KJRM Sustainability Report 2026

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

Mission Statement

Unlocking Real Assets' Future

Real assets - such as real estate and infrastructure - are becoming an increasingly important asset class for investors. KJRM, as the leader in this field, is delivering the best services to our investors, while creating values for all our stakeholders - including real asset owners, employees and partners. The future of real assets lies beyond our continuous effort.

Values

Beyond Comfort Zone

Like and Trust

Expertise in Action

One Team

KJRM Overview

KJRM -Japan's leading real estate asset management companies within the KKR Group.

25+ years track record
With **AUM of JPY 2+trn**

Robust organization of
160+ professionals

KJRM Holdings

KJR Management

J-REIT

KJRM Private Solutions

Private Funds

Manages a **diverse range of assets** through
J-REITs and private funds

Growth strategy in
collaboration with KKR

KJRM

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Editorial Policy

The group consisting of KJRM Holdings (hereinafter referred to as "KJRMHD"), KJR Management (hereinafter referred to as "KJR Management" or the "Company"), and KJRM Private Solutions (hereinafter referred to as "KPS") is collectively referred to as "KJRM."
Japan Metropolitan Fund Investment Corporation (hereinafter referred to as "JMF") and Industrial & Infrastructure Fund Investment Corporation (hereinafter referred to as "IIF"), together with their asset manager, KJR Management, promote various initiatives based on our sustainability strategy, "Practicing Responsible Property Investment and Contributing to Solve Social Issues".
This Sustainability Report 2026 has been prepared with reference to the GRI Standards and the SASB Standards (Real Estate industry) and, in principle, covers JMF, IIF, and the Company. It is issued for the purpose of disclosing to stakeholders the policies, initiatives, and status of sustainability efforts of these entities.

Month of issuance: February 2026
Reporting Coverage: As a general principle, the scope of this report covers JMF, IIF, and KJRM. Pages marked with "J" or "I" at the top indicate that the information presented on those pages relates to JMF or IIF, respectively.
Reporting period: January to December, 2025 (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 2026 on website.

Contact Information　Tel: +81-3-5293-7000 (main)　E-mail: contact-us@kjrm.co.jp

Top Commitment

KJRM Top Commitment

Practicing Responsible Property Investment and Contributing to Solve Social Issues.

KJRM Holdings
President & CEO

Naoki Suzuki

Japan Metropolitan Fund Investment Corporation
Executive Director

Masahiko Nishida

Industrial & Infrastructure Fund Investment Corporation
Executive Director

Kumi Honda

Top Message

Japan Metropolitan Fund Investment Corporation (“JMF”) and Industrial & Infrastructure Fund Investment Corporation (“IIF”), together with their asset manager, KJR Management (the “Company”), KJRM Private Solutions (“KPS”), which serves as the asset manager for private funds, and KJRM Holdings (collectively, “KJRM”), are pursuing initiatives based on their sustainability strategy of “Practicing Responsible Property Investment and Contributing to Solve Social Issues,” with the aim of realizing their Mission Statement, “Unlocking Real Assets’ Future.”

In 2025, KJRM established a three-company structure with KJRM Holdings as the holding company. As one of the largest asset management groups in Japan, KJRM seeks to maximize value for investors through the investment management of Real Assets, encompassing not only traditional real estate such as office buildings and retail properties, but also operational assets including hotels and life science facilities, as well as infrastructure assets.

At KJRM, we continuously review and reassess material sustainability issues in light of changes in our business operations and the external environment. In 2025, through periodic reviews, we newly identified biodiversity, human rights, compliance and corporate ethics, and information disclosure as material issues. In addition, with our GHG emissions reduction targets in mind, we published a roadmap outlining measures toward achieving net zero and conducted ongoing analyses based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).

From a social perspective, we place importance on engagement with stakeholders by maintaining ongoing dialogue with tenants and local communities. Our initiatives include hosting educational workshops for nearby educational institutions utilizing inclusive playground equipment, as well as organizing science-related events through interactions with researchers. We also promote coexistence with and contributions to local communities by entering into comprehensive partnership agreements with local governments aimed at regional revitalization. Furthermore, our employees take an active role in social contribution activities, such as implementing matching gift programs and participating in charitable initiatives.

With regard to governance, we continuously conduct compliance training for all officers and employees, thereby promoting ethical conduct through strict adherence to laws and regulations and enhanced awareness among personnel. We will continue to strive for sound management practices based on our Code of Ethics, which consists of the Corporate Ethics Charter and the Code of Conduct for Officers and Employees.

Through its real estate asset management activities, KJRM will continue to contribute to the realization of a sustainable society, while also aiming to enhance unitholder value through the medium- to long-term growth of JMF and IIF.

JMF / IIF Overview

J

Japan Metropolitan Fund Investment Corporation

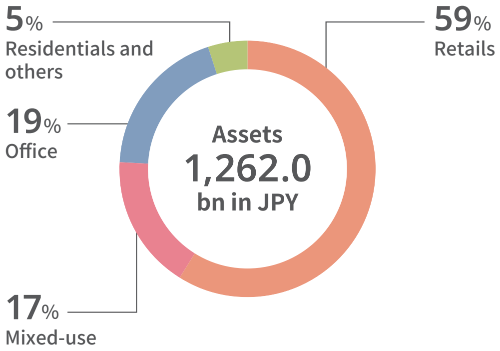
Japan's largest diversified REIT investing in real estate properties serving as a foundation of the metropolitan life (live, work and consume)

01 Listed on the Tokyo Stock Exchange in 2002 as Japan’s first REIT specializing in retails, JMF became one of Japan’s largest diversified REITs through a merger in 2021.

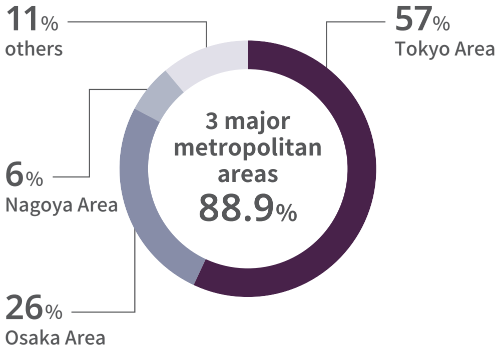
02 Portfolio centered on inflation-resilient urban retail assets in the 3 major metropolitan areas

03 Strong AM capabilities backed by extensive experience across multiple asset types

by Asset Type



by Area



Acquisition Price base

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

(As of August, 2025)

I

Industrial & Infrastructure Fund Investment Corporation

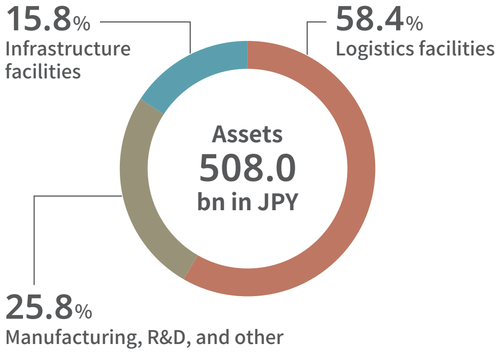
Invests in social infrastructure as a source of power for the Japanese economy and supports Japan’s industrial activities from the perspective of real estate

01 Listed on the Tokyo Stock Exchange in 2007

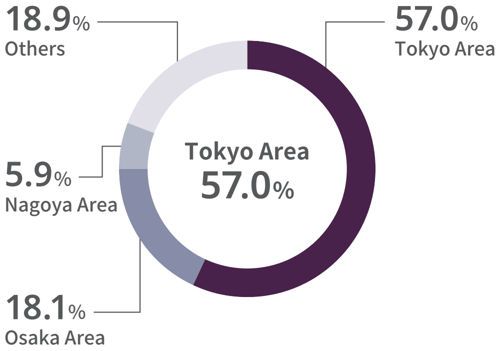
02 The only REIT in Japan specializing in industrial and infrastructure facilities

03 Pioneer in CRE (Corporate Real Estate) and PRE (Public Real Estate) strategies, providing diverse solutions to meet corporate and public-sector real estate disposition needs

by Asset Type



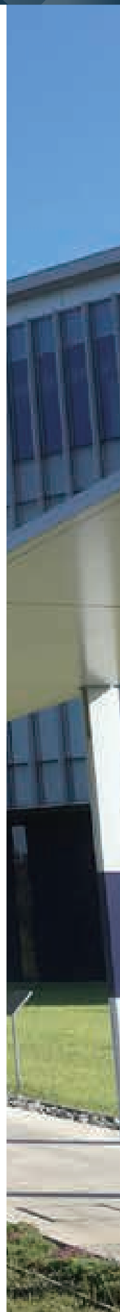
by Area



Acquisition Price base

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

(As of July, 2025)



KJRM / KKR Overview

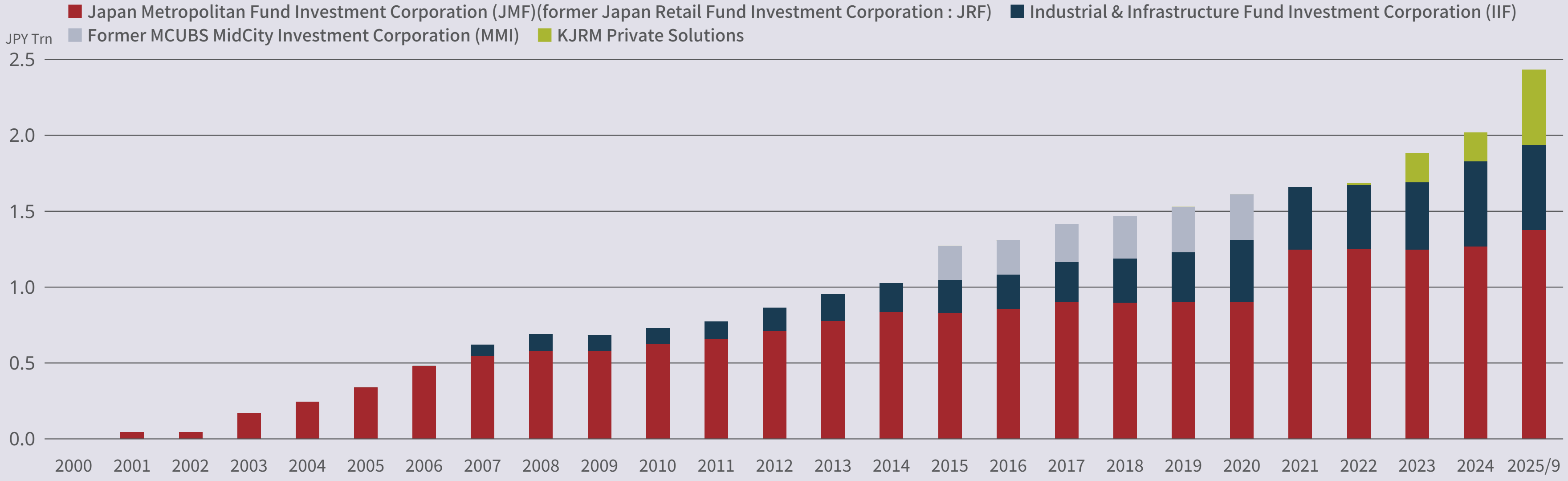
KJRM
KKR Japan Realty Management

Since its establishment in 2000, KJRM has supported the early development of Japan's real estate investment trust (J-REIT) market and has served as the asset manager for Japan Metropolitan Fund Investment Corporation and Industrial & Infrastructure Fund Investment Corporation.
In 2022, KJRM became a member of the KKR Group, one of the world's largest alternative asset management firms, and took a new step forward as KJR Management. At the same time, it launched its private fund management business.
In 2025, with KJRM Holdings was established as a holding company, KJRM formed a three-company structure consisting of KJR Management, which conducts the J-REIT business, and KJRM Private Solutions, which conducts the private fund business. Through this structure, KJRM has developed into one of Japan's leading asset management groups.

In addition to traditional real estate assets such as offices and retail properties, KJRM manages investments in real assets, including operational assets such as hotels and life science facilities, as well as infrastructure, with the aim of maximizing value for investors.

Track Records and Assets Under Management (AUM)

Year of Establishment :	2000
AUM	JPY 2+trn
No. of Properties under Management	350+
No. Tenants *excl. Residentials	2,000+



For more information on KJRM Group's company split, please click here.

KKR

KKR is a leading global investment firm that offers alternative asset management as well as capital markets and insurance solutions, with USD 744 billion in assets under management as of December 31, 2025. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of Global Atlantic Financial Group.

KKR entered Asia Pacific in 2005 and has been active in Japan for nearly two decades, having set up its office in Tokyo in 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 Sustainability Report

Initiatives at KJRM

2013
Established Environmental Charter

Established the Responsible Property Investment (RPI) Policy (renamed the "Sustainability Basic Policy" in September 2023)

Signed Principles for Financial Action for the 21st Century

Signed Principles for Responsible Investment (PRI)

2015
Established the Corporate philosophy "Mission, Vision & Core Values"

2016
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 Sustainability 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 Selected as Sector Leader

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 Sustainability Report

E : Environmental S : Social G : Governance

Basic Information

History of Sustainability

2021
- E Established new GHG Emissions Reduction Targets toward carbon neutrality by 2050

2022
- 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)

認証番号0013755

2023
- E Acquired SBT certification

Strengthened total GHG emissions reduction targets

- G Elected first female Supervisory Directors

2024
- E Reviewed the Green Bond Framework and established the Green Finance Framework
- E Implemented scenario analysis (quantitative analysis) based on TCFD recommendations

2025
- E Acquired ABINC Certification for the first time

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 in 30by30 Alliance for Biodiversity

*Any signatures, endorsements, or similar commitments made by KJR Management by the end of January 2025 were transferred to KJRM Holdings in February 2025 following an organizational restructuring (excluding the JCI).

2020
- G Elected first female executive director

2021
- S Established the Social Finance Framework
- S Issued social bonds
- E Established new GHG Emissions 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 Attained certification and Registration for the "Eco Action 21" (For an Environmental Management System)
- E Acquired ResReal certification

認証番号0013762

2024
- E Acquired first BREEAM In-Use certification **First J-REIT**
- E Implemented scenario analysis (quantitative analysis) based on TCFD recommendations

2025
- E Certified as a Nature-Positive Site under the Act on Promoting Activities to Enhance Regional Biodiversity

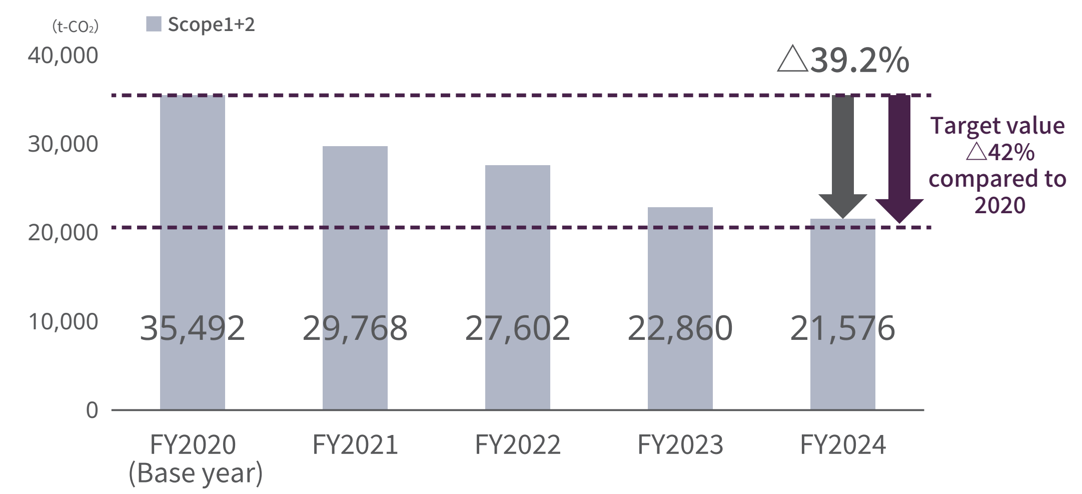
First J-REIT

Highlights

GHG emissions reduction target

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Cumulative reduction by 2024	**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 **39.2%** (Compared to 2020)	Reduced by **42%** SBT Certified (Compared to 2020)	**Net-zero** SBT Certified



For more information, see page 50 (Data).

External evaluation

GRESB Real Estate rating	CDP Climate Change Program
5 stars (highest rank)	**A**
GRESB	CDP A List 2025
(As of the end of October, 2025)	(2025)

Highlights (As of August, 2025)

Percentage of properties with environmental certifications
(Based on Total Floor Space)
76.5%
(As of the end of December 31, 2025)

Percentage of renewable energy installed
(Percentage of portfolio)
approx. **19.5%**
(FY2024)

Preparation and Storage of Emergency Supplies at Applicable Properties
100%

Developing an emergency communication network across all properties
100%

Regular collection of engineering reports (ERs) across all properties
100%

Acquired ABINC* Certification for the first time
ABINC
(As of the end of February 2025)

* Association for Business Innovation in harmony with Nature and Community

Highlights

GHG emissions reduction target

Cumulative reduction by 2024

Absolute Scope1+2

Reduced by 38.8%

(Compared to 2021)

Target 1 2030 (Mid-term Goals)

Absolute Scope1+2

Reduced by 42%

SBT Certified

(Compared to 2021)

Target 2 2050 (Long-term Goals)

GHG emissions throughout the entire value chain

Net-zero

For more information, see page 51 (Data).

