

ESG Report

Issued on March 10, 2022



Takara Leben Real Estate
Investment Corporation

Sustainability Initiatives

We aim for “maximization of unitholder value,” “creation of a sustainable environment,” and “contribution to communities and society” through consideration of the environment, society, and governance

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We have published this report for the purpose of publicizing our approach to ESG and our initiatives to a wide range of stakeholders, including investors.

Sustainability Initiatives

Basic Policy

1. Takara Leben Real Estate Investment Corporation (TLR) aims to achieve “steady growth” and “stable management” by using a multi-sponsor management structure that combines the expertise and knowledge of sponsor companies with various strengths.
2. With the goal of remaining unitholders' diversified J-REIT of choice, TLR aims to achieve “maximization of unitholder value,” “creation of a sustainable environment,” and “contribution to communities and society.”

Message from the Executive Director

TLR was listed on the Tokyo Stock Exchange Real Estate Investment Trust Securities Market on July 27, 2018. Our basic policy is to pursue “steady growth” and “stable management.” Along with these, in order to remain unitholders' diversified J-REIT of choice, we aim to achieve “maximization of unitholder value,” “creation of a sustainable environment,” and “contribution to communities and society.” Since our listing, we have implemented various measures relating to these goals.

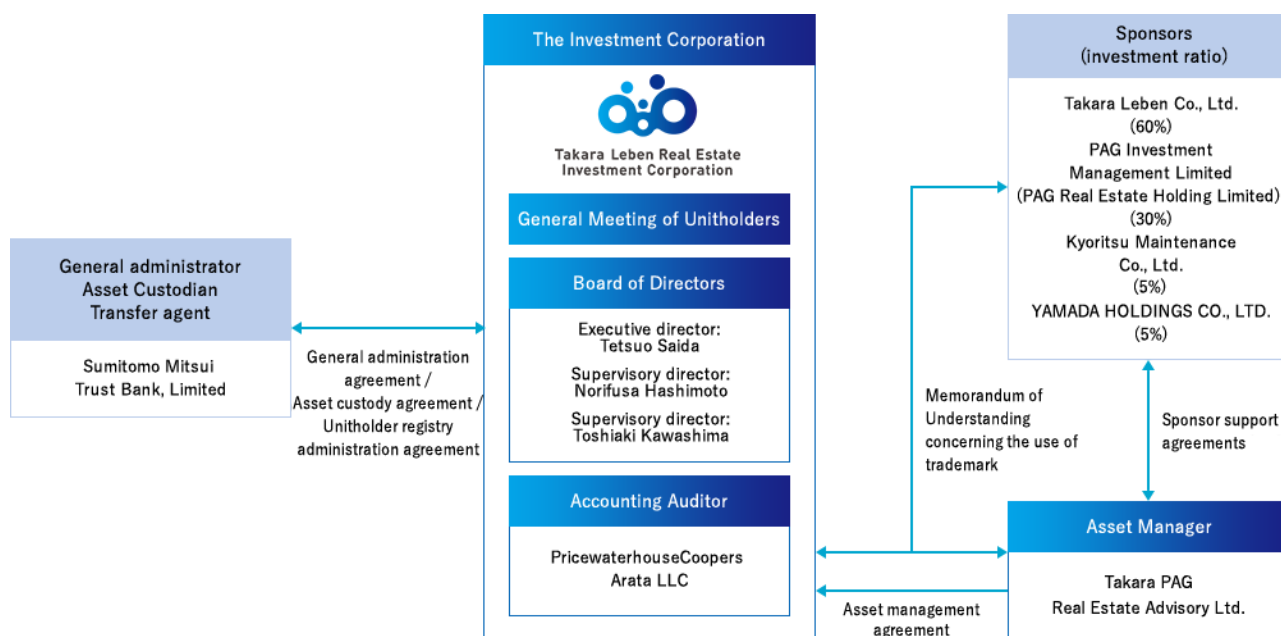
At the same time, the issues that we need to tackle as a member of society continue to grow, including environmental problems caused by climate change, the diversification of risks (such as the COVID-19 pandemic), improving employees' and tenants' health and comfort, addressing human rights issues, and contributing to local communities. Going forward, we will fulfill our responsibilities with the aim of realizing a better society while engaging our stakeholders in dialogue of various kinds and seeking their understanding with respect to how we view these issues and what we are doing in response to them.

Starting with the publication of this report, it is TLR's intention to further expand our various initiatives and strive for timely, appropriate information disclosure. We greatly appreciate your continued support.



Tetsuo Saida, Executive Director
Takara Leben Real Estate Investment Corporation

Structure



Corporate Profile

Name	Takara Leben Real Estate Investment Corporation
Representative	Tetsuo Saida, Executive Director
Address	1-14-15 Akasaka, Minato-ku, Tokyo
Asset Management Company	Takara PAG Real Estate Advisory Ltd. 🌐

History

August 28, 2017	Notification relating to establishment of Takara Leben Real Estate Investment Corporation under Article 69 of the Law Concerning Investment Trusts and Investment Corporations (hereinafter "the Law") by the incorporator, Takara PAG Real Estate Advisory Ltd.
September 11, 2017	Registration of establishment under Article 166 of the Law. Establishment of Takara Leben Real Estate Investment Corporation
September 20, 2017	Application of registration under Article 188 of the Law
October 11, 2017	Registration under Article 187 of the Law by the Prime Minister of Japan (Registration No. 129, filed with the Director of the Kanto Local Finance Bureau)
April 5, 2018	Changing the corporate name from PAG PRIVATE REIT, Inc. to Takara Leben Real Estate Investment Corporation

Reporting Scope/Interval and Timing of Updates

Reporting scope	TLR and Takara PAG Real Estate Advisory Ltd. (TLR's asset management company, hereafter referred to as “the Asset Manager”) In addition to the above two corporations, some activities of Takara Leben Co., Ltd., which is TLR's main sponsor, are covered.
Reporting interval	As a rule, the reporting interval is once per year, but if there are updates to quantitative data or new events occur, the details will be updated as needed and indicated in the update and revision history at the end of the report (excluding minor revisions).
Approach to reporting interval and reporting year	As a rule, taking April 1 in a given year as the start date and the end of March in the following year as the end date, the report will cover performance, conditions, etc. for activities conducted during the year in question. However, in some cases, details that fall outside this period will also be included.

Contact Information for ESG-Related Inquiries

Please use the contact information below for ESG-related inquiries.

Asset Manager	Takara PAG Real Estate Advisory Ltd. 
Phone no./Opening hours	03-6435-5264 9:00 a.m. - 5:30 p.m. (except for Saturdays, Sundays, statutory holidays, and New Year's holidays)
Email	info@takara-pag.com

Sustainability-Related Policy and Promotion System

Sustainability Policy

Sustainability Policy

The Asset Manager, with the goal of implementing the “maximization of unitholder value,” “creation of a sustainable environment,” and “contribution to communities and society” sought by TLR, on whose behalf the assets are managed, has stipulated a basic policy relating to management that takes into account the environment (E), society (S), and governance (G), as indicated below.

1. Initiatives for prevention of global warming

We contribute to preventing global warming by promoting reduction of CO2 emissions through operational improvements that contribute to energy conservation and the introduction of energy-saving facilities.

2. Reduction of environmental impact

We aim to realize a circular economy with reduced environmental impact through 3R (reduce, reuse and recycle) activities and water conservation.

3. Legal compliance and internal structure in place

We comply with ESG-related laws and regulations, establish the company framework to promote sustainability, and conduct regular employee education.

4. Communication with stakeholders

We strive to improve customer satisfaction (CS) in cooperation with suppliers such as tenants and property management companies. In addition, we build trusting relationships with stakeholders outside the company through collaborative activities with local residents and contribute to the sustainable development of local communities.

