

Sustainability Management



Sustainability Policy & Structure

Sustainability Policy



Structure of Sustainability Activities



Sustainability Policy

United Urban Investment Corporation and its asst management company, Japan REIT Advisors Co., Ltd., support the Sustainable Development Goals (SDGs), which were formulated with the aim of ensuring that humanity can continue to live stably on this planet without leaving anyone behind, and we aim to realize a sustainable, diverse and inclusive society through our efforts to solve environmental, social and economic problems and create new value (hereinafter referred to as our sustainability activities).

We have established the following Sustainability Policy as a guideline for implementing our sustainability activities.

1. Addressing climate change

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.

2. Reducing environmental footprint and realizing a recycling society

In order to preserve the natural environment and protect biodiversity, we will continuously review the impact of our business activities on the environment and strive to reduce environmental footprint as well as promote reduction (of waste generation and water use), reuse (of resources) and recycling (of waste and water resources) to realize a recycling society.

3. Realizing sustainable cities and contributing to local communities

Aspiring to realize inclusive, safe, resilient and sustainable cities, we will reduce the number of victims and amount of economic loss caused by earthquakes and water-related disasters and strive to make progress in urban development that prevents earthquake- and water-related disasters. In addition, as a member of the local community, we will engage in activities aimed at solving local community issues such as revitalization of local communities and contribution to local government.

4. Respecting human rights

We will support all international norms related to human rights, such as the International Bill of Human Rights (United Nations). We will respect human rights and not tolerate discrimination based on race, creed, religion, nationality, age, gender, origin, physical or mental disability, sexual orientation, gender identity or otherwise, nor will we allow inhumane treatment such as forced labor or child labor, instead respecting and recognizing each other's individuality and aiming to realize an organization in which people can participate to the fullest extent of their abilities. In the event that we discover that our business activities have a negative impact on human rights, we will take appropriate action to correct the situation and fulfill our responsibility to respect human rights.

5. Creating a good working environment

We will comply with applicable international laws and regulations on labor rights including The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and The Children's Rights and Business Principles by United Nations Global Compact, United Nations Children's Fund and Save the Children International, prohibit forced labor and child labor, respect the right of employees to organize and bargain collectively as a means of labor-management discussion, and pursue equal pay for equal work and elimination of employment discrimination. Also, we will adhere to applicable labor-related laws and regulations and comply with the minimum wage and pay at least a living wage, not reduce wages unreasonably, prohibit excessively long working hours and otherwise strive to ensure safety and health in the workplace and create a good working environment. In addition, we will not tolerate harassment of any kind and will work to prevent and resolve it.

6. Cooperating and collaborating with stakeholders

We will strive to understand the interests, needs and expectations of our stakeholders with respect to our sustainability promotion activities through dialogue, discussion and collaboration, and to realize a sustainable society by working together with our stakeholders on sustainability activities.

7. Establishing internal systems to promote sustainability activities and enhancing productivity and wellness of executives and employees

We will establish an appropriate internal system to promote activities based on this policy, implement sustainability activities in an organized and strategic manner and improve the quality and efficiency of our sustainability activities by increasing our executives' and employees' awareness and knowledge through educational and enlightenment activities. We will also strive to improve our business and operational productivity and job satisfaction through diversification, technological improvement and innovation.

8. Complying with laws, regulations and fair business practices

In implementing our sustainability activities, we will comply with social norms and applicable laws and regulations, keep a close watch on trends in laws and regulations and act appropriately with high ethical standards. In addition, we will not tolerate any form of corruption or bribery and will strive to prevent corruption by taking appropriate measures against money laundering, terrorism and other organized crime.