External evaluation

GRESB Real Estate rating

3 stars

GRESB

(As of the end of October, 2025)

CDP Climate Change Program

A

(2025)

Highlights (As of December, 2025)

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

65.8%

(As of the end of December, 2025)

Percentage of properties with environmental certifications
(Logistics facilities)

66.3%

(As of the end of December, 2025)

Construction of emergency call tree

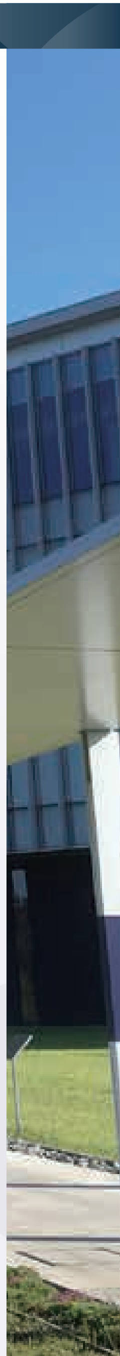
100%

Certified as a Nature-Positive Site under the Act on Promoting Activities to Enhance Regional Biodiversity

自然共生サイト認定 30by30

(Certified in December 2025)

First J-REIT



Sustainability Strategy

Mission Statement

"Unlocking Real Assets' Future"

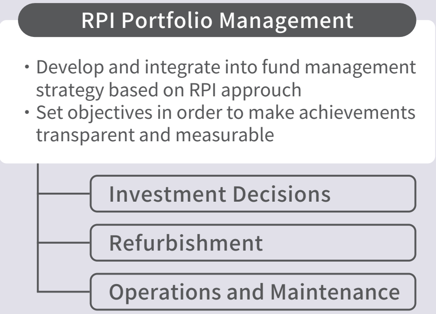
KJRM is highly aware of the importance of sustainability and is proactively making efforts to achieve it to fulfill our Mission Statement. Based on this mission, we have established our Sustainability Strategy: "Practicing Responsible Property Investment and Contributing to the Resolution of Social Issues."

KJRM's Commitment

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

Concept of Sustainability in Property Investment

KJRM 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

Investment Decisions

Refurbishment

Operations and Maintenance

Sustainability-Related Policies

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

Sustainability — Sustainability Policy Ⓚ

Environmental	Social	Governance
Environmental Charter Ⓚ	Human Rights Policy Ⓚ Sustainable Procurement Policy Ⓚ	Compliance Basic Policy Ⓚ Anti-Corruption and Bribery Prevention Policy Ⓚ

Investment Corporation — Communication with Stakeholders Basic Policy Ⓙ Ⓘ
Disclosure Policy Ⓙ Ⓘ

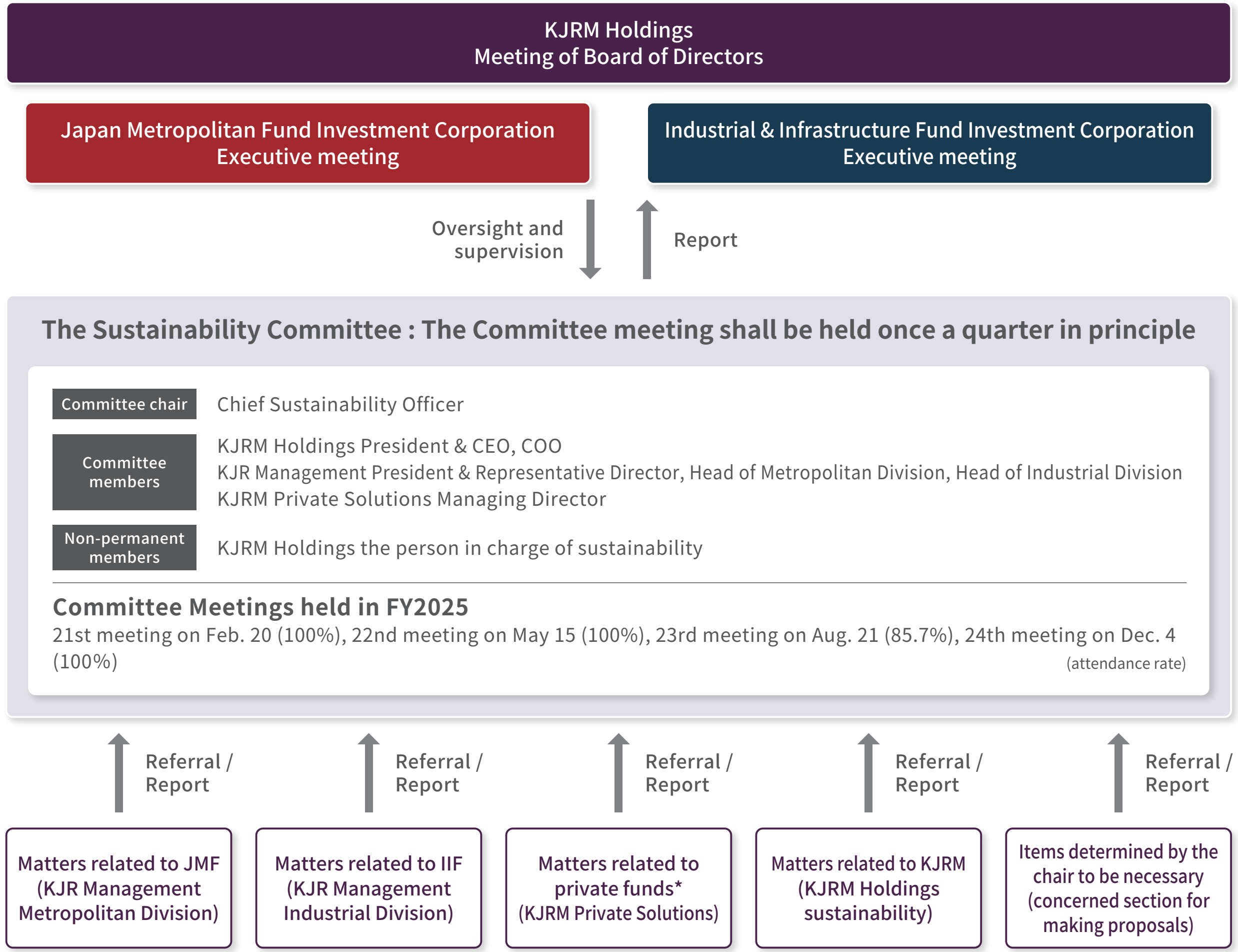
Collaboration with KKR

We believe that thoughtful management of sustainability issues in our investment process can not only build resiliency against potential risks, but also create opportunities.
On a regular basis, we share best practices and learnings on our sustainability initiatives and efforts with KKR and in concert 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.



KJRM Holdings
Meeting of Board of Directors

Japan Metropolitan Fund Investment Corporation
Executive meeting

Industrial & Infrastructure Fund Investment Corporation
Executive meeting

Oversight and supervision ↓ ↑ Report

The Sustainability Committee : The Committee meeting shall be held once a quarter in principle

Committee chair	Chief Sustainability Officer
Committee members	KJRM Holdings President & CEO, COO KJR Management President & Representative Director, Head of Metropolitan Division, Head of Industrial Division KJRM Private Solutions Managing Director
Non-permanent members	KJRM Holdings the person in charge of sustainability

Committee Meetings held in FY2025

21st meeting on Feb. 20 (100%), 22nd meeting on May 15 (100%), 23rd meeting on Aug. 21 (85.7%), 24th meeting on Dec. 4 (100%)
(attendance rate)

↑ Referral / Report (for each of the following)

- Matters related to JMF (KJR Management Metropolitan Division)
- Matters related to IIF (KJR Management Industrial Division)
- Matters related to private funds* (KJRM Private Solutions)
- Matters related to KJRM (KJRM Holdings sustainability)
- Items determined by the chair to be necessary (concerned section for making proposals)

*Matters for resolution and reporting are determined by the instructions of the settlor.

Chief Sustainability Officer (CSO)

The President & CEO of KJRM Holdings has been appointed 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 (2025)

- Establishment of sustainability goals
- Establishment and modification of materiality
- Disclosure of transition plan (roadmap)
- Review of Green Finance Framework
- Publication of the Sustainability Report
- Research report on TNFD recommendations and biodiversity certification
- Annual report on Social Finance Framework
- Annual report on Green Finance Framework
- Annual report on Positive Impact Finance
- Report on Eligible Green Projects, etc.

Materiality

Through the meetings of the Sustainability Committee, we have examined its vision and targets for sustainability and carried out efforts toward their realization. As the level of interest toward sustainability is rising, the asset manager 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 Mission Statement and Sustainability Policy.

❶ Continuous Risk Management

We seek to manage risks by checking the risk status of each division once every three months using a Risk Control Matrix (RCM).

❷ Identification of Sustainability Issues

We compiled lists of sustainability issues related to REITs based on global sustainability disclosure criteria and benchmark studies on overseas companies in the same industry.

❸ Establishment of Priority Order

We established an order of priority for the issues by taking into account their level of importance to our business and external organizations.

❹ 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.)

Indicative List of Sustainability Issues

- Climate change response
- Resilience
- Biodiversity
- Water resources
- Waste
- Human rights
- Human capital (employee engagement, Diversity, equity, and inclusion, employee health, well-being, and convenience)
- Tenant health, well-being, and convenience
- Partnerships with stakeholders
- Supply chain management
- Compliance and corporate ethics
- Information disclosure
- Data management systems and information security

Third-Party Opinion | Ryuichi Horie Co-founder and CEO CSR Design Green Investment Advisory, Co., Ltd.

"Since identifying materiality in 2019, your company has conducted regular reviews, steadily addressing each issue while setting KPIs and targets. Based on the status of initiatives, as well as domestic and global trends, you have now significantly revised your materiality. Particularly with regard to "biodiversity," as its importance is growing for companies that deal with real estate, you have advanced your efforts for specifying dependencies and impacts on natural capital, as well as implementing relevant initiatives at your properties. The fact that you now have clearly positioned biodiversity as a materiality issue can be considered an advanced initiative within the real estate management sector. Regarding "human rights", you have advanced the establishment of systems through human rights due diligence, risk management, and monitoring, demonstrating your company's commitment to respect for human rights, which is clearly stated in your human rights policy.

Furthermore, through re-sorting of risks and opportunities, you have more clearly shown why each issue is important. Also, by rearranging KPIs and targets according to the actual status, you have enhanced their alignment with initiatives. I expect you will further deepen your responses to each issue going forward while conducting reviews as necessary."

Please refer to p. 15 and p. 17 for the materiality and KPIs of JMF and IIF, respectively.

Materiality and Progress Toward Targets

In FY2025, we conducted a review of our materiality. The progress outlined below is based on the previous materiality topics.

Level of Importance ★★★

Materiality	Target	KPI	Targets for FY2025	Progress in FY2025	Reported Location
Response to sustainability certifications	Improve sustainability activities through participation in external evaluation organizations such as GRESB	GRESB: Acquiring 5Star	Maintain 5Stars	Acquired 5Stars Achieved	P.9 P.28
		CDP: Acquiring more than “A- (Leadership)”	CDP: Acquiring more than A- (Leadership)	Acquired A (Leadership) Achieved	P.9
	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 the end of December, 2025: 76.5% Achieved	P.28
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	FY2024: -39.2% (compared to 2020) -9.8% per year Achieved	P.22
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 FY2024: 19.5%	P.9 P.20 P.27
Building resilience	Implementing disaster prevention measures	- Preparing emergency supplies at 100% of 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 at 100% of the properties where such supplies can be kept - Developing an emergency communication network: 100% - Collecting regular engineering reports: 100% Achieved	P.9 P.38
Ensuring tenant health and well-being	Improvement in tenant employee space	Improving communication and wellness space at the time of renewal	Implement measures focused on tenant health and comfort	Installed digital signage to raise awareness about wellness Achieved	
	Visualization of health and comfort	Considering acquisition of wellness certification			
	KJRM Implementation of employee satisfaction survey	Survey conducted annually	Conduct employee satisfaction surveys	Implemented - Target: all employees - Response rate: 100% Achieved	P.33
Diversity, Equity, Inclusion	**KJRM** Development of working environments where employees can fulfill potential and achieve 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, 2025	P.35
	KJRM Active participation of women’s workforce to continue fostering groundbreaking innovation	Raise Ratio of female employees in management roles to 20% (Target year: 2027)	Raise Ratio to 20% (Target year: 2027)	18.2% as of December 31, 2025	
Employee cultivation	**KJRM** Employee participation in compliance training	100% Training conducted annually	Participation rate:100%	Participation rate: 100% Achieved	P.47

Key Issues and Initiatives

Materiality and KPIs

J

In 2025, in response to changes in the times and international trends, a review of materiality was conducted. In principle, materiality is reviewed regularly once every three years.
The revised materiality topics are presented below.

Materiality	Risks	Opportunities	KPIs	Targets	Initiatives
Environmental					
Climate Change Mitigation and Adaptation	Decrease in tenant sales (or rental income) and increased property damage due to the physical impacts of climate change deterioration of reputation among tenants and investors due to delayed climate action	Cost reductions through efficient energy use	GHG emissions	- Reduce total GHG emissions by 42% compared to FY2020 - Achieve an annual reduction rate of 4.2% year-on-year (Scope 1 & 2, Target year: 2030)	- Promotion of energy efficiency across the portfolio - Introduction of renewable energy
			Ratio of environmentally certified properties	Maintain an environmentally certified property ratio of 65% or higher (Target year: 2030)	Continuous acquisition of CASBEE Real Estate Evaluation and DBJ Green Building Certification
Resilience	Increased costs for post-disaster recovery and compensation	Enhancement of property competitiveness	Disaster reporting and communication system coverage Engineering report acquisition rate	- Maintain 100% coverage of disaster reporting and communication systems - Maintain 100% acquisition of periodic engineering reports	- Development of Business Continuity Plans (BCP) - Building inspections and seismic risk assessments at property acquisition
Water Resources	Increased costs due to higher water consumption	Cost reductions through reduced water usage	Water consumption	Prevent year-on-year increases in water consumption	- Implementation of water reduction initiatives - Introduction of water-saving equipment in collaboration with tenants
Biodiversity	Decline in evaluation by tenants and investors that prioritize sustainability	Expansion of investor base Improved sustainability evaluation through contribution to international conservation targets	Biodiversity-related certifications	Maintain existing certifications	- Conservation of biodiversity at properties - Implementation of biodiversity preservation activities
Waste	Increased waste treatment costs reputational risk from increased waste generation	Reduction of waste disposal costs through waste reduction	Waste volume Recycling rate	Prevent year-on-year increases in waste volume; improve recycling rate year-on-year	- Monitoring of waste generation - Periodic waste management audits at selected properties
Social					
Tenant Health, Comfort, and Convenience	Decline in property competitiveness	Improved sustainability ratings by evaluation bodies and investors enhanced tenant and occupant satisfaction	Tenant satisfaction survey	Conduct tenant satisfaction surveys once every three years	- Improvement of communication and refresh spaces during renovations - Enhancement of tenant environmental amenities
Partnerships with Stakeholders	- Increased safety and environmental burden on tenants - Decline in tenant satisfaction with environmental performance of properties	Transformation into properties attractive to tenants Stable profit generation	Number of green lease agreements; number of tenant sustainability initiatives	- Increase green lease agreements year-on-year - Promote tenant-led sustainability initiatives through engagement	Continued proposal of environmentally conscious interior design standards for tenants
	Deterioration of surrounding environment reputational decline in local communities	Revitalization of local communities Enhancement of corporate image	Implementation of community contribution programs at properties	Regular support activities for social welfare organizations	- Provision of property space for community events - Cooperation with UNICEF donations and UN refugee campaigns
Human Rights	Reputational damage due to human rights impacts	Building stakeholder trust	Human rights due diligence frequency	Once per year	- Preventive measures and monitoring - Training and information sharing
Human Capital (HR Development, DEI, Well-being)	Loss of talented personnel	- Work-life balance - Improved employee engagement	① Male childcare leave usage rate ② Female manager ratio ③ Annual training hours ④ Employee satisfaction survey	① 50% usage rate (At least one employee has taken childcare leave.) ② 20% female managers (2027) ③ 20 hours/person/year ④ Annual survey	- Awareness via handbooks - Training programs - Working hour monitoring - Satisfaction surveys
Governance					
Information Disclosure	Deterioration of relationships with stakeholders including investors decline in market evaluation	Building trust among stakeholders	Number of appropriate disclosures	Number of IR and investor briefings conducted Publication of one sustainability report per year	- Conduct IR and investor briefings - Participation in and disclosure through GRESB - Participation in and disclosure through CDP - Consideration of disclosures aligned with international frameworks
Compliance & Corporate Ethics	- Compliance risk emergence - Reputational damage	Improved customer trust	Compliance training participation rate	100% participation	- Multiple annual trainings - Annual compliance programs - Internal/external whistleblowing hotlines

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

Materiality and Progress Toward Targets

In FY2025, we conducted a review of our materiality. The progress outlined below is based on the previous materiality topics.