5. Proactive information disclosure

We strive to widely disclose information on ESG-related initiatives to various stakeholders, including investors.

Sustainability Promotion System

To implement initiatives based on our sustainability policy, the Asset Manager has established a Sustainability Promotion Committee chaired by the CEO, which is comprised of directors, the general manager of the Investment Management Department, the general manager of the Finance and Planning Department, and the Compliance Officer. For the purpose of promoting sustainability, the committee meets at least once per fiscal period to consider specific targets and measures and monitor the progress status.

The details of Sustainability Promotion Committee meetings, along with the details of related activities, are reported to the Asset Manager's Board of Directors at least once every three months, and the specifics are shared with all managers.

Sustainability Promotion Committee—No. of Meetings Held

FY2019	FY2020	FY2021
2 meetings	2 meetings	2 meetings

Related Company Regulations, Etc.

Sustainability Promotion Manual

The Sustainability Promotion Manual stipulates the Asset Manager's internal systems, collaboration with external stakeholders, information disclosure policy, etc. for the purpose of implementing the Sustainability Policy.

Energy-Saving & Greenhouse Gas Emission Reduction Policy

With the aim of promoting the energy consumption reduction measures and greenhouse gas emissions reduction specified in the Sustainability Promotion Manual, the Energy-Saving & Greenhouse Gas Emission Reduction Policy stipulates specific measures, etc. to be implemented for reducing energy consumption and greenhouse gas emissions.

Sustainable Procurement Policy







We have established a Sustainable Procurement Policy to promote sustainability-conscious initiatives across the Asset Manager's entire supply chain. In asset management activities for the real estate portfolio owned by TLR, this policy will be applied as much as possible when procuring key products, services, etc. and selecting suppliers.

EMS Management Manual

The EMS Management Manual specifies details for managing sustainability-related manuals and policies, and it contributes to the establishment, implementation, and maintenance of the Environment Management System based on the PDCA cycle. Based on the manual, we set environmental targets, track performance, analyze budgets, and implement and improve measures relating to energy consumption, GHG emissions, water consumption, and waste in the management of TLR's assets, with the aim of continuously reducing our environmental footprint.

Materiality (Key Issues) and Related SDGs

Materiality and SDGs

Materiality	Specific Initiatives	Related SDGs
1. Promoting climate change countermeasures (E)	① GHG reduction	
	② Efficient use of water resources	
	③ Waste management	
2. Introducing renewable energy and continuously improving usage rate (E)	① Receiving support and collaboration from the Takara Leben Group with respect to promoting initiatives to introduce renewable energy	
	② Evaluating and implementing the introduction of various forms of renewable energy, including green certificates, PPAs (power purchase agreements), and micro-hydroelectric power generation	
3. Reducing environmental footprint and enhancing resilience (E)	① Enhancing resilience of portfolio through efficient use of CAPEX	
	② Promoting green leases	
	③ Implementing comprehensive BCP	
4. Improving health and comfort of employees and tenants (S)	① Conducting employee satisfaction surveys on an ongoing basis and ensuring regular opportunities for dialogue with senior management	
	② Promoting flexible work styles	
	③ Conducting tenant satisfaction surveys on an ongoing basis	

Materiality	Specific Initiatives	Related SDGs
5. Respecting human rights and promoting diversity and career development (S)	① Promoting human rights-related education and awareness activities	 
	② Establishing a work environment that recognizes diversity and inclusion	
	③ Promoting career development, implementing a training system, and encouraging the acquisition of qualifications	
6. Establishing a disciplined organizational structure and engaging with stakeholders (G)	① Prohibiting political gifts and preventing corruption	 
	② Establishing a viable internal control system	
	③ Comprehensive disclosure	

Materiality Definition Process and Promotion of Initiatives

The Asset Manager defines materiality based on the following selection process and strives to resolve the identified issues.

Step1:

Identification of risks and issues by the Sustainability Office, referring to TLR's investment policy, the main sponsor Takara Leben's basic CSR policy, and the opinions of external professionals.

Step2:

In addition to the risks and issues identified in Step 1, risks and issues are clarified by the Asset Manager's department heads, and the priority issues to be addressed are determined at management meetings.

Step3:

For the issues determined in Step 2, KPIs will be set by each department going forward, and at management meetings, managers will verify that efforts are being made on a continuing basis to meet departmental targets.

Initiatives of Main Sponsor Takara Leben

CSR Basic Policy

The Takara Leben Group will achieve its corporate vision of “THINK HAPPINESS AND MAKE THE HAPPINESS” while working to earn the trust of various stakeholders and society. We will contribute to solutions to social issues and achieving the Sustainable Development Goals (SDGs) by undertaking CSR initiatives through our business including supplying housing and introducing natural energy as we strive for continuous growth.

Message from Executive in Charge of CSR

The Takara Leben Group has contributed to urban and community development through the provision and management of residences. Among our long-standing ESG initiatives are business in clean energy fields including development of solar power condominiums as well as development and operation of mega solar power generation facilities.

As the ideals of society and lifestyles undergo major changes amidst increasingly severe climate change issues and the spread of COVID-19, the roles demanded of companies and the expectations of stakeholders are increasing in conjunction with the spread of the SDGs, and we are being required to make ever greater reforms.

The Takara Leben Group addressed ESG responses in the previous Medium-Term Management Plan by identifying key issues, linking them with key CSR topics for the Group and the SDGs, and formulating policies. Actively addressing ESG is one element of the new Medium-Term Management Plan announced in May 2021, and we have set KPIs for this fiscal year in order to steadily implement measures. We believe that in order to carry out more effective measures, it is extremely important that each employee has an awareness of the roles of their own jobs within society and the significance of those roles, and further, that we create environments where Takara Leben Group employees can work with vitality and transform the Group into an organization with more diverse values.

With our corporate vision—THINK HAPPINESS AND MAKE THE HAPPINESS—in mind, we will contribute to solving society's issues through our business in a way that links to sustainable growth. We look forward to your continued support in the future.



Kazuyuki Shimizu
Director, COO and Vice President Executive Officer

Examples of Takara Leben's Initiatives

1. Leben Nagano Nakagoshō THE PEERLESS ZEH Condominium

With the Leben Nagano Nakagoshō THE PEERLESS, currently under construction in Nagano City, Nagano Prefecture, Takara Leben is proposing a ZEH condominium* with unprecedented environmental value by taking measures to curtail peak energy use through the Internet of Things (IoT), conserving energy through total electrification and collective power reception in private areas, and supplying CO2-free electric power. The property has obtained certification under ZEH-M Oriented, a project to encourage CO2 reductions in new housing complexes and existing residences, presented by the Ministry of the Environment, a first among Takara Leben properties in Nagano Prefecture.

※

Condominiums that seek to conserve energy while maintaining a comfortable interior environment and to achieve net zero primary energy consumption over the course of a year by improving thermal insulation efficiency and installing high-efficiency equipment and systems.



2. Funding Based on ESG/SDG Evaluation Syndication

Takara Leben (head office: Chiyoda Ward, Tokyo; CEO: Kazuichi Shimada) announced today that it has raised funds through a syndicated loan based on an ESG/SDG assessment under the ESG/SDG Assessment Syndication program offered by Sumitomo Mitsui Banking Corporation (head office: Chiyoda Ward, Tokyo; President and Group CEO: Makoto Takashima).

The ESG/SDG Assessment Syndication is a financing product that assesses companies' initiatives and information disclosure from an ESG perspective and contributions to achieving SDGs (Sustainable Development Goals) based on independent assessment criteria created by Sumitomo Mitsui Banking Corporation and The Japan Research Institute, Limited and benefits their analysis of the appropriateness of their initiatives and information disclosure, tackling of future issues, and specific initiatives to address issues.

