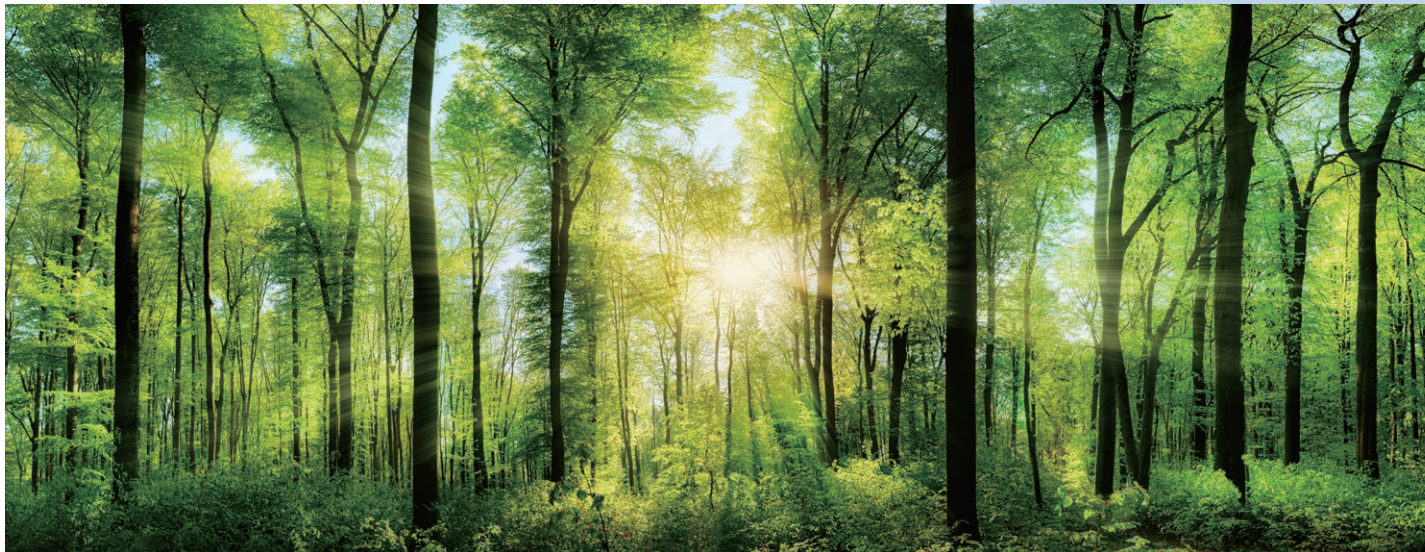


# ESG initiatives



# Environment



Emission Reduction Goal ▼

Information Disclosure Based on TCFD Recommendations ▼

## Emission Reduction Goal

### Action Plans and Goals Toward Addressing Materiality

- United Urban identified "Energy consumption" and "Utilization of management, renewable energy" as materiality and established the following action goals.
  - Reduce entire portfolio's total GHG emissions covering Scope 1+2 by 42% by 2030 (compared to 2021).
  - Reduce total GHG emissions throughout the value chain (including Scope 3) to net zero by 2050.

### SBTi (Note) Certification

Among the goals, the target to "Reduce entire portfolio's total GHG emissions covering Scope 1+ 2 by 42% by 2030 (compared to 2021)" has received SBTi certification. This is based on scientific evidence aimed at aligning with the Paris Agreement, which aims to hold the increase in the global average temperature well below 2°C above pre-industrial levels and strives to limit the temperature increase to 1.5°C above pre-industrial levels.

(Note) Science Based Targets initiative. It is an international climate-change initiative established in 2015 by CDP (Carbon Disclosure Project), UNGC (United Nations Global Compact), WRI (World Resources Institute), and WWF. To obtain a certification from SBTi, it is necessary to develop GHG emission reduction targets that are consistent with the levels required by the Paris Agreement, i.e., to control the global average temperature increases due to climate change below 2°C at most compared to the pre-industrial levels).

### Transition Risk Analysis with CRREM (Note 1)

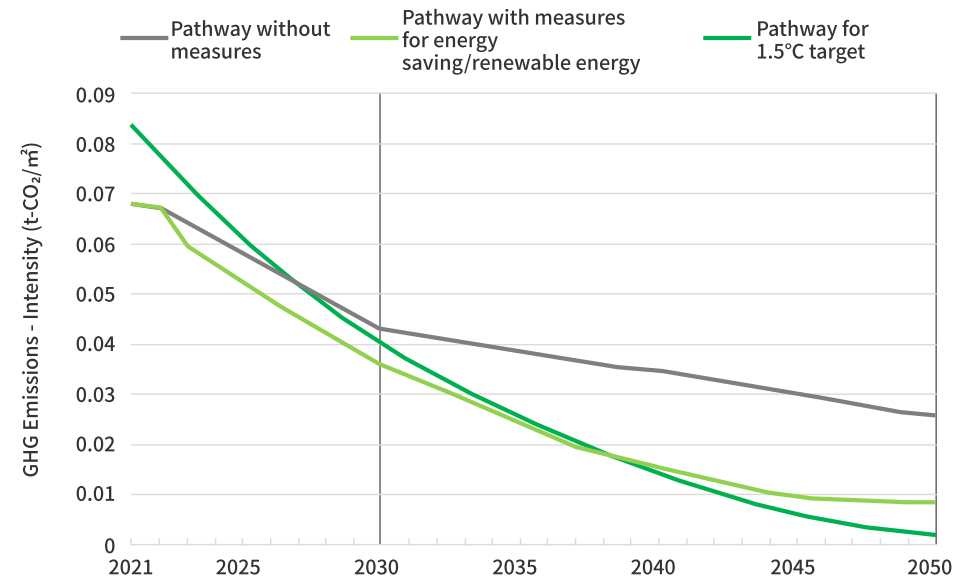
In the process to set our new targets, i.e., "Reduce total GHG emissions covering our value chain (including Scope 3) to net zero by 2050", United Urban conducted a scenario analysis by using CRREM, a tool for assessing and monitoring the transition risks.

The pathway results show our efforts for energy saving (investment in highly efficient equipment and improvement in operation) and renewable energy introduction will be on the line of 1.5°C scenario by the late 2030s. However, from the late 2030s and onward, we recognize the risks of exceeding the 1.5°C pathway.

United Urban steadily promotes measures for energy saving and renewable energy for the time being and examines measure to further reduce GHG emissions with an eye on social, economic, and technological trends.

#### CRREM 1.5°C Pathway (Japan)

Scope 1 + Scope 2 + Scope 3 (Note 2)



(Note 1) Carbon Risk Real Estate Monitor. A tool for assessing and monitoring the transition risks of climate change related to commercial real estate developed by research institutions in Europe. CRREM estimates and discloses pathways of GHG emissions by 2050 which are consistent with 2°C and 1.5°C targets in the Paris Agreement.

