ESG initiatives



Social







Approach to Human Capital

JRA, the asset management company of United Urban, supports the Group HR Strategy of the Marubeni Group, a sponsor, which is formulated based on the idea that human resources are treasures, and aims to create the "HR Ecosystem" in which each employee is encouraged to generate new values.

The key terms here are "Human Capital with High Social Value," "Diversity & Inclusion," and "Culture of Individual Development and Productivity." We aim to build the "HR Ecosystem" as a place where "Human Capital with High Social Value" creates new value,

"Diversity & Inclusion" increases value creation, and "Culture of Active Participation and Connectivity" provides open innovation in order to bring together internal and external ideas.

JRA provides training programs for our employees which are designed to strengthen their capacities and abilities so that each employee can work with a high level of professional expertise.

Please follow the link below for the details of the Marubeni Group's HR ecosystem.

► HR Management of the Marubeni Group



Training programs which strengthen the capacities and abilities of employees and nurture employees to acquire high market value

Qualifications

The management of a J-REIT requires a combined expertise developed in finance and real estate business. In order to achieve better performance, JRA has secured talents with advanced knowledge and distinguished experience in each field. Examples of the measures are as follows:

- All requisite expenses to acquire, register and update qualifications held by all employees including contract workers are covered by JRA.
- Based on an increased workload derived from United Urban's portfolio growth, the recruitment plan has been properly reviewed and developed.
- Marubeni Corporation and its group companies provide JRA with support for replenishment of human resources with abundant experience in real estate investment/leasing transaction as well as financial management.
- Professionals have been retained in the Marubeni's group companies for needs of additional staff for JRA by rotating employees between the group companies and JRA.

Examples of Employees' Qualifications

Real Estate / Architecture	Accounting / Finance / Others
Real Estate Notary	Attorney at Law
Real Estate Appraiser	ARES (Association for Real Estate Securitization) Certified
First-class Qualified Architect	Master
Second-class Qualified Architect	Certified Internal Auditor
Qualified Lifecycle Manager of Buildings/Facilities	
Qualified Building Cost Engineer	
Building Environment/Sanitation Engineer	
Certified Facility Manager	
Certified Building Administrator	
Director of Business Management for Condominium	
CASBEE Appraiser for Real Estate	

Note: As of March 2023.

Ratio of Employees with Major Qualifications

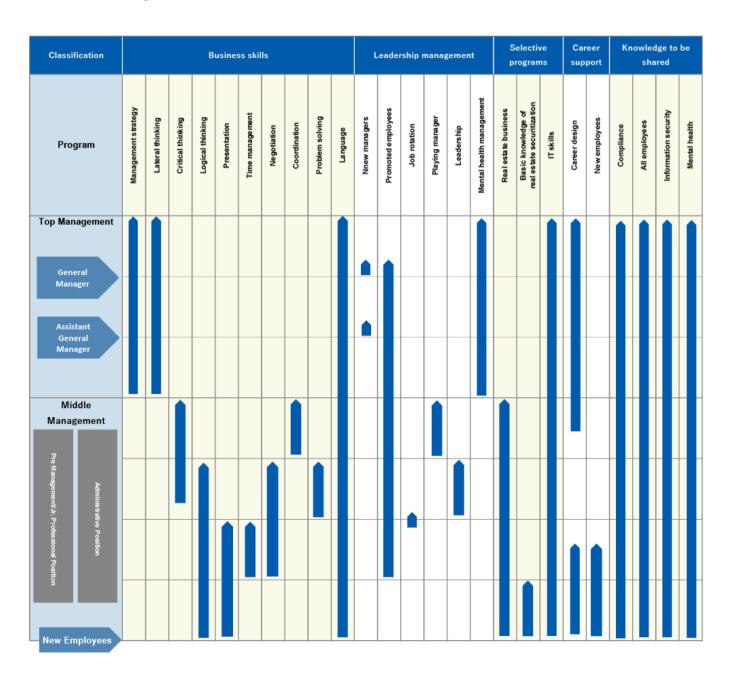
- Real Estate Notary: 43.0%
- Association for Real Estate Securitization Certified Master: 19.8%

Note: As of March 2023. Based on the full-time officers and employees.

JRA's Training Programs

As shown in the table below, JRA provides all of our employees including contract workers with various training programs which they are required to take in a holistic manner depending on their job category and responsibilities.