With the aim of further enhancing its power generation business and achieving Goal 7 of the SDGs (universal access to clean energy), the Takara Leben Group will use the funds to develop business for Leben Clean Energy Co., Ltd.

(Excerpted from press release issued on October 29, 2021)

Takara Leben's CSR page: <https://www.leben.co.jp/en/csr/> 

External Evaluation and Initiatives

GRESB Real Estate Assessments, Public Disclosure

Established in 2009, GRESB is the name of a global research and administration organization whose purpose is to assess the environmental, social, and governance (ESG) performance of real assets (real estate, infrastructure) and provide accurate, comparable data to capital markets, including investors.

TLR has participated in GRESB assessments since 2019. In the 2021 GRESB Real Estate Assessment, it received a “2 Star” GRESB rating, based on the global ranking of its overall score. It has also obtained a Green Star evaluation—indicating that it achieved a high evaluation in both the Management Component, which assesses policies and organizational structure for promoting ESG, and the Performance Component, which assesses environmental performance, tenant engagement, etc. at portfolio properties—for three consecutive years.

Additionally, in the GRESB disclosure, which measures the level of ESG information disclosure, its ESG information disclosure efforts were highly evaluated and received a "B level" rating.



Endorsement of TCFD (Task Force on Climate-Related Financial Disclosures)

The TCFD refers to the Task Force on Climate-Related Financial Disclosures, a body established by the Financial Stability Board (FSB) at the request of the G20 with Michael Bloomberg as its chairman to examine how climate-related information should be disclosed and how financial institutions should respond. The TCFD published its final report in June 2017 and recommends that companies disclose items related to climate change-related risks and opportunities.

(Excerpted from the TCFD Consortium website)

The Asset Manager endorsed the TCFD's recommendations in February 2022.



Signing of 21st Century Financial Behavior Principles

The Asset Manager has endorsed the approach of these principles and became a signatory in March 2022. The Financial Behavior Principles for the Formation of a Sustainable Society (21st Century Financial Behavior Principles) were formulated in October 2011 as action guidelines for financial institutions who want to fulfill the roles and responsibilities needed to develop a sustainable society.



Participation in Japan Climate Initiative (JCI)

The Asset Manager has endorsed the “Joining the Front Line of Global Trend for Decarbonization from Japan” declaration by the Japan Climate Initiative (JCI) and joined JCI in March 2022.

With the aim of achieving the decarbonized society envisioned by the Paris Agreement, JCI was established in July 2018 as a network of Japanese companies, governments, organizations, NGOs, etc. proactively engaged in measures to combat climate change.



Takara Leben Signs UN Global Compact

In 2020, the Takara Leben Group signed the United Nations Global Compact promoted by the UN and registered as a participating company.

We will continue our efforts to achieve the Ten Principles of the UN Global Compact in four areas: human rights, labour, environment, and anti-corruption.

* The United Nations Global Compact was proposed by then UN Secretary-General Kofi Annan in 1999 at the World Economic Forum in Davos and was launched in 2000.






The Ten Principles of the UN Global Compact	
 Human Rights	Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2 make sure that they are not complicit in human rights abuses.
 Labour	Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4 the elimination of all forms of forced and compulsory labour; Principle 5 the effective abolition of child labour; and Principle 6 the elimination of discrimination in respect of employment and occupation.
 Environment	Principle 7 Businesses should support a precautionary approach to environmental challenges; Principle 8 undertake initiatives to promote greater environmental responsibility; and Principle 9 encourage the development and diffusion of environmentally friendly technologies.
 Anti-Corruption	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

Green Building Certifications

DBJ Green Building Certification

DBJ Green Building Certification is a certification system created by Development Bank of Japan Inc. (DBJ) to support properties that consider the environment and society (“Green Buildings”). Based on a comprehensive assessment including the property's environmental performance as well as its engagement with various stakeholders (disaster prevention, consideration for the community, etc.), it evaluates and certifies properties which meet the needs of society and the economy and supports their initiatives.



Property Name	Assessment Acquisition Date
Omiya NSD Building 	January 26, 2022
Higashi-Ikebukuro Central Place 	March 12, 2021
NT Building 	July 12, 2019

※Acquisition record as of February 2022

Building-Housing Energy-Efficiency Labelling System (BELS) Assessment

BELS (Building-Housing Energy-Efficiency Labeling System), a public system that assesses the energy-saving performance of buildings, was created based on the Act on Improvement of Energy Consumption Performance of Buildings. Primary energy consumption is assessed and verified by third-party institutions based on building energy consumption performance standards stipulated by the government of Japan.

Property Name	Assessment Rank	Assessment Date
Luxena Todakoen 	★★	October 18, 2021
Luxena Akihabara 	★★★★	September 2, 2020
ACCESS by LOISIR HOTEL Nagoya 	★★	December 24, 2019
Hakata Gion Building 	★★	December 23, 2019
Dormy Inn Matsuyama 	★★	August 9, 2019
L. Biz Jimbocho 	★★★	December 20, 2019
Dormy Inn Morioka 	★★★	August 8, 2019

※Acquisition record as of February 2022

Coverage rate of Green Building Certifications

Coverage rate of Green Building Certifications: 27.6% (total floor area of certified properties [m2] / total floor area of portfolio [m2]*)

*Excluding tenant-owned buildings on the land

Climate Change Initiatives

Approach to Climate Change/Policies

TLR recognizes climate change as a key transformation in the external environment that could impact the continued existence of many different businesses. Given that climate change is a severe risk that broadly threatens all life, essential infrastructure, and economic systems at the global level, it must be urgently addressed by the international community.

In Japan, the government has declared its aim of achieving a decarbonized, carbon-neutral society by 2050, and the public and private sectors are working together to accelerate climate change countermeasures. With the aim of ensuring the seamless continuation of its business activities, TLR is proactively implementing “mitigation” measures that help to suppress climate change and “adaptation” measures that help to minimize damage and harm caused by climate change.

For the purpose of sharing these activities with stakeholders and promoting dialogue about them, in addition to endorsing the TCFD's recommendations, TLR will provide timely, appropriate disclosure regarding the status of its response to climate change-related risks and opportunities, in alignment with the TCFD framework.

Endorsement of TCFD (Task Force on Climate-related Financial Disclosures)

The Asset Manager endorsed the TCFD's recommendations in February 2022.



Recommended Disclosures by the TCFD

Disclosure Item	Disclosure Details
Governance	The organization's governance around climate-related risks and opportunities
Strategy	The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning
Risk management	Processes for identifying, assessing, and managing climate-related risks
Metrics and targets	Metrics and targets for assessing and managing climate-related risks and opportunities

Governance

The Asset Manager has established a Sustainability Promotion Committee to consider specific targets and measures and to monitor the status of progress. The committee is comprised of the CEO, directors, the general manager of the Investment Management Department, the general manager of the Finance and Planning Department, and the Compliance Officer. It holds meetings at least once per fiscal period.

ESG-related activities in general, including the details of Sustainability Promotion Committee meetings, are reported to the Asset Manager's Board of Directors once every three months, and risks and opportunities are shared as management issues.

Strategy

For the explanation in this section, the Reference Scenarios in the Real Estate Field TCFD Compliance Guidance, published by the Ministry of Land, Infrastructure, Transport, and Tourism in March 2021, have been used. The global outlook for 4°C and 2°C /1.5°C scenarios for 2030-2040 is as follows.

