

Sustainability Report 2023



Tokyo Parkside Building

Index

— About One REIT

Outline of One REIT/the Asset Management Company	...	02
Message from Executive Director	...	03

— Sustainability

Sustainability Policy and Promotion Structure	...	04
Stakeholder Engagement	...	05
Materiality	...	06
International Initiatives/External Evaluations	...	09

— Environment

Response to Climate Change	...	11
Greenhouse Gas (GHG)/Energy	...	15
Water/Waste/Other Effort	...	16
Green Building Certifications	...	17
Green Finance	...	18

— Social

Tenant/Community Initiatives	...	20
Supply Chain Initiatives	...	21
Employee Initiatives	...	22
Human Rights/Diversity & Inclusion	...	23

— Governance

Corporate Governance	...	25
Compliance	...	27
Risk Management/Internal Audits	...	28

— GRI Content Index

GRI Content Index	...	29
-------------------	-----	----

— Editorial Policy

This report comprehensively describes how One REIT, Inc. (hereinafter referred to as "One REIT"), its asset management company Mizuho REIT Management Co., Ltd. (hereinafter referred to as "MREIT") and Mizuho Realty One Co., Ltd., the parent company of MREIT (hereinafter referred to as "MONE") will contribute to the realization of a sustainable society, and how we will improve our corporate value through management that take into account the creation of value for various stakeholders and through our sustainable and stable growth.

Period

April 2022-March 2023 (In some cases, recent activities after the target period are also included.)

Scope

One REIT, MREIT and MONE

Reference Guidelines

Sustainability reporting standards, GRI (Global Reporting Initiative)
Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Issue Date

December 2023 (Published once a year in principle)

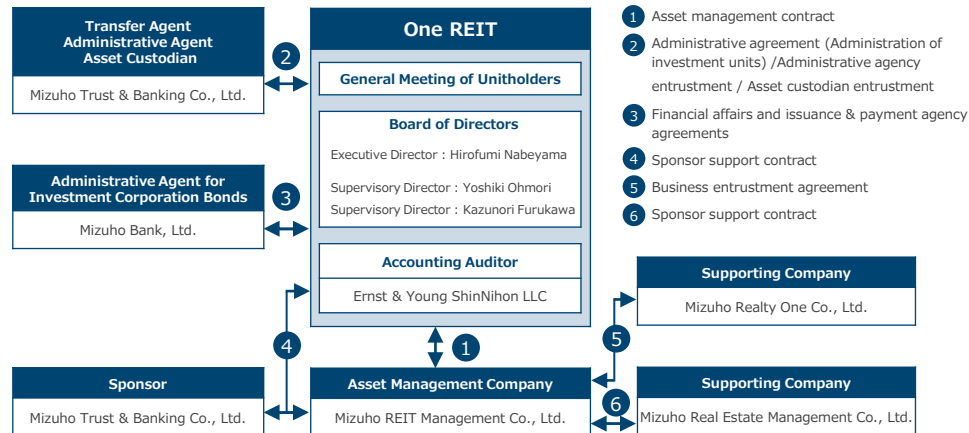
— Disclaimer

- The contents of this document are provided solely for informational purposes and are not intended for the purpose of soliciting investment in, or as a recommendation to purchase or sell, any specific products.
- Please contact securities companies for purchase of investment securities of One REIT. Moreover, please make final decisions about purchases upon sufficiently understanding the details included in the document delivered prior to the conclusion of a contract. There are cases when commission fees are necessary when dealing investment securities, depending on the designated financial instruments business operator.
- This report is neither a disclosure document nor an asset management report under the Financial Instruments and Exchange Act, the Act on Investment Trusts and Investment Corporations or the Securities Listing Regulations of the Tokyo Stock Exchange.
- Data, analyses, etc., in this report are based on performance in a specific period in the past, and are not guarantees of actual future investment results, changes, etc. In addition, the forward-looking statements contained in this report do not guarantee future performance, financial status, and so on. Please note that the transaction price of real estate investment trust securities may decline due to fluctuations in the price of real estate held, earnings, deterioration of the issuer's financial condition, etc., and the transaction price may fall below the invested principal.
- No representations or warranties are made as to the accuracy or completeness of the information provided in this report, the content of which is subject to change or deletion without notice.
- Neither One REIT nor MREIT assume any responsibility of any kind for the consequences of investment activities carried out based on this report.
- Any reproduction or alternative use of the content of this report without prior permission is prohibited.