Level of Importance ★★★

Materiality	Target	KPI	Target for FY2025	Progress in 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 (Target year: 2030)	- Four properties newly acquire and seven properties re-acquire CASBEE - Four properties re-acquire DBJ Green Building certification - Three properties newly acquire BELS certification	- Three properties newly acquired and seven properties re-acquired CASBEE - Completed the reacquisition of DBJ Green Building Certification for four properties. Achieved	P.10 P.31
	Improving sustainability activities through participation in GRESB and other external evaluation institutions	GRESB: Acquiring 5Star	Acquiring 5Star	Acquiring 3Star	
		CDP: Acquiring “Leadership” level	CDP: Acquiring more than A- (Leadership)	Acquired A (Leadership) Achieved	P.10
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	- Completion of LED lighting conversion (including partial upgrades) at five properties - Completion of solar panel installations at two properties Achieved	P.24
Energy efficiency	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	Currently considering the procurement of green electricity	P.27
Building resilience	Implementing disaster prevention measures	Emergency contact network established: 100%	Emergency contact network established: 100%	Emergency contact network established: 100% Achieved	P.10 P.40
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	P.37
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, 2025	P.35
	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)	18.2% as of December 31, 2025	
Employee cultivation	KJRM Employee participation in compliance training	100% Training conducted annually	Participation rate: 100%	Participation rate: 100% Achieved	P.47

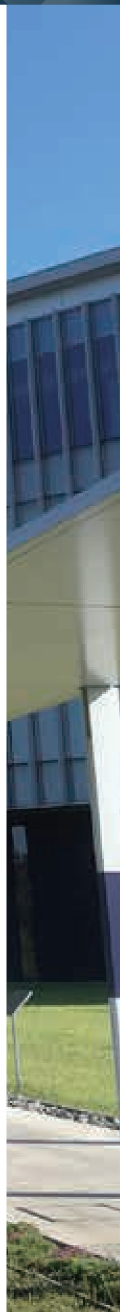
* Calculated based on the total floor space (after considerations for occupancy rate)

Materiality and KPIs

In 2025, in response to changes in the times and international trends, a review of materiality was conducted. In principle, materiality is reviewed regularly once every three years. The revised materiality topics are presented below.

Materiality	Risks	Opportunities	KPIs	Targets	Initiatives
Environmental					
Climate Change Response	- Decrease in tenant sales (or rental income) and increase in property damage due to physical impacts of climate change - Increase in energy-related costs - Strengthening of environmental regulations - Decline in evaluations from tenants and investors	Cost reduction through efficient energy use	GHG emissions	Reduce total GHG emissions by 42% compared to FY2021 (Scope 1 & 2, Target year: 2030)	- Promotion of energy-saving measures for owned properties - Introduction of renewable energy
			Environmental certification acquisition ratio	- Logistics facilities: 70% or higher - Portfolio-wide certification: 60% or higher (Target year: 2030)	Continuous acquisition of CASBEE Real Estate Evaluation and DBJ Green Building Certification
Resilience	Increased costs for recovery and compensation after disasters	Improvement of property competitiveness	Emergency contact network development rate	Maintain 100% implementation rate	- Implementation of disaster prevention measures - Conducted building assessments and seismic risk assessments at the time of property acquisition - Obtained engineering reports on a regular basis
Water Resources	Increased costs due to higher water consumption	Cost reductions through reduced water usage	Water consumption	Reduction of water consumption Intensity-based change: ±0% compared with FY2021 (Target year: FY2030)	- Implementation of water reduction initiatives - Effective use of recycled water (greywater) within the property premises.
Biodiversity	Decline in evaluation by tenants and investors that prioritize sustainability	- Expansion of investor base - Improved sustainability evaluation through contribution to international conservation targets	Biodiversity-related certifications	Maintain existing certifications	- Conservation of biodiversity at properties - Implementation of biodiversity preservation activities
Waste	Increased waste treatment costs reputational risk from increased waste generation	Reduction of waste disposal costs through waste reduction	Recycling rate for properties under the Investment Corporation's controllable management scope	Improved compared with FY2022 (FY2022 recycling rate: 40.5%)	Monitoring of waste generation
Social					
Tenant Health, Comfort, and Convenience	Decline in property competitiveness	- Improved sustainability evaluation - Improved tenant and occupant satisfaction	Tenant satisfaction survey implementation rate	100% implementation rate	- Regular renewal of air conditioning and restrooms - Installation and improvement of communication and refresh spaces
Stakeholder Partnerships	- Increased tenant burden regarding safety and environment - Decline in tenant satisfaction	- Attractive properties for tenants - Stable profit generation	Number of green leases introduced	Continuous expansion	—
			Number of tenant sustainability initiatives	Promote tenant-led sustainability initiatives through engagement	—
	- Deterioration of surrounding environment - Local reputational decline	- Community revitalization - Improved corporate image	Community engagement events	Regular implementation	- Site provision for events (e.g. Shonan HIP) - Environmental conservation liaison meetings
Human Rights	Reputational damage due to human rights impacts	Building stakeholder trust	Human rights due diligence frequency	Once per year	- Preventive measures and monitoring - Training and information sharing
Human Capital (HR Development, DEI, Well-being)	Loss of talented personnel	- Work-life balance - Improved employee engagement	① Male childcare leave usage rate ② Female manager ratio ③ Annual training hours ④ Employee satisfaction survey	① 50% usage rate (At least one employee has taken childcare leave.) ② 20% female managers (Target year: 2027) ③ 20 hours/person/year ④ Annual survey	- Awareness via handbooks - Training programs - Working hour monitoring - Satisfaction surveys
Governance					
Information Disclosure	- Deterioration of stakeholder relations - Decline in market evaluation	Building stakeholder trust	Number of disclosures	- IR & investor briefings - Annual sustainability report	- IR activities - GRESB & CDP participation - Framework-aligned disclosure
Compliance & Corporate Ethics	- Compliance risk emergence - Reputational damage	Improved customer trust	Compliance training participation rate	100% participation	- Multiple annual trainings - Annual compliance programs - Internal/external whistleblowing hotlines

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



Environment

KJRM formally established the Environmental Charter in June 2013, which sets out our environmental principles and action plans.

Environmental Charter

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 not get involved in any activities hindering efforts related to environmental issues such as climate change and biodiversity and will promote responsible engagement to contribute to solving environmental problems.
Compliance	We will conduct all of our activities in compliance with environmental laws while adhering to international rules and social standards.

Environmental Initiatives

Information Disclosure Based on TCFD and TNFD Recommendations

KJRM is making efforts based on its Sustainability Strategy: “Practicing Responsible Property Investment and Contributing to the Resolution of Social Issues,” in order to realize our Mission Statement, “Unlocking Real Assets' Future.”
We have in place a Sustainability Promotion Structure to oversee and monitor our sustainability activities, including environmental issues related to climate change and natural capital.

Governance

System of Supervision by the Board of Directors of KJRM Holdings / 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 of KJRM Holdings, which is chaired by the President & CEO who also serves as CSO and meets at least once every three months, as well as the Board of Directors of the investment corporation, which meets at least twice a month in principle.

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 12 (Sustainability Promotion Structure).

Risk Management

Organizational Process of Identifying and Evaluating Environment-related Risks

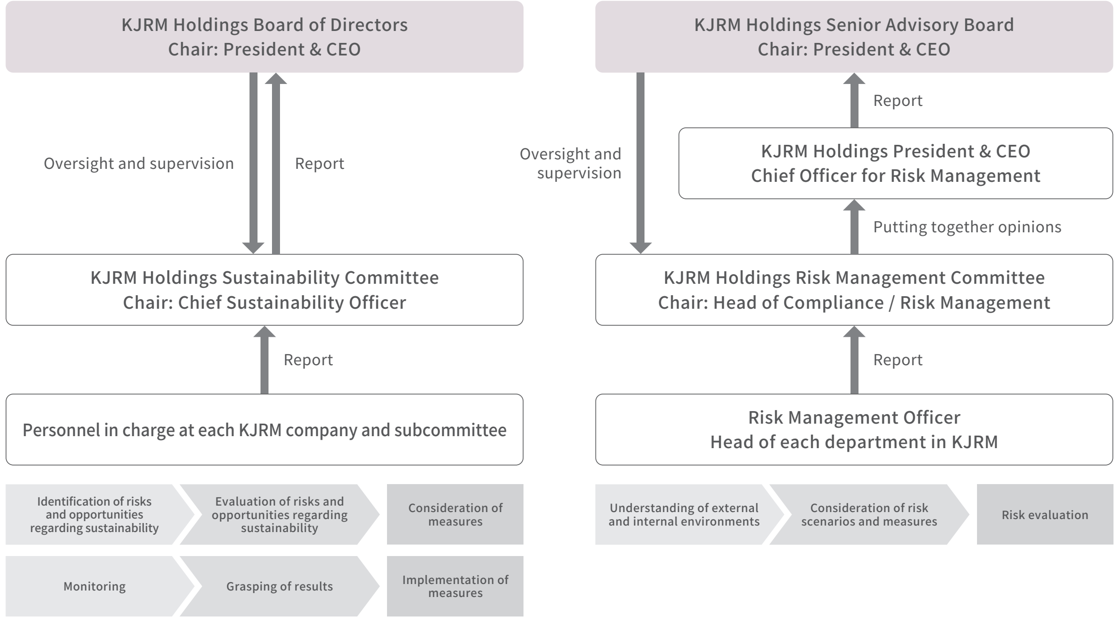
Dependencies and impacts as well as risks and opportunities on climate change and natural capital are sorted out in consideration of KJRM's business activities and then reviewed for each investment corporation, led by the sustainability staff of each division. Dependencies and impacts as well as identified risks and opportunities, along with their degree of impact, are reported to, and discussed and confirmed by the Sustainability Committee.

Process of Managing Environment-related Risks and Organizational Initiatives

Led by our sustainability lead, KJRM 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

KJRM 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 was reorganized on February 1, 2025. Please click here for the latest information.

For JMF's climate-related Strategy, Indexes and Goals, please refer to P.20 - P.22

For IIF's climate-related Strategy, Indexes and Goals, please refer to P.23 - P.24

Environmental Initiatives

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					JMF’s efforts and measures
			Change in cash flow (qualitative expression)	Risk Opportunity				
				4°C scenario		1.5°C scenario		
				Medium term 2030	Long term 2050	Medium term 2030	Long term 2050	
Transition Risks / Opportunitie	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
			Increase in cost of acquiring environmental certifications/energy conservation ratings	Small	Small	Small	Middle	Target 75% environmental certification acquisition rate for the entire portfolio Planned acquisition of environmental certifications/energy conservation ratings
			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	Conduct sustainability training for PM and BM companies, including climate change response
			Improved competitiveness of properties by complying with laws and regulations	Small	Small	Middle	Large	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
	Technology	Diffusion of low-carbon / energy-saving technologies	Increase in various costs for ZEB conversion	Small	Small	Middle	Middle	Consideration of acquiring new properties that have already been converted to ZEB Study of planned ZEB conversion of existing properties
			Increased costs associated with retrofitting low-carbon and energy-efficient facilities	Small	Small	Small	Middle	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	Small	Small	Middle	Large	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	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	Regularly obtain environmental certifications to maintain and improve environmental performance
			Increase in appraised value and average rent for properties with high environmental performance	Small	Small	Middle	Middle	Set KPI for percentage of environmental certifications obtained
			Lower financing costs through green finance	Small	Small	Middle	Middle	Continued issuance of green bonds
		Increasing number of companies going carbon neutral	Increase in renewable energy installation and response costs	Small	Small	Middle	Middle	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
	Reputation	Increased importance of transition risk	Increased cost of financing from investors and financial institutions due to the assessment of high transition risk	Small	Small	Small	Middle	Disclosure of sustainability-related initiatives through the sustainability website Disclosure of Environmental Performance Information Active participation in various sustainability assessments
			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	Actively inform tenants and facility users about sustainability
Physical Risks / Opportunities	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	Small	Large	Small	Small	Flooding risk assessment in the DD process
			Decrease in property values of properties at high risk of flooding	Small	Middle	Small	Small	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	Small	Middle	Small	Small	Emergency communication network is 100% in place to quickly respond to confirm the status of disaster damage and to restore operations
			Increased 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	Conduct evacuation drills and other BCP measures on a regular basis
			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	Conduct disaster risk surveys through non-life insurance companies
	Chronic	Progression of average temperature increase	Increased air conditioning operation, maintenance and repair costs due to increased demand for cooling	Small	Middle	Small	Small	Renewal of energy-saving equipment such as LED lighting and energy-efficient air-conditioning equipment
			Increase in utilities costs due to higher energy use	Small	Middle	Small	Small	Introduction of renewable energy sources such as solar power generation
		Progressive sea level rise	Decrease in property values of properties at high risk of flooding	Small	Middle	Small	Small	Flooding risk assessment in the DD process
			Repair costs and loss of business opportunities due to flooding of owned properties	Small	Middle	Small	Small	Construction and equipment upgrades to enhance resilience performance

* 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

** The assessment was conducted by or with support from a third party advisor

Environmental Initiatives

Scenario Analysis (Quantitative Analysis)

(Unit: Million yen)

Classification		Risk / Opportunity Items	Financial impact						JMF's efforts and measures
			Change in cash flow	Risk/ Opportunity	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 / Opportunities	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

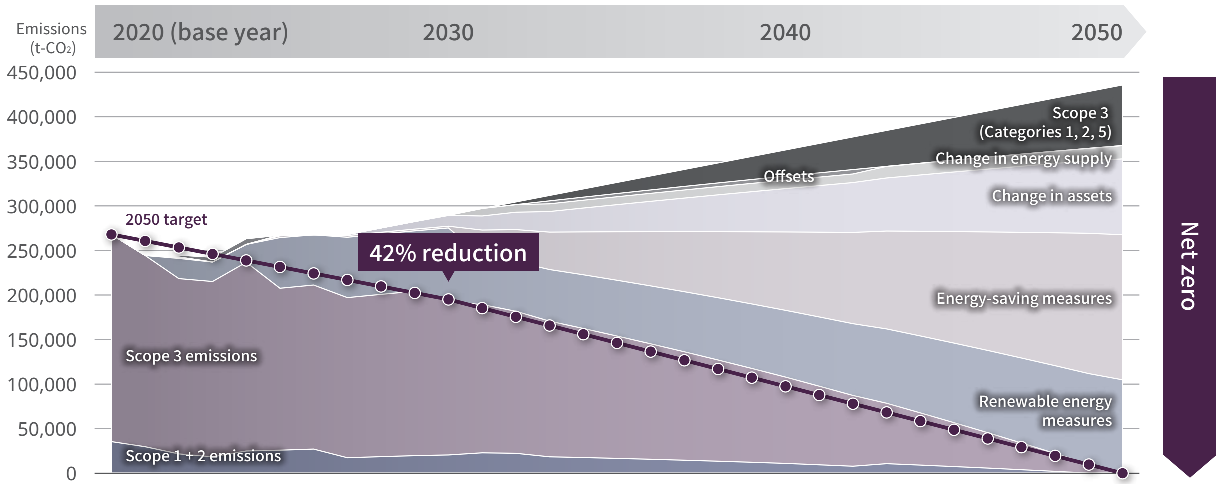
*1 The financial impact amounts of the calculated transition and physical risks/opportunities are estimated amounts based on internal carbon pricing and external reports published by international organizations and third parties. Therefore, we cannot guarantee the accuracy of the figures. Also, the response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

Information Disclosure Based on TCFD Recommendations

Roadmap Toward Net Zero



Major reduction measures

	Contribution to Reductions
Introduction of renewable energy-derived electricity, replacement with high-efficiency air conditioning, lighting and other energy-saving equipment	87%

	Contribution to Reductions
Introduction of renewable energy measures such as solar power generation, introduction of renewable energy-derived electricity, switching to alternative energies	24%
Replacement with high-efficiency lighting, air conditioning and other energy-saving equipment	38%
Reduction of Categories 1, 2 and 5 emissions Use of environmentally considerate products/services, and expectation for infrastructure development Adoption of environmentally considerate building materials and construction technologies Strengthening of waste management to suppress emissions	15%
Reduction of Scope 3 emissions through engagement with tenants and suppliers	—
Change in energy supply (assumed to progress gradually from 2030 onward)	—

*Residual emissions (below 10%) are assumed to be offset by negative emissions

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-CO₂)

			FY2020 (Base year)	FY2021	FY2022	FY2023	FY2024	Target
Scope1			5,608	5,135	5,542	5,302	★4,988	2030 SBT Certified Reduce absolute Scope 1+2 emissions Scope2 (Market Based) by 42%*
Scope2 (Market Based)			29,884	24,633	22,061	17,558	★16,588	
Scope1+2			35,492	29,768	27,602	22,860	21,576	
Scope3	Category 1	Purchased goods and services	16,998	17,110	16,975	17,207	18,048	2030 Scope 3 total emissions calculate and reduce*
	Category 2	Capital goods	30,182	23,994	28,757	32,943	41,879	
	Category 3	Fuel- and energy-related activities not included in Scope 1 or 2	6,716	6,467	6,334	6,215	6,465	
	Category 5	Waste generated in operations	13,017	14,478	14,374	16,074	14,698	
	Category 6	Business travel	1	0	0	0	0	
	Category 7	Employee commuting	3	1	1	1	1	
	Category 12	End of life treatment of sold products	0	0	0	0	0	
	Category 13	Downstream leased assets	165,531	152,527	139,855	164,329	★160,676	
	Category 15	Investments	0	0	0	0	0	
			232,446	214,579	206,297	236,769	241,767	
Total			267,938	244,347	233,899	259,629	263,343	2050 Net-zero SBT Certified