- 4°C global outlook: Existing economic activities are prioritized over climate change countermeasures, and as a result of continued dependence on fossil fuels, global average temperatures are allowed to rise, and natural disasters become more severe and extreme. Problems occur relating to the worsening of the food situation, water resources, etc. There is a massive impact on human activities and the extinction of species. The impact of physical risks is comparatively major.
- 2°C /1.5°C global outlook: Society as a whole promotes decarbonization and carbon circulation, resulting in the mitigation of climate change to some extent, and due to temperature rises being curbed, profoundly negative impacts and crisis situations are avoided. The impact of transition risks is comparatively large.

Risks and Opportunities	Category	Details
Transition risks	Policy and Legal Risks	4°C : Relatively few legal compliance
		2°C/1.5°C : Tougher regulations relating to GHG emissions, increased clerical costs associated with increased information disclosure requirements, increased costs due to burden of environmental taxes and carbon taxes
	Technology Risk	4°C : Replacement of existing equipment is relatively small
		2°C/1.5°C : More frequent replacement of existing facilities, increased costs associated with the introduction of new technology becoming mandatory

Risks and Opportunities	Category	Details
Transition risks	Market Risk	4°C : Increased operating costs caused by soaring prices for energy, water, waste disposal, etc.
		2°C/1.5°C : Increased operating costs caused by procurement of renewable energy
	Reputation Risk	4°C : Stakeholders' awareness of the transition to a low-carbon society will not change significantly
		2°C/1.5°C : Harming unitholder value due to increased criticism of the industry as a whole and negative screening by stakeholders. Increased vacancies and decreased revenues due to properties being avoided that are slow in responding to environmental concerns as tenants' preferences shift.
Physical risks	Acute Risk	Risks of natural disasters' severity/extremity becoming more pronounced, leading to physical damage to property and personal damage, suspension of business, increased recovery costs, and significant impact on the health and safety of employees and tenants
	Chronic Risk	Risks of weather patterns and human activity patterns changing, leading to more frequent equipment wear, increased non-life insurance premiums, and increased BCP/preparatory costs for anti-flooding measures, etc.
Opportunities	Benefit of a diversified portfolio	Since TLR is a diversified REIT that is able to integrate a variety of asset types, it will be able to build a resilient portfolio by accounting for medium- and long-term risks.
	Benefit of main sponsor being a developer	As part of its environmental initiatives, TLR's main sponsor Takara Leben has established KPIs which state that a certain number of the properties it develops will be green buildings (i.e., environmentally friendly properties, such as those that have received a certification or assessment from a third party), and a certain number of properties in the pipeline for TLR may therefore be expected to be green buildings.

Risks and Opportunities	Category	Details
Opportunities	Advantage of renewable energy	TLR's main sponsor Takara Leben and companies in the Group have multiple organizations and companies engaged in clean energy-related business, and collaborations and business partnerships may be considered. Specific measures relating to effective means of procuring renewable energy may be considered while enjoying benefits such as consulting services from experts within the Group.

※ We plan to collaborate with external experts to disclose specific cost estimates and business impact evaluations associated with measures such as strengthening resilience.

Risk Management

The Asset Manager has created a Risk Management Manual and implements its contents. Moreover, with respect to the overall risks in TLR's business activities, including climate change, it revises the Annual Plan for Risk-Related Management Policy each year. This plan is approved by a resolution of the Compliance Committee, which is comprised of both internal and external members, and the Board of Directors. The Asset Manager regularly checks for issues in risk management conditions by means of voluntary inspections and internal audits, and the verified details are reported to the Compliance Committee and Board of Directors as needed.

With regard to the Asset Manager's organizational structure concerning risk management, refer to “[G. Governance](#)”

(1) Board of Directors

After identifying the types and characteristics of risks faced by the company, the Board of Directors determines key matters concerning risk management, such as establishing the organizational structure and regulations with respect to risk management.

(2) Compliance Committee

The Compliance Committee serves a role as a cross-organizational consultative body. It discusses and considers the formulation, revision, and abolition of the organizational structure and regulations relating to risk management, monitors risks, etc. and passes resolutions on key matters concerning risk management, as well as collaborating with the Board of Directors, auditors, and Compliance Officer as needed.

(3) Risk Management Supervisor

The role of the Compliance Officer includes supervising risk management for the company.

(4) Risk Managers

The heads of each department manage risks that fall under their department's jurisdiction and report to the risk management supervisor regarding the status of management.

Metrics and Targets

Refer to the “[Environmental Targets](#)” and “[Environment-Related Data](#)” sections in “[E. Environment](#)”.

Initiatives Addressing Environmental Issues

Environmental Policy

In terms of environmental issues, we are contributing to the prevention of global warming by promoting the reduction of CO2 emissions through measures such as improving our operations to reduce energy consumption and introducing energy-saving equipment. Furthermore, with the objective of reducing our environmental load, we are aiming to support the realization of a circular economy with a smaller environmental footprint by conserving water, implementing the 3Rs (reducing, reusing, and recycling resources), etc.

Environmental Targets

Scope 1 and Scope 2 GHG Emissions

(1) Medium- to long-term target

For areas that they are responsible for managing, TLR and the Asset Manager have set a medium- to long-term target of reducing energy consumption (crude oil equivalent) and greenhouse gas emission intensity by an average of at least 1% per year each.

(2) Short-term target

The short-term target is to reduce energy consumption (crude oil equivalent) and greenhouse gas emission intensity by at least 1% year-on-year each.

Water Consumption

The target is to reduce specific water consumption each year compared with the previous year across the entire portfolio and at individual properties.

Waste Disposal

The target is to improve the proportion of waste that is recycled each year compared with the previous year across the entire portfolio and at individual properties. For non-residential properties, we are currently striving to improve the measurement coverage rate and to promote the 3Rs and reduce waste quantities while asking tenants to support TLR's approach as part of efforts to enhance tenant relations. At residential properties, since we cannot measure waste amounts, we will continue to conduct awareness activities aimed at tenants.

Environment-Related Data

Energy Consumption

Item	Overall	
	FY2019	FY2020
Total energy consumption (000s of kWh)	23,657	21,070
Fuel consumption (000s of kWh)	7,838	6,495
Electricity consumption (000s of kWh)	15,820	14,575
Renewable energy production (000s of kWh)	0	0
Specific energy consumption (kWh/m2)*	146	136
Year-on-year specific energy consumption reduction rate (%)	-	93.4%

N.B.: The intensity for * is rounded off after the decimal point.

Greenhouse Gas Emissions

Item	Overall	
	FY2019	FY2020
Total CO2 emissions (t-CO2)	9,251	8,875
Scope 1 emissions (t-CO2)	1,437	1,188
Scope 2 emissions (t-CO2)	7,814	7,687
CO2 emission intensity (kg-CO2/m2)*	57	57
Year-on-year CO2 emission intensity reduction rate (%)	-	100.6%

N.B.: The emission intensity for * is rounded off after the decimal point.

Water Consumption

Item	Overall	
	FY2019	FY2020
Total water consumption (thousands of m3): A+B	134.8	110.6
Externally purchased water consumption (thousands of m3): A	132.4	108.5
Other water consumption (thousands of m3): B	2.4	2.1
Specific water consumption (m3/m2): for A*	0.82	0.70
Year-on-year specific water consumption reduction rate (%)	-	86.0%

N.B.: The intensity for * is rounded off after the second decimal point.

Waste Generation

Item	Overall	
	FY2019	FY2020
Total waste generation (t)	936	927
Total general waste generation (t)	936	927
Total industrial waste generation (t)	0	0
Ratio by waste disposal method		
Recycling (%)	41.4	38.7
Reused (%)	0.7	0.6
Thermal recycling (%)	11.9	10.4
Incinerated (%)	26.2	30.9
Landfill (%)	5.8	6.7
Unknown (%)	14.0	12.7

N.B.: The intensity for * is rounded off after the decimal point.