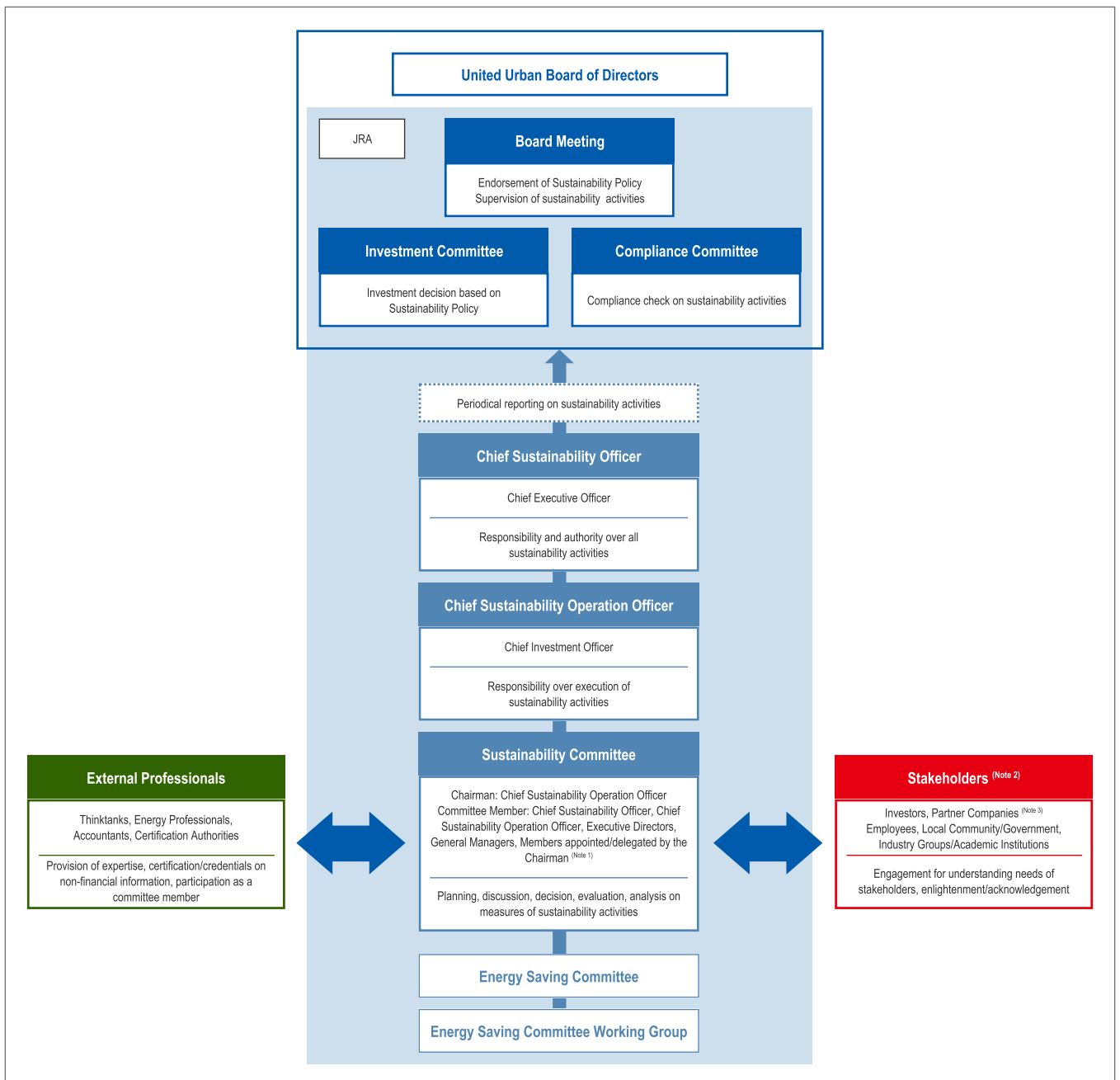
9. Disclosing information

We will strive to proactively disclose information, such as the details of our sustainability activities, to our investors and other stakeholders.

We will continue to review this policy and enhance or improve our sustainability activities in order to improve our performance in the above items.

Enacted March 17, 2022

Structure of Sustainability Activities



Note 1: General Managers of all departments at JRA are appointed as a committee member and join the Committee as of today.

Note 2: Institutions/groups/companies/individuals with direct conflict of interest or indirect mutual relations with United Urban or JRA.

Note 3: Tenants, service providers including management (PM/BM) companies, engineering companies, suppliers of goods and lenders.

| Sustainability Committee

- The Committee sets materiality and action plans/targets for each materiality.
- The Committee is held more than four times a year.
- The Chair of the Sustainability Committee reports progress of action plans/targets for materiality once or more a year to the Investment Committee, the Compliance Committee, the JRA's Board Meeting and the Board of Directors of United Urban. Also, the Chair communicates with the Investment Committee, the Compliance Committee and the Board Meeting on activities of the Sustainability Committee more than four times a year.

| Sustainability Strategy Office

- JRA established the Sustainability Strategy Office as an ESG dedicated team to carry out our sustainability activities in a more proactive, practical and strategic way.
- Members of the Sustainability Strategy Office develop strategies for sustainability activities and run the Sustainability Committee as an organizer.

| Energy Saving Committee

- JRA set the Energy Saving Committee to streamline the energy usage at properties of United Urban.
- Members and manners of operation are detailed in "Rules on Streamlining Energy Usage of United Urban Investment Corporation".



Materiality

Initiatives for Materiality ▼

Actions for Materiality ▼

Initiatives for Materiality

As one of the J-REITs, United Urban selects ESG issues to be addressed as follows. They are selected by the JRA's Sustainability Committee based on the advice of external professionals with consideration of asset characteristics and management policies of United Urban as well as external ESG evaluations and social trends.

Those ESG issues on which United Urban places a high priority are specified as materiality. The action plan and target for each materiality are set and monitored every year and reviewed accordingly.

Selected ESG Issues to be Addressed at United Urban and JRA

JRA specifies materiality that United Urban and JRA should prioritize and marks as "○".

