

ESG initiatives



Governance



Corporate Governance

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Basic Philosophy

United Urban has a management strategy of identifying properties with intrinsic value and pursuing sustainable growth of the investment corporation. And we aim to maximize unitholder value, establish relationships of mutual trust with stakeholders and coexist with the environment and society.

United Urban understands establishment and reinforcement of our compliance and risk management system as an important challenge in realizing the above. United Urban makes efforts to conduct corporate activities in a fair and sound manner through such actions for our compliance and risk management system.

Governance of Investment Corporation

■ Institution of the Investment Corporation

The institution of United Urban consists of the General Meeting of Unitholders comprised of all unitholders, one executive officer, two supervisory officers, the Board of Directors consisting of the executive officer and the supervisory officers and finally the accounting auditor.

The General Meeting of Unitholders is the United Urban's highest organ of decision-making which decides on amendments to the United Urban's Articles of Incorporation or certain matters stipulated by the Investment Trust Act or the Articles of Incorporation. The Articles of Incorporation lays out stipulations for our investment targets and policies. And resolutions must be passed by the General Meeting of Unitholders before making changes to the Articles of Incorporation including for the asset management targets and policies.

The executive officer operates the Investment Corporation and has the right to conduct all judicial and nonjudicial acts concerning the operation of United Urban as a representative of the Investment Corporation. However, the approval of the Board of Directors is required to perform certain duties which are stipulated in the Investment Trust Act including convocation of the General Meeting of Unitholders.

The Board of Directors has the right to convene the General Meeting of Unitholders and approve certain duties stipulated in the Investment Trust Act. Also, the Board has the authorities stipulated by the Investment Trust Act and the Articles of Incorporation and the right to supervise the duties of the executive officer.

Each supervisory officer oversees the execution of duties by the executive officer based on the reports on the status of management of assets, compliance and risk management from the executive officer at the Board of Directors' meetings.

The accounting auditor is selected by resolution of the General Meeting of Unitholders and audits financial documents of United Urban. In case that they discover wrongful acts in the performance of duties by the executive officer or of significant matters in violation of the law or the Article of Incorporation, they report to the supervisory officers and conduct other operations stipulated by the law.

| Regulation of Transactions Involving Conflicts of Interest

The Investment Trust Act stipulates that transactions are prohibited, including the acquisition and disposition of real estate, lease transaction, etc. (excluding transactions which are deemed not to disturb protection for unitholders) between United Urban and our officers, relatives of officers (limited to their spouse and blood relatives and in-laws in the second degree), JRA and JRA's officers and employees. Also, the Investment Trust Act sets out that officers with special interests are unable to participate in the resolutions of the Board of Directors. The management of United Urban's assets and the operation of the Board of Directors are thus based on these regulations.

Moreover, the supervisory officers of United Urban are not in conflict with the Investment Trust Act's standards on independence from the executive officer, the Asset Management Company, etc.

Please refer to the decision-making structure, [Internal Control for Investment and Management](#), for transactions between JRA and its sponsor companies, etc. and other transactions that may involve conflicts of interest.

| Internal Management of the Investment Corporation and Supervision by the Supervisory Officers

United Urban holds the Board of Directors' meeting once a month and approves matters stipulated by the law. In the meeting, the executive officer provides detailed reporting on United Urban's management, JRA's status of execution or operations, etc. Supervisory officers with qualification of lawyers or certified public accountants oversee the executive officer's status of execution of operations from their own specialized viewpoints.

Also, United Urban has the right to receive reports from JRA on the status of management of assets and the right to view, copy and survey all JRA's documents regarding business commissioned to external parties. By exercising these rights, United Urban maintain the system in which we can monitor JRA's status of execution of operations including transactions involving conflicts of interest.

Cooperation between Supervisory Officers and Accounting Auditor

Each supervisory officer also receives reports on the asset management status, compliance and risk management from the executive officer at the Board of Directors' meetings of United Urban.

Also, the accounting auditor collaborates with the supervisory officers by auditing United Urban's financial documents and reporting the audit results to the executive officer and supervisory officers.

Furthermore, in case that the accounting auditor discovers wrongful acts in the performance of duties by the executive officer or of significant matters in violation of the law or the Article of Incorporation, they report to the supervisory officers and conduct other operations stipulated by the law.


Management System for Affiliated Companies

United Urban holds the Board of Directors' meetings once a month and receives reports on the status of management of assets from JRA. Also, we manage and supervise JRA through the executive officer's interview on the management status as well as inspection and survey of relevant documents. Moreover, United Urban maintains the management system by receiving reports on the status of execution of operations, etc. from the administrative agent and asset custodian.