Basis for Calculating Environmental Performance

Item	Energy Consumption	Greenhouse Gas Emissions	Water Consumption	Waste Generation
Reporting scope	<ul style="list-style-type: none"> In addition, it covers properties or areas owned during a given calculation period. In the case of acquisition or disposition during the period, reporting covers data during the period when they were owned. 			
Aggregation period	<ul style="list-style-type: none"> As a rule, performance is updated annually, taking the period from April to March as the fiscal year. 			
Intensity denominator	<ul style="list-style-type: none"> The intensity denominator is the total floor area (m2). In the case of acquisition or disposition during the reporting period, the total floor area during the period the property was owned is used (total floor area / 12 months x number of months owned = m2). The total floor area for office buildings and commercial buildings is calculated by factoring in the occupancy rate. For residential properties, the total floor area of common areas is used. 			
Premises of calculation method	<ul style="list-style-type: none"> The fuels covered in the fuel consumption amount are city gas, LPG, kerosene, and Bunker A consumed at the applicable business establishments. The standard heating value of fuel is based on the Ministry of the Environment and Ministry of Economy, Trade, and Industry's "Standard Heating Value and Carbon Emission Coefficients by Energy Source" and "List of Calculation Methods and Emission Coefficients for Calculation, Reporting, and Publication System". 	<ul style="list-style-type: none"> Scope 1 covers city gas, LPG, kerosene, and Bunker A consumed at the applicable business establishments. Scope 2 covers electricity consumed within the reporting scope. GHG emission coefficients by energy type are based on the Ministry of the Environment and Ministry of Economy, Trade, and Industry's "Standard Heating Value and Carbon Emission Coefficients by Energy Source" and the "Standard Emission Coefficients" in the "List of Calculation Methods and Emission Coefficients for Calculation, Reporting, and Publication System". 	<ul style="list-style-type: none"> Externally purchased water consumption covers water and sewerage. Other water consumption covers reclaimed water. 	-
Intensity calculation method	<ul style="list-style-type: none"> The formula for calculating intensity is as follows: $\text{Intensity} = \frac{\text{Energy consumption amount or greenhouse gas emission amount or water consumption amount}}{\text{Total floor area*}}$ <p>*The total floor area here is the sum of the total floor areas based on the calculation method indicated in "Intensity denominator".</p>			-

Initiatives Addressing Environmental Issues at Assets under Management

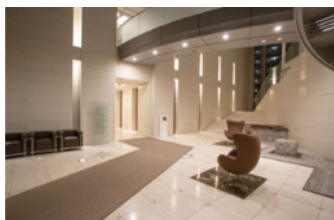
The Asset Manager is engaged in energy-saving upgrades and improvements to building operations for the purpose of reducing the portfolio's environmental footprint and improving the interior environment.

Energy-Saving and LED Conversion Work

Conversion to LED lighting is progressing at 36 properties (including partial conversion) in the portfolio. The LED conversion rate for the portfolio is as shown below (based on floor area; as of the end of February 2022).

	No. of Properties (including partial implementation)	LED Conversion Rate across Portfolio	
LED conversion work	36	Total: 59.5%	In common areas: 78.8%
			In private areas: 55.3%

(LED lighting cases)



NT Building (Entrance)



NT Building (Driveway)



Hakata Gion Building

Reduction of Greenhouse Gas Emissions

We are striving to create a shared power-saving culture through measures such as putting up awareness posters in common areas and tenants' private areas.

(Putting up power-saving awareness posters)



Reducing Water Consumption

At one of the properties in the portfolio, NT Building, rainwater is reused as flushing water in the bathrooms. Furthermore, we are striving to promote the conservation of water resources on an ongoing basis, such as completing work to install water-saving packing at 19 of the portfolio properties and pursuing awareness activities aimed at tenants.

(Displaying water-conservation posters)



Waste Reduction

As an initiative to reduce waste in office buildings, we are pursuing awareness activities aimed at tenants in collaboration with property and building managers.

(Displaying awareness posters)



Social Initiatives

Social Initiative Policy

In collaboration with tenants and suppliers such as property management companies, we strive to improve customer satisfaction (CS) and to build trusting relationships with external stakeholders through conducting mutually beneficial community activities with local residents, thereby contributing to the sustained development of local communities. Furthermore, we strive to widely disclose information on our ESG-related initiatives to stakeholders, including investors.

Communication with Tenants

Tenant Satisfaction Surveys

We will conduct a survey of as many tenants as possible and strive to consider and implement measures to improve satisfaction.

Green Lease Introduction Track Record

With the aim of improving environmental performance at portfolio properties in collaboration with tenants, TLR is promoting the introduction of green leases.

A green lease refers to a voluntary agreement, based on a contract, MOU, or the like, to reduce the environmental footprint of real estate (energy-saving measures, etc.) and improve office environments by implementing the agreed provisions through collaboration between building owners and tenants.

We have signed a green lease agreement with a tenant in L.Biz Jimbocho.

Consideration of Tenants' Health and Comfort

We are pursuing measures to improve tenants' safety and comfort, such as installing AEDs and placing emergency supplies in the elevators. We are also pursuing communication with tenants to increase awareness of health, including posters and notifications on digital signage that recommend using the stairs.



Communication with Employees

Employee satisfaction surveys

2020 implementation rate: 100%; meetings with president: held /year (April/October)

Scheduled to hold four annual interviews with the president after 2022

Promotion of diverse work styles

We have provided cellphones and laptops to all officers and employees and developed an environment conducive to telecommuting. We also use staggered commuting times and flexible working hours.

Promotion of career development

With the aim of improving personal development and improving the quality of work, we have established a system that encourages the acquisition of qualifications.

Number of Qualification Holders at the Asset Manager

Item	No. of Holders
ARES Certified Master	9 employees
Real Estate Broker	15 employees
Official Real Estate Consulting Master	1 employee
Certified Building Administrator	2 employees

※Acquisition record at the end of February 2022

Governance Initiatives

Governance Initiatives Policy

In addition to thorough compliance with laws and regulations, we will establish an internal structure and conduct regular employee training for the purpose of promoting sustainability.

Corporate Governance

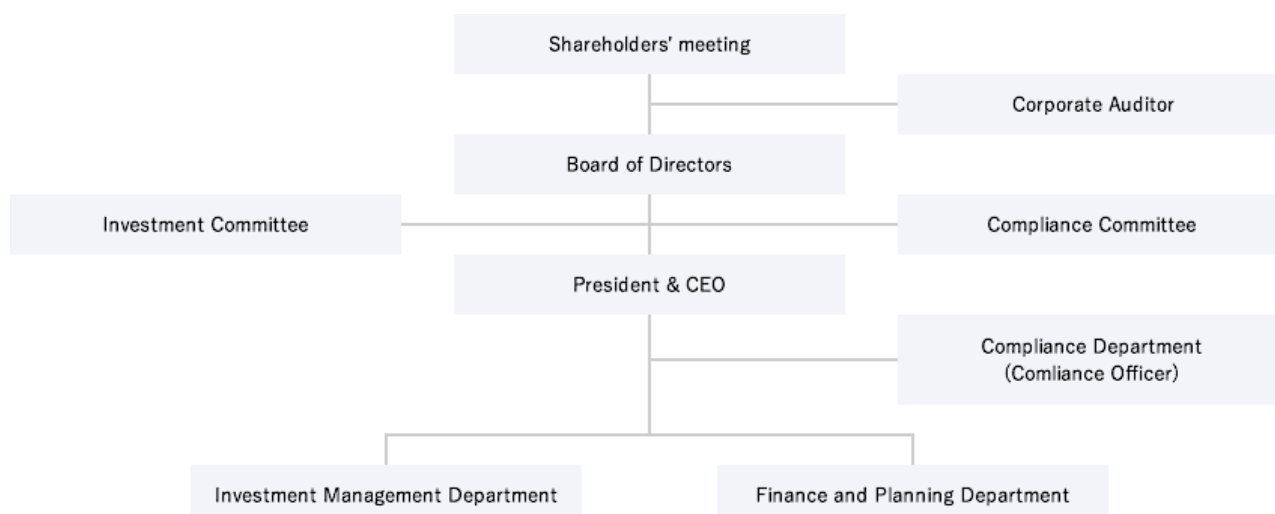
TLR was established based on the Act on Investment Trusts and Investment Corporations and is managed by a Board of Directors comprised of one executive director and two supervisory directors. The executive director holds Board of Directors meeting at least once every three months, and in addition to matters for approval as stipulated by law, detailed reports are provided on the execution status of TLR's operations and the Asset Manager's operations. Through this reporting procedure, the supervisory directors, who are independent of the Asset Manager and related interested parties, etc., obtain accurate information, and a structure is maintained that enables them to supervise the executive director's execution of his/her duties. At the same time, based on the reports in question, TLR verifies whether there are any concerns about conflicts of interest in the Asset Manager's transactions with interested parties, etc. and thereby strives to manage risks relating to conflicts of interest, etc.