		2018	2019	2020	2021	2022	2023
Environment	Energy consumption/management	○	○	○	○	○	○
	Green certified buildings	○	○	○	○	○	○
	Tenant and property manager engagement	○	○	○	○	○	○
	Safety of buildings						
	Resilience						
	Biodiversity and habitat						
	Waste management						
	Water consumption/management						
	Climate risk management						
	Environmental attributes of building materials						
GHG emissions/management	○	○	○	○	○	○	

		2018	2019	2020	2021	2022	2023
Society	Employee performance/career development				○		○
	Supply chain management	○	○				
	Diversity and equal opportunity	○					
	Employee satisfaction, wellness		○	○	○	○	○
	Contribution to local community/local government			○	○	○	○
	Contribution to real estate industry			○			
	Satisfaction, health and comfort of building users					○	○
	Child labor/Forced or compulsory labor						
	Labor-management relationships/Worker rights						
	Asset level safety for tenants						
Governance	Information management and assurance		○	○	○	○	○
	Disclosure for investors	○		○	○	○	○
	Executive compensation/Employee remuneration		○		○		
	Bribery and corruption					○	
	Shareholder rights						
	Data protection and privacy						○
	Political contributions						
	Whistleblower protection			○			
Board skills/diversity		○					









Process for Materiality



Actions for Materiality

Selected materiality and action plans and targets that United Urban and JRA are working on are as follows. Please also see the actions and achievement in the past.

Materiality (2023) & Related SDGs

	Materiality	Related SDGs	Action Plan/Target
Environment	Energy management/use of renewable energy	 	<ul style="list-style-type: none"> • Long-term target: Decrease greenhouse gas (GHG) emissions at office buildings by 40% by 2030. (intensity (gross floor area: GFA) based, compared to 2014)
	Green certified buildings	  	<ul style="list-style-type: none"> • Acquire external environmental certification including CASBEE for Real Estate and BELS. • Raise environment certification coverage to 80% (GFA based) by 2024.
	Tenant and property manager engagement	  	<ul style="list-style-type: none"> • Long-term target: Incorporate green lease clauses in 100% of contracts of office buildings by 2030. (exclusive of residential areas within office buildings)

	Materiality	Related SDGs	Action Plan/Target
Society	Employee job satisfaction/wellness	 	<ul style="list-style-type: none"> • Further improve the working environment through better HR system design, workspace infrastructure or IT services. • Improve employee engagement.
	Employee Performance and Career Development	 	<ul style="list-style-type: none"> • Improve each employee's qualifications and skills through such as grade-based training programs. • Encourage employees to learn technical skills, knowledge and expertise and to obtain qualifications and take external training programs.
	Contribution to local community/local government	  	<ul style="list-style-type: none"> • Get more involved with disaster prevention measures and revitalization of local communities. • Contribute more to make environment clean.
	Satisfaction, health, and comfort of building users	 	<ul style="list-style-type: none"> • Conduct a tenant satisfaction survey and improve assessment results.
Governance	Disclosure and assurance		<ul style="list-style-type: none"> • Stabilize the operations of real estate management system and reinforce the operational structure.
	Disclosure for investors		<ul style="list-style-type: none"> • Disclose non-financial information including ESG related initiatives in a more investor-friendly manner. (improve higher evaluation).
	Protection of data and personal information		<ul style="list-style-type: none"> • Build secure systems in preparation for security risks. • Respond to vulnerabilities of the information assets and maintain and improve the information management system.



Basic Supply Chain Sustainability Policy

United Urban and JRA have the Basic Supply Chain Sustainability Policy for environment, social and government problems.

JRA has received a letter of agreement on adherence to the policy from property managers and building maintenance managers, all of which have been entrusted with the services of JRA.

To our other partner companies ^(Note) including tenants and service providers, the policy has been sent to raise their awareness of our ESG initiatives. We continue to make efforts to resolve ESG issues in partnership with our partner companies.

Note: Service providers (property management companies, building management companies, engineering companies, suppliers of goods, etc.) and tenants.

Basic Supply Chain Sustainability Policy

1. We United Urban Investment Corporation and its asset management company, Japan REIT Advisors Co., Ltd., not being satisfied with simply strengthening our own sustainability initiatives, support strengthening sustainability throughout our supply chain with the objective of building an environmentally friendly, healthy and sustainable society.
2. Having set out the Supply Chain Sustainability Guidelines below, we ask for the understanding and cooperation of our business partners in observing the Guidelines, to promote, together with our business partners, highly effective sustainability initiatives. Further, when calling on our business partners, we will communicate the Guidelines so that they are fully aware of the Guidelines and will assist our business partners' capacity building by making recommendations, requests or providing guidance as necessary and by sharing examples of good practices.
3. Supply Chain Sustainability Guidelines
 - 1) Observance of Laws:
 - Observe the laws of the countries where business is conducted and laws relating to business transactions.