(Note 2) Analysis has been done along the line with CRREM's methodologies for each asset class including retail facilities, office buildings, hotels, residential properties, logistics facilities, and others, all of which consist of United Urban's portfolio.



## ■ A Non-binding Target Based on the Energy Conservation Law

- Apart from the targets set in the above materiality, United Urban established a sustainability goal and endeavor to lower annual energy consumption by more than 1% on a five-year average across its all properties, a target indicated by the Japanese Government, based on the standard unit of energy calculated by considering energy usage and total floor space, etc., of its properties.
- United Urban has been awarded the highest rating of “S” for eight consecutive years in the 2022 classification of business operators conducted and published by the Japanese Government. As of December 2023, there are only four J-REITs out of 58 that have held this rating for eight years in a row.

### Sustainability Goal

As an owner of large-scale business facilities whose greenhouse effect gas emissions are assumed to be high, United Urban sets a target to reduce the “specific energy consumption rate” by 1% per annum on average for 5 years (“Specific energy consumption rate” is calculated by the factors like energy consumption, floor space, etc.). United Urban makes efforts to accomplish the target by such means as introducing highly-efficient equipment suitable to each facility on replacement of air-conditioners or lighting equipment.

## Information Disclosure Based on TCFD Recommendations

### ■ Current Recognition of Climate Change

In recent years, environmental issues, including climate change, have been growing more severe globally. In Japan, large-scale natural disasters have been occurring more frequently due to extreme weather, which has had a major impact on economic and social activity. The Paris Agreement was adopted at the 2015 United Nations Climate Change Conference (COP) to address climate change at the global level through the coordinated efforts of international society. Under the framework of the Paris Agreement, there is an increased expectation and need for the private sector to play a role in reducing GHG emissions.

MRA believes that addressing climate change is critical in the management of United Urban’s portfolio. We fully recognize the risks and opportunities associated with climate change and continue to pursue initiatives to solve the issue through real estate investment and management in order to realize a sustainable society for all stakeholders.

### ■ Policy Relating to Climate Change

Based on our current recognition of climate change, MRA and United Urban have revamped the Environmental Policy established in 2012 and formulated the Sustainability Policy in 2022. Created as guidelines for implementing initiatives to resolve environmental, social, and economic issues and create new value, the Sustainability Policy incorporates approaches to tackling climate change, reducing our environmental footprint, realizing a recycling-based society and sustainable cities, contributing to local communities, and respecting human rights, as well as cooperation and collaboration with stakeholders and enhancement of productivity and job satisfaction of executives and employees.

To address climate change, it is stated in the policy that we will strive to reduce greenhouse gas emissions by actively promoting efficient use of natural resources and energy from the perspective of sustainability and resource efficiency as well as realize a decarbonized society by introducing environmentally friendly technologies and systems.

## Endorsement of TCFD Recommendations/Climate-Related Information Disclosure

Recognizing the importance of climate-related financial information disclosure, MRA announced our endorsement of the TCFD’s recommendations in January 2022.

Moreover, MRA formed a cross-organizational team of members representing various departments, which conducted a scenario analysis of climate risks and opportunities for United Urban’s portfolio in accordance with the TCFD’s recommendations.

MRA’s climate-related information disclosure, based on the TCFD’s framework, is shown below.

### Disclosure Items Recommended by the TCFD

| Item                       | Summary  |
|----------------------------|--|
| <b>Governance</b>          | The organization’s governance around climate-related risks and opportunities   |
| <b>Strategy</b>            | The footprint and potential impacts of climate-related risks and opportunities on the organization’s business, strategy and financial planning (scenario analysis) |
| <b>Risk management</b>     | Processes for identifying, assessing and managing climate-related risks  |
| <b>Metrics and targets</b> | Metrics and targets for assessing and managing climate-related risks and opportunities   |

## (1) Governance

### Internal System for Sustainability

For the purpose of carrying out sustainability activities, including measures to tackle climate change, MRA has formulated the Sustainability Regulations. Through the system based on these regulations, we implement sustainability activities in a strategic and organized manner.

| Body  | Overview   |
|---|--|
| <b>Board Meeting</b>                          | Formulate and revise the Sustainability Policy and supervise sustainability activities   |
| <b>Chief Sustainability Officer</b>           | <ul style="list-style-type: none"> <li>President and Chief Executive Officer (CEO)</li> <li>Responsibility and authority over all sustainability activities</li> </ul>   |
| <b>Chief Sustainability Operation Officer</b> | <ul style="list-style-type: none"> <li>Chief Investment Officer (CIO)</li> <li>Responsibility over execution of sustainability activities</li> </ul>   |
| <b>Sustainability Committee</b>               | <ul style="list-style-type: none"> <li>Permanent body devoted to sustainability activities</li> <li>Chaired by the Chief Sustainability Operation Officer and comprised of members including the Chief Sustainability Officer and others</li> <li>Meet more than four times a year</li> <li>Share the challenges of sustainability activities and progress of targets (KPIs); plan various measures</li> </ul> |

In accordance with the Sustainability Regulations, the Board Meeting also receives reports from the Chief Sustainability Operation Officer on materiality at least once a year and performance of sustainability activities more than four times a year and conducts a continued monitoring based on those reporting.

The Sustainability Committee was established in 2013 with the aim of resolving ESG issues through a cross-organizational approach. Since a responsive decision-making is a priority, the committee members include MRA’s management team (President and CEO, CIO, CFO).

The Sustainability Committee mainly discusses and reports on the following items:

- Formulating action plans for ESG materiality
- Verifying the status of items to be implemented, reporting on performance, and considering improvement measures
- Monitoring climate change-related risks and opportunities
- Sharing disclosure details relating to ESG
- Verifying the status of collaboration with stakeholders and reporting on performance

Moreover, the system enables committees and sub-committees relating to sustainability activities to be formed based on the decision of the Chief Sustainability Operation Officer. These committees can discuss and report on necessary matters and plan and implement measures. With the aim of reducing energy consumption at properties owned by United Urban, the Energy-Saving Committee and Energy-Saving Sub-Committee have been set up as task forces within MRA and work to streamline energy use.

With the intention to enhance ESG awareness at MRA and accelerate more practical efforts to address ESG issues at United Urban, the heads of all departments at MRA serve as members of the Sustainability Committee. Also, we formed a cross-departmental ESG team consisting of each member from the four asset management departments assigned as ESG officers, and strengthen the internal system at the working level.

## (2) Strategy

With regard to the impact of future climate change on the company’s real estate asset management business, looking ahead to 2050, MRA conducted a scenario analysis in accordance with the TCFD’s recommendations. In the scenario analysis, we discussed how we should respond to changes in the external environment as well as business risks and opportunities in 2030.