In addition, JRA's all employees including contract workers are eligible to take professional training programs to improve their skills, such as an intelligent training program on real estate business and a practical training program on real estate research and real estate transactions, all of which are facilitated by external professionals. As to training programs on compliance, all of our employees including contract workers take an annual intensive course provided by external experts on legal compliance and appreciation for social norms to be thorough and conflicts of interest to avoid.



Participation Records of Training Program

	2016	2017	2018	2019	2020	2021	2022
Average hours participated in training programs per officer or employee (April to March of every year)	7.8	11.7	13.3	13.1	6.0	12.5	12.8
Ratio of officers and employees participated in professional training programs (January to December of every year)	88.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Ratio of officers and employees participated in training programs focused on sustainability (January to December of every year)	32.5%	40.8%	100.0%	100.0%	100.0%	100.0%	100.0%

Performance Appraisals

JRA, the asset management company of United Urban, conducts performance appraisals and reviews for all of our employees (including contract employees, etc.).

With groundbreaking talent being sought after, JRA revamped the performance appraisal system in 2020 with the aim to further value employees who are willing to take on new challenges and to nurture such culture in addition to assess accomplishment of employees.

Once a year, each employee at JRA sets goals based on goals of the company or the relevant departments they belong to and discusses with their superiors on targets and challenges to be addressed and finalizes their goals to work on. The employees review the progress of their goals and make corrections, if necessary, through interim meetings of the subject fiscal period. At the feedback meetings in the end of the fiscal period, the employees conduct self-assessment and reporting of their annual accomplishment and receive feedback from their superiors. Also, they verify their upcoming tasks and future career path.

With meeting between superiors and employees throughout the year, the system ensures that both parties increase their level of content. JRA utilizes the system and nurtures human resource by raising awareness through self-reflection and mutual understanding.

The performance appraisal system consists of evaluation based on outcome and behavior. In the outcome evaluation, the level of achievement of set goals and its achievement processes are considered. In the behavior evaluation, actions required according to a set of responsibilities of each title are reviewed, whether the actions had been demonstrated or not. Objectivity and fairness of each evaluation are ensured by having multiple parties conduct evaluations before the evaluations are finalized.

The appraisal results determined through the set procedures are reflected in the employee's compensation. Each employee is encouraged to have their own career plan and to acquire skills that will be useful even outside the company by providing them with opportunities for various experiences including job changes within the company and transfers to the Marubeni group's companies.

Internship

JRA has been arranging opportunities for students to obtain working experience in J-REIT industry and helping them assess their aptitude and make their career plan.

In 2018, JRA accepted a student majoring business administration and offered opportunities to learn the property management as well as property inspection to acquire an external certification in retail, office, and hotel properties owned by United Urban.



Luz Shonan Tsujido Intern on the right-hand side



Human Rights & Better Work Environment	~	Employees at JRA	~
Engagement Survey	~	Support for Flexible Workstyle	~
Bonus	~	Employee Stock Purchase Plan	~
Benefit Package for Employees	~	Vaccination Leave	~
PCR Testing Cost at the Company's Expense	~		

Human Rights & Better Work Environment

Policy

JRA declares in our Sustainability Policy that we respect human rights, do not tolerate inhumane treatment including discrimination, forced labor and child labor, respect and mutually accept each person's individuality, and aim to establish an organization in which each individual participates and realizes his or her full potential. Also, we state that we value workers' rights and constantly strive to ensure a safe, healthy workplace and create a favorable working environment.

For more details, please refer to the <u>Sustainability Policy</u>.

Raising Awareness of Human Rights, Labor Standards and Working Environment

To ensure our employees are fully aware of policies relating to human rights, labor standards and working environment, JRA understands that communication with our employees is indispensable. JRA therefore organizes a variety of settings of communication on a regular basis. Moreover, when new employees join the company, they always receive material and explanations relating to the rules of employment, personnel evaluation system, and benefits program. JRA also provides an environment that enables this information to be viewed at any time by posting it on our intranet.

Actions for Diversity and Inclusion, Equality of Opportunities and Eliminating Discrimination

Respecting human rights, complying with labor standards, proactively creating a favorable working environment and fulfilling our social responsibilities, JRA aims to foster diversity and inclusion, equality of opportunities and achieve the elimination of discrimination within our employees. Specifically, JRA treats employees fairly and equitably at every opportunity, including recruitment, hiring, promotion/demotion, leave privileges, vacation time, etc.

JRA is working on a work-style reform and striving to create a favorable working environment in order to prevent our employees working long hours, improve their work-life balance and encourage flexible work-style upon various personal life events.