TLR has the right to receive various types of report from the Asset Manager relating to the asset management outsourcing contract and the right to investigate the Asset Manager's books and other documents. Based on the exercising of the rights in question, TLR maintains a structure that enables it to supervise the Asset Manager's execution of its operations.

TLR's Structure

Refer to the “[Structure](#)” section in “Sustainability Initiatives”.

Asset Manager's Structure



Director Selection Criteria/Reasons

When evaluated as candidates, the directors were selected via a resolution of the General Meeting of Unitholders based on the reasons below, conditional upon their circumstances not corresponding to any of the reasons for disqualification stipulated in various laws and regulations, including the Investment Trusts Act (Article 98 and 100 of the Investments Trust Act and Article 244 of the Regulation for Enforcement of the Investment Trusts Act). The current Board of Directors consists of individuals who have no special interest in TLR.

Title of Officer	Name	Reasons for Appointment	Board of Directors Meeting Attendance Record
Executive Director	Tetsuo Saida	Possesses extensive real estate- and finance-related business experience and knowledge through his work at business corporations and REIT management companies, and since he possesses appropriate decision-making ability and judgment in the execution of operations, he is considered qualified to serve as the executive director.	100% (71/71 meetings)
Supervisory Director	Norifusa Hashimoto	Since he possesses professional independence as a lawyer and extensive specialized expertise and auditing experience, he is considered qualified to supervise the administration of TLR from the perspective of a legal expert.	100% (71/71 meetings)
Supervisory Director	Toshiaki Kawashima	Since he possesses practical experience and extensive specialized expertise as a CPA and also has auditing experience, he is considered qualified to supervise the execution of the executive director's duties from the perspective of an accounting expert.	100% (71/71 meetings)

※ Indicates Board of Directors meetings held from September 11, 2017, until December 22, 2021.

On December 1, 2021, Tetsuo Saida replaced Masayuki Ishihara as executive director; the total figure for both is indicated.

Remuneration of Executive Directors and Supervisory Directors

The amount of remuneration shall be determined by the Board of Directors, with a maximum of 800,000 yen/month for the executive director and a maximum of 500,000 yen per month for the supervisory directors.

Position	Name of Director	Main Concurrent Positions, etc.	Remuneration Amount by Position	
			Previous Fiscal Year (7th Fiscal Period)	Current Fiscal Year (8th Fiscal Period)
Executive Director	Tetsuo Saida	President and Representative Director Takara PAG Real Estate Advisory Limited	-	-,000 yen
Supervisory Directors	Norifusa Hashimoto	Partner, Kaynex Law Offices Auditor, Nihon Waters K.K. Auditor, March Asset Management Co., Ltd. Auditor, Narashino Okubo Mirai Project Co., Ltd. Auditor, Hirosaki Geijutsu Souzou Co., Ltd. Auditor, Higashi Okazaki Station Northeast District Complex Facility Co., Ltd.	1.2 million yen	1.2 million yen
	Toshiaki Kawashima	Representative, Kawashima CPA firm Director (external), Japan Display Inc. Director, Shoto Co., Ltd. Auditor, StormHarbour Japan Ltd.	1.2 million yen	1.2 million yen

Asset Manager Compensation Structure

Regarding fees paid to the Asset Manager for asset management services, with the aim of further improving the linkage to unitholder profits, TLR presented a revision of the asset management compensation structure at the General Meeting of Unitholders held on November 26, 2021, and since it was approved by the unitholders, the new compensation structure will be applied from March 1, 2022.

Management Compensation Structure	Calculation Method	Upper Limit
Management fee I	Total assets at end of previous fiscal period x 0.3% annual rate (maximum rate)	Total assets
Management fee II	Net income before tax (before deducting management fees) × net income per unit before tax (before deducting management fees) × 0.0030% (maximum rate)	× 0.5% annual rate
Acquisition fee	Acquisition price × 1.0% (maximum rate)	-

Compliance

Basic Compliance Policy

Fully recognizing that inadequate compliance could have a disruptive effect on TLR's and the Asset Manager's management, the Asset Manager has positioned thorough compliance as one of its key management issues. Furthermore, as a company involved in the financial instruments business, the Asset Manager recognizes that it has a responsibility to strive to realize business value that meets the needs of society, and it proactively and constantly pursues compliance for the purpose of qualitatively and quantitatively increasing the value of its business.

Compliance Promotion Structure

Body	Main Role
Board of Directors	As the body with final responsibility for the execution of operations, the Board of Directors, with the aim of implementing thorough compliance, receives reports on matters for approval, etc., at Compliance Committee meetings, etc., and also passes resolutions on important matters relating to the Asset Manager's compliance.
Compliance Committee	The Compliance Committee carries out the tasks stipulated in the Compliance Committee Regulations, in collaboration with the Board of Directors, Compliance Officer, and Compliance Department.

Body	Main Role
Compliance Officer	As the person in charge of compliance at the Asset Manager, the Compliance Officer establishes an internal compliance structure and strives to foster awareness of internal regulations for abiding with the law and other rules. In addition, the Compliance Officer aims to improve compliance awareness and keep personnel well-informed by planning and implementing compliance training, etc. for officers and employees, etc. (this refers to all officers and employees of the Asset Manager and all other persons engaged in work for the Asset Manager; the same applies hereinafter). For this purpose, the Compliance Officer shall constantly monitor whether the execution of asset management tasks by the Asset Manager on behalf of TLR is based on the law, TLR's articles of incorporation, and other regulations, etc. and also monitor and supervise the status of compliance in the execution of daily tasks.
Compliance Department	The Compliance Department manages matters relating to the Asset Manager's compliance and carries out the tasks stipulated in the Division of Duties Regulations.