### Establishment of Scenario and Number of Years Considered

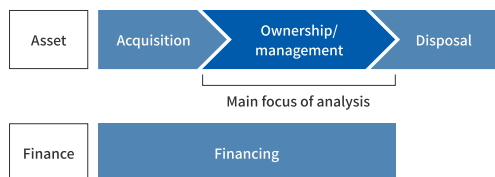
The TCFD’s recommendations suggest consideration based on multiple warming scenarios. MRA assessed the impact of climate-related risks and opportunities for the current scenario (3-4°C scenario) and transition scenario (1.5°C scenario).

An overview of the respective scenarios, including the global outlook in each case, is shown below.

|                                   | Current Scenario (3-4°C Scenario)  | Transition Scenario (1.5°C Scenario)   |
|-----------------------------------|--|--|
| <b>Overview</b>                   | Foresees a world in which reduction efforts of carbon emission do not exceed the current level and the average temperature rises by a maximum of 3°C to 4°C at the end of 21st century   | Foresees a world in which decarbonization efforts advance in order to keep the rise in the average temperature at 1.5°C at the end of 21st century   |
| <b>Global outlook in scenario</b> | <ul style="list-style-type: none"> <li>The introduction of measures and tightening of regulations does not go beyond what is currently foreseen</li> <li>In some areas, greenhouse gas emissions increase due to economic growth</li> <li>As the temperature rises, natural disasters including extreme heat waves and heavy rains become more severe</li> </ul> | <ul style="list-style-type: none"> <li>Measures are introduced and regulations are tightened in order to mitigate climate change</li> <li>Greenhouse gas emissions are reduced, and global net emissions reach zero by 2050</li> <li>The sea level goes up, and weather patterns change due to temperature rises, but the changes are limited compared with other scenarios</li> </ul> |
| <b>Main reference scenarios</b>   | <ul style="list-style-type: none"> <li>IEA Stated Policies Scenario (STEPS)</li> <li>IPCC RCP8.5 (SSP5-8.5)</li> </ul>   | <ul style="list-style-type: none"> <li>IEA Sustainable Development Scenario (SDS)</li> <li>IEA Net Zero Emission Scenario by 2050 case (NZE)</li> <li>IPCC RCP 2.6 (SSP1-2.6)</li> </ul>   |

### Identifying the Scope of Business Covered by Analysis

The scenario analysis mainly covers ownership and management of assets that United Urban entrusts to MRA for management. We conducted the scenario analysis while also bearing in mind the impact during property acquisition/disposal and on financing.



### Determining Risks

The TCFD’s recommendations divide climate-related risks into two categories: physical risks and transition risks. In the scenario analysis, we identified physical risks in the current scenario and transition risks in the transition scenario, then specified the key risks that are presumed to have a strong correlation with our business.

In information disclosure recommended by the TCFD framework, climate-related risks are typically organized as shown below.

### Risk Categories

|                       |                  |                    |
|-----------------------|------------------|--------------------|
| Climate-related risks | Physical risks   | Acute risks        |
|                       |                  | Chronic risks      |
|                       | Transition risks | Policy/legal risks |
|                       |                  | Technology risks   |
|                       |                  | Market risks       |
|                       |                  | Reputation risks   |

### Climate-Related Risks

|                           |   |
|---------------------------|---|
| <b>Physical risks</b>     | Risks associated with global warming and climate change             |
| <b>Transactions risks</b> | Legal, technological and market risks pertain to low-carbon economy |

### Physical Risks

|                      |  |
|----------------------|--|
| <b>Acute risks</b>   | Direct and indirect risks due to growing severity of extreme weather and natural disasters   |
| <b>Chronic risks</b> | Risks due to long-term changes such as increased average temperature, rising sea level, and changing weather and rainfall patterns |

**Transition Risks**

|                        |   |
|------------------------|---|
| Policy and legal risks | Risks related to promoting measures to mitigate and adapt to the causes of climate change's adverse impacts |
| Technology risks       | Risks associated with R&D and technology introduction for energy efficiency and low-carbon economy          |
| Market risks           | Risks derived from changing supply and demand for products and services                                     |
| Reputation risks       | Risks regarding reputation of the transition to a low-carbon economy  |

Assumed that greenhouse gas emission reduction measures, legal restrictions, and so forth will be kept as the present level, the current scenario (4°C scenario) proposes that increased frequency and severity of natural disasters and rising average temperatures will be the major climate-related risks.

In the transition scenario (1.5°C scenario), it is assumed that greenhouse gas emission restrictions will be tightened, and real estate owners will be required to improve environmental performance beyond the current level. Other climate-related risk will include a relative decrease in demand for buildings with poor environmental performance as people's behavior becomes more environmentally conscious.

Climate Change    Energy Efficiency    Water    Reductions of Environmental Footprint    Biodiversity    Waste

### Results of Scenario Analysis

We extracted the risks and opportunities regarded as highly important for each scenario and specified the items that have a significant impact on UUR's portfolio. Then we assessed the financial impact on operating income in the short-term, mid-term (FY2030) and long-term (FY2050). In this scenario analysis, we have set certain assumptions regarding changes in the socioeconomic environment, including business scope and policy trends, as well as assumed natural disasters. We have not considered the likelihood of all identified risks and opportunities materializing. Therefore, MRA will continue to closely monitor future changes in the external environment, regularly review risks and opportunities, and strive to refine the numbers as much as possible.

Unit: Million yen/year

| Category                         | Climate-Related Event | Main Risks and Opportunities                          | Response Measures | Division  |   | Risk/Opportunity Impact Amount |      |                  |        | Response Measures Impact Amount |        |                  |       |     |       |
|----------------------------------|-----------------------|---|-------------------|---|---|--------------------------------|------|------------------|--------|---------------------------------|--------|------------------|-------|-----|-------|
|                                  |                       |   |                   | Risk  | Opportunity   | Transition Scenario            |      | Current Scenario |        | Transition Scenario             |        | Current Scenario |       |     |       |
|                                  |                       |   |                   |   |   | 2030                           | 2050 | 2030             | 2050   | 2030                            | 2050   | 2030             | 2050  |     |       |
|                                  |                       |   |                   |   |   |                                |      |                  |        |                                 |        |                  |       |     |       |
| Transition Risks & Opportunities | Policy & Regulations  | Strengthening GHG Emission Regulations                | 1                 | Increase in operating costs due to international requirements on emission reduction   | Update to energy-efficient equipment and introduce energy-saving technologies                                     | ■                              |      | ▲132             | ▲724   | ▲437                            | ▲1,325 | 8                | 26    | -   | -     |
|                                  |                       |   | 2                 | Increase in financial burden due to carbon tax, etc.  | Introduce internal carbon pricing systems, implement emission reduction projects, and utilize carbon offsets      | ■                              |      | ▲874             | ▲7,510 | ▲672                            | ▲4,806 | 649              | 7,509 | 499 | 4,806 |
|                                  |                       |   | 3                 | Decline in asset value due to stringent measures on rental properties with low-environmental-performance  | Improving environmental performance through appropriate investment and maintenance, considering asset replacement | ■                              |      | Not-calculated   |        |                                 |        |                  |       |     |       |
|                                  | Technology            | Transition to low-carbon technologies in construction | 4                 | Increase in installation costs due to the mandatory introduction of high-energy-performance equipment in existing buildings   | Promote the introduction of high-energy-performance equipment using green leases, reducing cost burdens           | ■                              |      | ▲1,201           | ▲3,642 | -                               | -      | 12               | 139   | 4   | 137   |
|                                  |                       |   | 5                 | Decrease in rental income due to reduced demand for low-environmental-performance buildings and decreased competitiveness   | Increasing the number of environmentally certified properties   | ■                              |      | ▲498             | ▲1,511 | -                               | -      | 498              | 1,511 | -   | -     |
|                                  | Market & Reputation   | Increasing environmental awareness among people       | 6                 | Higher rents and asset value lead by an increase in occupancy rates of environmentally certified buildings reduced linen costs due to changes in service standards, and increased hotel revenue, expansion of green finance | -   |                                | ■    | 3,110            | 9,424  | -                               | -      | -                | -     | -   | -     |
|                                  |                       |   | 7                 | Changes in capital inflows based on ESG investment criteria   | Develop business strategies in line with ESG standards  | ■                              |      | Not-calculated   |        |                                 |        |                  |       |     |       |
|                                  |                       |   | 8                 | Decreased stakeholder trust due to negative environmental impacts   | Enhance transparency and reliability through proactive communication with stakeholders                            | ■                              |      | Not-calculated   |        |                                 |        |                  |       |     |       |