*Compared to FY2020

**In FY2024, numbers marked with a ★ are externally assured figures

For other indices and targets, please refer to P.50

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

Scenario Analysis

(Unit: Million yen)

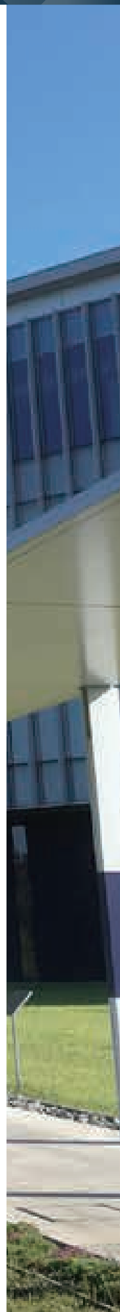
Classification		Risk / Opportunity Items	Financial impact										IIF's efforts and measures
			Change in cash flow (qualitative expression)	Risks / Opportunities	4°C scenario		1.5°C scenario		4°C scenario		1.5°C scenario		
					Medium term 2030	Long term 2050	Medium term 2030	Long term 2050	Medium term 2030	Long term 2050	Medium term 2030	Long term 2050	
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	Risk	Small	Small	Small	Middle	(18)	(34)	(487)	0	・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
			Increase in costs of acquiring environmental certifications/energy conservation ratings	Risk	Small	Small	Small	Middle	—[*3]	—[*3]	(9)	(17)	・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)
			Improvement of properties' competitiveness through complying with laws and regulations	Opportunity	Small	Small	Middle	Large	—	—	—	—	・Energy consumption management through proprietary EMS ・Introduction of renewable energy-derived electricity at properties under direct electricity management
	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	—	—	—	—	・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
			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)	・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 ZEB and energy-saving construction	Opportunity	Small	Small	Middle	Large	—[*3]	—[*3]	65	123	・Reduction of utility costs through planned energy-saving construction
		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	—	—	—	—	・Implementation of planned development projects ・Energy saving in lighting, air conditioning, etc. through planned facility renovation
	Market & Reputation	Changes in market participants' awareness and perception towards climate change response	Increase in financing costs due to assessed high transition risk	Risk	Small	Small	Small	Middle	—	—	—	—	・Planned reduction of portfolio energy intensity on per-unit basis
		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	—	—	—	—	・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
			Increase in appraised value and average rent for properties with high environmental performance	Opportunity	Small	Small	Middle	Large	—[*3]	—[*3]	1,410	2,640	・Regular acquisition of environmental certifications and plans to maintain and improve environmental performance ・Establishment of KPI for the ratio of environmental certification acquisition
		Changes in social value for environmental performance	Increase in costs due to renewable energy installation	Risk	Small	Small	Middle	Middle	—	—	—	—	・Introduction of renewable energy-derived electricity at properties under direct electricity management (approximately 94% switchover completed based on electricity consumption)
			Lower financing costs through green finance	Opportunity	Small	Small	Middle	Middle	—[*3]	—[*3]	1	2	・Utilization target for green finance in the future
		Increase in asset value through improvement of greening performance	Increase in financing costs from investors and financial institutions due to inability to obtain environmental certifications and evaluations from global evaluation agencies	Risk	Small	Small	Middle	Middle	—	—	—	—	・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.)
		Increases in value for environmental performance	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	—	—	—	—	・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
		Increases in number of companies going carbon neutral	Decrease in occupancy rates of buildings due to lack of energy creation and energy conservation function	Risk	Small	Small	Small	Middle	—	—	—	—	・Installation of solar panels on the roofs of properties ・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
		Decrease in brand value due to underdevelopment of green buildings	Decrease in rent premiums due to brand value decline of building types with no environmental certification programs	Risk	Small	Small	Small	Middle	—	—	—	—	・Planned acquisition of environmental certifications/energy conservation ratings ・Lobbying for expansion of environmental certification systems
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)	・Assessment of inundation risk in the DD process ・Periodical check of hazard maps for owned properties to examine flooding risk
			Loss of business opportunities due to inundation of owned properties	Risk	Small	Middle	Small	Small	(7)	(9)	(6)	(7)	・Establishment of full emergency communication network to respond promptly to confirm the status of damage from disasters and take recovery measures
			Decrease in property values with high inundation risk	Risk	Small	Middle	Small	Small	—	—	—	—	・Validation of damage prediction by inundation risk assessment ・Construction and equipment upgrades to enhance resilience performance
			Further improvement of market competitiveness through highly resilient portfolio	Opportunity	Small	Middle	Small	Small	—	—	—	—	・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
			Compensation for losses by insurance	Opportunity	Small	Middle	Small	Small	48	66	46	48	・Insurance against risk situations such as inundation
	Chronic	Progressive rise in average temperatures	Increase in maintenance and repair costs for air conditioning and utility costs due to increasing cooling demand	Risk	Small	Middle	Small	Small	—	—	—	—	・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
		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	—	—	—	—	・Validation of damage prediction by inundation risk assessment ・Area diversification of portfolio assets ・Implementation of construction and facility upgrades to enhance resilience performance

* 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
** The assessment was conducted by or with support from a third party advisor

*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.

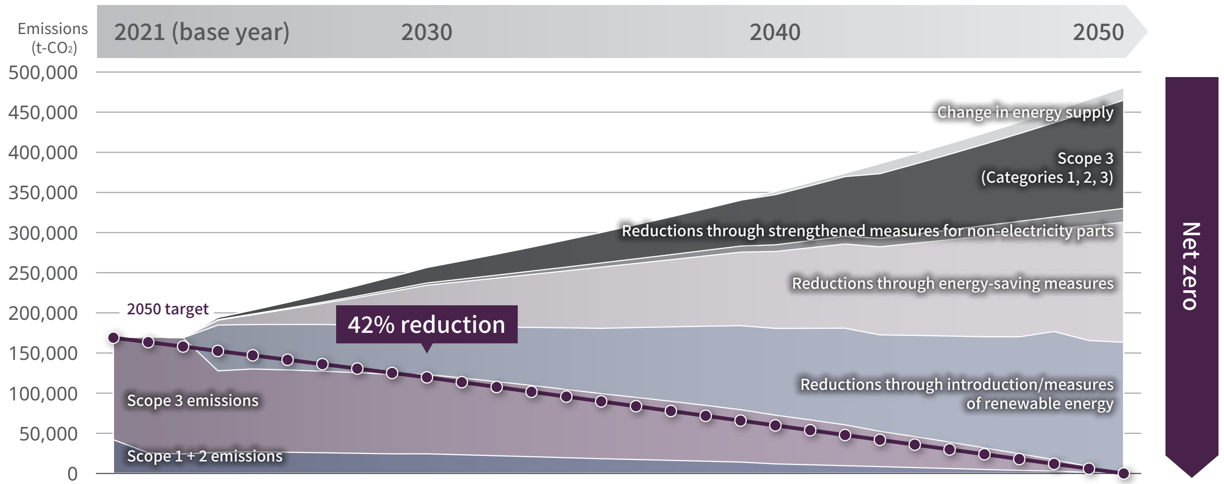
*3 Not included in the scope of calculation due to the unlikelihood of occurrence.



Environmental Initiatives

Information Disclosure Based on TCFD Recommendations

Roadmap Toward Net Zero



Major reduction measures

	Contribution to Reductions
Introduction of renewable energy measures such as solar power	44%
Replacement with high-efficiency lighting, air conditioning and other energy-saving equipment	39%

	Contribution to Reductions
Introduction of renewable energy measures such as solar power generation, switching to alternative energies	35%
Replacement with high-efficiency lighting, air conditioning and other energy-saving equipment	32%
Reduction of Categories 1, 2 and 3 emissions through use of environmentally considerate products and services, expectations for infrastructure development, and adoption of environmentally considerate building materials and construction technologies	29%
Reduction of Scope 3 emissions through engagement with tenants and suppliers	—
Change in energy supply (assumed to progress from 2040 onward toward 2050)	—
Residual emissions (below 10%) will be neutralized by negative emissions	—

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

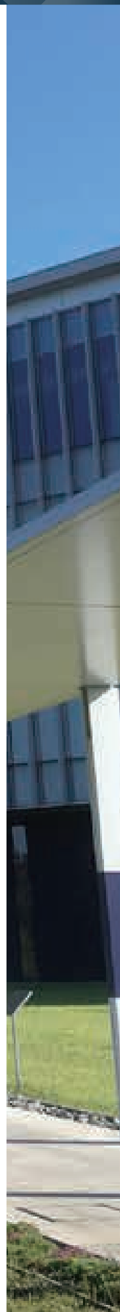
(t-CO$_2$)

			FY2021 (Base year)	FY2022	FY2023	FY2024	Target
Scope1			25,758	25,733	24,149	★25,514	2030 **SBT Certified** Reduce absolute Scope 1+2 emissions by 42%※
Scope2 (Market Based)			16,282	29	97	★208	
Scope1+2			42,040	25,762	24,246	25,721	
Scope3	Category 1	Purchased goods and services	6,707	7,349	7,085	7,809	2030 Scope 3 total emissions calculate and reduce※
	Category 2	Capital goods	13,327	17,307	23,113	16,484	
	Category 3	Fuel- and energy-related activities not included in Scope 1 or 2	27,392	46,241	46,124	48,537	
	Category 5	Waste generated in operations	724	681	557	13,354	
	Category 6	Business travel	1	1	1	1	
	Category 7	Employee commuting	1	1	1	1	
	Category 12	End of life treatment of sold products	0	137	156	322	
	Category 13	Downstream leased assets	78,802	72,655	67,644	★78,042	
	Category 15	Investments	56	54	0	2,109	
			127,009	144,425	144,681	166,658	
Total			169,049	170,187	168,927	192,379	2050 Net-zero

*Compared to FY2021

**In FY2024, numbers marked with a ★ are externally assured figures

For other indices and targets, please refer to P.51



Environmental Initiatives

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

We recognize that human life and economic activities are based on natural capital, including biodiversity. We will continue to examine the relationship between our business activities and natural capital with reference to the TNFD recommendations.

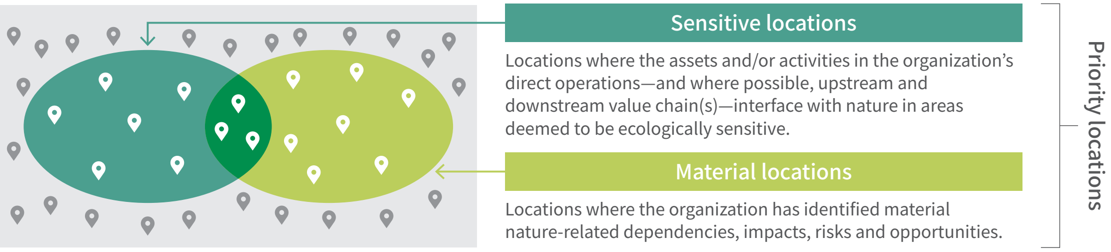
Locate, Evaluate, Assess, Prepare (LEAP) Approach

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 our business activities on nature and to select potential priority locations.

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 where the assets and/or activities in the organization's direct operations—and where possible, upstream and downstream value chain(s)—interface with nature in areas deemed to be ecologically sensitive.

Material locations

Locations where the organization has identified material nature-related dependencies, impacts, risks and opportunities.

[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

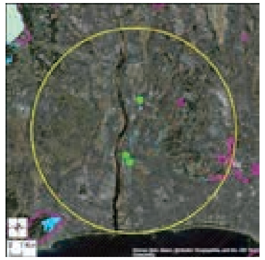
Fund	Area	Number of properties	Segment
JMF	Omotesando	13 properties	Urban retail / Mixed-use
	Narashino	2 properties	Urban retail / Mixed-use
	Fujisawa – Sagami River	1 property	Residence
	Osaka	23 properties	Urban retail / Mixed-use / Office / Residence

Fund	Area	Number of properties	Segment
IIF	Narashino	4 properties	Logistics facilities / Manufacturing and R&D facilities, etc.
	Fujisawa – Sagami River	4 properties	Logistics facilities / Manufacturing and R&D facilities, etc.
	Osaka	4 properties	Logistics facilities

*The number of properties is as of the time of analysis.

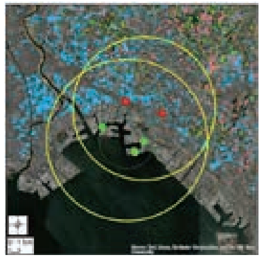
Areas important for biodiversity

- 🟦 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

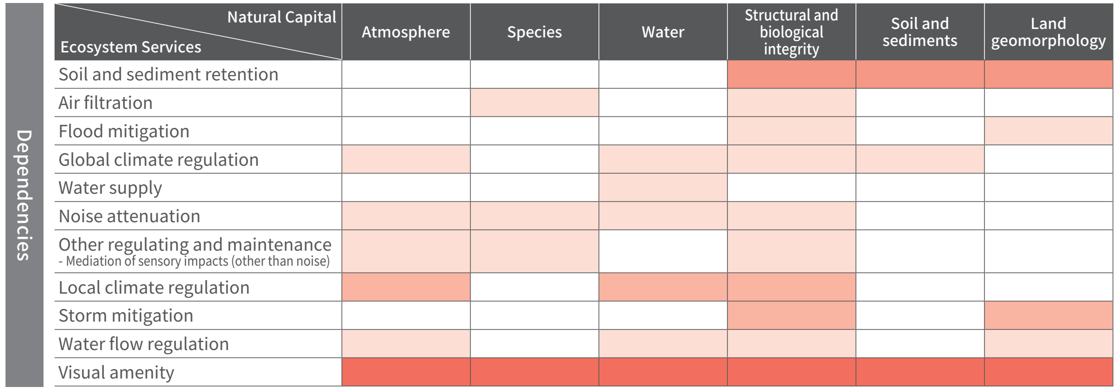


Sources: Biodiversity Assessment Map (Biodiversity Chart), Ministry of the Environment
National Land Information Web Mapping System, Environmental Impact Assessment Database System (EADAS), KBA Map (Conservation International Japan), Ecologically or Biologically Significant Marine Areas Identified by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

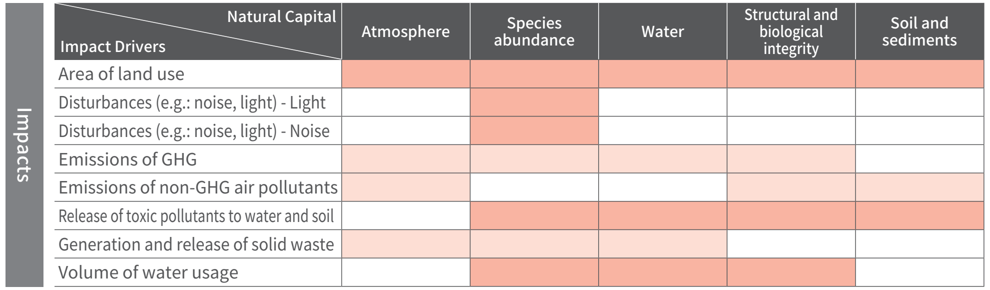
Dependencies and Impacts

The TNFD recommendations encourage the use of the ENCORE tool to identify dependencies and impacts on natural capital in our operating sectors. Referring to real estate management as the sector in which we have direct operations, we considered the dependencies and impacts on natural capital that ought to be considered. In its considerations, we 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 / Ecosystem Services	Atmosphere	Species	Water	Structural and biological integrity	Soil and sediments	Land geomorphology
Dependencies	Soil and sediment retention				▓	▓	▓
	Air filtration		░		░		
	Flood mitigation				░		░
	Global climate regulation	░		░	░	░	
	Water supply			░			
	Noise attenuation	░	░	░	░		
	Other regulating and maintenance - Mediation of sensory impacts (other than noise)	░	░		░		
	Local climate regulation	▒		▒	▒		
	Storm mitigation				▒		▒
	Water flow regulation	░		░	░		░
	Visual amenity	█	█	█	█	█	█



	Natural Capital / Impact Drivers	Atmosphere	Species abundance	Water	Structural and biological integrity	Soil and sediments
Impacts	Area of land use	▒	▒	▒	▒	▒
	Disturbances (e.g.: noise, light) - Light		▒			
	Disturbances (e.g.: noise, light) - Noise		▒			
	Emissions of GHG	░	░	░	░	
	Emissions of non-GHG air pollutants	░			░	░
	Release of toxic pollutants to water and soil		▒	▒	▒	▒
	Generation and release of solid waste	░	░	░		
	Volume of water usage		▒	▒	▒	

* 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://encorenature.org.
DOI: https://doi.org/10.34892/dz3x-y059.

In the current analysis, visual comfort is evaluated as a high dependency item. In the real estate business, visual elements such as landscapes and green spaces play an important role in providing an attractive environment for residents and users. Locations rich in nature, such as areas surrounded by greenery or near parks, are considered one of the elements that enhance the appeal and value of real estate assets. In addition, it is recognized that land use and water use in real estate operations may have a certain impact on species, water, and habitats. Based on the relationship between dependency and impact on natural capital, we identified potential risks and opportunities to business arising from future changes in the natural environment. Going forward, we will organize and evaluate the content through scenario analysis.