Outline of One REIT

Outline

Name	One REIT, Inc.
Representative	Hirofumi Nabeyama, Executive Director
Address of head office	1-5-5 Otemachi, Chiyoda-ku, Tokyo, Japan
Contact Us	+81-3-5220-3804
Asset Management Company	Mizuho REIT Management Co., Ltd.
Book Closing Date	Ends of February and August



History

June 20, 2013	Notification of incorporation of SIA REIT, Inc. (SIA REIT) based on Article 69 of the Investment Trusts Act by the founder (Simplex REIT Partners Inc. (currently, Mizuho REIT Management Co., Ltd.))
June 25, 2013	Registration of incorporation pursuant to Article 166 of the Investment Trusts Act, SIA REIT incorporated
July 8, 2013	Application for registration pursuant to Article 188 of the Investment Trusts Act
July 23, 2013	Registration approved by the Prime Minister pursuant to Article 189 of the Investment Trusts Act (Director-General of the Kanto Local Finance Bureau Registration No. 85)
October 9, 2013	Listed on the J-REIT section of the Tokyo Stock Exchange (asset size: 74.7 billion yen)
December 29, 2015	Mizuho Trust & Banking became the sponsor of SIA REIT
September 6, 2016	Held public offering (asset size: 89.3 billion yen)
June 1, 2017	Trade name was changed from SIA REIT, Inc. to One REIT, Inc.
September 20, 2018	Held public offering (asset size: 102.2 billion yen)
September 22, 2021	Held public offering (asset size: 119.9 billion yen)

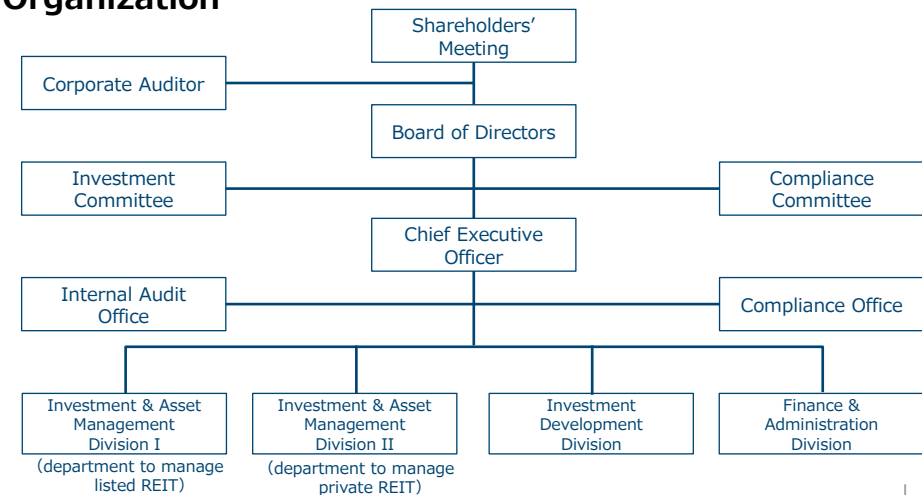
Outline of MREIT

Outline

Name	Mizuho REIT Management Co., Ltd.
Representative	Hirofumi Nabeyama, Chief Executive Officer
Address of head office	1-5-5 Otemachi, Chiyoda-ku, Tokyo, Japan
Contact Us	+81-3-5220-3804
Capital	50 million yen
Established	July 1, 2005
No. of directors/employees	39 (as of November 30, 2023) ※
Shareholder	Mizuho Realty One Co., Ltd. 100%
Membership	The Investment Trusts Association, Japan
Licenses, etc.	Investment Management Business: Director-General of Kanto Local Finance Bureau (Financial Instruments) Registration No. 342 Building Lots and Buildings Transaction Business: Governor of Tokyo (4) Registration No. 84787 Trading Agency Etc. License: Minister of Land, Infrastructure, Transport and Tourism License No. 46

※ Includes full-time corporate auditors, contract employees, fixed-term employees, and seconded employees. Excludes part-time directors and temporary employees. Includes members holding concurrent positions among the three companies MONE, Mizuho Real Estate Management Co., Ltd. (hereinafter referred to as "MREM") and MREIT.

Organization



Message from Executive Director

We recognize the importance of environmental, social and governance considerations in real estate investment management, and as part of our corporate social responsibility, we will continue our efforts to reduce our environmental footprint and achieve a sustainable society.



One REIT, Inc. Hirofumi Nabeyama, Executive Director

From climate change and energy issues to economic disparity, human rights violations and even infectious diseases (pandemics), modern society faces numerous global issues. Transitioning from this society to one that can sustain itself over the long term will require a multi-pronged, multi-party approach that views solving these problems as urgent and essential.