**Climate Change**   Energy Efficiency   Water   Reductions of Environmental Footprint   Biodiversity   Waste

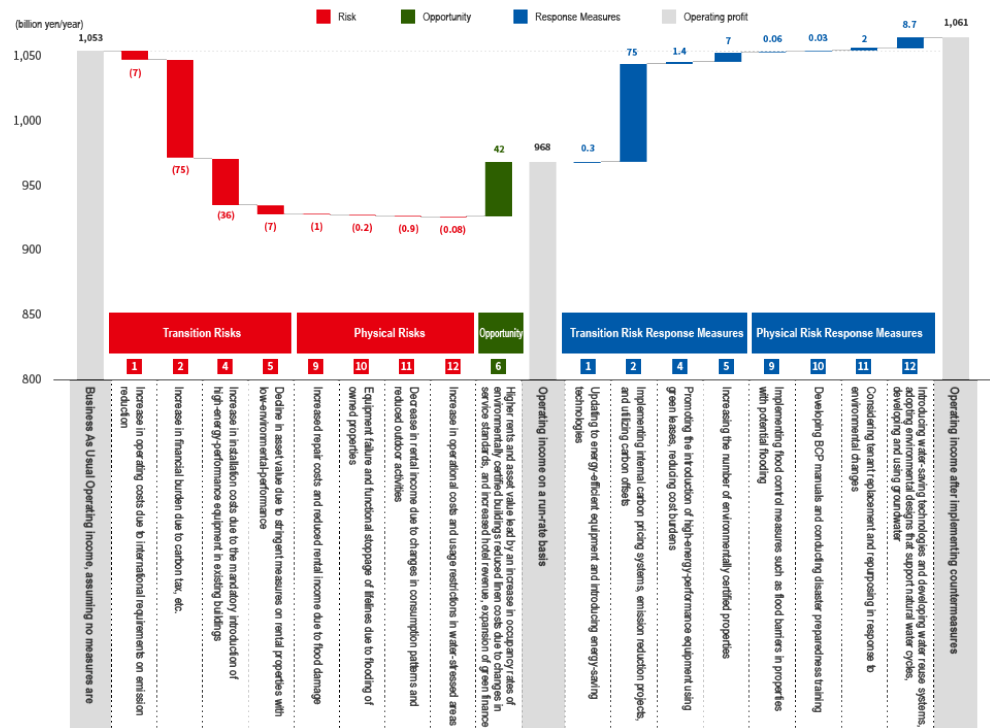
| Category                       |         | Climate-Related Event          | Main Risks and Opportunities |   | Response Measures   | Division |             | Risk/Opportunity Impact Amount |      |                  |      | Response Measures Impact Amount |      |                  |      |
|--------------------------------|---------|--------------------------------|------------------------------|---|---|----------|-------------|--------------------------------|------|------------------|------|---------------------------------|------|------------------|------|
|                                |         |                                |                              |   |   | Risk     | Opportunity | Transition Scenario            |      | Current Scenario |      | Transition Scenario             |      | Current Scenario |      |
|                                |         |                                |                              |   |   |          |             | 2030                           | 2050 | 2030             | 2050 | 2030                            | 2050 | 2030             | 2050 |
| Physical Risks & Opportunities | Acute   | Frequent and severe heavy rain | 9                            | Increased repair costs and reduced rental income due to flood damage                            | Implementing flood control measures such as flood barriers in properties with potential flooding  | ■        |             | ▲33                            | ▲110 | ▲40              | ▲222 | 1                               | 5    | 2                | 11   |
|                                |         |                                | 10                           | Equipment failure and functional stoppage of lifelines due to flooding of owned properties      | Develop BCP manuals and conducting disaster preparedness training   | ■        |             | ▲1                             | ▲17  | ▲7               | ▲102 | 0                               | 3    | 1                | 20   |
|                                | Chronic | Rising average temperature     | 11                           | Decrease in rental income due to changes in consumption patterns and reduced outdoor activities | Consider tenant replacement and repurposing in response to environmental changes  | ■        |             | ▲59                            | ▲195 | ▲71              | ▲395 | 59                              | 195  | 71               | 395  |
|                                |         |                                | 12                           | Increase in operational costs and usage restrictions in water-stressed areas                    | Introduce water-saving technologies and developing water reuse systems, adopt environmental designs that support natural water cycles, developing and using groundwater | ■        |             | ▲2                             | ▲7   | ▲11              | ▲34  | 79                              | 869  | 82               | 904  |

The financial impact figures are hypothetical estimates concerning "future risks and opportunities" and "countermeasures," calculated by MRA based on UUR's actual performance and various references. MRA and UUR do not guarantee the accuracy of these figures, nor indicate any intention or decision to implement them in the future.