2) Respect for Human Rights:

- Respect human rights without discrimination, harassment of any kind, abuse or other inhumane treatment.
- No child labor or forced labor.
- Proper management of employees' work hours, breaks and holidays and prohibition of excessive overtime work.
- Payment of the legally mandated minimum wage and endeavoring to pay at least a living wage. No inappropriate wage abatement.
- Respect for employees' right to unionize for the purpose of labor-management negotiations and right to collective bargaining.

3) Conservation of the Environment:

- Recognize that climate change issues are important and respond appropriately.
- Protect the natural environment.
- Reduce environmental negative impact, prevent pollution.

4) Fair Transactions:

- Conduct fair transactions and do not inhibit free competition.
- Prevent corruption; offer no bribes or illegal contributions.

5) Safety and Health:

- Ensure safe and healthy workplaces and maintain a good working environment.

6) Quality Control:

- Maintain the quality and safety of products and services.

7) Information Disclosure:

- Timely and appropriate disclosure of information

4. As part of this Policy, We have set out the following procedures for dealing with our business partners that do not meet labor standards.

i) When it comes to light that a business partner has failed to meet labor standards relating to 1) Observance of Laws, 2) Respect for Human Rights or 5) Safety and Health, we will as necessary, ask the business partner to:

- Ascertain the facts, and
- If the facts are true, prepare a report on the background of the issue and improvement measures.

Depending on circumstances, we may also inspect the business partner.

ii) If we determine that improvement measures are insufficient, we will request that further measures be taken.

iii) If, despite implementing steps i) and ii) above, the situation does not improve, we will examine whether to continue our relationship with the business partner.

(Established November 24, 2017)

(Revised November 15, 2019)

(Revised March 17, 2022)



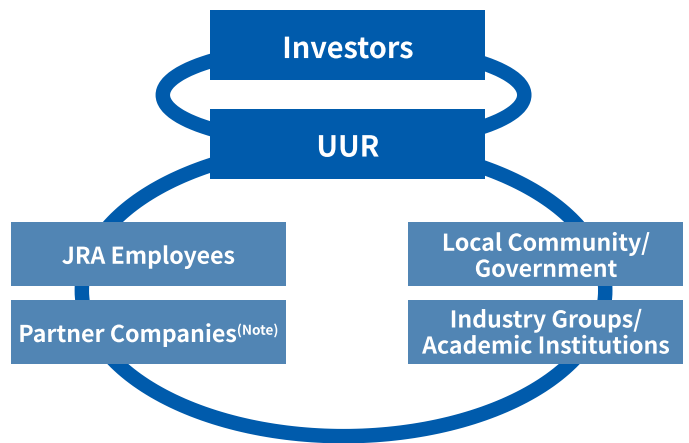
Stakeholder Engagement

- Cooperation with Partner Companies ▼
- Collaboration with Industries/Educational Institutions ▼

- Dialogue with Investors ▼

We United Urban and JRA operate our real estate investment and asset management business with the support of multiple stakeholders. With setting our [Sustainability Policy](#) and [Basic Supply Chain Sustainability Policy](#) as a center, we aim to realize a sustainable, diverse and inclusive society through dialogue, consultation and cooperation with our stakeholders.

Stakeholders of United Urban and JRA



Note: Service providers (property management companies, building management companies, engineering companies, suppliers of goods, etc.) and tenants.

Cooperation with Partner Companies

Enlightening the Policy

For a society with sustainability, we United Urban and JRA understand that not only to accelerate our ESG initiatives but also to proceed them with our partner companies in our entire supply chain are important and formulated the [Basic Supply Chain Sustainability Policy](#).

United Urban and JRA post the policy on our website and notify it to our partner companies in writing. By informing them about our initiatives, we aim for a mutual understanding.

Moreover, JRA received a letter of agreement on adherence to the policy from our property managers of each property of United Urban.

Standardized Green Lease Articles

One of the materiality that United Urban works on is “Tenant and Property Manager Engagement”. For an action target to address the materiality, we strive to incorporate green lease clauses in 100% of contracts with tenants ^(Note) by 2030.



Note: Contracted area where tenants have agreed the United Urban’s green lease clauses out of total net leasable area of buildings categorized as office buildings by United Urban (exclusive of residential area within those office buildings).

Green Lease Articles (Excerpts)

1. The landlord and tenant will cooperate in initiatives to keep and improve comfort and productivity of the property (sharing of data, legal compliance, etc.) with the view of energy conservation, environmental friendliness, etc.
2. The landlord and tenant can negotiate sharing of benefits when cost-saving from equipment renovation such as LED light installation in areas leased to the tenant is expected.