Status of Officers

Each director of United Urban is expected to not maximize distributions in the short term but to promote medium- to long-term growth by a balanced approach with elements of Environment (E), Society (S) and Governance (G) in mind.

| Position | Name | Gender | Chairperson | Independent officer (Note 1) | Experience and expertise (Note 2) | | | | | Qualification | Annual compensation | Attendance in Board of Directors meeting (37th FP & 38th FP) | No. of investment units owned |
|---------------------|-------------------|--------|-------------|------------------------------|--|-----------------------------------|----------------------|----------------------------|----------------------------|---|---------------------|--|-------------------------------|
| | | | | | Corporate management/management strategy | Real estate investment/management | Finance & Accounting | Auditing & Risk management | Legal affairs & Compliance | | | | |
| Executive officer | Toshiaki Emon | Male | ○ | - | ○ | ○ | ○ | ○ | | - | JPN 12,000 thousand | 100% (19 times / 19 times)(Note 3) | 0 units |
| Supervisory officer | Kenichiro Okamura | Male | | ○ | ○ | | ○ | ○ | | Certified public accountant US certified public accountant Certified tax accountant | JPN 4,200 thousand | 100% (19 times / 19 times) | 0 units |
| | Kumiko Sekine | Female | | ○ | | | | ○ | ○ | Lawyer | JPN 4,200 thousand | 100% (19 times / 19 times) | 0 units |

For career summaries of each officer, please refer to [2. Management structure and system of the Investment Corporation and the Asset Management Company in Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties.](#) 

Note 1: "Independent officer" refers to supervisory officers who are not in conflict with the Investment Trust Act's standards on independence from the executive officer, JRA, etc. Since United Urban does not fall under the category of a listed domestic company as stipulated by the Tokyo Stock Exchange's rules on the listing of securities, it is not required to secure an independent officer as stipulated in said rules and so the stipulated Independent Directors/Auditors Notification has not been submitted. Nonetheless, as indicated in the table, persons who are not in conflict with the Investment Trust Act's standards on independence from the executive officer, JRA, etc. are selected as United Urban's supervisory officers.

Note 2: "Experience and expertise" in the table indicates the relatively notable experience and expertise of each officer and does not show all of the experiences and abilities of the officers.

Commitment for Gender Diversity

It is United Urban's conviction that organizations which reflect diverse values in corporate management and tolerate themselves to variety of values promote innovation and enhance corporate competitiveness and social evaluation, and consequently raise corporate value. In selecting our officers, United Urban aims to have member composition which represents a mixture of different ages, genders and backgrounds.

Moreover, under the policy of emphasizing gender diversity in the Board, women directors are actively selected and United Urban targets a ratio of 30% or more for women directors.


■ Diversified Management Structure


Two supervisory officers were newly appointed dated September 1, 2019 and the management structure of United Urban becomes diversified in terms of age, gender and backgrounds. With experience and knowledge based on the expertise of each officer, United Urban manages various risks in a proper manner and remain mindful of conflict of interest to maximize our investors' interests.



[Left] Supervisory officers Kumiko Sekine
[Center] Executive officer Toshiaki Emon
[Right] Supervisory officer Kenichiro Okamura


Compensation of Accounting Auditor

The accounting auditor will be paid an amount determined by the Board of Directors as a compensation, up to a maximum of 30 million yen per business period (Article 38 of [United Urban's Articles of Incorporation](#) ).

For records of compensation in each business period, please refer to Overall Condition of Investment Corporation, 3. Directors and Auditor of [the semiannual report](#)  .