Impact assessment results on operating income in 2050 (Transition Scenario)

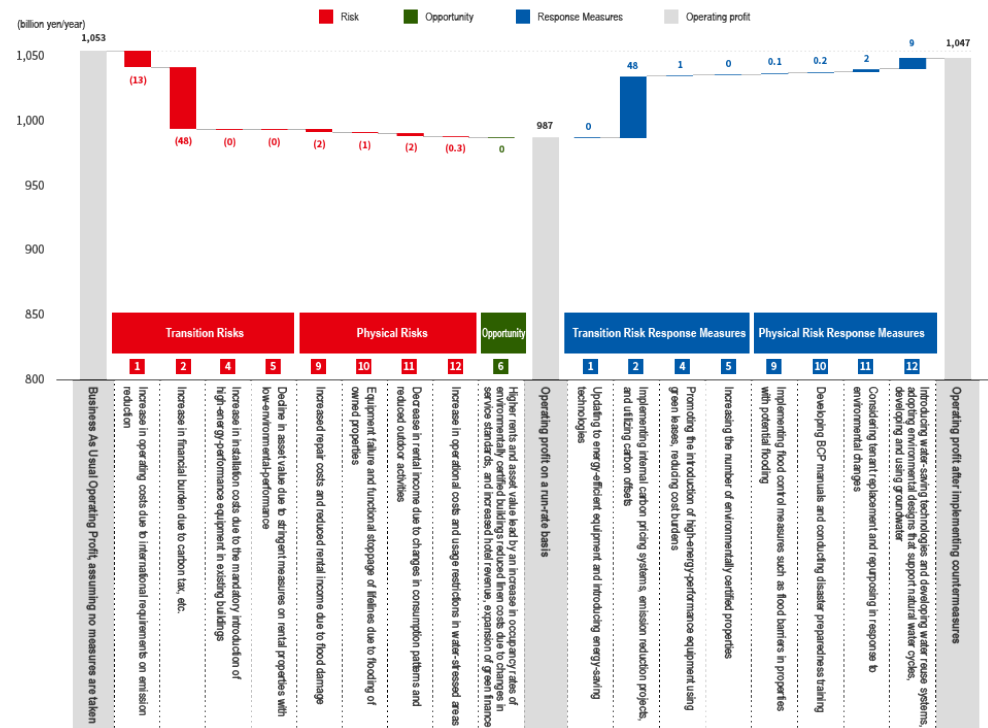
Understanding the Financial Impact of Business-As-Usual Financial Items (2050)



(Note 1) The initial operating profit amount is calculated based on the assumed total asset value as of 2050.  
 (Note 2) The figures 5, 6, and 11 represent the amounts calculated by multiplying the impact amount (rent reduction/increase) of the estimated risks and opportunities by the operating profit margin.

Impact assessment results on operating profit in 2050 (Current Scenario)

Understanding the Financial Impact of Business-As-Usual Financial Items (2050)



(Note 1) The initial operating profit amount is calculated based on the assumed total asset value as of 2050.  
 (Note 2) The figures 5, 6, and 11 represent the amounts calculated by multiplying the impact amount (rent reduction/increase) of the estimated risks and opportunities by the operating profit margin.

### (3) Risk Management

#### How MRA Manages Risks

In our internal risk management regulations, which stipulate holistic risk management policy of the asset management company, MRA sets our basic risk management approach, which specifies risk management as a key management issue. From the perspective of performing asset management tasks, the risks to be managed are categorized as follows:

1. Real estate investment risks
2. Administrative risks
3. System risks
4. Other risks

#### Risk Definition and Management Process

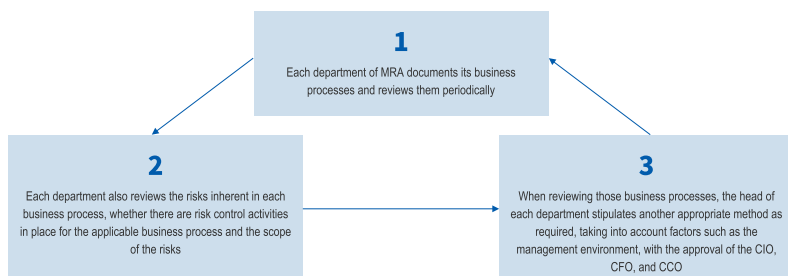
How we shall manage risks is stipulated in accordance with the detailed risk management rules. Its suitability and effectiveness are reviewed periodically and reported to MRA's President and CEO, and the board members.

Monitoring and recognizing risks and risk control activities are performed by using a risk control matrix as follows:

1. Each department of MRA documents its business processes and reviews them periodically
2. Each department also reviews the risks inherent in each business process, whether there are risk control activities in place for the applicable business process and the scope of the risks
3. When reviewing those business processes, the head of each department stipulates another appropriate method as required, taking into account factors such as the management environment, with the approval of the CIO, CFO, and CCO

#### Management Process for Climate-Related Risks and Opportunities

Monitoring and recognizing risks and risk control activities are performed by using a risk control matrix as follows:



### (4) Metrics and Targets

#### GHG Emissions

##### ■ GHG Emission Reduction Target

- Reduce total portfolio Scope 1 and Scope 2 GHG emissions by 42% by 2030 (compared to 2021)
- By 2050, Reduce total GHG emissions including value chain (Scope 3) to net zero

##### ■ Energy Consumption Reduction Target

- We have established sustainability targets and are striving to achieve the "five-year average reduction of 1% or more per unit" of energy consumption per unit, which is an effort target required by the government under the Energy Conservation Act (Act on the Rational Use of Energy)

##### ■ Specific Measures

- Consult with energy experts on energy saving
- Increase efficiency through upgrades to air-conditioning systems
- Replace with LED lighting
- Incorporate a green lease clause to a lease contract with tenants
- Replace with renewable energy

#### Environmental Performance at United Urban's Properties

One of the metrics to manage climate-related risks and opportunities is the environment certification coverage rate for the portfolio of United Urban.

As of the end of May 2024, this figure was 83.9%, achieving the medium-term target of 80% on GFA basis in 2024. We manage to maintain 80% or more going forward.

Climate Change   Energy Efficiency   Water   Reductions of Environmental Footprint   Biodiversity   Waste

### Acquisition Coverage by Environmental Certifications

|                                     | Number of properties |           | Total floor area                 | Percentage of total floor area |
|-------------------------------------|----------------------|-----------|----------------------------------|--------------------------------|
| DBJ Green Building                  | ★★★★★                | 2         | 26,999.50m <sup>2</sup>          |                                |
|                                     | ★★★★☆                | 10        | 269,222.11m <sup>2</sup>         |                                |
|                                     | ★★★☆☆                | 3         | 115,050.49m <sup>2</sup>         |                                |
|                                     | <b>Subtotal</b>      | <b>15</b> | <b>411,272.10m<sup>2</sup></b>   | <b>24.7%</b>                   |
| CASBEE for Real Estate              | ★★★★★                | 19        | 256,219.69m <sup>2</sup>         |                                |
|                                     | ★★★★☆                | 21        | 260,811.82m <sup>2</sup>         |                                |
|                                     | ★★★☆☆                | 1         | 10,224.31m <sup>2</sup>          |                                |
|                                     | <b>Subtotal</b>      | <b>41</b> | <b>527,255.82m<sup>2</sup></b>   | <b>31.6%</b>                   |
| BELS                                | ★★★★★                | 10        | 85,016.05m <sup>2</sup>          |                                |
|                                     | ★★★★☆                | 5         | 30,593.49m <sup>2</sup>          |                                |
|                                     | ★★★☆☆                | 15        | 120,471.98m <sup>2</sup>         |                                |
|                                     | ★★☆☆☆                | 16        | 260,016.18m <sup>2</sup>         |                                |
|                                     | <b>Subtotal</b>      | <b>46</b> | <b>496,097.70m<sup>2</sup></b>   | <b>29.7%</b>                   |
| LEED                                | GOLD                 | 1         | 2,977.93m <sup>2</sup>           |                                |
|                                     | <b>Subtotal</b>      | <b>1</b>  | <b>2,977.93m<sup>2</sup></b>     | <b>0.2%</b>                    |
| <b>Environmental certifications</b> | <b>Total</b>         | <b>95</b> | <b>1,399,816.01m<sup>2</sup></b> | <b>83.9%</b>                   |