The real estate that One REIT makes its business is the very social infrastructure underpinning people's lives and businesses. The middle-sized office buildings we prioritize in our investment have not only users but also diverse stakeholders and deep roots in the local community, which we believe have a significant impact on achieving a sustainable society. Therefore, One REIT's business contributes to playing a significant role in achieving sustainability, which has the happy byproduct of burnishing our market reputation and maximizing unitholder value.

To promote its initiative aiming at achieving a sustainable society together with MREIT, One REIT identified material issues pertaining to One REIT and MREIT in 2022 and stepped up its efforts by establishing a facilitative structure that includes KPIs for each issue. One REIT participates in GRESB real estate assessments on an ongoing basis, aggressively pursues Green Building qualification by obtaining environmental certifications from external assessment organizations, and discloses information based on the TCFD's recommendations, and it will remain consistent in these measures.

We will continue to promote efforts to achieve a sustainable society together with stakeholders through timely and appropriate information disclosure, aiming to maximize unitholder value, for which I ask for your continued support and encouragement.

Sustainability Policy and Promotion Structure

Sustainability Policy

One REIT and MREIT will continue to make efforts aimed at reducing environmental load and realizing a sustainable society as our corporate social responsibility by recognizing the importance of consideration for environment, social, and governance issues in real estate investment management.

- Promotion of conservation of energy**
 We will promote operation that saves electrical power and uses energy efficiently, introduce equipment to conserve energy, and contribute to the real estate sector's efforts to reduce energy use and greenhouse gas emissions.
- Promotion of effective use of resources**
 We will promote operational efforts related to saving water and reducing waste and contribute to the realization of a recycling-oriented society.
- Compliance**
 We will observe laws and regulations concerning environment, social, and governance issues while appropriately managing risks such as changes in regulations.
- Cooperation with stakeholders**
 We will continue to educate and enlighten our employees as well as cooperate with stakeholders in a way that promotes environmental consideration in order to implement our policies concerning sustainability.
- Disclosure**
 We will make efforts to disclose our policies concerning sustainability and the status of activities to investors and other stakeholders.

Sustainability Promotion Structure

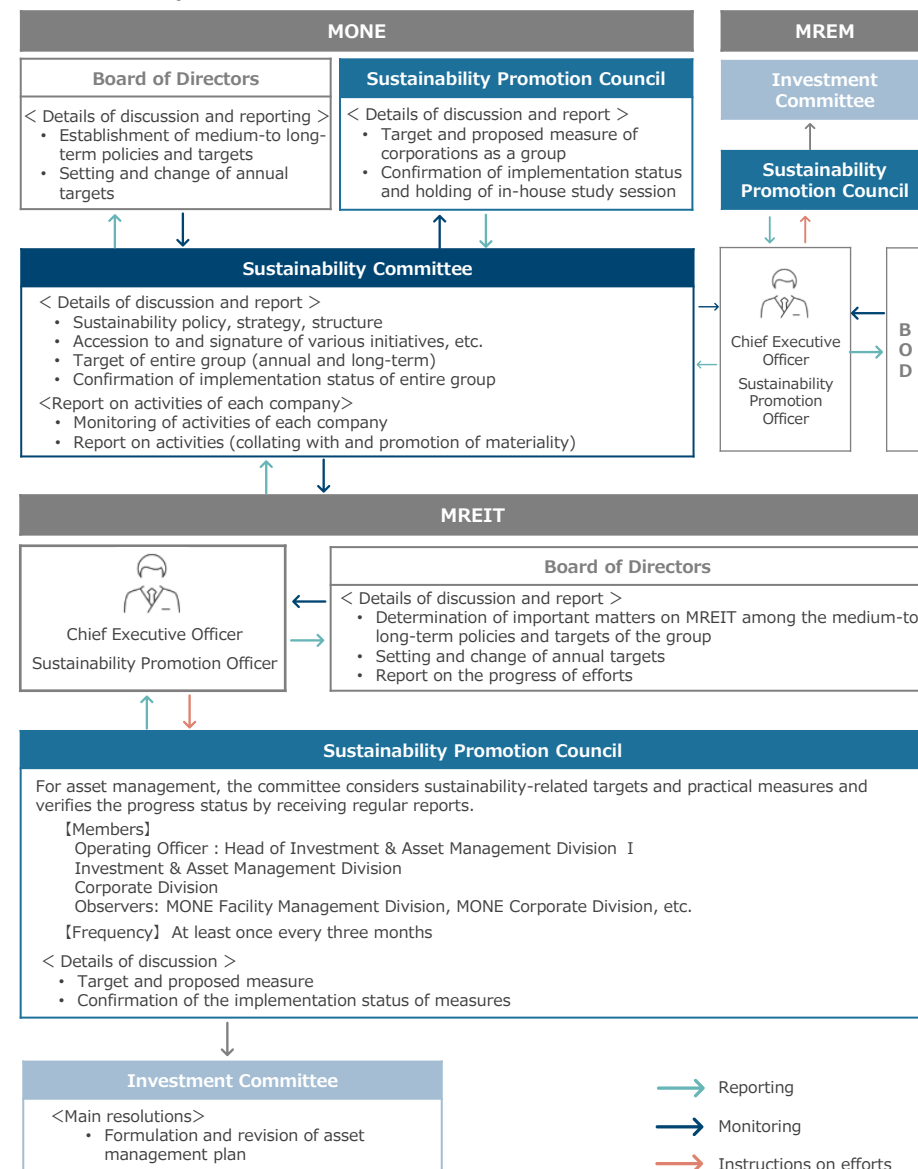
One REIT and MREIT collaborate with MONE and MREM, which are support companies of MREIT, in order to aim for the realization of a sustainable society. MREIT, MONE and MREM (collectively "MONE Group" for the three companies) establish a sustainability promotion system that unites the MONE Group, utilize human capital and knowledge regarding sustainability and further strengthen One REIT's sustainability initiatives.