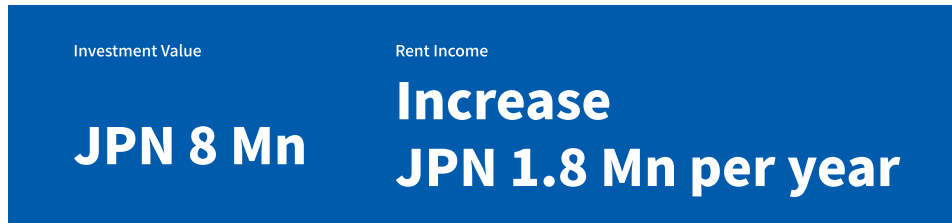
United Urban's Green Lease Articles were introduced as an example for green lease initiatives in the [Green Lease Guide](#) published by the Ministry of Land, Infrastructure, Transport and Tourism with the aim of popularizing green leases.

Corporation through Green Lease

United Urban covered the cost to change the lighting in an exclusive section of Pacific Marks Yokohama East and Pacific Marks Shin-Yokohama to LED lighting, which consumes 38% less electricity. The benefits of the reduction in electricity costs is being shared with tenants through increased contracted rents.



Pacific Marks Shin-Yokohama



Cooperation with Property Managers

United Urban intends to deepen engagement with property managers, important partner companies of United Urban, to accelerate practical initiatives on ESG issues.

Add ESG-related clauses to the standard contract with property managers

A contract including ESG-related clauses shall be deemed as the new standard contract. United Urban strives to have a dialogue with the existing property managers to switch contracts to those including ESG-related clauses upon the renewal of contracts.

Add ESG factors upon the evaluation and selection of property managers

ESG factors are added to the evaluation items in the annual evaluation process to all property managers (started in 2022) and United Urban promotes the resolution of ESG issues together with property managers.

Introduction of award system in accordance with performance

United Urban expresses gratitude for the contribution to daily management to property managers that demonstrate appropriate performance in the annual evaluation so that United Urban and property managers can tackle ESG issues by cooperating with each other over the medium- to long-term.

ESG Clauses (Overview)

- Property managers strive to execute business in accordance with each policy in the "Sustainability Policy" and the "Basic Supply Chain Sustainability Policy" stipulated by United Urban.
- Property managers cooperate energy saving, consider environment and respond to laws and regulations related to environmental Issues.
- Property managers proactively propose measures leading to the reduction of environmental burden.



The photo shows the staff of Mitsubishi Jisho Property Management Co., Ltd (a property manager of T&G Hamamatsucho Building) and JRA at the award ceremony.

Dialogue with Investors

- United Urban puts priority on fair disclosure to all investors and conducts timely disclosure regardless of the holding status of our unit. In practice, we conduct stipulated disclosure, simultaneous Japanese/English press releases and improvement of our website with viewer friendliness in mind.
- An "A" rating, the highest rating, was granted to United Urban for the fifth consecutive year in GRESB's disclosure of evaluations in 2022, as our information disclosure of ESG initiatives were particularly commended.
- In addition, United Urban pursues direct communication with various investors. While seminars for investors were canceled and travelling were restricted due to the COVID-19 pandemic, United Urban had dialogues with investors through conference calls and web meetings in 2022 as well.



G R E S B
Public Disclosure 2022

Meetings with Investors

Institutional investors	Japan	Overseas
2019	144	67
2020	140	58
2021	121	70
2022	121	59

IR Seminar Participation

Individual investors	No. of seminars United Urban joined
2019	11
2020	2
2021	4
2022	1

Meetings with Representatives in Charge of Exercising Voting Rights

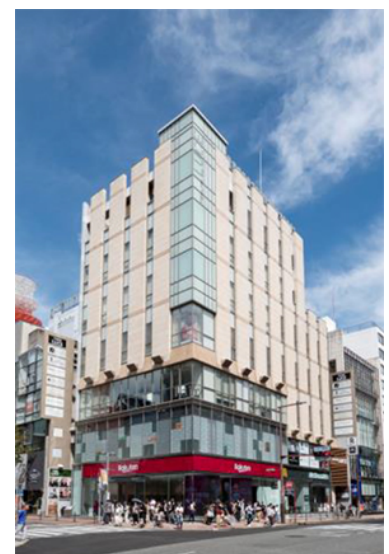
2021	8 companies + Proxy advisory firm
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Collaboration with Industries/Educational Institutions

- JRA is a regular member of Investment Trusts Association (ITA) and Association for Real Estate Securitization (ARES). JRA employees have been the member of several committees set in ARES for our better operation and management as well as our roll to develop financial literacy for individual investors.
- With collaborative asset management in mind, United Urban has been taking initiatives for vibrant local economy and community by liaising with educational institutions.