Note: As of the end of May 2024. The target is 132 properties excluding properties with leasehold interest.  
 • The total is calculated by adjusting the number of properties and floor space that have acquired the above certification twice or more.

### Future Actions

MRA will incorporate the measures for reducing climate-related risks recognized based on the scenario analysis in accordance with the TCFD's recommendations into asset management of United Urban and link them to specific actions.

Moreover, we will promote constructive dialogue with stakeholders through information disclosure aligned with the TCFD's framework and play a role in formulating and implementing climate change-related strategies of United Urban.

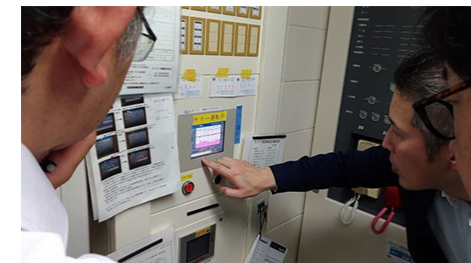
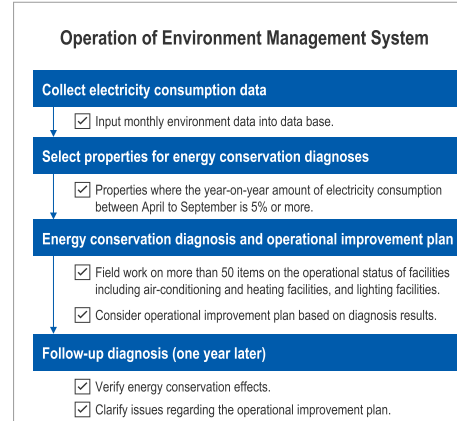


# Energy Efficiency

|  |   |
|--|---|
| Environment Management System (EMS) <span>▼</span> | Switch to Renewable Energy <span>▼</span>                                 |
| Green House Gas (GHG) Emission <span>▼</span>      | Received the Yokohama Climate Change Countermeasures Award <span>▼</span> |

## Environment Management System (EMS)

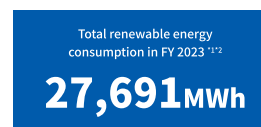
- United Urban endeavors to collect environment data at its properties through smart meters installed and from partner companies every month. Those data include energy consumption, water consumption and waste. The collected data is analyzed by external energy experts and the PDCA cycle is followed to decrease environmental footprint at properties of United Urban. Furthermore, with the goal of promoting environmental management for sustainable growth of both United Urban and society, we have got a certification (stepwise certification) and a registration for the portfolio's 31 properties as of November 2023 under the Japan specific's EMS called Eco-Action 21, a nationally formulated environmental management system by the Ministry of the Environment.
- Based on the measured results of electricity consumption, MRA's Sustainability Strategy Office and energy experts conduct annual energy conservation diagnoses with a focus on retail properties and hotels that consume relatively a large amount of electricity.
- The Sustainability Strategy Office hashes out an operational improvement plan for electricity consumption and works with the Asset Management Departments and our partner companies to execute the improvement plan.
- A year after the initial diagnosis, a follow-up diagnosis takes place. In addition to reviewing the energy conservation measures, it clarifies issues of execution in the improvement plan with partner companies.
- Furthermore, the management criteria (manual) stipulated in the Energy Saving Act (Act Concerning the Rational Use of Energy) is regularly reviewed for each property, and efforts are made towards continuous energy saving.



Energy consumption diagnosis at SS30

## Switch to Renewable Energy

- In UUR, "Energy consumption and management, utilization of renewable energy" has been identified as materiality issues, and medium- to long-term action goals have been set as follows: "(1) Reduce total portfolio Scope 1 and Scope 2 GHG emissions by 42% by 2030 (compared to 2021)(ii) By 2050, Reduce total GHG emissions including value chain (Scope 3) to net zero."
- In order to achieve the target, we have been procuring FIT non-fossil certificates through auctions on the renewable energy value exchange since 2020, in addition to switching the electricity menu. We are working to reduce the total amount of electricity-derived GHG emissions (Scope 2). In FY2023, we made approximately 24% of the total electricity used by the properties for which UUR is authorized to manage renewable energy.



\*1 Total renewable energy use from December 2022 to November 2023.

\*2 All electricity supplied is derived from substantial renewable energy sources, utilizing FIT non-fossil certificates and non-FIT non-fossil certificates with renewable energy designations.

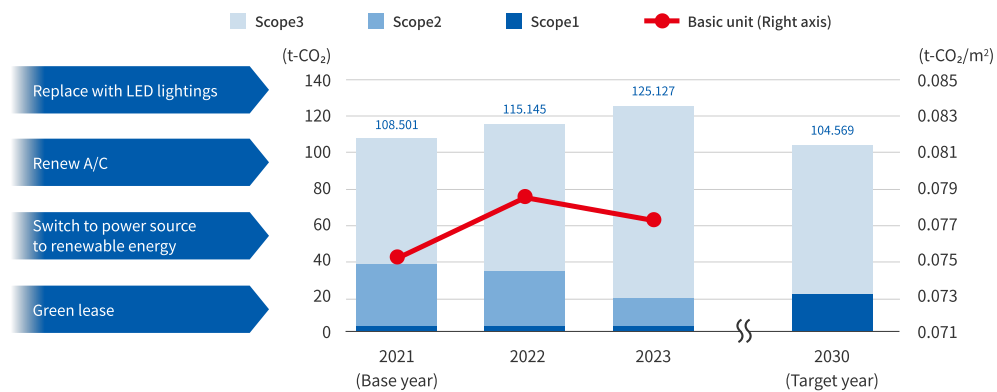
## Installation of Solar Power Generation System

Photovoltaic panels have been installed on the rooftops of logistics facilities owned by the entity to generate renewable energy.

|                                      | No. of properties monitored | Power Generation in FY2023 |
|--------------------------------------|-----------------------------|----------------------------|
| Property with Photovoltaic Equipment | 3 properties                | 1,921,459KWh               |

\* As for the amount of electricity generated, the total amount of electricity generated from December 2022 to November 2023 for properties with photovoltaic power generation facilities that were able to be aggregated.