Specifically, JRA has already introduced various systems that may be used by male and female employees alike, including a flexible working hours system, remote work system, parental leave before and after childbirth, childcare leave, nursing-care leave, family-care leave, a shortened working hours program for employees raising children or nursing family members and an annual paid vacation program that may be taken in units of hours or half-days.

To ensure the viability of these initiatives, JRA declared in February 2019 that "in order to improve our employees' work-life balance, the company as a whole works on a work-style reform, so that it would become an employee-friendly company where it is easy to take time off," and it was recognized by the Governor of Tokyo as a Tokyo Work-Style Reform Declaration Company.

Furthermore, JRA has a committee pursuing our employees' health and safety as well as a comfortable working environment and holds meetings once a month. Both the employees and the employers serve as members of the committee and strive to improve the working environment through periodical discussion on a wide range of related matters, including prevention of health problems, implementation of health education and restricting long working hours.

Employees at JRA

			2017	2018	2019	2020	2021	2022
Male		47	43	43	46	47	48	
		Fixed-term employees	1	0	1	3	2	3
	Female		29	30	32	34	38	38
Full-time Officers & Employees (Note 1)		Fixed-term employees	1	0	1	0	1	0
	Female rat	io	38.2%	41.1%	42.7%	42.5%	44.7%	44.2%
	All		76	73	75	80	85	86
		Fixed-term employees	2	0	2	3	3	3
Employees who took m (Note 2)	naternity/chi	ldcare leaves	2	3	1	3	2	2
Employees who opted (2)	Employees who opted for shorter work hours (Note 2)		4	3	7	5	3	4
Turnover (Note 3)	Turnover (Note 3)		2	9	3	3	3	7
Turnover ratio (Note 4)			2.6%	12.3%	4.0%	3.8%	3.5%	8.1%
	Male		38	33	27	26	28	24
Managers (Note 5)	anagers (Note 5) Female		6	8	8	9	10	7
	All		44	41	35	35	38	31
(Note	Male		3	6	9	7	2	2
New employees (Note 6)	Female		3	2	2	4	4	4
	All		6	8	11	11	6	6
	Male		5.3	5.2	4.6	5.2	6.1	6.7
Average years of service	Female		6.2	6.6	7.1	9.0	8.0	8.4
	All		5.6	5.8	5.7	6.8	6.9	7.5
Usage of paid leaves (No. of days)		12.7	12.1	12.7	9.8	12.8	12.9	
per year per employee	(Ratio)		70.7%	65.6%	70.2%	53.7%	69.4%	72.4%
	Male		0	0	1	1	2	3
Employees at age 60 or over (Note 7)	Female		0	0	0	0	0	0
	All		0	0	1	1	2	3

		2017	2018	2019	2020	2021	2022
М	Male	0	0	0	0	0	0
Foreign employees (Note 7)	Female	1	1	1	1	1	1
All	All	1	1	1	1	1	1
Directors, exclusive of	Male	5	5	5	5	5	5
auditors, inclusive of non-executives (Note 7) Female All	Female	0	0	0	0	0	0
	5	5	5	5	5	5	

- Note 1: Full-time officers and employees. As of the end of March every year. Aggregate method of the fixed-term employees was changed in 2021.
- Note 2: Number of employees who are taking as of the end of March every year.
- Note 3: Total numbers from April to March every year; exclusive of leaves due to retirement age or end of transfer assignment.
- Note 4: Turnover rate = Total # of turnover for a subject fiscal period ÷ # of all full-time officers and employees as of the end of March every year.
- Note 5: Chief Manager and above.
- Note 6: From April to March every year.
- Note 7: As of the end of March every year.

Engagement Survey

Conduct every year since 2018 covering all employees including contract workers to monitor employee satisfaction.

	2018	2019	2020 ^(Note)	2021	2022
Survey period	November 2018	November 2019	January 2021	September 2021	September 2022
Survey group (All employees including contract workers, etc., excluding those who take temporary leaves, etc.)	58	63	79	81	77
Effective response rate	94.8%	96.8%	100%	98.7%	100%
Job satisfaction/Compa satisfaction (marks out of 5)	3.1 ny Total satisfaction was only scored.	3.3/3.2	3.3/3.2	3.4/3.4	3.2/3.3
Employees who had a performance feedback and a career consultation with their superiors	100%	100%	100%	100%	100%

Note: Survey company was changed.

Support for Flexible Workstyle

Considering the results of employee satisfaction surveys and other factors, we have introduced the following improvement measures.