Example: Tenjin Luce

United Urban decided to roll out a wall decoration at Tenjin Luce, through a collaboration with a local university in Fukuoka. While this initiative created a new motivation to stop by the property, the university students have a unique opportunity to present their achievements of research (the wall designs are to be renewed periodically). This initiative not only contributes to the property's performance, but also takes part in a service to society and a creation of the life of the community.



Global Initiatives

Becoming a Signatory Member to PRI



Supporting TCFD Recommendations



Becoming a Signatory Member to UNGC



Submitting TOKYO Workstyle Reform Declaration



Supporting SDGs



Becoming a Signatory Member to PRI

Signatory of:



JRA agreed with the basic concept of PRI (Principles for Responsible Investment) and was attested as a PRI signatory by PRI Association in November 2018. PRI signatories pursue improvement of investment performance from the long-term perspective for their beneficiaries and fulfilling their fiduciary duty by incorporating ESG issues into its decision-making processes.

PRI: A set of principles established for the financial industry in 2006 under the leadership of the United Nations Secretary-General of the time, Kofi Annan. It comprises six principles that require PRI signatories to fulfill their responsibilities of ESG issues through investment activities.

The Six Principles

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

Supporting TCFD Recommendations

JRA expressed our support for the TCFD Recommendations in January 2022 and joined the TCFD Consortium constitutive of supporter companies in Japan.

Addressing environment, social and governance related issues and further taking action to realize a sustainable society are considered as important management challenge to United Urban and JRA. As a real estate investment manager, we believe that all are our responsibilities we need to take in our society.

We pursue portfolio management with the consideration to climate change and other environment issues and promote disclosures in accordance with the TCFD Recommendations.



TCFD: It refers to the Task Force on Climate-related Financial Disclosures, established by the Financial Stability Board (FSB) (Note) at the request of G20 in December 2015, to examine how climate-related information should be disclosed and how financial institutions should respond. TCFD published its final report in June 2017 and recommends companies and financial institutions to understand and disclose the governance, strategy, risk management, metrics and targets related to climate change-related risks and opportunities.

For details of the TCFD Recommendations, please see the following website:

<https://assets.bbhub.io/company/sites/60/2020/10/FINAL-2017-TCFD-Report-11052018.pdf> 

Note: An international body comprised by finance ministries and central banks, which monitors the global financial system

TCFD Consortium: The TCFD Consortium was established in May 2019 with an aim to encourage the TCFD supporters and financial institutions to work together and to further discuss effective corporate disclosure of climate-related information and its use for investment decision.

For details of the TCFD Consortium, please see the following website:

<https://tcf-consortium.jp/en> 

Becoming a Signatory Member to UNGC

WE SUPPORT



JRA's sponsor Marubeni Corporation has declared its support for the Global Compact proposed by the United Nations (UNGC) in December 2012 and become a signatory organization.

The UNGC was proposed in 1999 by the United Nations Secretary-General at the time, Kofi Annan, and formally launched the following year. Participating companies are asked to support and implement Ten Principles covering four areas: human rights, labor, the environment, and anti-corruption.

As a member of the Marubeni Group, JRA also became a co-signatory in March 2022 and joined the local network of the UNGC, Global Compact Network Japan (GCNJ).

In keeping with the vision of the UNGC, JRA strives to further enhance its corporate governance and put Ten Principles into practice.

Submitting TOKYO Workstyle Reform Declaration



JRA's TOKYO Workstyle Reform Declaration (Japanese only)

Declaring that we will engage in the company-level work-style reform by providing a better workplace with our employees and pushing our employees to take leaves in order to refresh, JRA was recognized as TOKYO Workstyle Reform Declaration Company by the Governor of Tokyo.


Through work-style reform including frequent catch-ups on how work hours can be shortened and the recommendation of taking a week-long paid vacation per year, JRA encourages our employees to improve productivity and take more than 10 paid holidays once a year.

Supporting SDGs

Aiming for sound management that can coexist with society and the environment, United Urban and JRA have been making efforts for improvement in sustainability with consideration for ESG factors. Based on the expectations and concerns from our stakeholders and impacts of our business on the environment and society, United Urban and JRA have specified and addressed the highly material issues.

United Urban and JRA have been supporting the Sustainable Development Goals (SDGs)^(Note) and continue efforts to achieve SDGs through challenges to mid-to-long-term social issues including disclosure of action plans for ESG factors linked to SDGs.




Note: [SDGs](#)  are the shared goals of the international community, with the aim of achieving sustainable development socially, economically and environmentally. In 2015, the UN adopted an agenda of 17 goals and 169 targets to be achieved by 2030.



Use of Funds from ESG Finance	▼	Eligible Criteria	▼
Management of Proceeds	▼	Fund Status by ESG Finance	▼
Fund Status Report	▼	External Evaluation	▼

United Urban and JRA have been taking a holistic approach to asset management of United Urban’s portfolio in consideration of ESG and pursue solid and resilient management that coexists with environment and society.