## Green House Gas (GHG) Emission



Note: From December of each year to November of the following year. The data for 2021 is from April to march of the following year

## Received the Yokohama Climate Change Countermeasures Award

The City of Yokohama awards the "Yokohama Climate Change Countermeasures Award" every year to businesses that have made significant reductions in greenhouse gas emissions and other outstanding achievements under the Yokohama City Action Plan for Global Warming Countermeasures System (Note). For fiscal year 2022, six projects, including UUR, were selected for awards from among the 310 projects that submitted reports in fiscal year 2021 (announced in June 2022). Since fiscal year 2012, UUR has continued to upgrade facilities that contribute to energy conservation, such as replacing air conditioning equipment with high-efficiency equipment and promoting the switch to LED lighting at the five properties that are eligible for the award. In the future, we plan to update the elevator control and switch to LED lighting in the lots, mainly in the common areas.



Pacific Marks Yokohama East



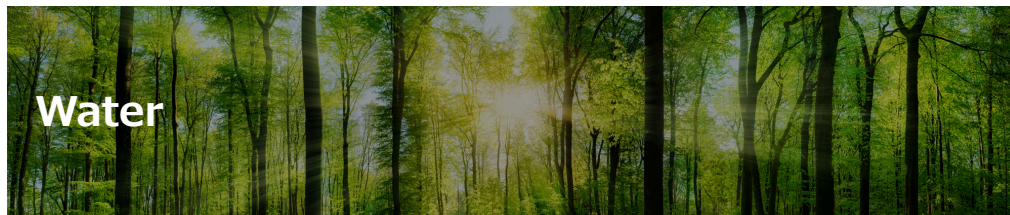
Pacific Marks Shin-Yokohama



Yokohama Climate Change Countermeasures Award Certificate

Note: In Yokohama City, businesses that emit greenhouse gases above a certain size are required to submit a greenhouse gas reduction plan and an annual performance report in order to reduce greenhouse gas emissions in Yokohama City, based on the Yokohama City Ordinance on Living Environment Conservation.

Climate Change Energy Efficiency **Water** Reductions of Environmental Footprint Biodiversity Waste



Target & KPI ▼

Effective Use/Reuse of Water ▼

Sea Water Filtration System ▼

Conservation of water resources and improvement of water quality ▼

Column: Planet of Water - How much water would be available for us? ▼

## Target & KPI

Mid-term target by 2025:

Reduce water consumption of United Urban's portfolio by 5% compared to 2020 on an intensity (gross floor area) based.

## Effective Use/Reuse of Water

In addition to proactive implementation of water conservation equipment, United Urban has installed equipment that reuses water at properties for reduction of water consumption and effective use of water.

|                              | Number of properties applicable/introduced  |
|------------------------------|---|
| Reuse of wastewater          | 11 (Note 1)<br>Fiscal 2023<br>108,302m <sup>3</sup><br>Water charges in Tokyo's 23 wards: JPN 404/m <sup>3</sup> (Note 2) |
| Water conservation equipment | 77  |



Example of reuse of wastewater: Water filtration system at Shinjuku Washington Hotel Honkan



Example of water conservation equipment: Water sprinkler equipment at Luz Jiyugaoka

Note 1: Number of properties where reuse of wastewater could be measured between December 2022 and November 2023.

Note 2: As of May 2024. Standard charge for general meters with a diameter of 100 mm or more.

## Sea Water Filtration System

Loisir Hotel & Spa Tower Naha installed a system that filters ocean water that has permeated through the ground and has reduced its water charges and environmental footprint by cutting waterworks usage.



Loisir Hotel & Spa Tower Naha

## Conservation of water resources and improvement of water quality

### VACAN AirKnock Ads

#### Donation scheme contributing to improving water and sanitation conditions

Small digital signage (VACAN AirKnock Ads) are installed in private restrooms at UUR's properties and we donate a portion of our signage advertising revenue linked to toilet usage to the international NGO WaterAid, which is committed to improving water and sanitation conditions in pursuit of a world where everyone has access to safe water and toilets.

We are contributing to the achievement of SDG 6 "Safe Water and Toilets Around the World".

Digital signage installed - Over 190 stalls at 8 properties (As of May 2024)

- Retail properties ● Office buildings ● Others
- Luz Funabashi ● TENJIN LUCE ● Mallage Kashiwa ● Luz Jiyugaoka
- Luz Shonan Tsujido ● LEVEN Otakanomori
- Shiba 520 Building ● Teubokawa Square Building

Donation Amount Results (December 2023 to May 2024) **¥602,217**

\* The advertising revenue is also donated to "WWF Japan," a public interest incorporated foundation striving to recover rich biodiversity, and "Japan Kodomo Shokudo Support Center Musubie," a certified NPO supporting eateries for children.



WaterAid advertisement at Luz Jiyugaoka

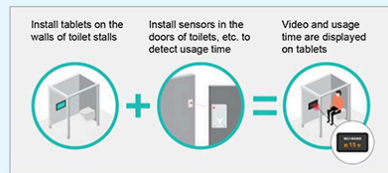
Image of toilet usage status notification

#### Structure of digital signage advertisement VACAN AirKnock Ads

Install small digital signage in toilet stalls. Control congestion and reduce crowds by notifying users of real-time congestion information and usage time of toilet stalls measured with sensors.

Aim for monetization by delivering announcements and promotion videos, etc. made by facilities and tenants through digital signage.

The improvement of the satisfaction of office tenants and visitors of retail properties as well as the increase in migration of visitors inside retail properties are also expected.

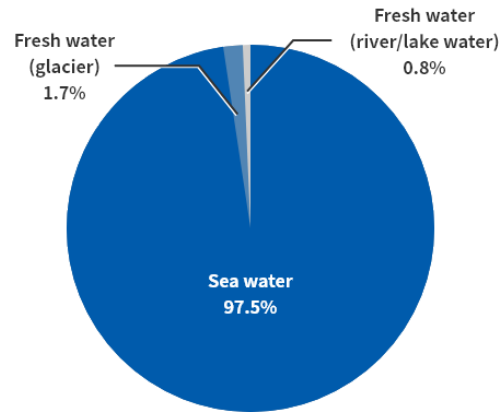


## Column: Planet of Water - How much water would be available for us?

Volume of daily fresh water that is available for human being

**0.01%**  
(100,000km<sup>3</sup>)

|                            |                             |
|----------------------------|-----------------------------|
| Area occupied by the water | 2/3                         |
| Water volume in the globe  | 1.4 billion km <sup>3</sup> |



Source: World Water Resources at the Beginning of the 21st Century, UNESCO 2003



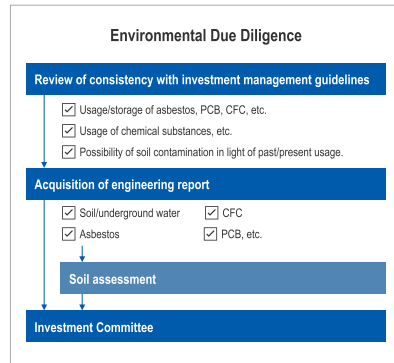
# Reductions of Environmental Footprint

- Investigation of Toxic Substances ▼
- Brownfield Redevelopment ▼
- Urban Revitalization ▼

- Greenfield Development ▼
- Acquisition/Asset Management of Mixed Properties ▼

## Investigation of Toxic Substances

- United Urban uses third parties for environment assessment when acquiring and evaluating environmental risks before investment decisions.
- When toxic substances are found, only properties deemed to have sufficient measures to outflow or disperse toxic substances will be acquired, in line with the "Asset Management Guidelines" stipulated by MRA.