- Arrange infrastructure for remote working.
- Introduce the systems for flexible working, short-hour working and taking annual paid holidays by hour.
- Promote work-life balance, career continuity for all employees as well as business continuity.
- Install the focus space.
- Increase the open space and booth for chats and meetings

Focus Space

Open booths and closed booths were installed to further improve efficiency and quality of work by JRA's employees.

This has allowed employees to choose a place to work according to the assigned task, bringing about changes to their mindset.





Open booths (left) and closed booths (right)

Closed booths are used when JRA's employees working at the office have a remote meeting with clients or co-workers working from home. By bringing in their own laptop, the employees can work with two monitors in the closed booths.

Open Space and Booth for Chats and Meetings

To foster more constructive communication and collaboration, JRA has offered more meeting space options to our employees by setting up open relaxing meeting spaces, instead of traditional ones divided by partitions.





Booth (Left) and Standing tables space (right)

Subsidy Program for Communication Activities

All JRA employees including contract workers are eligible for the subsidy program for activities to facilitate communications among employees to get to know each other, to promote wellness, to appreciate culture, etc.





Bonus

It is fully linked to the EPU of United Urban (Exclusive of employees from Marubeni and its group companies).

Employee Stock Purchase Plan

Since 2019, all employees including contract workers are eligible to acquire a fixed amount of United Urban's units through a cumulative stock investment program provided by a brokerage company in a constant manner. As a part of welfare services, we aim to provide support on mid- to long-term asset-building and increase awareness of United Urban's growth.

Benefit Package for Employees

	All employees				
	Full-time employees	Contract workers			
Social insurances (nursing care insurance, employees pension insurance, employment insurance, worker's compensation insurance)	0	0			
Benefit program (Benefit Station)	0	0			
Maternity leave	0	0			
Childcare leave (until a child turns 1 year old)	0	0			
Leave for nursing care	0	0			
Medical checkup	0	0			
Wellness program (grants for heal screening)	0	0			
System for employees to acquire investment units from their monthly salary	0	0			
Support program for acquiring/maintaining credentials	0	0			
Retirement package	0	×			

Vaccination Leave

When JRA employees (including contract workers) are vaccinated during working hours, they will be regarded as working during working hours. If the employees themselves have difficulty working due to the occurrence of side effects after vaccination, they may be allowed by their supervisors to take special paid leave from the date of vaccination or the next day. In addition, employees will be regarded as working during working hours even when accompanying their family members who live in the same house to vaccination sites and may be allowed by their supervisors to take special paid leave from the date of vaccination or the next day if their family members who live in the same house need nursing care due to the occurrence of side effects. Such rules will be applied for the second and subsequent times.

PCR Testing Cost at the Company's Expense

Full costs of PCR tests will be incurred by JRA when employees (including contract workers) fall under the following cases and cannot receive public financial support.

- When testing positive.
- When becoming a close contact.
- When employees request companies to bear the cost in the case of engaging in face-to-face contact with a person who has tested positive within a certain period



- As part of due diligence when acquiring properties, United Urban conducts various inspections concerning external and internal environments of a subject property.
- After acquisition, regular examinations and inspections are conducted for the main facilities to secure safety and hygiene for tenants and facility users. When issues are found, cost will be paid to prevent or resolve the issues at an early stage.



LOOP-X · M

Due Diligence for Safety before Acquisition

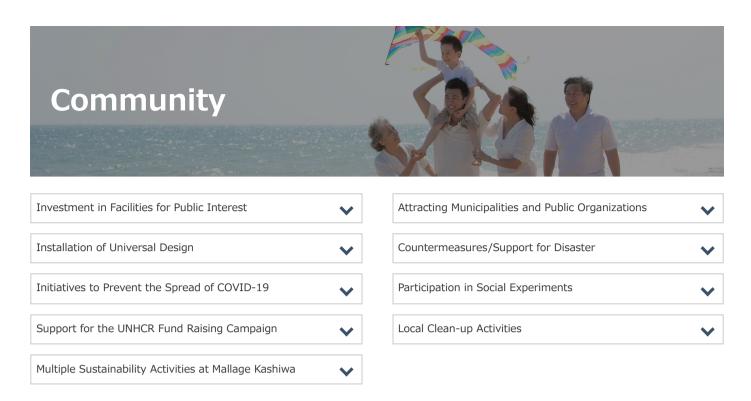
- Seismic resistance (Does it secure features required by the new earthquake proofing standards (Note 2) or better)
- Status of compliance with Fire Service Act, City Planning Act, etc., and related laws and regulations
- Usage and management status of toxic substances including asbestos,
 CFC, PCB, etc.
- Land use history, status of soil, etc.