In financial management, United Urban aims to tap into and expand the ESG investors base as well as to further diversify financing methods and enhance the initiatives of ESG financing.

For the status of all interest-bearing debt of United Urban, please refer to [“Financial Information” of the United Urban’s website](#)  .

Use of Funds from ESG Finance

ESG The funds raised by the ESG financing are allocated to:

- Acquisition funds for assets that meet the following eligibility criteria (“Eligible Green Assets” or “Eligible Social Assets”).
- Funds for refinancing the borrowings to acquire Eligible Green Assets or Eligible Social Assets.
- Funds for redemption of investment corporation bonds issued to acquire Eligible Green Assets or Eligible Social Assets.
- Funds for property renovation aimed at beneficial improvements for environment.

➤ [For the status of ESG financing, please see “Fund Status by ESG Finance”.](#)

Eligible Criteria

Assets to which the following criteria are applicable are named as “Eligible Green Asset” and “Eligible Social Assets” respectively.

Eligible Criteria of Green Assets

Buildings that have or will have one of the following valid environmental certifications as of the due date for payment of green finances or sustainability finances.

- DBJ Green Building Certification (Japan): five stars, four stars or three stars
- CASBEE Appraisal (Japan): S or A
- BELS Certification (Japan): five stars, four stars, three stars or two stars

Eligible Criteria of Social Assets

Primarily an entire building should be a facility that provides the benefits of social projects stipulated in the Social Bond Principles issued by the International Capital Market Association (ICMA).

<Social Project Classification>

- a. Affordable basic infrastructure equipment
- b. Access to essential services
- c. Affordable housing
- d. Programs to create jobs including funding SMEs and leveraging the potential benefits of microfinance and to prevent or mitigate unemployment due to social crises
- e. Food safety
- f. Socio-economic improvement and empowerment

Management of Proceeds

The total amount of green finance or social finance is controlled so that each amount does not exceed the respective limit. In the event that the balance of green finance or social finance exceeds the limit, the difference will be managed separately in cash or cash equivalents.

The maximum amount of green finance and social finance shall be calculated by the following formula (all figures are as of the end of the latest fiscal period).

- Green finance limit = Book value of Eligible Green Assets x (Borrowing and investment corporation bond issuance balance ÷ Amounts of total assets)
- Social finance limit = Book value of Eligible Social Assets x (Borrowing and investment corporation bond issuance balance ÷ Amounts of total assets)

[For the maximum amount, please refer to "Fund Status Report".](#)

Fund Status by ESG Finance

Green Trust

(As of November 30, 2022)

Classification (Note 1)	Lender	Balance (Millions of yen)(Note 2)	Interest Rate	Drawdown Date	Maturity Date	Remarks
Long-term	Sumitomo Mitsui Trust Bank, Limited (Trust Account)	10,000	0.25000% p.a.	Sep. 28, 2018	Sep. 29, 2023	Unsecured Unguaranteed Fixed interest rate Green Loan Evaluation: Green1 (JCR) Jointly Operated Designated Money Trust
Long-term	Sumitomo Mitsui Trust Bank, Limited (Trust Account)	2,500	0.29000% p.a.	Mar. 29, 2019	Mar. 29, 2024	Unsecured Unguaranteed Fixed interest rate Green Loan Evaluation: Green1 (JCR) Jointly Operated Designated Money Trust
Long-term	Sumitomo Mitsui Trust Bank, Limited (Trust Account)	2,000	0.39000% p.a.	Mar. 29, 2019	Mar. 31, 2026	Unsecured Unguaranteed Fixed interest rate Green Loan Evaluation: Green1 (JCR) Jointly Operated Designated Money Trust
Total		14,500				

Note 1: Borrowings are classified by term. In principle, short-term borrowings are borrowings with a repayment date of less than one year from the drawdown date, medium-term borrowings are those with a repayment date of between one and five years from the drawdown date, and long-term borrowings are those with a repayment date in excess of five years.

Note 2: Balances are rounded down to the nearest million yen.

Note 3: Green Trust is the Joint Money Trust of loan which will be invested in acquisition of the existing and/or new "Eligible Green Assets", or repayment of the existing debts that have already been used for acquisition of the Eligible Green Assets. Green Trust complies with the international lines of the "Green Bond Principles" and "Green Loan Principles".