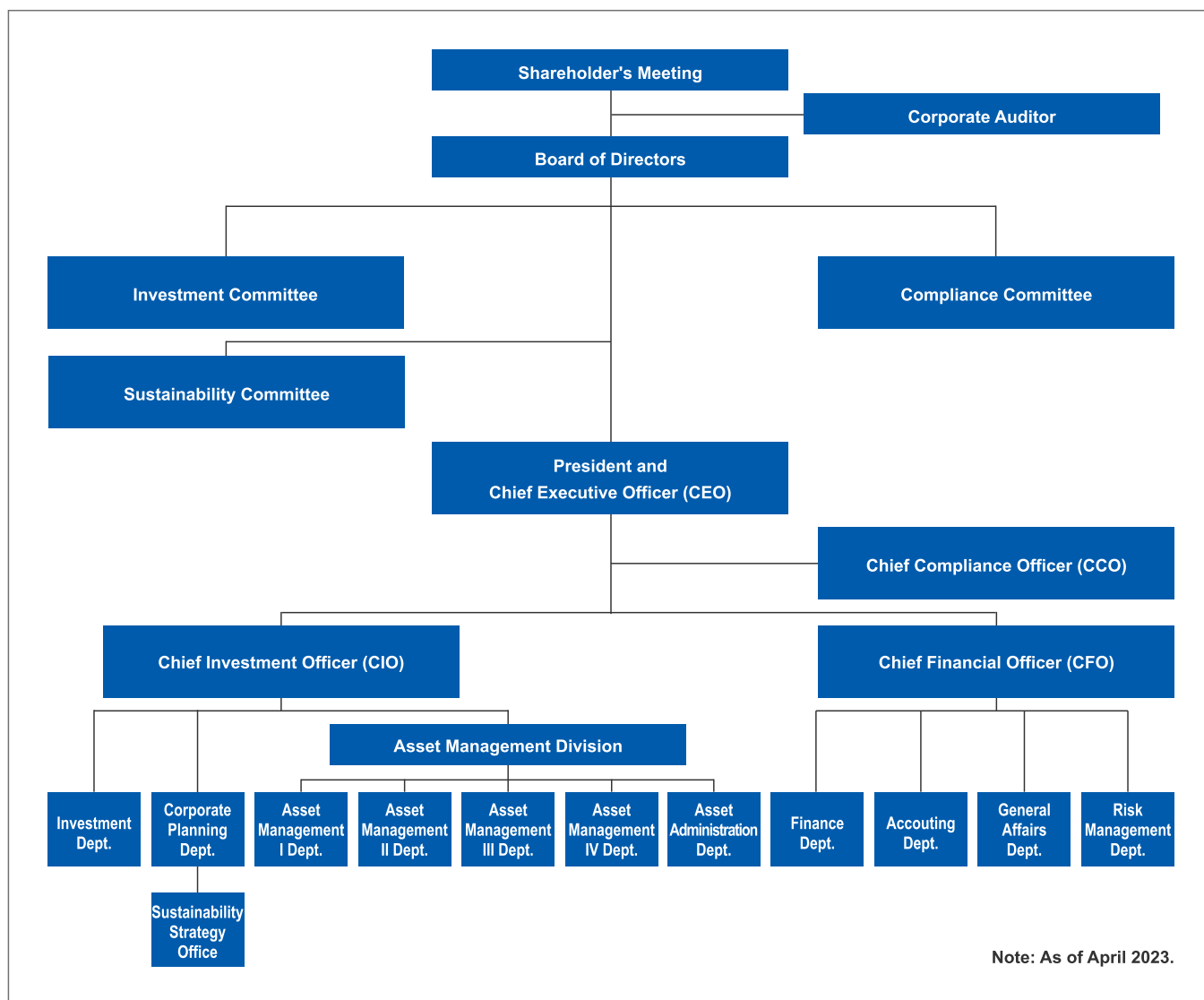
Latest Annual Remuneration

| Period | Accounting Auditor | Compensation Amount |
|---|-----------------------------|---|
| 37th fiscal period (December 2021 - May 2022) | Ernst & Young ShinNihon LLC | 18 million yen Breakdown: Auditing compensation - 18 million yen Non-auditing compensation - N/A |
| 38th fiscal period (June 2022 - November 2022) | Ernst & Young ShinNihon LLC | 18 million yen Breakdown: Auditing compensation - 18 million yen Non-auditing compensation - N/A |

In accordance with the provisions of the Act on Investment Trusts and Investment Corporations, United Urban may exempt the accounting auditor from liability to the extent provided by the laws and regulations, by means of a resolution of the Board of Directors, in the event that it has acted in good faith and without gross negligence in the conduct of its duties and the exemption is considered particularly necessary in light of the facts giving rise to the liability, the status of the accounting auditor's execution of its duties, and other circumstances (Article 39 of [United Urban's Articles of Incorporation](#) ).

Operating Structure

United Urban entrusts the asset management of its properties to JRA pursuant to the Investment Trust Act. The operating structure of JRA is as follows.



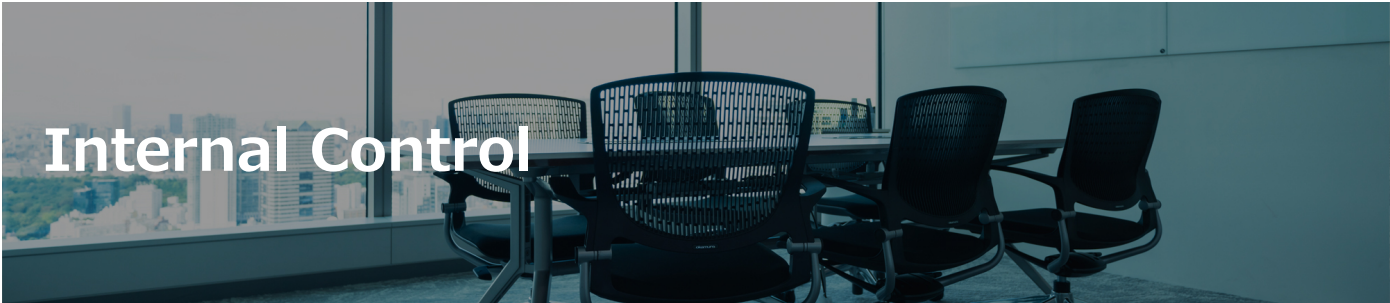
Directors of the Board Meeting at JRA

| Position | Name | Participation in Board Meetings |
|----------------------------|------------------|---------------------------------|
| President and CEO | Norimasa Gaun | 100% (14 times / 14 times) |
| Executive Director and CFO | Shuichi Kamizono | 100% (14 times / 14 times) |
| Executive Director and CIO | Yoshihiro Itani | 100% (14 times / 14 times) |
| Non-executive Director | Tsuyoshi Takagi | 100% (14 times / 14 times) |
| Non-executive Director | Hiroshi Tanikake | 100% (8 times / 8 times) |
| Non-executive Director | Takehide Sasaki | 100% (14 times / 14 times) |
| Auditor | Hideki Kadota | 100% (14 times / 14 times) |
| Non-executive Auditor | Hirohiko Nishide | 100% (7 times / 7 times) |
| Non-executive Auditor | Hiromu Shiota | 100% (7 times / 7 times) |

Note 1: [Hirohiko Nishide, a non-executive auditor, resigned on September 14, 2022, and Hiromu Shiota, a non-executive auditor, was appointed on September 15, 2022.](#) 

Note 2: Hiroshi Tanikake, a non-executive director, resigned on October 1, 2022.

