

Sustainability Policy

1. Introduction

- (1) Environmental issues such as climate change, resource scarcity, and social responsibility towards human rights and community development are considered as some of the biggest challenges facing human beings. We acknowledge that our stakeholders are requiring more and more responsible actions from us.
- (2) Ideas of responsible investment have been widely accepted in the financial industry. In addition to the Principles of Responsible Investment ("PRI") started in 2006, Japanese financial institutions have established "Principles for Financial Action for the 21st Century" and many financial institutions have signed these principles.

2. Our Organization

- (1) The KJRM Group (meaning corporate group consisting of KJRM Holdings, KJR Management and KJRM Private Solutions, and each of the companies comprising such corporate group being referred to individually or collectively as the "KJRM Group Companies"; hereinafter the same) established the "Code of Ethics," consisting of the "Corporate Ethics Charter" and the "Code of Conduct for Officers and Employees," in 2001. In compliance with these, we have been investing and managing the assets of our investment corporation clients, with attention to the environment and social responsibility.
- (2) In 2013, we newly established the "Sustainability Committee" (the "Committee") to systematically promote Responsible Property Investment ("RPI"). In consideration of changes in the external environment, the Committee established the "Environmental Charter" and compiled the "Responsible Property Investment Policy" (Renamed "Sustainability Policy (this Policy)" afterward.) as the principles of conduct based on the Code of Ethics and the Environmental Charter.
- (3) In January 2020, we re-organized the "Sustainability Committee" chaired by the CSO (Chief Sustainability Officer) who was the Deputy President at that time. Also, the CSO as the chairman, the Chief Operating Officer of KJRM Holdings, full-time directors of each KJRM Group Company, the head of Metropolitan Division and the head of Industrial Division of KJR Management shall be permanent committee members.

3. Our Beliefs about Sustainability in Property Investment

- (1) The KJRM Group has signed the PRI and "Principles of 21st Century Financial Actions," and promotes our actions in accordance with these policies.
- (2) The KJRM Group implements RPI that integrates environmental, social, and governance (ESG) elements into property investment. The concept of RPI is to make it the first priority to deliver improved profitability to investment corporations which are the counterparties of asset management contracts concluded by KJR Management, and real estate funds, etc. other than investment corporations, which are the counterparties of discretionary investment contracts or investment advisory contracts concluded by KJRM Private Solutions (including, but not limited to, a special purpose company which is an investment vehicle, other forms of a corporation or a partnership, or a trustee, etc. Hereinafter referred to as the "Private Funds" and collectively referred to as the "Funds" together with investment corporations.)
- (3) Owning and managing properties in an environmentally-friendly and socially responsible manner adds value to an investment by limiting the risks of regulatory non-compliance and losing our 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. We also believe that the strategy will bring about a more desirable result for our environment and society.

4. Our Commitment

- (1) Through dialogue and cooperation with diverse stakeholders, including tenants and local communities, we contribute to the creation of a sustainable society.
- (2) We form a diverse and inclusive organization that attracts and engages talent from a variety of backgrounds, and provide stable investment management services.
- (3) We provide investors with more stable returns by incorporating the concept of RPI into our asset management strategies.

5. Our Responsible Property Investment (RPI) Strategy

Our RPI strategy is integrated into the asset management of the Funds and is implemented by all operational functions of ours during the entire ownership cycle, from our acquisition to the ongoing asset management, marketing, renovation and maintenance through sale.

Responsible Property Investment (RPI)

- Incorporate the concept of RPI into fund management strategy based on the Sustainability Policy
- Set objectives in order to make activities transparent and measurable
- Educate and train for improving capabilities
- Measure performance against objectives
- Report results of activities to investors, clients and consultants

Investment Decisions

- Incorporate environmental and social risks and opportunities into the evaluation criteria when acquiring, selling or operating properties
- Integrate RPI strategies, but not at the expense of long-term client financial performance

Refurbishment

- Incorporate RPI strategies into the design and financial analysis of all property renovations
- Evaluate obtaining certifications, such as for environmental performance (green building certifications etc.) or social performance (measures considering diversity), applicable for each property type and location prior to refurbishment to expedite approval process and enhance the property's competitive position to maximize occupancy, rents and tenant quality
- Engage with planners and other external project partners and consultants to achieve objectives

Operations and Maintenance

- Define and implement best practice measures (priority on no costs and low costs) to improve energy efficiency, water conservation and waste management for all operating assets in order to promote sustainable practices
- Reduce operating expenses and thereby increasing property values
- Evaluate obtaining certifications, such as for environmental performance (green building certifications etc.) or social performance (measures considering diversity), applicable for each property type and location in order to enhance the property's competitive position to maximize occupancy, rents and tenant quality
- Monitor changes in regulations and laws in order to adopt and implement RPI strategies
- Collaborate with tenants, property managers and suppliers of services and materials to achieve objectives

6. Our Sustainability Disclosure Policy

We willingly disclose our sustainability activities to investors and other stakeholders.

7. Policy Review

- (1) We review periodically and may revise this policy to maintain our adequacy. The person in charge of sustainability at KJRM Holdings shall be the rule administrator of this Policy and it shall be categorized into corporate organization and operation rules under our structure regarding rules and regulations.
- (2) The amendment of this Policy is to be approved by the Chief Operating Officer of KJRM Holdings.

Supplementary Rules

Established on October 4, 2025.