Assumed Risks and Opportunities

Classification			Assumed Risk Factors and Opportunities
Risks	Transition risks	Policy risk	Transition to a low-carbon economy, tightening of environmental regulation
		Market risk	Lower valuation of high-environmental-impact properties by tenants and investors who evaluate sustainability
		Technology risk	Transition to technologies that mitigate impacts on nature
		Reputational risk	Increased criticism due to delayed response to environmental issues including climate change
			Causing environmental pollution that affects local residents
			Degradation of the natural environment surrounding real estate
		Liability	Causing environmental pollution that affects local residents
	Physical risks	Acute risks	Occurrence of natural disasters such as typhoons, floods, earthquakes
			Occurrence of a pandemic such as COVID-19
		Chronic risks	Abnormal weather due to climate change, such as warming, increased precipitation, drying, etc.
Opportunities	Corporate performance	Market	Natural-related initiatives and disclosure can contribute to preservation and enhancement of asset value
		Capital flows and financing	Conducting natural-related initiatives and disclosure can expand financing opportunities and lower cost of capital
		Resource efficiency	Improving resource efficiency can enable cost reductions
		Products and services	Transition to low-carbon and energy-saving technologies can lead to provision of products and services that contribute to nature conservation and restoration
		Reputational capital	Continuous natural-related initiatives and disclosure increase business and property credibility
	Sustainability performance	Sustainable use of nature	Through use of renewable energy and installation of water-circulation equipment, secure sustainability and stability of business operations and enable long-term risk management
		Protection, restoration, and regeneration of ecosystems	By expanding green spaces and introducing native species, promote biodiversity conservation and recovery, contributing to maintenance and regeneration of ecosystems

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 P.27.
For more information on IIF's efforts, see P.30.

Energy / Biodiversity / Circular Economy

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, to improve both accuracy and transparency and 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. 19.5% (FY2024)

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 formulating conservation activity plans and implementing 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.

ABINC

Twin 21 has become the first facility of JMF to receive the Association for Business Innovation in harmony with Nature and Community (“ABINC”) certification.

For details of these initiatives, please refer to the JMF website.

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

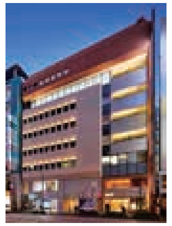
Please refer to the JMF website for other initiatives

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 47.9%

In December 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 CO_2 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 CO_2 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.

Environmental Approvals and Evaluations for Assets

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)	76.5% (As of December, 2025)

Certification for CASBEE for Real Estate 40 properties	S	: 26 properties
	A	: 13 properties
	B+	: 1 property
DBJ Green Building Certification 23 properties	★★★★★	: 2 properties
	★★★★	: 10 properties
	★★★	: 10 properties
	★★	: 1 property
BREEAM In-Use Certification 1 property	Pass	: 1 property
BELS Certification 8 properties	★★★★★	: 2 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
1 property	— (Unranked)	: 1 property

*Calculated on a per-building basis.

Type of Use	Property Name	CASBEE for Building Certificates	DBJ Green Building Certification	BREEAM In-Use Certification	BELS Certification	Tokyo Low-Carbon Small and Medium-Sized Model Building	ABINC Certification
🟧	Abiko Shopping Plaza	S	★★★★				
🟧	GYRE	S	★★★★				
🟧	Bic Camera Tachikawa		★★★				
🟧	AEON Itabashi SC	S					
🟧	SEIYU Hibarigaoka		★★★				
🟥	JMF-Bldg. Jiyugaoka 01 (A Bldg.)		★★				
🟥	JMF-Bldg. Jiyugaoka 01 (B Bldg.)		★★★		★★★★		
🟫	AEON MALL Musashi Murayama	S					
🟧	La Porte Aoyama		★★★				
🟫	Makuhari Plaza	A					
🟥	Colline Bajikouen					A3+	
🟥	KAWASAKI Le FRONT	A	★★★★				
🟧	G-Bldg. Omotesando 02					A3	
🟥	JMF-Bldg. Takadanobaba 01					A2	
🟥	JMF-Bldg.Ginza Chuo-Dori 01					A4	
🟧	MARINE & WALK YOKOHAMA	S	★★★★				
🟧	Machinoma Omori	S	★★★★				
🟧	AEON MALL Tsudanuma	S					
🟦	JMF-Bldg. Yokohama Bashamichi 01	S					
🟦	JMF-Bldg. Kawasaki 01	S					
🟦	JMF-Bldg. Shibuya 02	A			★★		
🟦	JMF-Bldg. Shibuya 03	A			★★		
🟦	JMF-Bldg. Toyocho 01	A				A1	
🟦	JMF-Bldg. Nihombashi Hamacho 01	A			★★★		
🟦	JMF-Bldg. Sasazuka 01					A2-	
🟦	JMF-Bldg. Ueno 01					A2	
🟦	JMF-Bldg. Yokohama 01	S					
🟦	JMF-Bldg. Kanda01					A1	
🟦	JMF-Bldg. Edogawabashi 01					A1+	
🟦	JMF-Bldg. Akasaka 02	S					
🟩	JMF-Residence Gakugeidaigaku		★★★★				
🟩	JMF-Residence Ikebukuro 1-chome		★★★				
🟩	JMF-Residence Machida		★★★				
🟧	G-Bldg. Jingumae 10			Pass			
🟥	JMF-Bldg. Yokohama Kohoku 01	A					
🟧	unimo chiharadai		★★★★				
🟦	FUJISOFT Shiodome Bldg.	S			★★★★★		
🟧	Kyoto Family	S	★★★★				
🟧	AEON MALL Itami	S					
🟫	Ario Otori	S					
🟫	AEON MALL Kobe Kita	S					
🟧	KAMISHIN PLAZA	S	★★★				
🟥	Twin 21	S	★★★★				✓
🟦	JMF-Bldg. Kitahama 01	A	★★★		★★★		
🟥	JMF-Bldg. Osaka Fukushima 01	S					
🟦	JMF-Bldg.Higobashi 01		★★★		★★		
🟦	JMF-Bldg. Imabashi 01	A					
🟦	JMF-Bldg. Osaka Fukushima 02	A					
🟧	mozo wonder city	S	★★★★★				
🟦	JMF-Bldg. Nagoya Sakae 01	S					
🟫	Nara Family	S	★★★★				
🟫	AEON MALL Sapporo Naebo	S					
🟧	AEON Naha SC	S					
🟫	Oyama Yuen Harvest Walk	S	★★★★★				
🟧	AEON MALL Sapporo Hassamu	S					
🟧	DFS T GALLERIA OKINAWA	A	★★★				
🟧	G-Bldg. Naha-shintoshin 01	A					
🟦	JMF-Bldg. Sendai 01	A					
🟩	JMF-Residence Chihaya	B+					
🟦	FUJISOFT Shin-Fukuoka Bldg.				★★★★★		

🟧Urban retail 🟫Suburban retail 🟦Office 🟥Mixed-use 🔷Hotel 🟩Residence

Green Finance Framework

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 criteria*1 ("Eligible Green Projects") and renovation works, etc. that satisfy eligibility criteria*2, 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 3, 4 or 5 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) (For the local government version of CASBEE, it is limited to those completed within three years of the date of construction completion.).
Buildings that have received 3, 4 or 5 stars under the BELS certification (2016 criteria).
The following levels of BELS certification (2024 criteria).
Non-residential buildings: Level 6, Level 5 or Level 4
Residential buildings with renewable energy equipment: Level 6, Level 5, Level 4 or Level 3
Residential buildings without renewable energy equipment: Level 4 or Level 3
Buildings that have received Silver, Gold, or Platinum rank under the LEED certification. (For LEED BD+C, v4 or later)
Buildings that have received Outstanding, Excellent, or Very Good rank under the BREEAM certification. (For BREEAM In-Use, v6 or later)

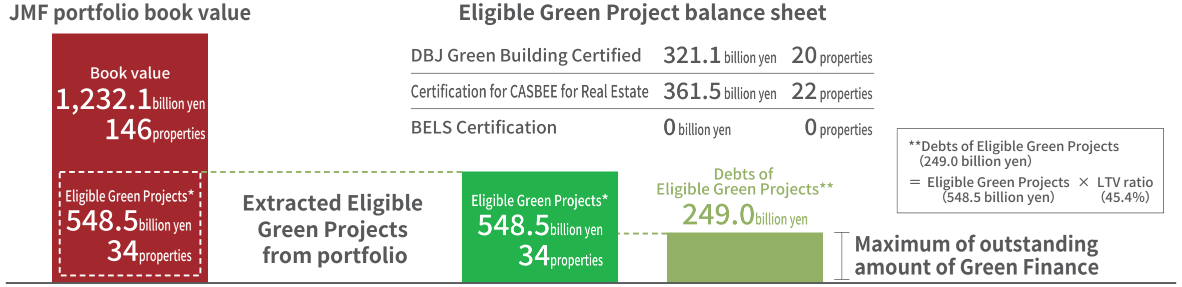
*2 "Renovation works, etc. that satisfy eligibility criteria" are works that satisfy any of the following criteria:
Renovation works intended to improve the number of stars or rank by one or more levels in buildings that have received, or are expected to receive, one of the Eligible Green Projects certifications.
Renovation works that can reduce energy consumption, CO_2 emissions, or water consumption by 30% or more.
Renovation works related to the installation or acquisition of equipment related to renewable energy.

Project evaluation and selection

Eligible Green Projects and renovation works are evaluated and selected by the Sustainability Committee, which is chaired by the Chief Sustainability Officer (CSO), the President & CEO of KJRM Holdings, and is primarily composed of the heads of each business division. The evaluation and selection are conducted based on the "Sustainability Policy" and the eligible criteria.

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.



DBJ Green Building Certified	321.1 billion yen	20 properties
Certification for CASBEE for Real Estate	361.5 billion yen	22 properties
BELS Certification	0 billion yen	0 properties

**Debts of Eligible Green Projects (249.0 billion yen)
= Eligible Green Projects (548.5 billion yen) × LTV ratio (45.4%)

As of the end of February, 2025

* The Eligible Green Projects are calculated by subtracting the duplication of properties that have DBJ Green Building Certification, Certification for CASBEE for Real Estate and BELS Certification (134.2 billion yen, 8 properties).

Impact Report

Eligible Green Projects

	No. of properties*	Percentage	Total floor area*	Percentage
March 2024 - February 2025	34 properties	24.6%	1,585,186.53㎡	55.3%
March 2023 - February 2024	36 properties	28.8%	1,701,303.26㎡	58.4%
March 2022 - February 2023	29 properties	24.4%	1,648,917.93㎡	56.6%
March 2021 - February 2022	22 properties	18.3%	1,015,348.79㎡	32.6%
March 2020 - February 2021	19 properties	16.0%	1,199,580.52㎡	39.1%

*Excluding land with leasehold interest

Eligible Green Projects: Energy Consumption

	Electricity (Mwh)	Fuel (Mwh)	Water (Thousand ㎥)	GHG emissions* (Thousand tCO_2)
March 2024 - February 2025	232,033	59,050	1,709	87
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	6,550

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

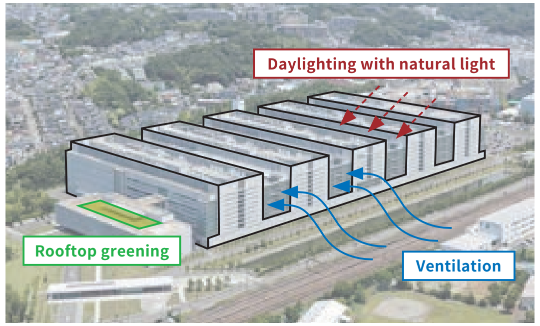
Energy

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.

KPI	Targets	Progress
GHG emissions	Reduce total GHG emissions by 42% compared to FY2021 (Scope 1 & 2, Target year: 2030)	approx. 38.8%

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 GHG 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.
(The green space within IIF Shonan Health Innovation Park, called Shonan iPark Green Space, has been certified as a Nature Symbiosis Site under the Act on Promoting Activities to Enhance Regional Biodiversity, recognizing areas where biodiversity is conserved through private initiatives.)

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.

KPI	Targets	Progress	
Water consumption	Reduction of water consumption Intensity-based change: ±0% compared with FY2021 (Target year: FY2030)	0.57 (FY2024 intensity)	Achieved
Recycling rate for properties under the Investment Corporation's controllable	Improved compared with FY2022 (FY2022 recycling rate: 40.5%)	approx. 46.98%	Achieved

While water use per unit increased slightly from 0.51 in 2015 to 0.57 in FY2024, there was no significant increase in any individual property.

Initiatives for reduced water consumption

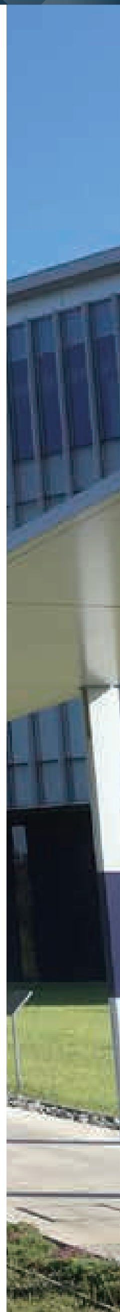
IIF Mitaka Card Center seeks to use water resources effectively by tapping reclaimed water, which is pumped up from a depth of 100 meters underground through an automated water supply system, and used for the premises' sprinkler systems. Intermediate water is also utilized as daily-use water in the event 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.

Initiatives to Utilize Recycled Soil

At the IIF Ichihara Manufacturing Center (Land with leasehold interest), recycled soil that had undergone soil improvement treatment was utilized for the purpose of remediating soil contamination, as well as promoting the reuse of construction-generated soil and construction sludge.
The use of recycled soil eliminates the need to procure new soil materials from mountains or other natural sources, thereby contributing to environmental conservation and the realization of a circular economy.



Environmental Approvals and Evaluations for Assets

Environmental Certification

Target	KPI	Percentage of portfolio with certifications
Improving proportion of environmental certifications	Acquiring certifications for 60% or more of the total portfolio*	65.8% (As of the end of December, 2025)

Certification for CASBEE for Real Estate

31 properties

S : 8 properties
A : 21 properties
B+ : 2 properties

DBJ Green Building Certification

4 properties

★★★ : 3 properties
★★ : 1 property

BREEAM In-Use Certification

1 property

Good : 1 property

BELS Certification

27 properties

★★★★★★ : 4 properties
★★★★★ : 14 properties
★★★★ : 5 properties
★★★ : 1 property
★★ : 3 properties

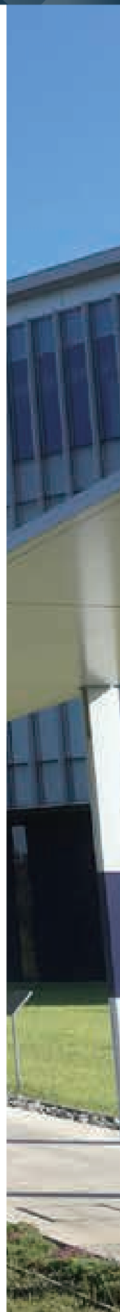
Floods

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)	S			★★★★	
🟥	IIF Nishinomiya Logistics Center (Extension)	A				
🟥	IIF Narashino Logistics Center I	A			★★★★★★	
🟥	IIF Yokohama Tsuzuki Logistics Center	A			★★★★★	
🟥	IIF Saitama Logistics Center (Office)	A			★★★★	
🟥	IIF Saitama Logistics Center (Warehouse)				★★★★★	
🟥	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	A	★★		★★★★	
🟥	IIF Kyotanabe Logistics Center	S				
🟥	IIF Kazo Logistics Center (Building 1)	A			★★★★★	
🟥	IIF Kazo Logistics Center (Building 2)					
🟥	IIF Hamura Logistics Center				★★★★★★	
🟥	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 Yokkaichi Logistics Center	A				
🟥	IIF Fukuokahisayama Logistics Center	S				
🟥	IIF Kitakyushu Logistics Center III	A				
🟥	IIF Tsuchiura Logistics Center				★★★★★★	
🟥	IIF Toyama Logistics Center				★★★★★	
🟥	IIF Hadano Logistics Center				★★★★★	
🟥	IIF Sapporo Kitahiroshima Logistics Center	A				
🟥	IIF Kitakyushu Logistics Center II	A				
🟥	IIF Sakura Logistics Center				★★★★★★	
🟦	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 Mitaka Card Center	A				
🟫	IIF Kawasaki Science Center				★★	Silver
🟫	IIF Atsugi Manufacturing Center				★★★★	
🟫	IIF Shin-Kawasaki R&D Center	S ※Office			★★★	
🟫	IIF Shonan Health Innovation Park			Good		

🟥Logistics facilities 🟫Manufacturing and R&D 🟦Infrastructure facilities



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

Green Finance Framework

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 3, 4 or 5 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 3, 4 or 5 stars

BELS certification (2024 criteria)

Buildings excluding residence that have received 4, 5 or 6 stars
Residence with renewable energy facilities that have received 3, 4, 5 or 6 stars
Residence without renewable energy facilities that have received 3 or 4 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, CO_2 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	S	★★★	
🟥	IIF Koshigaya Logistics Center	B+	★★★	
🟥	IIF Nishinomiya Logistics Center	A(Existing) S(Extension)		
🟥	IIF Narashino Logistics Center I	A		★★★★★★
🟥	IIF Yokohama Tsuzuki Logistics Center	A		
🟥	IIF Misato Logistics Center	S		
🟥	IIF Iruma Logistics Center	A		
🟥	IIF Tosu Logistics Center		★★★	
🟥	IIF Hamura Logistics Center			★★★★★★
🟥	IIF Fukuoka Hakozaki Logistics Center I	A		★★★★★
🟥	IIF Fukuoka Hakozaki Logistics Center II	S(Existing) A(Extension)		
🟥	IIF Itabashi Logistics Center	A		
🟥	IIF Sendai Taiwa Logistics Center	B+		★★★★★
🟥	IIF Hyogo Tatsuno Logistics Center			★★★★★
🟥	IIF Gifu Kakamigahara Logistics Center	A		
🟥	IIF Hiroshima Seifushinto Logistics Center			★★★★★★
🟥	IIF Yokkaichi Logistics Center	A		
🟥	IIF Musashimurayama Logistics Center II			★★★★ (Building constructed during Period III)
🟥	IIF Fukuokahisayama Logistics Center	S		
🟥	IIF Kitakyushu Logistics Center III	A		
🟥	IIF Tsuchiura Logistics Center	A		★★★★★★
🟥	IIF Toyama Logistics Center	A		★★★★★
🟥	IIF Hadano Logistics Center			★★★★★
🟥	IIF Sapporo Kitahiroshima Logistics Center	A		
🟥	IIF Kitakyushu Logistics Center II	A		
🟥	IIF Sakura Logistics Center			★★★★★★
🟥	IIF Yokosuka Logistics Center	A		
🟫	IIF Mitaka Card Center	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, 2023

Reporting

Use of funds

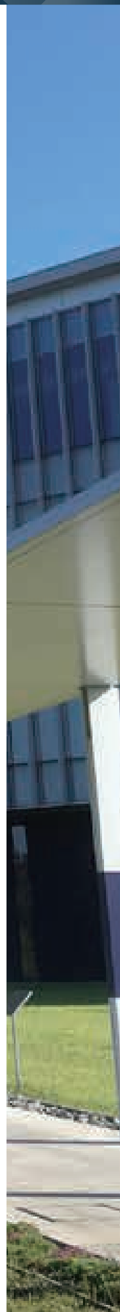
While proceeds remain outstanding, once a year, IIF reports the book value of Eligible Green Projects, the debts of Eligible Green Projects, and the balance of proceeds as of the end of every January.