Note 3: Norimasa Gaun, President and CEO, and Yoshihiro Itani, Executive Officer and CIO, resigned as of March 31, 2023, and Junichi Batai, President and CEO, and Hiroshi Tanikake, Director and Executive Officer, CIO, assumed office as of April 1, 2023. For details, please see "Notice Concerning the Change of Director and Important Employee at the Asset Management Company" dated February 28, 2023.



Internal Control for Investment and Management ▼

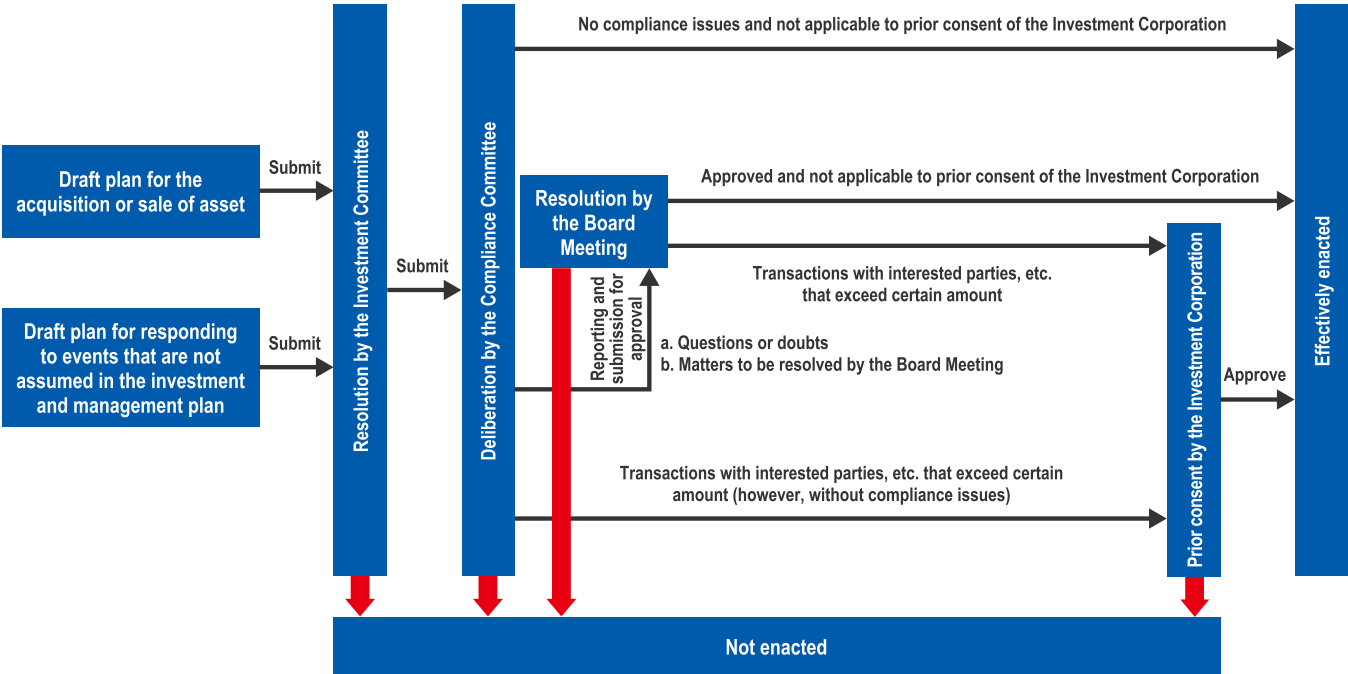
Compliance Committee ▼

Investment Committee ▼

Approach to Prevention of Money Laundering, Etc. ▼

Internal Control for Investment and Management

United Urban entrusts its asset management of its properties to JRA in accordance with the Investment Trust Act. As shown in the below structure, by ensuring double and triple checks in decision-making for acquisition and disposal as well as management of assets, JRA pays full attention to transactions with its sponsor companies, etc. and other transactions that involve concerns regarding conflicts of interest.