At MREIT, the Sustainability Promotion Council, which is an advisory body to Chief Executive Officer, holds discussions on the setting of sustainability-related initiative targets and monitoring. Regarding matters related to investment management of One REIT, MONE and MREM are not involved in the decision-making of MREIT, and decisions are made based on resolutions of the Investment Committee.

■ Number of Sustainability Promotion Council meetings held

	FY2022
Number of Sustainability Promotion Council meetings held	8 times

<Sustainability Promotion Structure>



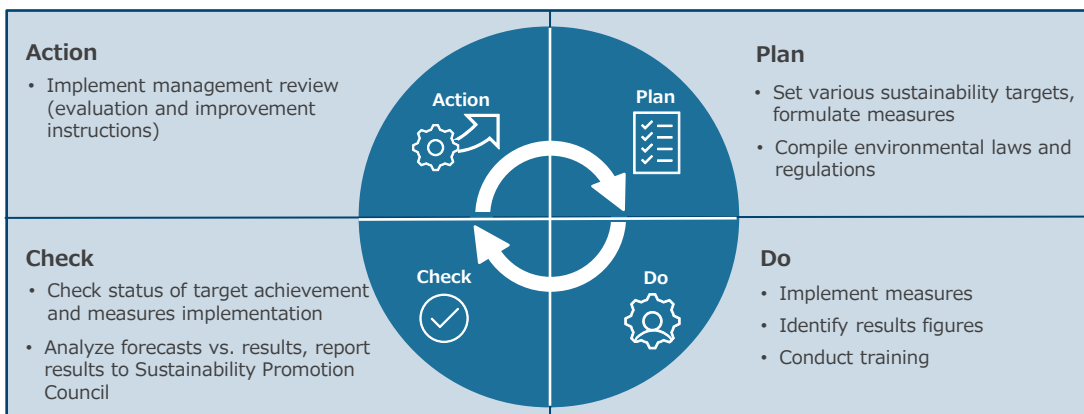
Stakeholder Engagement

One REIT will strengthen its relationship with each stakeholder through two-way communication to provide environmental, social, and economic value and contribute to realizing a sustainable society.

We will continue striving to earn the trust of each stakeholder.



Sustainability Promotion Based on the PDCA Cycle



IR Record

	FY2022
Financial results briefing	twice
IR meetings with institutional investors	66 times
IR event for individual investors	twice

Opinions and requests from investors are considered by MREIT with the participation of management and utilized in information disclosure by One REIT. For example, when we received a request to post a breakdown of asset management fees from a sustainability perspective during an IR meeting for institutional investors, we started posting the breakdown in the following fiscal period's financial results briefing materials. In addition, from FY 2022, we have set up a special sustainability website to create a foundation for timely disclosure of information on the status of initiatives for each materiality, and are working to enhance sustainability-related dialogue.

Materiality

MONE Group have identified key issues (materiality) that are priority issues to be addressed in order for all MONE Group companies, including MREIT, to achieve sustainable growth together with One REIT and other stakeholders. By working on specific targets for each materiality, we aim to reduce our environmental footprint and realize a sustainable society while also contributing to the Sustainable Development Goals (SDGs) by addressing the materiality.