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 - CO_2 emissions
(2) Renovation works	・Energy consumption, CO_2 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

KJRM 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

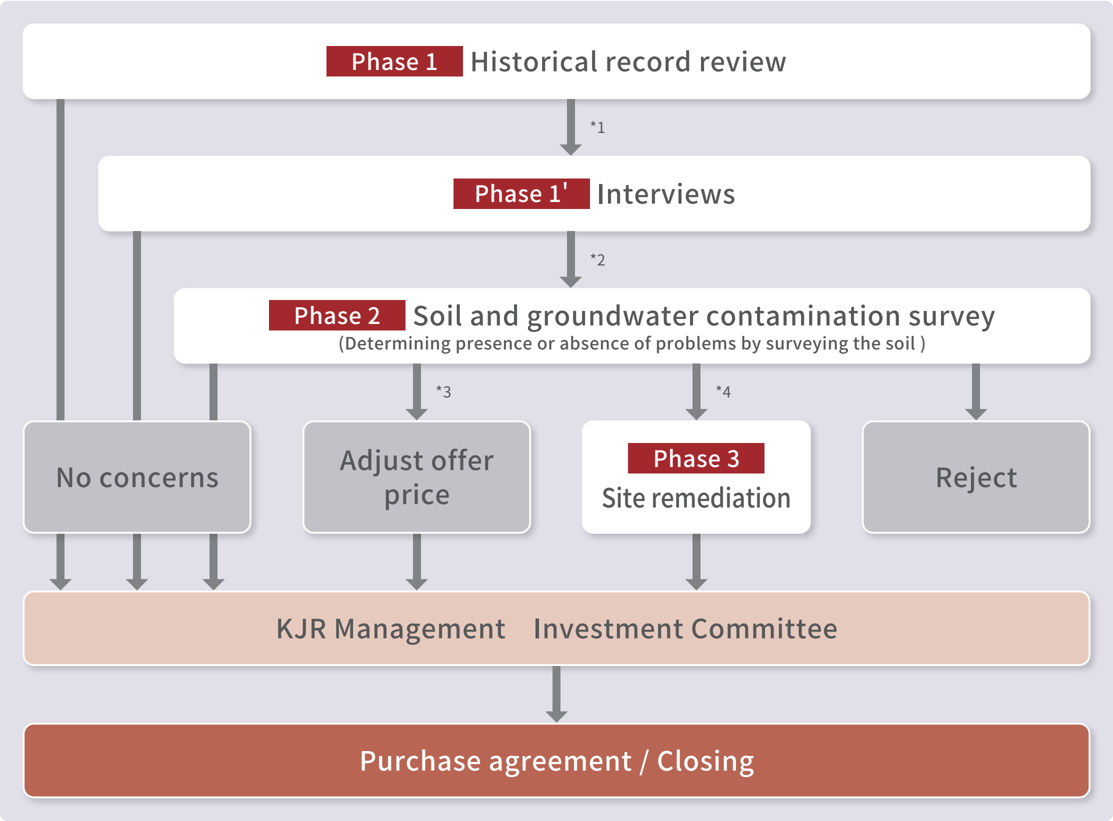
When acquiring real estate properties, KJR Management takes various environmental factors into consideration before making investment decisions: property inspections, land history investigations, and other related research on environmental ris k factors.
Recognizing that hazardous substances related 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

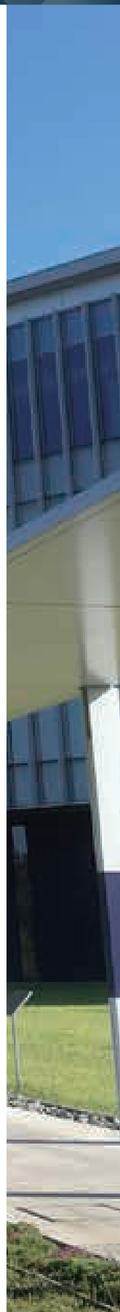
1. To accurately calculate the risk for the judgment materials for the acquisition of real estate
2. Minimize risk in acquiring real estate
3. Compliance with laws and regulations regarding soil contamination, etc. after acquisition of real estate (soil contamination countermeasures laws)

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.”

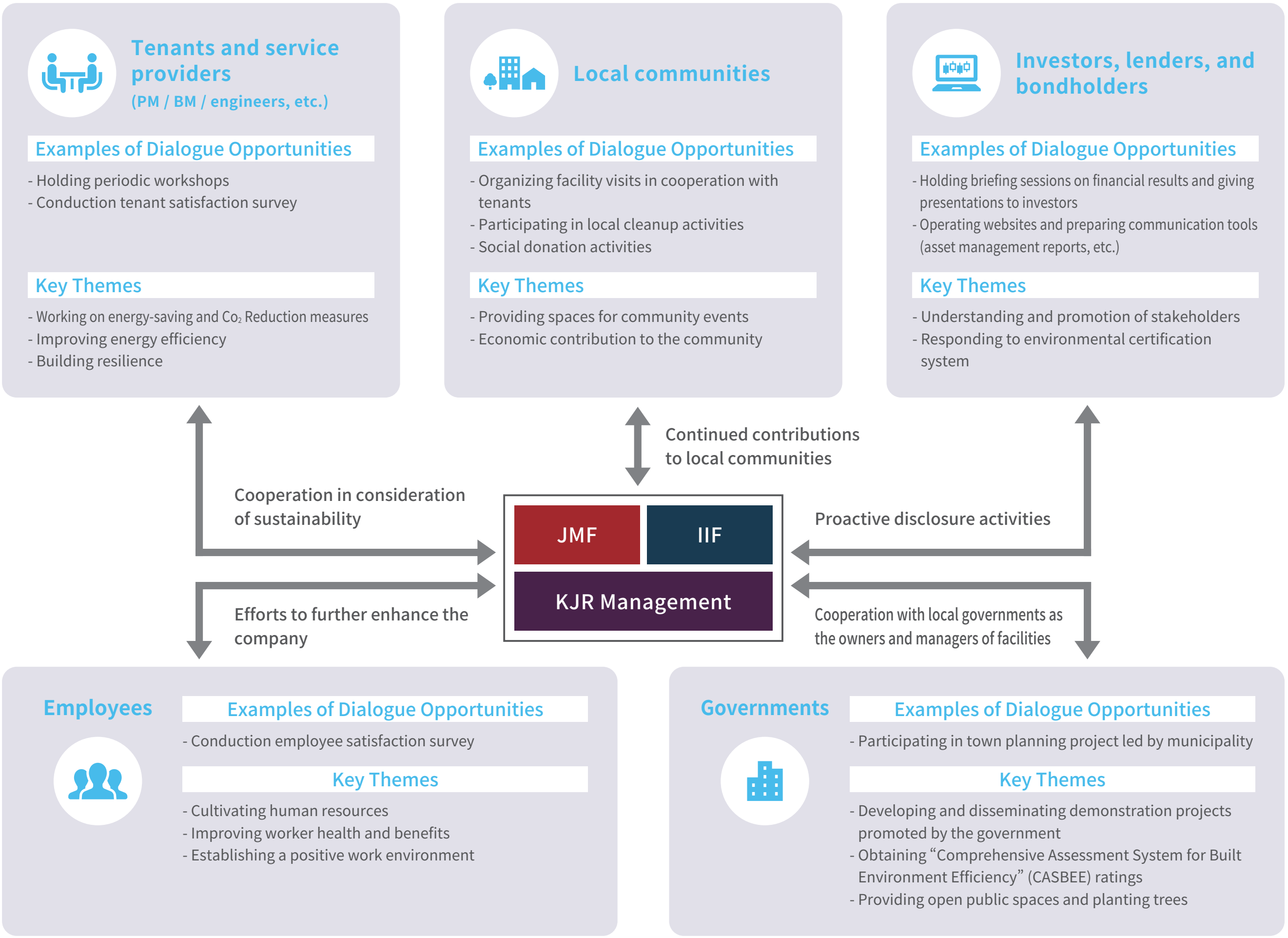
Pre-Investment Assessment Workflow



*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



Tenants and service providers
(PM / BM / engineers, etc.)

Examples of Dialogue Opportunities
- Holding periodic workshops
- Conduction tenant satisfaction survey

Key Themes
- Working on energy-saving and Co$_2$ Reduction measures
- Improving energy efficiency
- Building resilience

Local communities

Examples of Dialogue Opportunities
- Organizing facility visits in cooperation with tenants
- Participating in local cleanup activities
- Social donation activities

Key Themes
- Providing spaces for community events
- Economic contribution to the community

Investors, lenders, and bondholders

Examples of Dialogue Opportunities
- Holding briefing sessions on financial results and giving presentations to investors
- Operating websites and preparing communication tools (asset management reports, etc.)

Key Themes
- Understanding and promotion of stakeholders
- Responding to environmental certification system

Cooperation in consideration of sustainability

Continued contributions to local communities

Proactive disclosure activities

JMF

IIF

KJR Management

Efforts to further enhance the company

Cooperation with local governments as the owners and managers of facilities

Employees

Examples of Dialogue Opportunities
- Conduction employee satisfaction survey

Key Themes
- Cultivating human resources
- Improving worker health and benefits
- Establishing a positive work environment

Governments

Examples of Dialogue Opportunities
- Participating in town planning project led by municipality

Key Themes
- Developing and disseminating demonstration projects promoted by the government
- Obtaining “Comprehensive Assessment System for Built Environment Efficiency” (CASBEE) ratings
- Providing open public spaces and planting trees

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 social issues" as our sustainability strategy.

Human Rights Policy

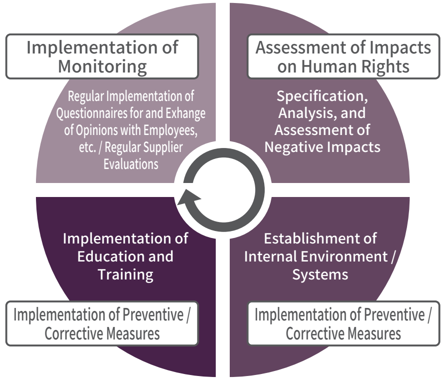
KJRM established its Human Rights Policy in October 2025 (originally established by KJR Management in December 2022; re-established by KJRM Holdings following organizational restructuring). Under this Policy, the Company aims to support international human rights frameworks such as the Universal Declaration 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 Human Rights Policy, please click here.

Human Rights Due Diligence

Human Rights Risk Management and Monitoring

KJRM 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 our website as appropriate.

Remedial Measures

KJRM has established an internal inquiry counter for all executives and employees, as well as our business partners, to receive consultations and reports regarding violations of laws and regulations, information management breaches, harassment, human rights concerns, and workplace-related matters. In addition, we have designated KKR's whistleblower reporting channels and an external law firm as external points of contact to ensure independent consultation and reporting routes.KKR's Whistleblower Policy establishes procedures for employees to anonymously report concerns regarding accounting matters, internal controls, auditing issues, and compliance with legal and regulatory requirements. Reports may be made through third-party operated 24/7 domestic and international hotlines, a confidential website, or directly to the Chief Legal Officer and General Counsel or the Audit Committee of the KKR Board, as outlined in the Policy. All reporting channels are administered by independent third parties to help ensure confidentiality, and KKR does not tolerate retaliation against individuals who submit reports in good faith or assist in an investigation. Upon receipt of a report through the internal inquiry counter, the designated responsible persons and relevant staff at each company are assigned to conduct a fact-finding investigation.

Please refer to the page 47 for further details.

Diversity, equity, and inclusion

Basic Policy

KJRM 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 KJRM's 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

KJRM 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%
					2025/12	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%
					2025/12	18.2%

Human Capital Development

Basic Policy

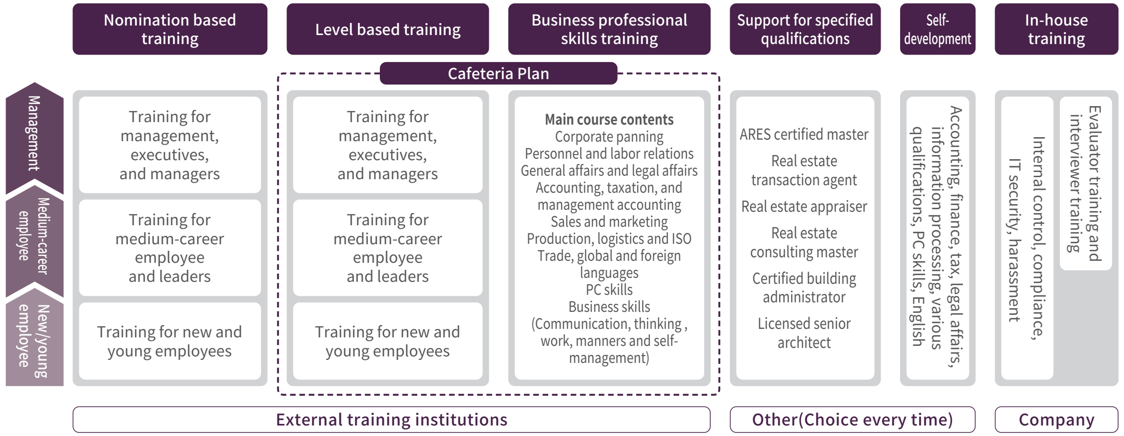
Based on the concept that human resources are our most important asset, KJR Management supports autonomous career development by preparing various development programs so that each employee is able to grow and achieve self-fulfillment through working at KJRM. As an organization consisting of diverse human resources with different backgrounds, KJRM 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

KJRM's compensation system is applied to all permanent employees. We seek to provide competitive compensation to attract, develop, and retain excellent human resources for 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 KJRM'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

KJRM 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, KJRM 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 52 for further details.

Work Environment

KJRM 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. KJRM is working to ensure that all employees can work with peace of mind and to improve the benefits it provides to them.

Heath of Employees

KPI	Progress				
	2022/3	2023/3	2024/3	2024/12*	2025/12
Percentage of paid leave used at least 70.0%	78.3% Achieved	79.4% Achieved	74.5% Achieved	65.6%	79.6% Achieved

*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, KJRM 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

KJRM 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, KJRM is working to create systems that enable diverse human resources to play an active role.

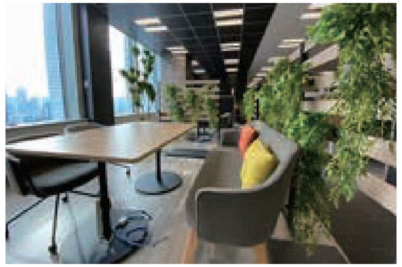
- Flextime system
- Working from home (satellite offices available)
- A variety of special leave programs, including family care special leave
- Acquisition of paid leave in units of hours

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.