Investment Committee

| | |
|--|---|
| Member | Chairman (1): President & CEO, JRA Committee member (2): Non-executive Director, External expert (Attorney at Law) |
| Responsibility | Resolve important asset management plans and policies empowered by the Board Meeting; Deliberate matters to be resolved by the Board Meeting. |
| Agenda | Acquire and dispose specified properties (lands and buildings) for United Urban; Decide asset management plans for United Urban's properties |
| Requirements for the meeting/resolution | Attendance of the external experts and more than half of members is required. The unanimous consent of the attendees is necessary for resolution. Interest related parties on relevant subjects are to be excluded on resolution. |

Compliance Committee

| | |
|--|--|
| Member | Chairman (1): CCO, JRA Committee member (3): President & CEO, JRA, General Manager of General Affairs Department, External expert (Attorney at Law) |
| Responsibility | Deliberate on subjects not only on compliance but also broader matters such as professional standards and internal auditing and submit report to the board of directors in case suspicion or doubt is found |
| Agenda | Deliberate investment decisions from the perspective of compliance; Response to acts that are, or may prove to be, problematic from the standpoint of the law, professional standards, etc. |
| Requirements for the meeting/deliberation | Attendance of more than half of the members is required (Chairman or external expert must be present). In case that the external expert is absent, a separate meeting should be held in advance for comments and report for the external expert. |

Approach to Prevention of Money Laundering, Etc.

JRA, the asset management company of United Urban, recognizes the importance of preventing money laundering and funding contributing to terrorism and proliferation of weapons for mass destruction (hereinafter referred to as "money laundering, etc."), and we have stipulated regulations relating to compliance with the Act on Prevention of Transfer of Criminal Proceeds.

We contribute to the sound maintenance and development of the financial system by preventing ourselves and our customers, employees, etc. from being involved in or drawn into money laundering, etc.

Development of Internal Control System

With regard to developing an internal control system for the purpose of preventing money laundering, etc. JRA adheres to all related laws and regulations applicable to our business and performs the following actions properly for a diligent internal control:

- Developing organization/rules for preventing money laundering, etc.
- Comprehensively informing officers and employees about the importance of prevention of money laundering, etc. and the role of each individual through guidance, training, etc.
- Conducting inspections of the status of compliance with laws and regulations associated with our business, and pursuing continuous system improvement based on the inspection results

Implemented Actions

JRA complies with all applicable laws, regulations, etc. concerning the prevention of money laundering, etc.

JRA eliminates customers and transactions related to money laundering, etc.

JRA develops an appropriate system concerning the prevention of money laundering, etc. and carries out the following:

- Specification and assessment of risks in a timely and proper manner and organization adjustment based on the assessment results.
- Customer management measures such as filtering before transactions, reviews upon transactions and monitoring after transactions.
- Notification of suspicious transactions

Compliance / Corporate Ethics

| | | | |
|-----------------------------------|---|-------------------------------|---|
| United Urban's Compliance System | ▼ | JRA's Compliance System | ▼ |
| Roles of the Compliance Committee | ▼ | Against Conflicts of Interest | ▼ |
| Corruption Prevention | ▼ | Corporate Ethics | ▼ |
| Political Donation Policy | ▼ | Whistleblowing | ▼ |

Japan REIT Advisors Co., Ltd. (JRA), an asset manager of United Urban, positions thorough compliance as a basic principle of management and sorts out the following compliance system.

United Urban's Compliance System

United Urban is committed to legal compliance and appreciation for social norms as one of the basic principles and operates a compliance system with an emphasis of preventing conflicts of interest. Also, an outside attorney and a certified public accountant are appointed as supervisory officers of United Urban to supervise the performance of duties of the executive officer.

United Urban operates an internal management system through the Board of Directors. In the Rules of the Board of Directors of United Urban, it is stated that the Board of Directors shall convene at least once every three months. The executive officer and supervisory officers must attend the Board of Directors meeting, with the participation of JRA. And the executive officer is required to report on the performance of duties of JRA, the administrative agent and the asset custodian.

Furthermore, while the Rules of the Board of Directors states that reports on the performance of duties shall be presented at least once every three months, in practice the reports are presented monthly.

JRA's Compliance System

JRA understands that incomplete compliance results in loss of trust of investors in the financial market and impair the management base of United Urban and JRA. Therefore, JRA sets thorough compliance as a basic principle of management. With the Board Meeting at the top, President and CEO, the Compliance Committee and Chief Compliance Officer (CCO) make various decisions regarding compliance as well as manage compliance with their rights and responsibilities.

Placing compliance as a matter of utmost importance, JRA established the Compliance Regulations that stipulate basic matters on the compliance system and management, the Compliance Manual, a handbook for employees including contract workers for implementing compliance activities, and the Compliance Program, a specific execution plan for each fiscal year. Each of these are reviewed by the Compliance Committee and resolved by the Board Meeting.

JRA understands compliance as the adherence by our officers and employees to laws, regulations and the internal rules ("laws, etc.") and the implementation of sincere and fair corporate activities in a way that does not violate social norms.

The followings are specified as our basic policies in the Compliance Regulations.

1. JRA understands that incomplete compliance impairs our management base and thus sets thorough compliance as our basic principle of management.
2. JRA aims to attain high valuation and trust in the real estate investment trust market by promoting our compliance system.
3. JRA establishes a system for observance of laws, etc. in our asset management operations and fulfillment of responsibilities entrusted by United Urban through the Compliance Committee's multi-layered superintendent system.

