects	9	Tax accountants	3
	Real estate appraisers	12	MBA	1
	CMA	6	CFA Certified Securities Analyst	1

^{*As of December 31, 2024}^{*6} Excludes part-time directors, seconded employees, and temporary staff

Compliance

	2020/3	2021/3	2022/3	2023/3	2024/3	2024/12 [*]
Compliance training (times)	4	4	4	4	4	3
Total amount of political donations (yen)	0	0	0	0	0	0
Number of improper conduct/corruption-related cases exposed (times)	0	0	0	0	0	0
Number of improper conduct/corruption-related cases that resulted in punishment/dismissal (times)	0	0	0	0	0	0
Improper conduct/corruption-related fines, penalties, and settlement costs (yen)	0	0	0	0	0	0

^{*}For the nine months from April to December, 2024

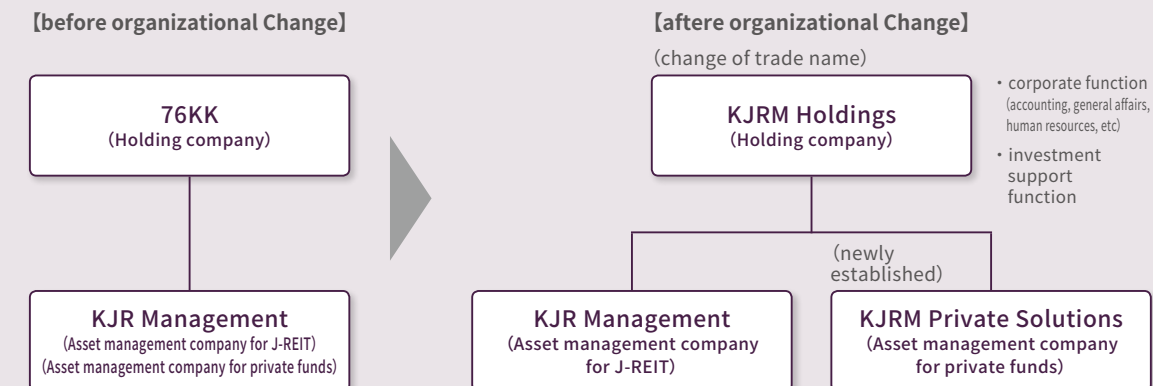
Contribution to Industry Organizations, etc.

We actively participate in sustainability-related committees of various associations and organizations to keep abreast of the latest trends. The organizations, etc. we have joined are as follows.

- The Investment Trust Association
- Asia Pacific Real Assets Association Limited (APREA)
- The Association for Real Estate Securitization (ARES) etc.

Company Split of KJR Management

KJR Management executed a corporate split effective February 1, 2025. KJR Management and KJRM Holdings also plan to transfer the private fund management business conducted by KJR Management in the future to a wholly-owned subsidiary that will be newly established by KJRM Holdings, aiming in part to strengthen the conflict of interest management system.



Please note that the above description is based on the schedule for the Private Fund Business Group Restructuring as of the date of publication of the report, and that the details of the Private Placement Fund Business Group Restructuring, etc. is subject to change and it may be decided that the Private Placement Fund Business Group Restructuring itself will not be implemented.

Disclaimer

- This document may contain information such as statements on future performance, plans, management targets, and strategies. Such statements with regard to the future are based on current hypotheses and assumptions about future events and trends of the business environment. However, these hypotheses and assumptions are not necessarily correct. Actual results may vary significantly due to various factors.
- Unless otherwise specified, this document was created based on Japanese generally accepted accounting principles.
- Japan Metropolitan Fund Investment Corporation (JMF), Industrial & Infrastructure Fund Investment Corporation (IIF), and KJR Management (KJRM) shall not be liable for any errors, inaccuracies, loss or damage, or for any actions taken in reliance thereon, or undertake any obligation to publicly update the information contained in this document after the publication date thereof.

Asset Management Company: KJR Management

Building Lots and Buildings Transaction Business License: Governor of Tokyo (5) No. 79372

Discretionary Transaction Agent License: Minister of Land, Infrastructure, Transport and Tourism, Certification No.58

Financial Instruments Business Operators: Kanto Local Finance Bureau(FIBO) No.403

Member of The Investment Trusts Association, Japan

Member of Japan Investment Advisers Association

Member of Type II Financial Instruments Firms Association

KJRM

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