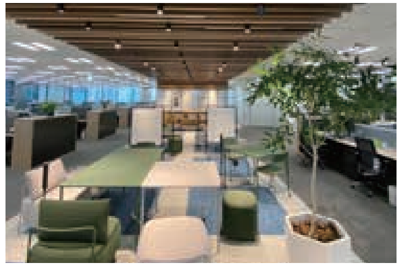
Work Environment

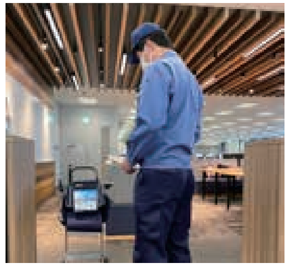
The office space has ample natural light coming in through the windows, and plants are placed in various places to create an environment where employees can work comfortably and actively. In addition, individual booths have been set up in consideration of the current work style that combines office and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

Communication with Tenants / Building resilience

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

Communication with Local Communities

Study Session on Inclusive Playground Equipment with a Neighboring Elementary School

A study session was held to deepen understanding of the inclusive playground equipment installed at the “Mizuno Hiroba” rooftop area of Higashi-Totsuka Aurora City.
The session covered the background of the installation as well as the features and characteristics of the playground equipment.

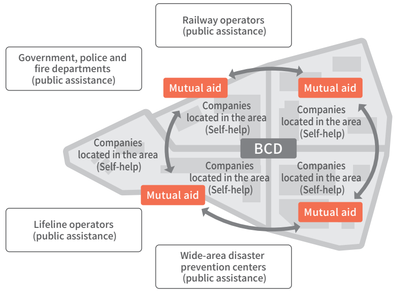
Main agreements with local governments

JMF plans to work in collaboration with relevant stakeholders to promote municipal initiatives and address local challenges through measures such as launching projects and fostering community development.

	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

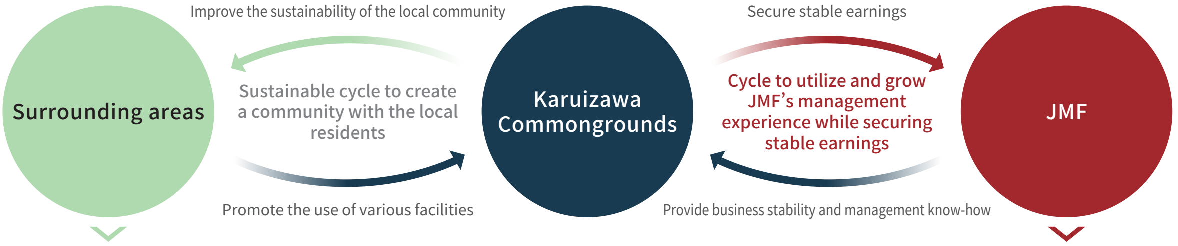
We are cooperating in public rescue and assistance and mutual help initiatives through public-private partnerships at Twin 21, located in Osaka Business Park (OBP). Based on plans for ensuring safe urban regeneration of the entire area, rules have been established for maintaining transportation during 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 "Karuizawa Commongrounds (land with leasehold interest)" in March 2023. JMF will participate in the creation of the local community in Karuizawa as a land owner. We believe that acquisition can contribute to the creation of a local community in Karuizawa, and simultaneously contribute to promote certain sustainability initiatives of the local community and generate stable income for JMF.



Advantages

- Promote social interactions within the community
- Secure jobs and workplaces
- Secure diversified learning environment
- Share energy

Advantages

- Secure earnings that exceed the NOI yield after depreciation of the portfolio average on a long-term basis
- Improve area management capabilities
- Expand investment areas
- Develop new investment methodologies

Core impacts of the Acquisition

Core Impacts		KPIs to Identify Impacts	FY2024 Results
Increase positive impacts	Reduce carbon emissions in development and operation	• Energy consumption	179,374.50 kWh
		• CO_2 emissions	72.82 t-CO_2
		• Renewable energy generation by solar panels	32,620.80 kWh
		• Self-sufficiency ratio through renewable energy	18.19%(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
	Contribute to improving the wellbeing of users through operation of a community “hub”	• Approximate number of visitors to the entire facility	416,610 Visitors
		• Number of registered users of shared offices, their attributes and satisfaction levels	Number of registered users: 9 (as of February 29, 2025) Cancellations: None User profile: Local residents living in the surrounding area Customer satisfaction survey: Not conducted in FY2025
		• Number of events held in the facility and their characteristics	Onsite events: 5 Participants: 3,600
Reduce negative impacts	Reduce carbon emissions in operation	• Energy consumption and intensity	0.06 (= Energy consumption (crude oil equivalent kL) / Operating floor area m^2)
		• CO_2 emissions and intensity	0.002 (= CO_2 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.

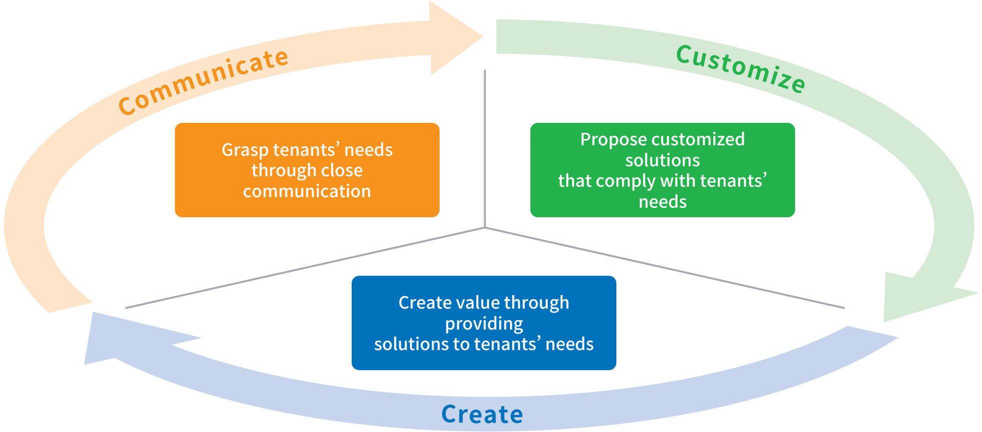
* For more information on the impact investment, please visit the JMF website

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%

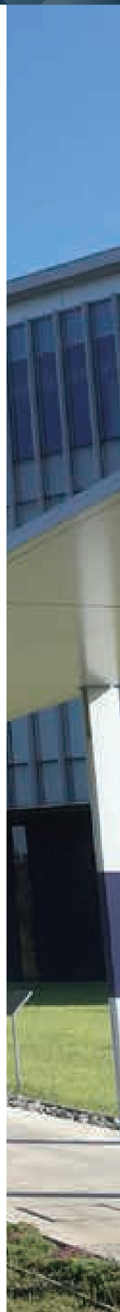
IIF is working to maintain the safety of its buildings by conducting building and earthquake risk assessments at the time of acquisition as well as collecting engineering reports on a regular basis. In addition, secondary assessments are performed as well. When results of those assessments conclude that 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

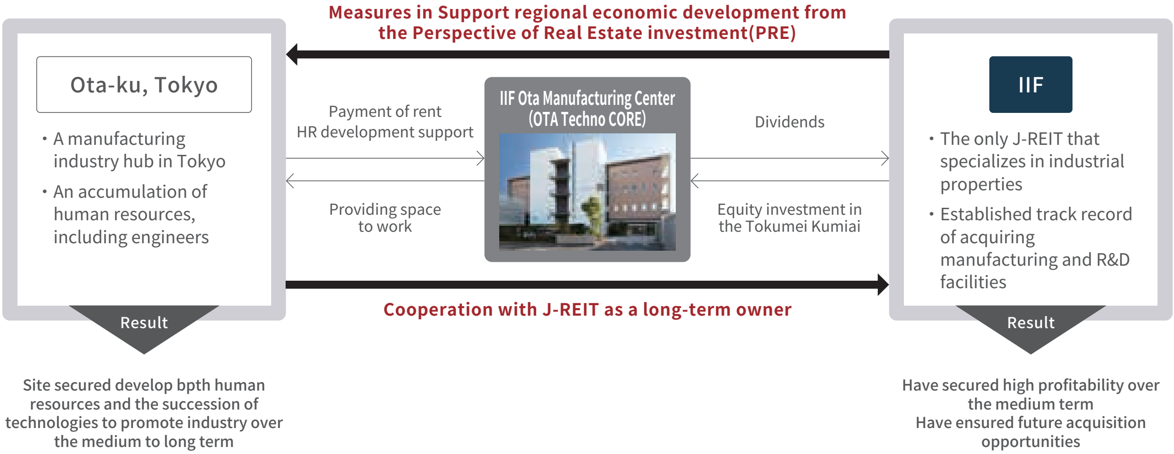
IIF Shonan Health Innovation Park has concluded an environmental preservation agreement with the cities of Kamakura and Fujisawa, where the facility is located, in order to protect the health and safety of local residents and to preserve the living environment, by preventing environmental preservation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

At the IIF Shonan Health Innovation Park, the Shonan iPark Festa is held with the aim of providing opportunities for the public to experience the appeal of science through interaction with researchers. In 2025, in addition to hands-on science experience booths hosted by tenant companies and organizations, as well as science shows, the Shonan iPark Student Research Presentation Forum was held for the first time. At this forum, researchers from Shonan iPark provided advice on research projects conducted by high school and university students. Feedback from visitors included comments such as, “I was impressed by the high school students’ presentations,” and “It was extremely meaningful to hear such high-level research presentations by students.”

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

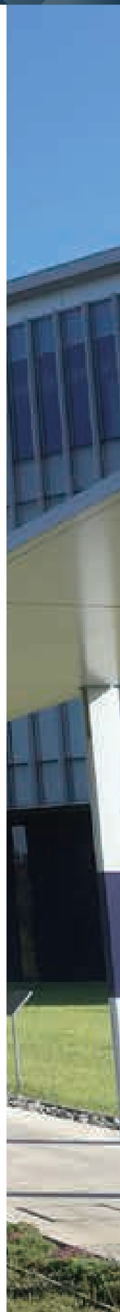
We perform regular monthly or annual measurements concerning the impact set at OTA Techno CORE in accordance with the following monitoring policy.

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

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 Industrial Division of the asset manager 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 sustainability initiatives and expands financing methods by expanding investor base who are proactive in sustainable investment by implementation of social financing through the Social Bond issuance.

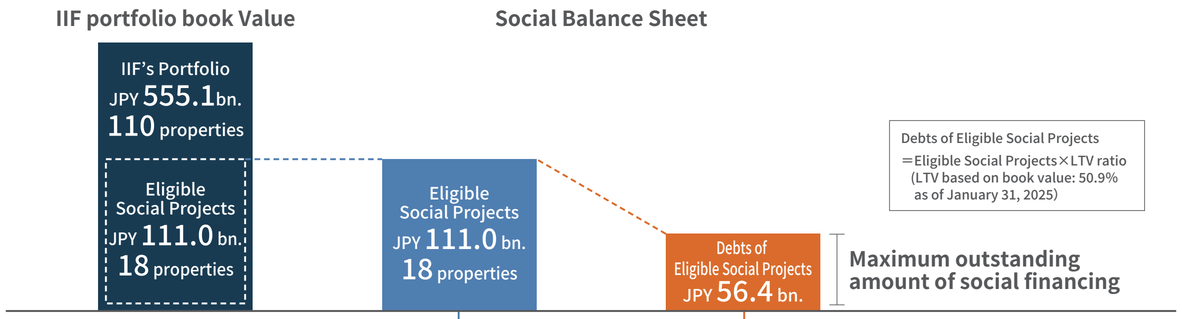
Social Loan

IIF raised 1.5 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. We will continuously promote sustainability-conscious asset management and work to strengthen our funding base through funding by implementation of social financing.

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 111.0 billion yen in total as of January 31, 2025 (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 (50.9% as of January 31, 2025).



Overview of Eligible Social Projects

Number of properties **18** properties

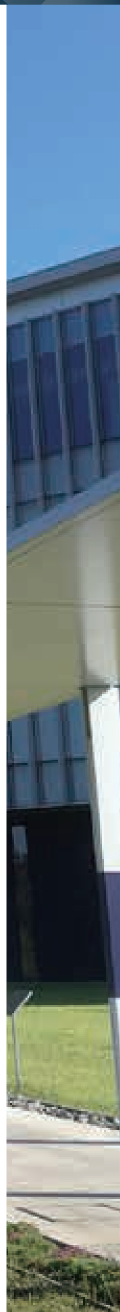
*As of January 31, 2025

Total outstanding amount of social bonds and social loan

Social Bonds Outstanding	**3** issues / **7.5** billion yen
Social Loan Outstanding	**2** issues / **1.5** billion yen

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

Under our mission, “Unlocking Real Assets' Future,” we have identified “Collaboration with Local Communities” as a material issue 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.

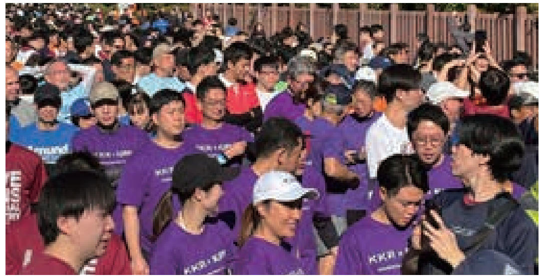
Purpose of the activities

- 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

Sale of baked goods

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

*Financial Industry in Tokyo For Charity Run: Charity events hosted by Japanese financial institutions and financial services companies.

Implementation of a Matching Gift Program

In September 2025, KJRM implemented a matching gift program in which the Company matched employee donations on a one-to-one basis, with the aim of supporting those affected by the heavy rainfall disaster in August 2025.

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

Code of Ethics

KJRM 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

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

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

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

Kozo Omori

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

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

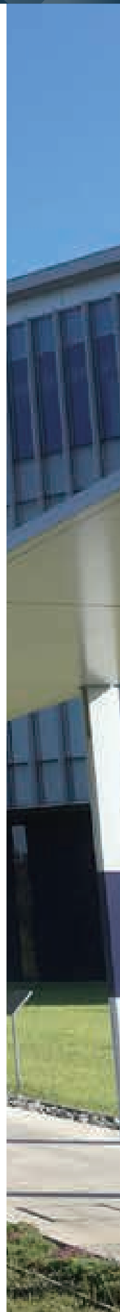
Experience and expertise
Elected as deemed to be qualified to supervise executive directors' activities from the viewpoint of an accounting expert.

Koki Ohira

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

Fumito Bansho

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



Asset Management Entrustment

KJRM
KKR Japan Realty Management

Asset Management Entrustment

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.

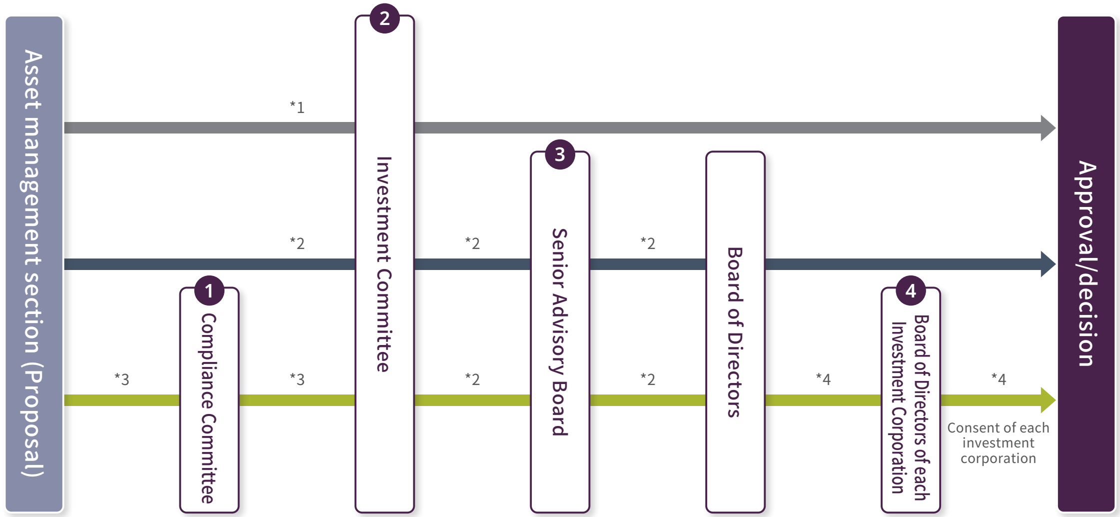
Please refer to page 46 for more details on how it manage.

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.

The Company is reorganized on February 1, 2025. Please click here for the latest information.

Overview of each meeting body

	1 Compliance Committee	2 Investment Committee	3 Senior Advisory Board	4 Board of Directors of each Investment Corporation
Organizer	KJR Management	KJR Management	KJRMHD	JMF／IIF
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 corporations, 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 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 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 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 Company has a Compliance Committee, chaired by the Head of the Compliance Office, who also serves as an executive officer, comprised of senior management and outside attorneys, and, in principle, meets once every three months.