## Real estate development

### Greenfield development

To date, UUR has not made any investment in green field development projects, such as developments on green space and arable land, which form a natural environment. In case UUR invests in such all development projects, we will comply with environment-related laws and regulations and consider acquiring environmental certification for the projects.

**Comfort Inn Fukuoka Tenjin Development**



BELS  
★★★

**Luz Shonan Tsujido Sponsor support**



DBJ Green Building  
★★★

**GRAND-SQUARE Meieki-minami Sponsor support**



CASBEE  
★★★★★

**Granda Miyanomori (Development project)**



BELS  
★★




## Brownfield Redevelopment

In cases where soil contamination is found at properties of United Urban, removal or containment of the contamination is taken in an appropriate manner. Also, for properties redeveloped on the site of factories, we strive to lower the impact in the neighborhood of the given properties by the continued monitoring of underwater purification.

### Example: Narumi Shopping Center (Site)

Narumi Shopping Center was developed on the site of pottery manufacturing factory and consists of a large shopping center, a fitness club and a housing showroom. In accordance with the prevention plan for contaminated underwater set out by Nagoya City, United Urban monitors quality of purified water from the wells equipped with water pumping system.

## Acquisition/Asset Management of Mixed Properties

With an operational policy of [diversified investment](#)  , United Urban invests in mixed properties in CBD of regional cities. Mixed facilities in locations with high traffic convenience are able to fulfill multiple needs of users. As such, they not only provide convenience to the users but also decrease GHG emissions by curbing car exhaust and promoting compact cities.



Note: As of December 2023.

Major mixed properties with three or more use types are as follows.

### Shin-Osaka Central Tower



Office/Hotel/Retail/Fitness

### SS30



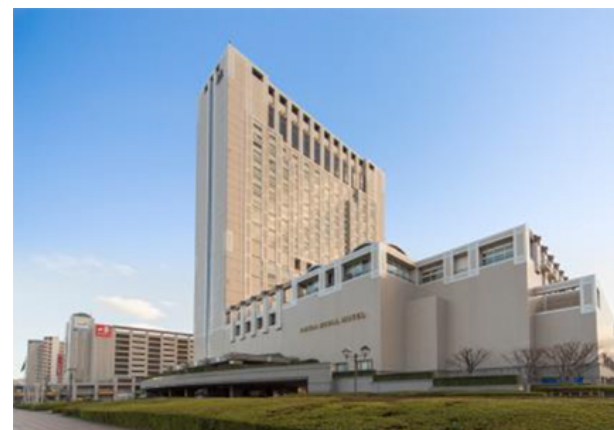
Office/Hotel/Retail/Fitness

### OSAKA BAY TOWER



Office/Hotel/Retail/residence

### RIHGA Royal Hotel Kokura · ARUARU City



Hotel/Retail/Office/Parking lot

## Urban Revitalization

As a long-term landlord, United Urban has been using CAPEX and managing its assets with a consideration of environment. In case of a large renovation work at Shinsaibashi OPA Honkan in Osaka City, recyclable construction materials were used and a construction method to reduce industrial waste was applied. Also, the property was accepted for the “2021 Display Industry Award”, a commendation system that praises excellent display work contributing the improvement of living culture and the development of landscapes. We believes that this environment-friendly renovation work further nurtures bustle in the area.

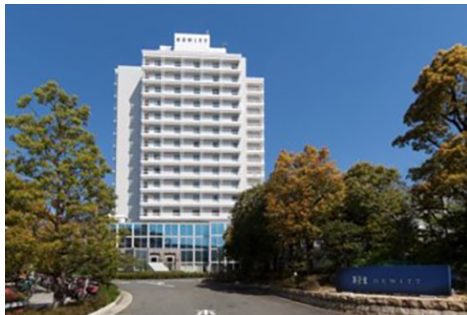


For details, please see “[Notice on Winning 2021 Display Industry Award \(Shinsaibashi OPA Honkan\)](#)  ”.



United Urban abides by relevant laws and regulations on environment including the Forest Act and the Parks Act. In view of conservation of biodiversity, properties of United Urban do not accept any alien plants with strong fecundity and have harmful effects to the ecosystem.

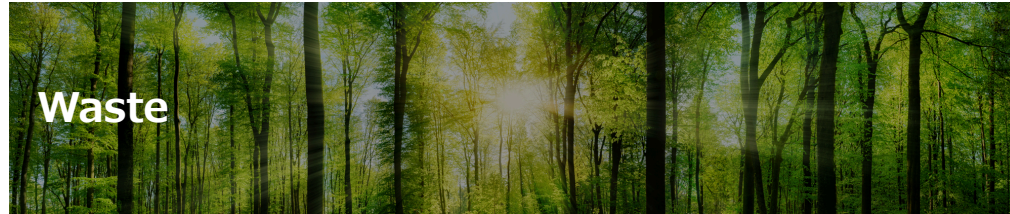
In addition, our Sustainability Policy stipulates the preservation of the natural environment and protection of biodiversity. United Urban has been seeking to mitigate or prevent the impact on biodiversity through our business such as well-suited plants management at our properties. We believe that these activities promote a creation of society which is in harmony with nature.



Hotel Hewitt Koshien



UUR Kyobashi East Building



Reuse of Food Waste - Royal Pines Hotel Urawa ▼

## Reuse of Food Waste - Royal Pines Hotel Urawa

Since 2018, we have been working to "reuse food waste" by having recycling companies convert food waste from the hotel into compost. This compost can be sold to vegetable and flower farmers in Saitama Prefecture and used in school vegetable gardens in the prefecture. Recyclers collect food waste at no charge, thereby reducing disposal costs.



Royal Pines Hotel Urawa  
(Saitama City, Saitama Prefecture)



Note: An environmental industry and R&D center established to build a resource-recycling society. It consists of private recycling facilities, PFI thermal recycling facilities, prefectural final disposal facilities, and prefectural and private research facilities, of which this recycling business is one.