Green Bond

(As of November 30, 2022)

Name	Issue Date	Issue Amount (Millions of yen)	Interest Rate	Term	Redemption Date	Remarks
Series 19 of Unsecured Corporate Bonds (with pari passu conditions among corporate bonds) (Green Bonds)	May 23, 2019	10,000	0.448% p.a.	7 years	May 22, 2026	Unsecured / Unguaranteed Rating: AA (JCR) Green Bond Evaluation: Green1 (JCR) For retail investors
Total		10,000				

Sustainability Bond

(As of November 30, 2022)

Name	Issue Date	Issue Amount (Millions of yen)	Interest Rate	Term	Redemption Date	Remarks
Series 22 of Unsecured Corporate Bonds (with pari passu conditions among specified corporate bonds) (Sustainability Bonds)	Oct. 28, 2021	3,500	0.400% p.a.	10 years	Oct. 28, 2031	Unsecured Unguaranteed Rating: AA (JCR) Sustainability Bond Evaluation: SU 1 (JCR) For institutional investors
Total		3,500				

Note: The series of 22 Unsecured Corporate Bonds consists of refinancing funds for eligible green assets (3 billion yen) and acquisition and development funds for eligible social assets (0.5 billion yen).

Fund Status Report

If green finance or social finance remains a balance, United Urban is to announce the following KPIs on United Urban's website.

1. Report on fund status

At least once a year, the total funds raised, the total unallocated funds, and the limits of green finance and social finance will be made public.

For information on how to manage funds when the total funds raised exceed the established limit, please refer to "[Managing Funds Raised](#)."

- Green Finance

(As of November 30, 2022)

Total amount of funds raised ^(Note)	JPN 27,500 million
Total amount of unallocated funds	-
Maximum amount	JPN 180,244 million

Note: Of the funds (JPN 3.5 billion) raised through the series 22 of Unsecured Corporate Bonds (Sustainability Bonds), the amount raised to allocate for refinancing eligible green assets (JPN 3 billion) is included.

- Social Finance

(As of November 30, 2022)

Total amount of funds raised ^(Note)	JPN 500 million
Total amount of unallocated funds	-
Maximum amount	JPN 242 million

Note: Of the funds (JPN 3.5 billion) raised through the series 22 of Unsecured Corporate Bonds (Sustainability Bonds), the amount raised to allocate for the acquisition and development of eligible social assets (JPN 0.5 billion) is included.

2. Report on environmental and social improvement effects

Regarding the environmental and social improvement effects, the following KPIs will be announced once a year as much as practically possible.

a. Reporting of environmental improvement effects

- Types and ranks of valid environmental certifications (Please see "[Eligible Criteria of Green Assets](#)".)
- Electricity usage
- CO₂ emissions
- Water usage

Period Ended March 31, 2022 (April 2021 - March 2022)

Number of Eligible Green Assets	Acquisition Price (Millions of yen)	Electricity Consumption (GJ)(Note)	Water Consumptions (thousand m ³)(Note)	CO ₂ Emissions (thousand t-CO ₂)(Note)		
				Scope 1	Scope 2	Scope 3
68	411,490	545,485	995	2.84	24.05	46.68

Note: Limited to those United Urban has energy management authority.

b. Reporting of social improvement effects

<Output KPIs>

- Building and rent overview
- Resident status / outline of facilities (number of rooms, capacity, number of residents, occupancy rate, etc.)
- Profit and loss status of real estate owned (details of real estate leasing business profit and loss, NOI)
- Operator's overview
- Real estate appraisal value as of the end of the period

<Outcome KPIs>

- When the target asset is a nursing home: number of nursing home and setting staff
- When the target asset is a medical facility: number of medical facilities and beds
- When the target asset is a childcare facility: number of childcare facilities, capacity, number of children, and capacity sufficiency rate
- When the target asset does not correspond to the above: indicators that are considered important in view of the characteristics of the target asset

Regarding output KPIs and outcome KPIs, we will only announce information on properties for which use of funds social finance.

<Output KPIs>

Property name		Miyanomori Nijo Development Site
Building overview		-
Rent overview		-
Operator's overview		-
Resident status / outline of facilities	Number of rooms	-
	Capacity	-
	Number of residents	-
	Occupancy rate	-
Profit and loss status of the end of the most recent fiscal period		_(Note)
Real estate appraisal value as of the end of the most recent fiscal period		JPN 374 million

Note: United Urban acquired this property as a development site for the development project of an elderly housing on September 30, 2021. The construction of building for rent is scheduled to be completed in May 2023. Since the property is not in operation as of the end of the most recent fiscal period, there are no applicable information for reporting.


<Outcome KPIs>

	Number of facilities		Capacity (Person)	
	2021	2020	2021	2020
Nursing home for a long stay	8,414	8,306	586,061	576,442
Nursing home for short stay, rehabilitation, etc.	4,279	4,304	371,323	373,342
Clinic for the elderly at low nursing care level	617	536	38,159	33,750
Hospital for the elderly at high nursing care level (Note)	421	556	13,533	19,338

Source: Survey of Institutions and Establishments for Nursing Home 2021, Ministry of Health, Labor and Welfare.

Note: The capacity of hospital for high nursing care level is the number of designated beds for long-term care.

External Evaluation

Each ESG finance has received a third-party evaluation from Japan Credit Rating Agency (JCR). Please see the [JCR's website](#)  for the details of this evaluation.