Main Regular Inspections after Acquisition

- Elevator
- Firefighting equipment
- Special building
- Air quality
- Drinking water
- Pests and rats
- Note 1: Probable Maximum Loss. Potential damage (percentage of the building's replacement cost) during a 475-year earthquake (probable maximum earthquake).
- Note 2: Earthquake-proofing standards for buildings, etc., based on the Building Standards Act amended in 1981.

Portfolio PML (Note 1)

5.95%
As of November 2022



Investment in Facilities for Public Interest

With an operational policy of <u>diversified investment</u> , United Urban invests in medical facilities with high public interest. Also, by drawing medical institutions, clinics and day-care facilities into our properties, United Urban provides convenience and security to residents and visitors.

Medical Facilities





Plussing Wave Enoshima

Medical Institutions/Clinics

23 properties46 corporations

Note: As of November 2022.

Day-care Centers/Nurseries

2 properties3 corporations

Note: As of November 2022.

Attracting Municipalities and Public Organizations

Some properties have municipalities and public organizations as tenants, and their spaces serve as a base to provide various public services. With the understanding that "real estate acts as a part of social infrastructure," United Urban operates our properties for public interest in cooperation with out partner companies.

Main Properties/Tenants

Mallage Kashiwa	Kita-Kashiwa 2 Community Support Center
Pacific Marks Kawasaki	Japan Legal Support Center Kawasaki
Pacific Marks Higobashi	Edobori Notary Office
RIHGA Royal Hotel Kokura / ARUARU City	Kitakyushu Manga Museum



Note: As of November 2022.

Installation of Universal Design

Anticipating that various people will use a property given its characteristics, United Urban seeks to install multipurpose toilets, corridors with sufficient width, slopes and handrails, elevators compatible with wheelchairs, parking space for physically disabled persons, etc., at its properties. As of November 2022, 97 out of 132 properties (excluding properties consisting of only land) owned by United Urban are partially or fully equipped with universal designs.

Example: Luz Musashikosugi







Countermeasures/Support for Disaster

At each of United Urban's properties, emergency power generators have been installed and emergency provisions have been stored in stages. Emergency drill is also conducted annually. As the landlord of real estate, which is believed to be a part of an infrastructure in the local community, United Urban has agreed with some municipalities to open meeting rooms at some properties in case of emergencies.

Example: SS30

Based on written agreements concerning the support for people who are unable to return home after disasters, SS30 in Sendai City provides space as a shelter. Cooperating with Sendai City, emergency food will be supplied and will become a hub for emergency communication between local citizens.



Initiatives to Prevent the Spread of COVID-19

Receiving Patients and Medical Personnel

In response to requests from local governments to help prevent the collapse of the medical care system caused by the spread of COVID-19, hotels of Urban have been used as a lodging facility for medical treatment for the COVID-19 patients with mild or no symptoms who need medical treatment as well as medical personnel.

Offering Space for Inoculation of the COVID-19 Vaccination

COVID-19 vaccination (workplace vaccination and large-scale vaccination at local municipalities) has been sequentially implemented from June 2021 at multiple hotels of United Urban.



Participation in Social Experiments

- United Urban cooperated in the "improvement of efficiency of intraregional movements using shared electric kickboards and resolution of last one-mile issues (Note1)," an experimental project hosted by mobby ride Inc. certified as a full support business of demonstration by Fukuoka City (Note 2).
- The driving data obtained through the experiments was submitted to the government by mobby and used to consider to formulate traffic rules for various traffic settings including electric kickboards and to realize a society where electric kickboards and people can coexist.
- United Urban offered parts of the sites of our properties to the project for free, and such sites are used as exclusive parking spaces for electric kickboards during the experiment.
- Note 1: Implementation period: From April 27, 2021, to October 31, 2021. Sharing services enabling free travel among exclusive parking spaces designated by Fukuoka City was provided using the entire area of Chuo-ku and part of Minami-ku in Fukuoka City as the service area.
- Note 2: Fukuoka City solicits demonstration experiment projects that lead to the resolution of social issues and the enhancement of quality of life using cutting-edge technologies including AI and IoT from all over Japan as needed, and fully supports demonstration experiments of excellent projects in the city.