Roles of the Compliance Committee

The Compliance Committee aims to promote thorough compliance of JRA in collaboration with the Board Meeting and the auditors.

The Compliance Committee avoids transactions involving conflicts of interest by reviewing transactions between United Urban and related interested parties, etc. from the perspective of abiding by laws, etc. and various procedures as well as securing compliance.

The Compliance Committee is currently comprised of four members, namely CCO (chairperson), President and CEO, the head of the General Affairs Department and one external attorney. The committee meets once a month in principle to deliberate whether or not there are any acts in JRA's management of United Urban's assets and other operations which are problematic from the perspective of compliance and how they are handled, mainly pertaining to A through C below. It is reported to the Board Meeting when necessary.

■ Involvement in investment decisions

The Compliance Committee examines all of the reviews conducted by the Investment Committee on investment and asset management that United Urban involves from the perspective of compliance. If the examination shows that there is a compliance problem, the Compliance Committee promptly reports the examination results to the Board Meeting.

■ Response to violations of laws

The Compliance Committee convenes once a month in principle and deliberates whether or not there are any controversial acts in JRA's management of United Urban's assets and other operations from the perspective of compliance and also considers measures if there is a problem. In case that there is an act which is or may be problematic in light of laws, etc., the Compliance Committee reports to the Board Meeting.

Internal audits

JRA, the asset management company of United Urban, established the Internal Audit Regulations. Under a system which places Chief Compliance Officer (CCO) as the head of internal audit, three types of audits are conducted; 1) regular audits in which overall internal management of subject departments is examined and evaluated; 2) follow-up audits which review the improvement status based on the results of the regular audits; 3) special audits which are implemented for specific matters that CCO deems necessary or by special order of the President and CEO of JRA.

Regular audits review the entire operations of JRA and examine items common to all departments and items specific to individual departments. For items specific to individual departments, the compliance, effectiveness, efficiency, conformity, etc. of operations and internal control are inspected. Then, departments to be audited are selected based on the status of risks in light of the “control points table,” “risk management status list,” etc. The regular audits are implemented along a formulated audit plan for individual items are implemented after passing deliberation by the Compliance Committee and obtaining approval of the Board Meeting.

CCO exchanges views with the audited departments on the findings of internal audits, points of concern, advice, suggestions for improvement and measures to be taken, etc. Then CCO compiles the audit results and reports to JRA’s President and CEO as well as the JRA’s Board Meeting after the deliberation by the JRA’s Compliance Committee.

Number of Departments Targeted by Regular Audits

| Fiscal 2017 | Fiscal 2018 | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Audited departments: 8 | Audited departments: 8 | Audited departments: 6 | Audited departments: 4 | Audited departments: 5 | Audited departments: 0 |
| Total departments: 13 | Total departments: 13 | Total departments: 13 | Total departments: 13 | Total departments: 13 | Total departments: 13 |

Against Conflicts of Interest

JRA abides by a set of regulations stipulated by the Investment Trust Act and sets internal rules on transactions between United Urban and the sponsor group and other conflicts of interest and operates a system of investigation across organization.

For the purpose of preventing damage to United Urban's interests in transactions between United Urban and the sponsor group, JRA formulates the Investment Committee Rules on Transactions with the sponsor group as internal rules for avoiding conflicts of interest. The Investment Committee Rules on Transactions with the sponsor group prohibits unnecessary transactions with the sponsor group that harm the interest of United Urban. Also, in the case of transactions with the sponsor group including acquisition or disposal of real estate, etc., approval from the Investment Committee and examination by the Compliance Committee are required. And if it is deemed that there is or may be a compliance problem, the approval of the Board Meeting is required to proceed. In the process of approval, strict measures to prevent transactions with a conflict of interest are set. More specifically, external professionals are to participate in the Investment Committee and the Compliance Committee, and committee members who have a conflict of interest are to be excluded from the process.

Corruption Prevention

Anti-Corruption Policy

As a part of the Marubeni Group, JRA, the asset management company of United Urban, prioritizes compliance above all else and recognizes that any business which cannot be undertaken without engaging in improper conduct is unnecessary and contrary to the company's interests.

As an international corporation, the Marubeni Group prohibits bribery and related conduct, has stipulated standards of behavior to be followed, and works diligently to prevent bribery. For the purpose of consistent implementation of anti-corruption practices by all officers and employees of the Marubeni Group worldwide, Marubeni has formulated the Anti-Corruption Handbook to be followed by all of their officers and employees. Furthermore, to ensure thorough bribery risk management, JRA distributes the Marubeni Group Anti-Corruption Policy to our business partners and relies on their collaboration in performing anti-corruption due diligence.

➤ [Marubeni Group Anti-Corruption Policy](#) 

➤ [Marubeni Group Anti-Corruption Due Diligence \(DD\) Framework](#) 

Corruption Prevention Management System

The Marubeni Group Anti-Corruption Policy stipulates the following measures to ensure the implementation of the policy, and as a member of the Marubeni Group, JRA also applies these.