Identifying Process on Materiality Issues

STEP 01

Identify issues to consider (1)

Longlist items taking into account the guidelines relevant to MONE Group's business domains

We longlisted 342 items broadly related to ESG (environment, social and governance), referencing various guidelines (PRI, FTSE4Good, DJSI, MSCI, GRESB, SDGs, TCFD, <Mizuho>, competitors' materiality, Choosing the Future 2.0) to identify the factors to be considered for MONE Group's sustainable growth.

STEP 02

Identify issues to consider (2)

Combine similar issues, consider relevance to MONE Group's active domains and shortlist 19 items

We shortlisted 19 items from the long list by combining similar issues and considering relevance to the domains in which MONE Group is active.

STEP 03

Dialogue with stakeholders

Based on survey results, assign a priority ranking to the shortlisted issues and create a matrix

Concerning the identified/selected issues, we surveyed the following stakeholders, asking them to rank the importance of the issues at the MONE Group. Furthermore, we interviewed four outside experts to obtain third-party opinions.

Surveyed in June 2021

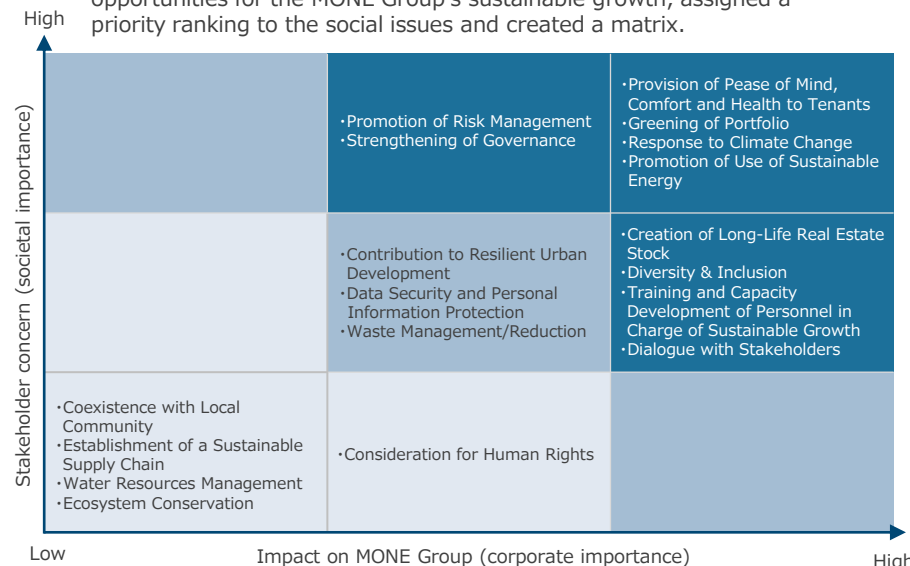
MONE group's directors/employees	99		
External stakeholders	36 companies in total		
	Parent companies	2 Investors	6
	Financial institutions	4 Real estate trustee	3
	Securities companies	3 Property management companies	3
	Building management companies	2 Real estate brokerage companies	4
	Design/Construction companies	3 Real estate appraisal company	1
	Tenants	5	

STEP 04

Create a matrix

Assign a priority ranking to the shortlisted issues and create a matrix

Based on the survey and interview results, we considered the risks and opportunities for the MONE Group's sustainable growth, assigned a priority ranking to the social issues and created a matrix.



STEP 05

Identify materiality

Present materiality proposals at board of directors meeting and identify materiality

For the priority-ranked issues, the Group's key sustainability issues (materiality) were identified with the resolution by MONE's board of directors' meeting.

*MREIT's Board of Directors also resolved the proposal and identified materiality.

MONE Group's Materiality and KPI

KPIs targeting One REIT are marked with *.