Electric Kickboard

It attracts attention as a one-mile transportation method in a super-aging society with a low birthrate or as a measure to revitalize tourism. Because an electric kickboard is treated as a "motorized bicycle" in Japan, drivers are required to carry their license and wear helmets while riding and lights, side mirrors and number plates must be equipped. Various considerations are being made by the government and experts towards the enhancement of convenience when driving on public roads by eyeing legal amendments.





[Left] Electric kickboards of mobby ride Inc. parked at an exclusive parking space designated by Fukuoka City during the demonstration experiment (TENJIN LUCE). [Right] Driving experiment without helmets on public roads.

Support for the UNHCR Fund Raising Campaign

On behalf of UNHCR (United Nations High Commissioner for Refugees), Japan for UNHCR conducted fund raising campaigns at Luz Shonan Tsujido and Luz Funabashi. Japan for UNHCR is an official representative point of contact of UNHCR. As a member of society, United Urban also plans to offer space for the campaign in 2022.



Staff of Japan for UNHCR explaining about the campaign to a visitor.



Certificate of Appreciation from UNHCR

Local Clean-up Activities

As part of environmental activities at JRA, JRA's employees participate in clean-up activities in Minato-ku, location of JRA's office every month, which are organized by the local administration.







[Left] Participants preparing for "Shiba District Clean Campaign: A Town with Zero Smoking on the Street!" (December 2021). [Center & Right] JRA's employees participating in the clean-up activity.

Multiple Sustainability Activities at Mallage Kashiwa

Location: Kashiwa, Chiba

Nearest Station: 12-minute by bus from Kashiwa Station, JR Joban Line

Total floor space: 54,689.28m²

The property is a suburban shopping center near National Route 16. A grocery store, a home center and other shops selling daily necessities as well as a large sporting goods store and many other specialty stores are located in this property. The wide variety of shops and stores is thought to attract customers from a widespread area. United Urban has pursued contribution toward the resident in the neighborhood through the following initiatives in this property.

Example 1:Childcare Support

Efforts have been made in this property to support children's healthy growth and child-raising mothers by working together with Kashiwa City, civic groups, etc. Seminars on eurhythmics, or massage for babies, a flea market for children's goods, and other events for children have been held on a regular basis in this property. Such seminars or events provide communication opportunities for the child-raising generation.



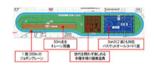
Supporters of Mama-life "Mallage mama"

Example 2:Initiatives for Promotion of Sports

Soccer lessons by professional soccer players serving as technical advisers are held at the sports park, a place for futsal, basketball and athletics located on the rooftop of the property. Headed by Kashiwa Reysol, a Japanese professional football club, there are many alliance academies and alliance clubs in Kashiwa City, and Kashiwa City is an area having strong regional ties with soccer as its core. The property is of help for formulating such ties. In addition, tournaments for 3×3 basketball, an official item of 2020 Tokyo Olympic Games, are regularly held with XEBIO Co., Ltd. The teams for the tournaments are varied from teams consisting of elementary school children to those of adults. Thus, the property is contributing also as a place for people of various age groups.

Other facilities for sports and health promotion of this facility include a jogging track with round of 300 meters, a running lane with a length of 50 meters, and health equipment. These facilities are available free of charge.





Sports Park

Example 3: Radio Calisthenics

The events for calisthenics known as "radio taiso" (literally, radio exercise) are held in July and August every year (15-day period) with Kashiwa City and Kashiwa City Social Welfare Council, etc. 3,442 persons in total participated in the events in 2018.



Radio Exercises

Example 4:Working Together with Fire Department of Kashiwa City

A traditional New Year parade by firefighters known as "dezomeshiki" (held in January) and a general disaster drill (held in November) organized by Fire Department of Kashiwa City are held at a remote parking lot, helping to raise local disaster prevention awareness.

Example 5: Mallage Hall and Mallage Room Rentals

"Mallage Hall," which can accommodate 100 persons and "Mallage Room," which can accommodate 30 persons, are located within the property and are made available for lease. These are made soundproof specifications and can be utilized for concerts, recitals, etc.

In March 2021, United Urban leased a part of the inside of the property to Chiba Prefecture as an early voting station for the Chiba Gubernatorial Election for free. More than 6,000 residents of Chiba Prefecture came and voted over 6 days. United Urban owns large retail facilities used by local people and considers the continuous implementation of such initiative as a member shaping the community.



Voting venue



Cue of voters/visitors of the facility