1. Stating a clear policy that prohibits corruption
2. Establishing corruption risk assessment criteria and managing corruption risks based on the assessment results of each transaction
3. Performing due diligence from a corruption prevention perspective when starting new business partnerships
4. Signing contracts with business partners that include anti-corruption clauses
5. Stringent management of hospitality, gifts, appointments, donations, etc.
6. Monitoring of corruption prevention practices
7. Establishing a corruption-related whistle-blowing contact point for business partners
8. Conducting periodical training with regard to corruption prevention

Moreover, JRA has formulated an internal audit plan based on the Internal Audit Regulations and strives to rapidly identify risks, etc. that are inherent to our business as an investment manager, including risks of legal violations and improper transactions, and actively prevent violations of the law, etc. through spot audits and risk-based audits of individual items. The status of the internal audit plan's formulation and the results of internal audits are reported without delay to our Board Meeting and improvement plans and other measures are implemented in response to risks relating to improper transactions.

Corporate Ethics

As a member of the Marubeni Group, JRA follows the group's compliance system. The Marubeni Group stipulated the Marubeni Corporate Principles, Compliance Manual as well as a code of conduct for the entire group so that the officers and employees will conduct corporate activities in a compliant manner.

Compliance for the Marubeni Group is the observance of laws, regulations and internal corporate rules in line with the spirit of "Fairness, Innovation and Harmony" expressed in the Company Creed, the Marubeni Corporate Principles and the management philosophy, as well as the observance of a corporate ethical code and the conducting of corporate activities with a high moral perspective.

"Fairness" in the Company Creed of Marubeni Group means being fair and decent. "When you are faced with a choice between integrity and profit, choose integrity without hesitation." Guided by the wisdom in this aphorism, the Marubeni Group sets the Compliance Manual which includes a standard of conduct that all officers and employees of the group must comply with in executing their daily operations.

Marubeni Group's Company Creed

Fairness To be fair and decent.

Innovation To be active and innovative.

Harmony To respect each other and cooperate.

➤ [Marubeni Group Compliance Manual](#) 

Training on Corporate Ethics and Expertise Needed by the Asset Management Company

As a member of the Marubeni Group, JRA has all of our employees (including contract employees) take the Marubeni Group's compliance training to foster their understanding of the Marubeni Group's corporate ethics and anti-bribery policy at least once a year under the command of JRA's President and CEO who is referred to by the chairman of Marubeni's Compliance Committee.

After the training, all employees (including contract employees) take an oath to JRA's President and CEO, stating that they observe the Marubeni Group's Compliance Manual and Anti-Bribery Policy.

Furthermore, all employees (including contract workers) of JRA join trainings by external institutions and lectures with expertise every year in the areas of comprehensive supervisory guidelines for financial instruments business operators, prevention of transactions involving conflicts of interest, customer-oriented operational management, prevention of insider trading, etc.

Corporate Ethics, Responsibility and Incidence Response of the Management Team

For a sound management of operations, JRA sets the Rules for Handling Misconduct, Clerical Errors, etc. It stipulates a uniform standard for processing misconduct by officers and employees, acts which violate or may violate laws, etc. (including the rules of the Investment Trusts Association, Japan, rules of the financial instruments exchange on which United Urban's investment units are listed, the Articles of Incorporation of United Urban, the internal rules, etc.), clerical errors, complaints and other matters that may lead to management risks and reputational risks for JRA and United Urban.

CCO reports misconduct, clerical errors, etc. to the Compliance Committee and the Board Meeting when necessary. CCO compiles incidents of misconduct, clerical errors, etc. to present periodic reports to the Compliance Committee at least once a year. Also, CCO manages the process from reception of an incident report to its resolution, periodically monitors the implementation of preventative measures and reports the status to the Compliance Committee and, when necessary, JRA's President and the auditors.

Political Donation Policy

JRA complies with the Board Meeting's stipulation on corporate activities that donations and contributions relating to political activities must not be made to political parties or political fundraising organizations.

Amount of Political Contributions/Recipients of Contributions

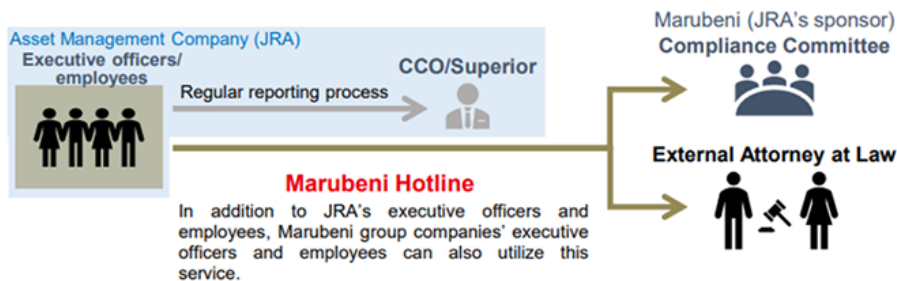
JRA has not made any political contributions.