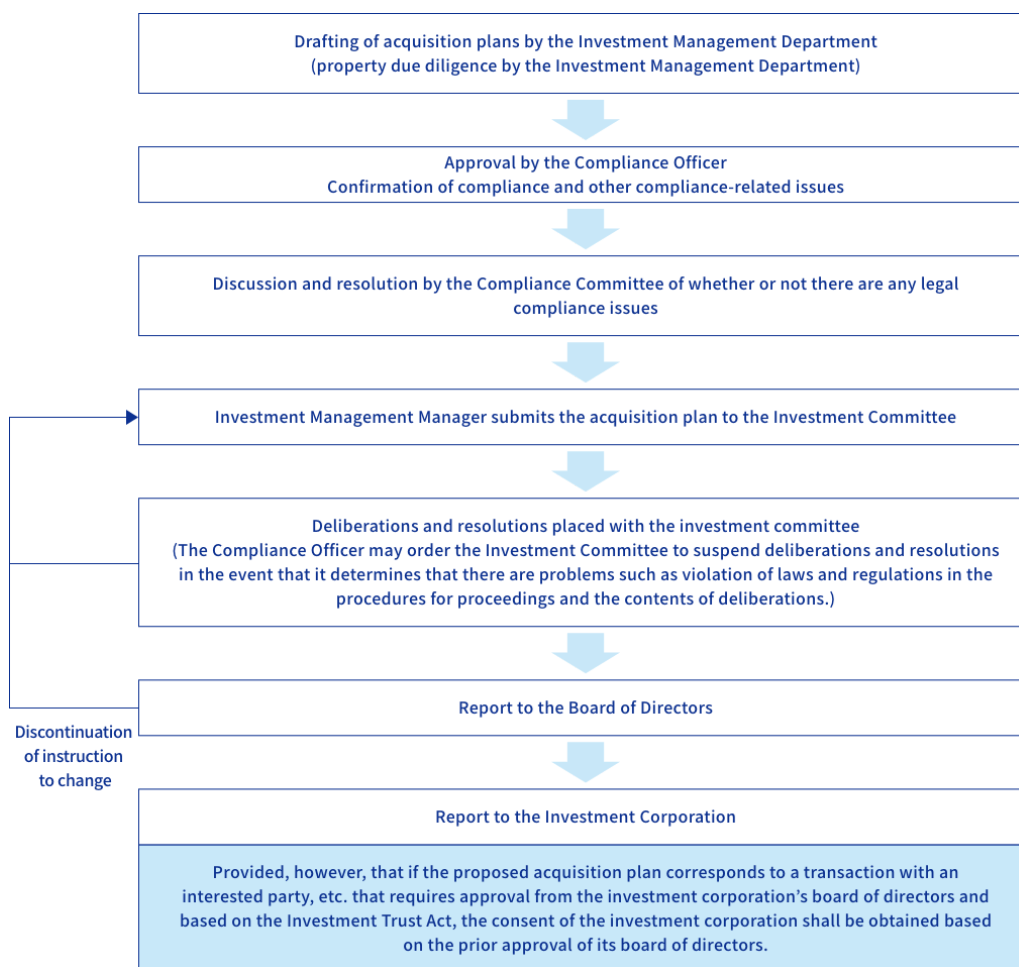
Internal Compliance Structure

The Compliance Officer ensures there is a system in place that enables reports to be received immediately in the event that an officer or employee detects conduct within the Asset Manager that violates the laws relating to its business operations, or is highly likely to violate those laws, and prevents officers and employees from covering up misconduct. Furthermore, the Board of Directors supports the Compliance Officer to ensure that there is an internal compliance structure.

Handling of Conflict-of-Interest Transactions

With regard to transactions with interested parties, TLR and the Asset Manager have established transaction criteria that stipulate the regulations for such transactions and established an approach whereby transactions are conducted after performing rigorous screening based on the screening procedure specified in the regulations to ensure that transactions are not detrimental to TLR.

If the Asset Manager attempts to conduct a transaction with an interested party, after it is proposed by the department in charge of the transaction, the Compliance Officer will review it beforehand to determine whether it complies with the laws and regulations (this refers to laws, governmental and ministerial ordinances, by-laws, and other instructions that the Asset Manager must comply with when executing its business, Investment Trusts Association regulations, regulations of financial instruments exchanges on which TLR is listed, TLR's regulations, and the Asset Manager's articles of incorporation, internal rules, and contracts signed by it based on these, including the asset management contract for TLR, etc.) and whether there are any other compliance-related issues, and if the Compliance Officer approves the transaction, it may be brought before the Compliance Committee. The Compliance Committee will deliberate the transaction from a compliance perspective, and if it approves it, the transaction may be brought before the Investment Committee. The Investment Committee will deliberate the transaction, and upon its approval being obtained (however, in the case of transactions corresponding to transactions with interested parties, etc. in the Investment Trusts Act, as stipulated in Article 5 of the Interested Parties Transaction Regulations, the Investment Committee's approval and the consent of TLR, based on the approval of its Board of Directors, will be required), it will be decided that the transaction is to be executed.



Establishment of System to Eliminate Anti-Social Forces

The Asset Manager has formulated Regulations to Eliminate Anti-Social Forces and an Anti-Social Forces Elimination Manual and implements a system for eliminating relationships of any kind with anti-social forces. Specifically, under the guidance of the Compliance Officer (the officer who supervises the implementation of the system for severing ties with anti-social forces and handling of them), the Asset Manager checks for the presence of anti-social forces by investigating using a database (updated as appropriate, including the addition, deletion, and revision of information), search engine, and search records. Moreover, as a result of investigation, if it is found that the other party in a transaction (or a potential other party in a transaction; the same applies hereinafter) is an anti-social organization, if the involvement of an anti-social organization is suspected, or if an inappropriate request is received from an anti-social organization, the employee in charge shall immediately and appropriately report to and consult with the department manager (the “department manager with direct responsibility”) and the Compliance Officer. After discussing countermeasures with the Compliance Officer, the department manager with direct responsibility will seek to ensure the employee in charge's safety and resolve the matter. If it is found that the other party in a transaction is an anti-social organization after the transaction has begun, the department manager with direct responsibility will take steps to dissolve the transaction with the anti-social organization after discussing countermeasures with the Compliance Officer.

Prohibition of Political Contributions and Anti-Corruption Measures

The Asset Manager's Compliance Manual stipulates the following with regard to relationships with politicians and public officials, and the information is shared with employees when the opportunity arises (e.g., compliance training):

“With regard to relationships with politicians and public officials, we must comply with the relevant laws and regulations, such as the Political Funds Control Act (Act No. 194 of 1948) and the Public Offices Election Act (Act No. 100 of 1950), maintain sound, transparent, and honest dealings with political and governmental parties, and prevent corruption, including mutual favors, collusion, etc. Furthermore, when dealing with public officials and the like, we must not only thoroughly comply with the laws and regulations but also avoid conduct that raises doubts. Hospitality and gifts for public officials are prohibited. Providing hospitality and gifts to, or offering them, parties holding public office is subject to criminal punishment for bribery.”

Compliance and ESG Training

The Asset Manager conducts compliance- and ESG-related training for all officers and employees on a continuing basis, in which they play an active part. Compliance-related training is also provided to new hires at the time of joining the company.

Whistleblowing System

Based on the Compliance Manual and in accordance with the Whistleblower Protection Act, the Asset Manager has established a system that enables employees who become aware of a compliance-related problem or the like to report directly to the Compliance Officer or a harassment and compliance helpline without going through the person in charge of the department to which they belong (i.e., a whistleblowing system).