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*	2025/12
Compliance training (times)	4	4	4	4	4	3	4

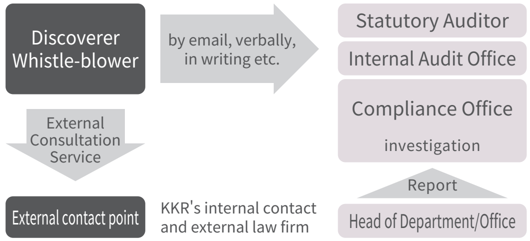
*For the nine months from April to December, 2024

*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, to receive consultations and reports regarding violations of laws and regulations, information management breaches, harassment, human rights concerns, and workplace-related matters. In addition, we have designated KKR's whistleblower reporting channels and an external law firm as external points of contact to ensure independent consultation and reporting routes.KKR's Whistleblower Policy establishes procedures for employees to anonymously report concerns regarding accounting matters, internal controls, auditing issues, and compliance with legal and regulatory requirements. Reports may be made through third-party operated 24/7 domestic and international hotlines, a confidential website, or directly to the Chief Legal Officer and General Counsel or the Audit Committee of the KKR Board, as outlined in the Policy. All reporting channels are administered by independent third parties to help ensure confidentiality, and KKR does not tolerate retaliation against individuals who submit reports in good faith or assist in an investigation. Upon receipt of a report through the internal inquiry counter, the Head of the Compliance Office assumes responsibility and the Compliance Office at the company are assigned to conduct a fact-finding investigation. 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 52 for further details on Compliance.

Compliance／Anti-Corruption and Bribery Prevention

Conflicts of Interest

KJRM 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 real estate sales obtained by the Company, the Company has established rules governing the determination of whether the Metropolitan Division or the Industrial Division should conduct investigations, taking precedence over 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 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 "Unlocking Real Assets' Future" 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 Company has established the Compliance Manual and the Regulations Concerning Entertainment and Internal Meetings, which set forth a general policy of not receiving any entertainment or gifts. In principle, prior approval is required when receiving gifts or entertainment from business partners. The implementation status of these procedures is monitored by the Compliance Office and reported to management 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*	2025/12
Total amount of political donations (yen)	0	0	0	0	0	0	0
Number of improper conduct/corruption-related cases exposed (times)	0	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	0
Improper conduct/corruption-related fines, penalties, and settlement costs (yen)	0	0	0	0	0	0	0

*For the nine months from April to December, 2024

Risk Management

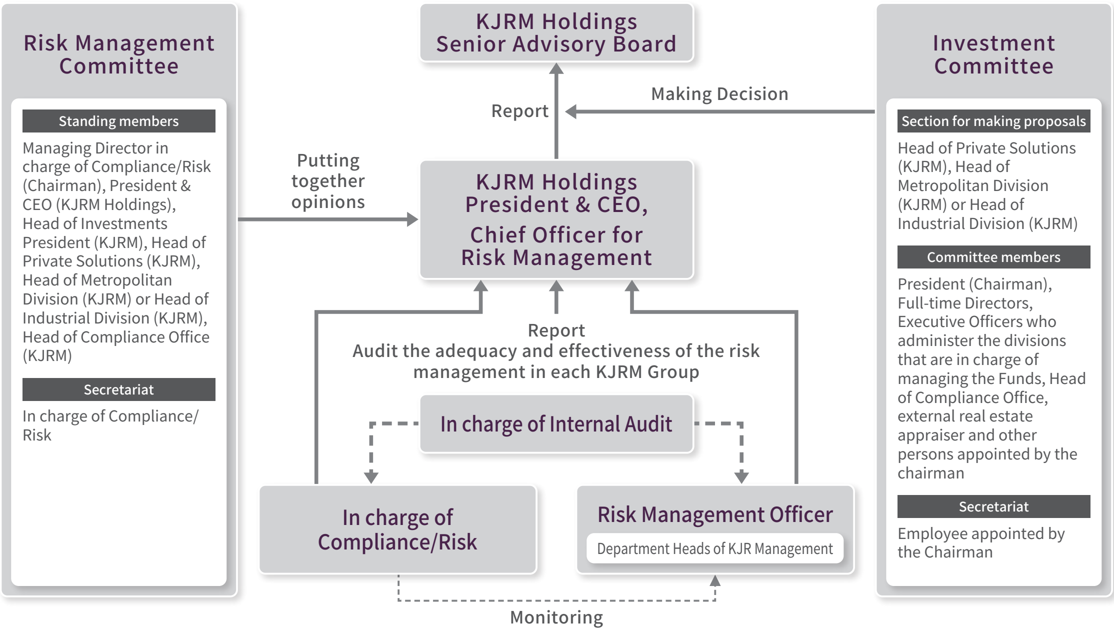
KJRM has established "Risk Management Rules" to ensure sound management through appropriate management and operation of risks.

Structure on Risk Management

KJRM 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. KJRM 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

KJRM has established the Internal Audit Department, which is independent of any department. Audits are conducted by formulating and implementing an internal audit plan each year based on risk assessment result. The Internal Audit Department conducts internal audit based on the established Internal Audit Rules. When the audited department receives any instruction or proposal for improvement through the internal audit, it prepares an improvement response plan as well as expected timeline, and reports the results to the Internal Audit Department.
After the completion of the internal audit, the Internal Audit Department directly reports to the President, in addition to reporting to the Board of Directors at least once a year, in principle.

Information Security

KJRM 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.

Data

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Environment

	(Unit)	FY2020 (Base year)	FY2021	FY2022	FY2023	FY2024
GHG emissions		267,938	244,347	233,899	259,629	263,343
Scope 1 (direct emissions)	(t-CO_2)	5,608	5,135	5,542	5,302	★ 4,988[1]
Scope 2 (indirect emissions)	(t-CO_2)	29,884	24,633	22,061	17,558	★ 16,588
Scope 1+2	(t-CO_2)	35,492	29,768	27,602	22,860	21,576
Scope 3	(t-CO_2)	232,446	214,579	206,297	236,769	241,767
Category 1 (Purchased goods and services)	(t-CO_2)	16,998	17,110	16,975	17,207	18,048
Category 2 (Capital goods)	(t-CO_2)	30,182	23,994	28,757	32,943	41,879
Category 3 (Fuel- and energy-related activities not included in Scope 1 or 2)	(t-CO_2)	6,716	6,467	6,334	6,215	6,465
Category 5 (Waste generated in operations)	(t-CO_2)	13,017	14,478	14,374	16,074	14,698
Category 6 (Business travel)	(t-CO_2)	1	0	0	0	0
Category 7 (Employee commuting)	(t-CO_2)	3	1	1	1	1
Category 12 (End of life treatment of sold products)	(t-CO_2)	0	0	0	0	0
Category 13 (Downstream leased assets)	(t-CO_2)	165,531	152,527	139,855	164,329	★ 160,676
Category 15 (Investments)	(t-CO_2)	0	0	0	0	0
Per unit	(t-CO_2/㎡)	0.09	0.08	0.08	0.09	0.09
Data collection rate	(%)	97.6	99.9	99.9	99.0	98.6
Energy consumption	(MWh)	400,765	386,950	383,880	426,522	430,462
Consumption per unit	(kWh/㎡)	133	132	135	152.34	149.76
Data collection rate	(%)	97.6	99.9	100.0	99.0	98.8
Fuel consumption (fuel only)	(MWh)	130,452	123,172	112,284	127,529	138,296
Consumption per unit	(kWh/㎡)	43	42	39	45.55	48.11
Data collection rate	(%)	89.6	90.1	89.9	98.1	98.0
Energy/fuel/gas consumption (Scope1+2)	(MWh)	—	—	—	—	★ 104,717
Water Use (assurance figure)	(thousand㎥)	2,811	2,914	2,681	3,046	★ 3,106
Consumption per unit	(㎥/㎡)	1	1	1	1.09	1.09
Data collection rate	(%)	97.5	99.9	99.6	98.7	98.2
Volume of waste	(t)	20,737	26,546	27,480	26,633	★ 26,678
Data collection rate	(%)	78.3	96.3	99.4	96.4	97.7

2030 (Target)	2050 (Target)
SBT Certified Reduce by 42%[2]	SBT Certified Net-zero

For performance and progress since 2015, please refer to our website.

* 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] In FY2024, numbers marked with a ★ are externally assured figures.

[2] Compared to FY2020

		FY2021	FY2022	FY2023	FY2024
Percentage of renewable energy consumption to the entire portfolio electricity consumption	(%)	11.5	15.7	15.0	19.5

Governance

Name of Directors	Masahiko Nishida Executive Director		Osamu Ito Supervisory Director		Yoko Shirasu[3] Supervisory Director	
JMF Fiscal Year	2025/2	2025/8	2025/2	2025/8	2025/2	2025/8
Attendance at Officers Meetings	14 meetings (100%)	9 meetings (100%)	14 meetings (100%)	8 meetings (89%)	13 meetings (93%)	9 meetings (100%)

Percentage of Female Directors	(%)	0.0*

*33.3% until the conclusion of the 16th General Meeting of Unitholders held on November 28, 2025.

[3] Ms. Yoko Shirasu, Supervisory Director, resigned upon the conclusion of the 16th General Meeting of Unitholders held on November 28, 2025.

See JMF website for GRI Guidelines.

See JMF website for SASB Index.

Data

Environment

	(Unit)	FY2021 (Base year)	FY2022	FY2023	FY2024
GHG emissions		169,049	170,187	168,927	192,379
Scope 1 (direct emissions)	(t-CO_2)	25,758	25,733	24,149	★ 25,514[*1]
Scope 2 (indirect emissions)	(t-CO_2)	16,282	29	97	★ 208
Scope 1+2	(t-CO_2)	42,040	25,762	24,246	25,721
Scope 3	(t-CO_2)	127,009	144,425	144,681	166,658
Category 1 (Purchased goods and services)	(t-CO_2)	6,707	7,349	7,085	7,809
Category 2 (Capital goods)	(t-CO_2)	13,327	17,307	23,113	16,484
Category 3 (Fuel- and energy-related activities not included in Scope 1 or 2)	(t-CO_2)	27,392	46,241	46,124	48,537
Category 5 (Waste generated in operations)	(t-CO_2)	724	681	557	13,354
Category 6 (Business travel)	(t-CO_2)	1	1	1	1
Category 7 (Employee commuting)	(t-CO_2)	1	1	1	1
Category 12 (End of life treatment of sold products)	(t-CO_2)	0	137	156	322
Category 13 (Downstream leased assets)	(t-CO_2)	78,802	72,655	67,644	★ 78,042
Category 15 (Investments)	(t-CO_2)	56	54	0	2,109
Per unit	(t-CO_2/m^2)	0.11	0.11	0.11	0.09
Data collection rate	(%)	100.0	100.0	100.0	100.0
Energy consumption	(MWh)	236,215	152,185	149,619	166,444
Energy consumption per unit	(kWh/m^2)	156.70	102.70	97.79	87.62
Data collection rate	(%)	100.0	100.0	100.0	100.0
Fuel / gas consumption	(MWh)	163,548	161,875	147,679	154,691
Fuel / gas consumption per unit	(kWh/m^2)	108.50	109.20	96.52	81.43
Data collection rate	(%)	100.0	100.0	100.0	100.0
Energy/fuel/gas consumption (Scope1+2)	(MWh)	—	—	—	★ 209,401
Water Use	(thousandm^3)	916	927	1,038	1,080
Water use per unit	(m^3/m^2)	0.61	0.63	0.68	0.57
Data collection rate	(%)	100.0	100.0	100.0	100.0
Water Use (assurance figure)	(thousandm^3)	—	—	—	★ 983
Volume of non-hazardous waste	(t)	7,676	7,090	6,324	9,064
Volume of hazardous waste	(t)	293	329	360	450
Recycling rate	(%)	40.4	40.5	29.5	46.9
Data collection rate	(%)	90.1	89.9	88.4	88.7

2030 (Target)	2050 (Target)
SBT Certified Reduce by 42%[*2]	Net-zero

For performance and progress since 2015, please refer to our website.

* 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] In FY2024, numbers marked with a ★ are externally assured figures.

[*2] Compared to FY2021

Governance

Name of Directors	Kumi Honda Executive Director		Yutaka Usami Supervisory Director		Koki Ohira Supervisory Director		Fumito Bansho Supervisory Director	
IIF Fiscal Year	2025/7	2026/1	2025/7	2026/1	2025/7	2026/1	2025/7	2026/1
Attendance at Officers Meetings	12 meetings (100%)	12 meetings (100%)	11 meetings (92%)	12 meetings (100%)	12 meetings (100%)	12 meetings (100%)	12 meetings (100%)	12 meetings (100%)

Percentage of Female Directors	(%)	25.0

See IIF website for GRI Guidelines.

See IIF website for SASB Index.

Data

Social

				2020/3	2021/3	2022/3	2023/3	2024/3	2024/12	2025/12
Total number of employees[1]		Full-time employees	Men	87	93	97	95	103	105	109
			Women	55	55	55	56	57	59	61
		Other than full-time employees	Men	2	2	3	5	5	4	3
			Women	0	0	0	0	0	0	1
Total workforce[1]	(%)	Men		61.8	63.3	64.5	64.1	65.5	64.9	64.4
		Women		38.2	36.7	35.5	35.9	34.5	35.1	35.6
Percentage of women in executire management	(%)			—	—	—	11.1	12.5	16.7	0
Women in managerial posts[1]	(%)			25.7[3]	17.2	12.1	15.2	16.1	13.2	18.2
Diversity of employees[1]	(%)	Under 30 years old		4.0[3]	4.0	5.2	1.9	2.4	2.4	5.7
		30 to 50 years old		80.5[3]	80.0	74.2	74.4	73.3	71.4	69.0
		50 years old or older		15.5[3]	16.0	20.6	23.7	24.2	26.2	25.3
Number of new hires[2]		Men		—	16	14	21	21	11[5]	16
		Women		—	3	3	4	6	3[5]	12
Percentage of New hires[2]	(%)	Men		89.5[3]	84.2	82.4	84.0	77.8	78.6	57.1
		Women		10.5[3]	15.8	17.6	16.0	22.2	21.4	42.9
Employee turnover rate	(%)			—	9.5	8.4	10.7	10.7	9.7	13.9
Rate of taking childcare leave[2]	(%)	Men		—	50.0	0.0	16.7	0.0	33.4	33.4
		Women		—	No eligible employees	100.0	100.0	100.0	100.0	100.0
Training Hours per Employee	(Hours)			—	—	—	—	—	—	25
Training attendance rate[1, 4]	(%)	Men		—	90.6	88.0	98.9	92.7	93.1	98.0
		Women		—	95.9	87.0	97.8	95.8	100.0	98.2
Rate of taking paid leave[1]	(%)			64.7	68.5	78.3	79.4	74.5	65.6	79.6
Health checkup rate[2]	(%)			100.0	100.0	100.0	100.0	100.0	80.9	97.4
Satisfaction survey response rate	(%)			94.0	93.0	94.5	Not implemented	96.7	98.7	86.8
Absenteeism Rate	(%)			0	0	0	0	0	0	0
Occupational Accident Rate	(%)			0	0	0	0	0	0	0
Number of Fatalities				0	0	0	0	0	0	0

Results of KJRM research
*1 Employees with subordinates, excluding executives and temporary employees
*2 Excludes executives, seconded employees, and temporary staff *3 As of December 31, 2020,
*4 Excluding internal training by KJRM 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 members[6]

Of which, the number of qualified employees

Real-estate transaction specialists	74	Lawyer	1
ARES certified master	92	CPA	7
First-class architects	8	Tax accountants	3
Real estate appraisers	11	MBA	1
CMA	6	CFA Certified Securities Analyst	1

*As of December 31, 2025 *6 Excludes part-time directors, seconded employees, and temporary staff

Compliance

		2020/3	2021/3	2022/3	2023/3	2024/3	2024/12*	2025/12
Compliance training	(times)	4	4	4	4	4	3	4
Total amount of political donations	(yen)	0	0	0	0	0	0	0
Number of improper conduct/corruption-related cases exposed	(times)	0	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	0
Improper conduct/corruption-related fines, penalties, and settlement costs	(yen)	0	0	0	0	0	0	0

*For the nine months from April to December, 2024

Contribution to Industry Organizations, etc.

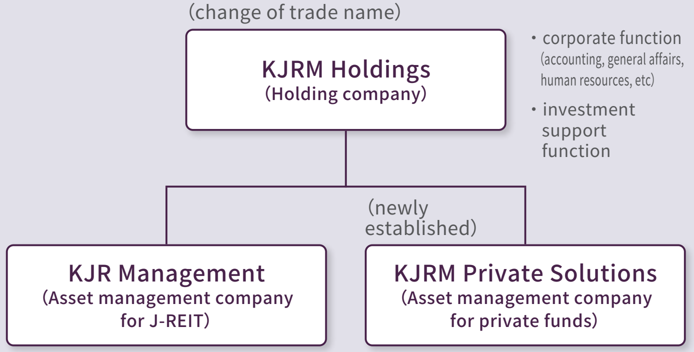
KJRM actively participate in sustainability-related committees of various associations and organizations to keep abreast of the latest trends. The organizations, etc. KJRM have joined are as follows.

- 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.
In addition, KJR Management and KJRM Holdings transferred the private fund management business conducted by KJR Management to KJRM Private Solutions, a wholly owned subsidiary newly established by KJRM Holdings, on October 4, 2025, with the aim of strengthening the conflict of interest management framework.

【aftere organizational Change】



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.

KJR Management
Building Lots and Buildings Transaction Business License: Governor of Tokyo (6) 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

KJRM Private Solutions
Building Lots and Buildings Transaction Business License: Governor of Tokyo (6) No. 112414
Comprehensive Real Estate Investment Advisory Business: Minister of Land, Infrastructure, Transport and Tourism License No. 184
Financial Instruments Business Operators: Kanto Local Finance Bureau(FIBO) No.3484
Member of Japan Investment Advisers Association Member of Type II Financial Instruments Firms Association

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