Whistleblowing

Point of contact for whistleblowers

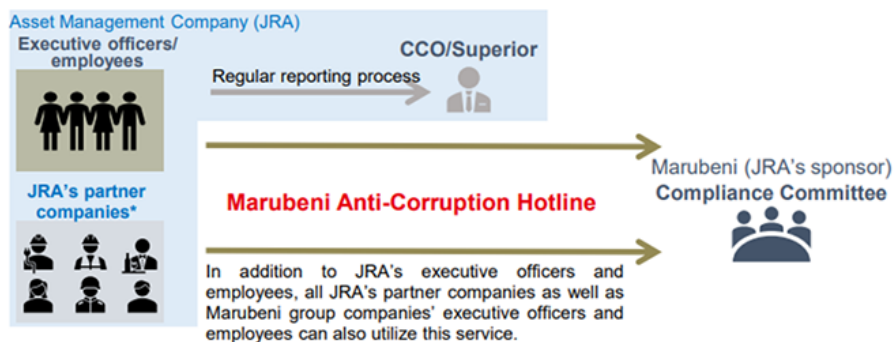
JRA has multiple points of contact which are available for all of our employees and our partner companies. Those include 1) the internal consultation system, 2) the consultation system managed by an external company, 3) Marubeni Hotline and 4) Marubeni Anti-Corruption Hotline managed by Marubeni Corporation. Each system provides comprehensive whistleblowing/consultation to prevent corruption and bribery as well as organized crime including money laundering and terrorism, etc., and to impede violations of the law or internal regulations. They also handle work- or workplace-related troubles or inquires, including power harassment and sexual harassment. The contact information for each consultation system is widely circulated by publishing it on the company intranet and posting it in the office.

- **Marubeni Hotline** A service that enables people to directly consult a wide range of compliance issues under the Whistleblower Protection Act



* Please refer to P.38 of Marubeni's "[Compliance Manual](#)  " for more details.

- **Marubeni Anti-Corruption Hotline** A compliance service where people can make direct consultations regarding serious crimes such as bribery.



*Service providers (management (PM/BM) companies/engineering companies/suppliers of goods, etc./tenants),

* Please refer to the [Marubeni website](#)  for more details.

The consultation systems may be used 24 hours a day for purposes of whistleblowing or consultation by officers, employees, and temporary workers (including individuals who left the company within the past year) of JRA or our business partners via the method of their choice, including phone, email, online form, mail, in person, etc. Based on their specific characteristics, some systems may limit the consultation methods or the individuals who may use them. These systems may be used anonymously if so desired.

The representatives contacted via a consulting system will ask detailed questions about the case brought to their attention, and the person responsible for investigating will investigate the situation unless there is a valid reason not to do so, such as cases where the matter has already been resolved. Based on the investigation results, corrective actions will be implemented if required, and steps will be taken to verify that the corrective actions work appropriately. Moreover, based on the investigation's results, if conduct that violates the law or the like is discovered, appropriate measures will be taken to remedy the situation and prevent recurrence, such as stipulating disciplinary sanctions in the internal regulations based on the rules of employment.

JRA also implements comprehensive protection of whistleblowers' privacy and does not tolerate any detrimental treatment of whistleblowers. The internal regulations stipulate rules that strictly control access to information about consultation matters, including the whistleblower's name, and state that officers or employees who treat whistleblowers or individuals who cooperated in an investigation ("whistleblowers, etc.") unfavorably, as well as officers or employees who perform actions intended to identify whistleblowers, etc., will be subject to strict measures, including disciplinary sanctions.

Furthermore, it is also possible to use the consultation systems for inquiries relating to the mechanisms for handling whistleblowing and protecting whistleblowers, etc. and inquiries relating to detrimental treatment experienced following a consultation.

To increase officers' and employees' expectation that actions violating the law, etc. can be remedied through whistleblowing and consulting, JRA discloses the results of handling matters reported such as the number of consultations using a whistleblowing system to all officers and employees while taking sufficient care to protect personal information, etc.

Preventive measures for problems raised from the whistleblowing systems

As a preventive measure for problems raised using whistleblowing systems, JRA management-level employees are appointed as Compliance Officers who oversee the inspection, coordination, and thorough implementation of compliance items relating to matters under the jurisdiction of each department. In addition to promoting compliance in each department, the Compliance Officers share information about examples of legal violations or paperwork-related errors that occur in each department.

JRA has also formulated the Compliance Manual comprising the basic details of the laws to be followed and the compliance activities to be taken. To promote understanding of the Compliance Manual, JRA creates a compliance program once per fiscal year as a rule, which serves as a specific implementation plan for achieving compliance and will be revised if necessary. In addition, education activities for officers and employees are conducted about JRA's business environment, the laws to be observed, preventive measures and actions taken if a violation of the law occurs.

Internal regulations set out what behavior corresponds to power harassment or sexual harassment, the company's stance that power harassment and sexual harassment are issues that should be eradicated and how cases are handled if harassment does occur (e.g. consideration of privacy). They are posted on the company's intranet so that JRA's officers and employees may consult them at any time.