Materiality	Specific Targets	KPI	KPI performance (FY2022)	
E Environment	Response to Climate Change	Realization of a decarbonized society	Reduction of GHG emissions (intensity): (comparison with FY2014) 40% (FY2030)* Reduction of GHG emissions (intensity): (comparison with FY2014) 100% (FY2050)*	0.15064t-CO2/m ² (Emissions)
		Establishment of a solid business base	Reduction of water consumption (intensity): (comparison with FY2014) 10% (FY2030)*	1.63556m ³ /1,000m ² (Consumption)
			Number of buildings introduced with unified waste management method: 100% (FY2025)*	None
		Promotion of Use of Sustainable Energy	Use of renewable energy	Implementation of scenario analysis for all businesses of the MONE Group (FY2025)
	Introduction of energy generation technology and facilities		Percentage of renewable energy of electricity consumed in business activities: 40% (FY2030) Percentage of renewable energy of electricity consumed in business activities: 90% (FY2050)	No track record at One REIT
	Greening of Portfolio	Promotion of acquisition of various green building certifications	No setting of KPI (accumulation of cases and actual results) (each fiscal year)	No track record at One REIT
S Social	Training and Capacity Development of Personnel in Charge of Sustainable Growth	Expansion of learning framework for the growth of each employee (career support and self-enlightenment)	Ratio of properties which acquired green building certifications to total floor area of portfolio: 90% (FY2030)*	79.3%
		Expansion of learning framework for the growth of each employee (career support and self-enlightenment)	Development of educational and OJT systems (FY2025)	Understand the current status of maintenance, etc. in each division
			Management training: Implemented more than once a year (each fiscal year)	Managerial group coaching training (12 times)
			Career up training: Implemented more than once a year (each fiscal year)	Non-managerial staff (once)
			1-on-1 (boss and subordinate): Implemented more than four times a year (each fiscal year)	At least 4 times a year in each division
			Number of qualification holders (actual figure) (each fiscal year)	Total of 148 people *Excluding seconded employees
			Number of cases of qualification acquisition and maintenance support (actual figure) (each fiscal year)	Acquisition support: 13 cases Maintenance support: 60 cases
			Actual results of attendance of lectures on self-enlightenment tools: 6 courses* or more per person (each fiscal year) *Compulsory courses are set for each class and division	Attendance rate: 100%
		360-degree feedback: Once a year (each fiscal year)	360-degree feedback (once)	
		Improvement of employee engagement	Expansion of fair personnel evaluation system	Evaluation using business evaluation system: Once a year (each fiscal year)
	Improvement of employee engagement		Competency evaluation: Once a year (each fiscal year)	Competency evaluation (once)
			Measures for promoting in-house communication: Implementation of 3 measures or more per year (each fiscal year)	Implemented 5 measures
	Improvement of health and comfort of employees	Improvement of employee engagement	Employee engagement survey: Once a year (each fiscal year) - Percentage of positive responses in the above survey: More than 80% (FY2025)	Engagement survey (3 times) Positive response rate: average 64.6%
			Retention rate of employees: More than 95% against the total number of employees (each fiscal year)	95.1%
			"Health and Productivity Management Organization Certification": Acquired (FY2025)	Started working towards obtaining certification
		Improvement of health and comfort of employees	Enrichment of examination items and complete medical checkup: Continuously implemented (each fiscal year)	Addition and expansion of options to health checkup items, continued subsidy for medical checkup costs
	Stress check: Once a year (each fiscal year)		Stress check (once)	
	Questionnaire on the comfort of workplace at the office: Once a year (each fiscal year)		Workplace comfort survey (once)	
	Diversity & Inclusion	Efforts for promoting the advancement of various personnel	Ratio of female management: 30% or more (FY2025)	13.0%
			Employment of disabled people: Statutory employment rate or above (each fiscal year)	Employ 2 or more people equivalent to the legal employment rate (2.3%)
Employment of senior (65 or older) personnel: Number of the previous fiscal year or more (each fiscal year)			4 employees (±0 employee in FY2022)	
Employment of foreigners (if there is an opportunity): Continued (each fiscal year)			None	
Provision of opportunities to deepen understanding such as human rights training: More than once a year (each fiscal year)			Human rights training (once)	