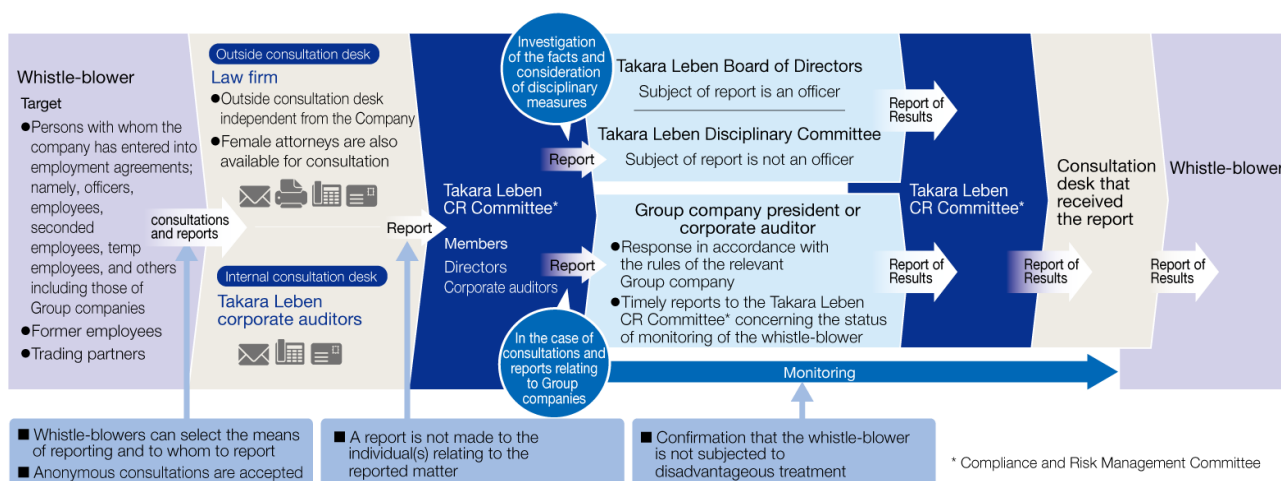
Asset Manager's internal contact: Compliance Officer

Harassment and compliance helpline:

External contact (external law firm)

Takara Leben contact (auditor, Takara Leben)

The poster features the Takara Leben Group logo at the top right. The main title in large blue Japanese characters is 'ハラスメントコンプライアンスヘルプライン' (Harassment Compliance Helpline). To the right, a blue circle contains the text '職場で解決できないルール違反はヘルプラインへ!' (If you can't solve it at work, go to the helpline for rule violations!). Below the title, there is a block of Japanese text explaining the helpline's purpose: it is for reporting harassment and compliance issues, regardless of the level of suspicion. It states that reports will be handled confidentially and that the reporter's identity will be protected. The text concludes with '通報者・被通報者・調査協力者や情報の保護は、最優先されます。' (Protection of reporters, those being reported, investigation cooperators, and information is the top priority).



Risk Management

Basic Risk Management Policy

The Asset Manager, under its own responsibility as an asset management specialist, fully recognizes that it has an obligation to monitor and manage various risks, especially management-related risks, in an appropriate manner and conduct its business optimally and that failure to implement appropriate risk management will damage TLR's assets under management and hurt customers' interests. It has therefore positioned appropriate management and control of risks, based on the characteristics of its business and the associated risks, as a key management issue and strives to implement a risk management system.

Risk Management System

TLR's organizational structure relating to risk management is as follows:

- (1) TLR was established based on the Act on Investment Trusts and Investment Corporations and is managed by a Board of Directors comprised of one executive director and two supervisory directors. The executive director holds Board of Directors meetings at least once every three months, and in addition to matters for approval as stipulated by law, detailed reports are provided on the execution status of TLR's operations and the Asset Manager's operations. Through this reporting procedure, the supervisory directors, who are independent of the Asset Manager and related interested parties, etc., obtain accurate information, and a structure is maintained that enables them to supervise the executive director's execution of his/her duties. At the same time, based on the reports in question, TLR verifies whether there are any concerns about conflicts of interest in the Asset Manager's transactions with interested parties, etc., and thereby strives to manage risks relating to conflicts of interest, etc.
- (2) TLR has the right to receive various types of report from the Asset Manager relating to the asset management outsourcing contract and the right to investigate the Asset Manager's books and other documents. Based on the exercising of the rights in question, TLR maintains a structure that enables it to supervise the Asset Manager's execution of its operations.

The Asset Manager's organizational structure relating to risk management is as follows:

Body	Main Role
Board of Directors	After identifying the types and characteristics of risks faced by the Asset Manager, the Board of Directors determines key matters concerning risk management, such as establishing the organizational structure and regulations with respect to risk management.
Compliance Committee	The Compliance Committee serves a role as a cross-organizational consultative body. It discusses and considers the formulation, revision, and abolition of the organizational structure and regulations relating to risk management, monitors risks, etc. and passes resolutions on key matters concerning risk management, as well as collaborating with the Board of Directors, auditors, and Compliance Officer as needed.
Risk Management Supervisor	The role of the Compliance Officer includes supervising risk management for the Asset Manager.
Risk Managers	The head of each department manages risks that fall under their department's jurisdiction and reports to the risk management supervisor regarding the status of management.

Asset Manager Risk Management

As a rule, the Asset Manager monitors and manages risks relating to operation and management via multiple verification systems at various levels.

- A. The Asset Manager has stipulated a portfolio development policy, due diligence standards, portfolio operation and management policy, etc. in its Operation Guidelines. By complying with these guidelines, it strives to manage risks relating to real estate and real estate trust beneficiary interest.
- B. The Asset Manager has formulated Investment Committee Regulations with the aim of making the decision-making process for key matters relating to investment and management on behalf of TLR more transparent. It also strives to manage risks by establishing objective business procedures for real estate research, acquisition, management, operation, and other tasks.
- C. The Asset Manager has formulated Compliance Regulations, a Compliance Manual, and Interested Party Transaction Regulations. Compliance with laws and regulations, etc. is verified by the Compliance Officer, while the Compliance Committee deliberates and approves transactions with interested parties as stipulated in the Interested Party Transaction Regulations. Through these activities, the Asset Manager strives to prevent risks associated with legal violations and conflicts of interest.
- D. The Asset Manager has stipulated Risk Management Regulations and specific methods for managing risks, etc., and through maintaining an appropriate risk management structure, it strives to implement thorough risk management.
- E. The Asset Manager has formulated Insider Trading Prevention Regulations and strives to prevent insider trading by officers, employees, etc.

Cybersecurity

- Information Security Manual

The Information Security Manual stipulates cybersecurity measures, which are rigorously managed and supervised by the information security supervisor.

BCP

- Crisis Management Manual

With regard to crisis management, we fulfill our social obligations as a company and ensure our social credibility based on the following basic approach:

- (1) We will prioritize saving the lives and ensuring the health of officers, employees, and related persons over everything else.
- (2) We will preserve the assets managed for TLR and meet our commitments as an asset management company.
- (3) We will rapidly restore and normalize business operations, as well as supporting the stabilization of the local community and economy.
- (4) We will minimize the negative impact on stakeholders and seek to continuously improve the situation.

● Emergency Response Manual

The Emergency Response Manual comprehensively outlines response guidelines in the event of a disaster or accident, from advance preparations to communication. The manual was developed based on the following basic response procedure, which enables an appropriate response when a crisis occurs:

- (1) Emergency Communication Guidelines, Emergency Response Guidelines, and Response Flow relating to properties entrusted to the Asset Manager by TLR
- (2) Disclosure rules in the event of a disaster
- (3) Advance preparation methods in anticipation of disasters or accidents
- (4) Response procedure and triggering of BCP measures in the event of a crisis

● Business Continuity Planning (BCP)

Business Continuity Planning (BCP) is formulated for the purpose of continuing the company's business while ensuring the safety of employees and their families even in emergency circumstances (presumably when a natural disaster such as an earthquake occurs, but not limited to this). The basic approach is shown below.

The Asset Manager will implement measures aimed at business continuity in the event of an emergency based on the following basic policy:

- Ensuring the safety of people's lives (employees, outsourcing contractor employees, customers).
- Continuing asset management operations (maintaining the company's own business).
- Fulfilling our fiduciary responsibilities and carrying out our mandate from unitholders.