Materiality		Specific Targets	KPI	KPI performance (FY2022)
S Social	Diversity & Inclusion	Efforts for enhancing work-life balance through the promotion of various work styles	ABW measures (full flex, free address, remote work, shared office use system, etc.): Continued (each fiscal year)	Continuation of ABW measures
			Percentage of those who said they are “implementing ABW” in the employee engagement survey: 80% or more (each fiscal year)	85.7%
			Acquisition rate of childcare leave (men): 30% or more (FY2025)	25.0%
			Return-to-work rate of those taking childcare leave: 100% (each fiscal year)	100% (1 employee)
			Acquisition rate of annual paid leave: 70% or more (FY2025)	57.5%
			Acquisition rate of special leave: 100% (each fiscal year)	90.8%
			Work in excess of statutory working hours: 45 hours per month or less per person (each fiscal year)	23 employees ※ Annual total number of employees who worked more than 45 hours of legal overtime in a month
	Provision of Peace of Mind, Comfort and Health to Tenants	Promotion of communication through dialogue conscious of the bi-directionality with tenants	Implementation of tenant satisfaction survey: Establish a one-round system in two years (FY2025)*	Started with 10 properties
			Implementation of measures based on the results of the tenant satisfaction survey (each fiscal year)*	Measures under consideration
		Strengthening of risk management against disasters	Installation rate of disaster prevention equipment: 100% (FY2025)	Please see page 21 for One REIT's track record.
Implementation rate of measures for enhancing disaster prevention awareness: 100% (FY2025)				
Preparation rate of disaster prevention manual: 100% (FY2025)				
Development of disaster damage reporting system: 100% (each fiscal year)				
Posting rate of evacuation sites: 100% (FY2025)				
Provision of safe, comfortable and healthy (well-being) space to tenants	No setting of KPI (accumulation of cases and actual results) (each fiscal year)	Conducting tenant satisfaction surveys		
Creation of Long-Life Real Estate Stock	Renovation of existing buildings and creation of quality real estate stock	No setting of KPI (accumulation of cases and actual results) (each fiscal year)	Renovation of open space at Higobashi Center Building	
G Governance	Strengthening of Governance	Enhancement of compliance awareness and knowledge of officers and employees Compliance with related laws and regulations and internal rules Sophistication of governance system using PDCA cycle Proactive information disclosure on governance	Attendance rate at the Board of Directors (actual figure) (each fiscal year)	98.8% (MREIT)
			Participation rate for compliance training: 100% (each fiscal year)	96.5% (4 times, 7 themes) (MREIT)
			Number of cases of the use of whistleblowing system (compliance hotline): (actual figure) (each fiscal year)	None
			Number of internal audits implemented: (actual figure) (each fiscal year)	3 themes implemented (MREIT)
			Attendance rate of external directors at the Board of Directors of One REIT: (actual figure) (each fiscal year)*	100%
	Promotion of Risk Management	Organizational management of various risks Minimization of various risks	Number of risk management processes implemented: Once a year (each fiscal year)	Conducted mid-term review and first and second half evaluations (twice)
			Implementation rate of continuous evaluation of clients (PM, etc.): 100% (each fiscal year)	100%
			Number of trainings on system risk held: Twice a year (each fiscal year)	Targeted email training (twice)
		Strengthening of business continuity management (BCM) Enhancement of disaster prevention awareness of officers and employees	Number of safety confirmation trainings held: Twice a year (each fiscal year)	Safety confirmation training (twice)
	Number of building evacuation trainings held: Twice a year (each fiscal year)		Participation in an evacuation drill for the occupied building (once)	
Management and adaption based on the scenario analysis on climate change		Please refer to “Response to Climate Change” in Materiality	–	
Dialogue with Stakeholders	Creation of opportunities to have dialogues with stakeholders Using the information and opinions gained from the dialogues with stakeholders in the management and businesses of the MONE Group Proactive disclosure	For the tenant satisfaction survey and employee satisfaction survey, please refer to “Provision of Peace of Mind, Comfort and Health to Tenants” and “Training and Capacity Development of Personnel in Charge of Sustainable Growth” in Materiality	–	
		Number of briefing sessions and meetings on IR held: Actual figure for the previous fiscal year*	Financial results briefing: twice IR meetings with institutional investors: 66 cases IR event for individual investors: twice	

International Initiatives/External Evaluations

International Initiatives

Support for TCFD (Task Force on Climate-related Financial Disclosures) Recommendations



- The TCFD is a disclosure framework for climate-related information disclosure and financial information related to climate change impacts. In April 2022, MONE Group, to which MREIT belongs, expressed its support for the TCFD recommendations on behalf of MONE Group, in consideration of the impact of climate change issues on society and the MONE Group's business.
- From October 2022, One REIT has been implementing information disclosure based on the TCFD recommendations.

Signing of Principles for Responsible Investment (PRI)

Signatory of:



- The PRI is an international network of investors that aims to realize the six principles advocated for the financial industry by then United Nations Secretary-General Kofi Annan in 2006 and promoted by United Nations Environmental Program (UNEP) and the United Nations Global Compact (UNGC). The Principles advocate the incorporation of environmental, social and governance issues into investment decision-making. Incorporating these perspectives into the investment decision-making process will improve long-term investment performance for beneficiaries, aiming to further fulfill our fiduciary responsibilities. MONE, on behalf of MONE Group, endorses the basic philosophy of the PRI and became a signatory in April 2022.

External Evaluations

Participation in GRESB Real Estate Assessment



G R E S B
★ ★ ★ ☆ ☆ 2023



G R E S B
Public Disclosure 2023

- GRESB is the annual benchmark to measure ESG considerations of real estate companies and funds in addition to being the name of the organization that operates the benchmark. It was established in 2009 primarily by major European pension fund groups that spearheaded the Principles for Responsible Investment (PRI). Many institutional investors in Japan and overseas, including Government Pension Investment Fund (GPIF), use GRESB data when selecting investment targets and communicating with investee companies.
- One REIT has participated in GRESB every year since 2018. In the GRESB Real Estate Assessment 2023, One REIT acquired "3 Stars" on the GRESB Rating, a 5-star scale based on the global ranking of overall score. At the same time, it was highly rated in both the "Management Component," which measures policies and organizational structures for Environmental, Social and Governance (ESG) promotion, and the "Performance Component," which measures environmental performance, initiatives with tenants and other efforts of portfolio properties, and acquired "Green Star" for the sixth consecutive year. In addition, it was highly rated in the GRESB Public Disclosure Assessment, which assesses the width of ESG disclosure, and acquired the highest "A Level" for the second consecutive year.

Environment

Response to Climate Change

Response to Climate Change

As indicated in the Paris Agreement (2015) and elsewhere, climate change is a scientific fact and is recognized as a material issue that will cause dramatic changes in the natural environment and social structure and have a significant impact on the overall management and business of One REIT and MREIT.

Based on the recognition that climate change is a global issue, One REIT aims to realize a decarbonized society and build a strong, climate change-resilient business foundation by managing and reducing energy consumption, greenhouse gas emissions, water consumption and waste volume, and enhancing severe disaster resiliency.

Support for TCFD (Task Force on Climate-related Financial Disclosures) Recommendations

In April 2022, MONE announced its support for the TCFD recommendations and joined the TCFD Consortium, an organization of Japanese companies that have endorsed them. One REIT and MREIT also recognize the importance of disclosing information on climate-related risks and opportunities, and are committed to addressing this and promoting further disclosure.

The TCFD published its final report in June 2017, recommending that companies disclose the following items on climate change-related risks and opportunities.

Disclosure Item	Disclosure Details
Governance	Disclose the organization's governance around climate-related risks and opportunities.
Strategy	Disclose the actual and potential impacts that climate-related risks and opportunities will have on the organization's businesses, strategy, and financial planning.
Risk management	Disclose the process which the organization uses to identify, assess, and manage climate-related risks.
Indicators and targets	Disclose the indicators and targets used to assess and manage relevant climate-related risks and opportunities.



Basic Policy and Commitments

MREIT supports the international goals set forth in the Paris Agreement and will continuously work to reduce greenhouse gas emissions in order to contribute to the mitigation of climate change. In addition, in accordance with MONE, which endorses the TCFD recommendations, we will disclose climate-related information to our stakeholders while following the disclosure framework.

Governance

We have the following structure in place to address climate-related risks and opportunities.

1. Board of Directors

The Board of Directors makes decisions on the formulation of mid-to long-term or annual plans for sustainability in MREIT's corporate operations and on other important sustainability matters.

2. Investment Committee

The Investment Committee makes decisions on important sustainability matters for One REIT.

3. Sustainability Promotion Council

The Sustainability Promotion Council is an advisory body to the Chief Executive Officer and discusses matters related to MREIT's corporate operations and the setting and monitoring of targets for sustainability initiatives of the REITs designated by the Chief Executive Officer.

4. Sustainability Promotion Officer

The Sustainability Promotion Officer is the Chief Executive Officer, who oversees the sustainability initiatives of MREIT and its REIT.

5. MONE Sustainability Committee

An advisory body to MONE's Board of Directors, MONE's Sustainability Committee deliberates on the MONE Group's sustainability policy, presents targets for the Mizuho Realty One Group to MREIT's Sustainability Promotion Officer, and monitors them. However, MONE is not involved in MREIT's decision-making on investment management matters for REITs which entrust their asset management to MREIT (regardless of the contract name or asset type). In addition, MONE's Chief Climate Officer (MONE's President and Representative Director) can ask MREIT's Sustainability Promotion Officer to report to MONE's Sustainability Committee on the status of climate-related issues. (With respect to information concerning the REITs for which MREIT manages the assets, this is limited to information that MREIT deems may be provided without any problems, such as public information in the case of One REIT.)

Strategy

One REIT has analyzed scenarios in line with the TCFD recommendations in order to understand the risks and opportunities that climate change poses to the REIT and examine their impact.

Scenario Analysis Assumptions

(1) Time horizon

For the scenario analysis, we divided the timing in which financial impacts of climate-related risks and opportunities become more apparent into the following three time periods.

Period	Definition
Short term	By 2025
Medium term	By 2030
Long term	By 2050

(2) Information Sources Referenced

One REIT analyzed scenarios using future climate projections published by various international organizations, etc. as its main sources of information (shown below).

Note that climate-related risks can be broadly classified as "transition risks" or "physical risks," and may bring not only risks but also new business opportunities.

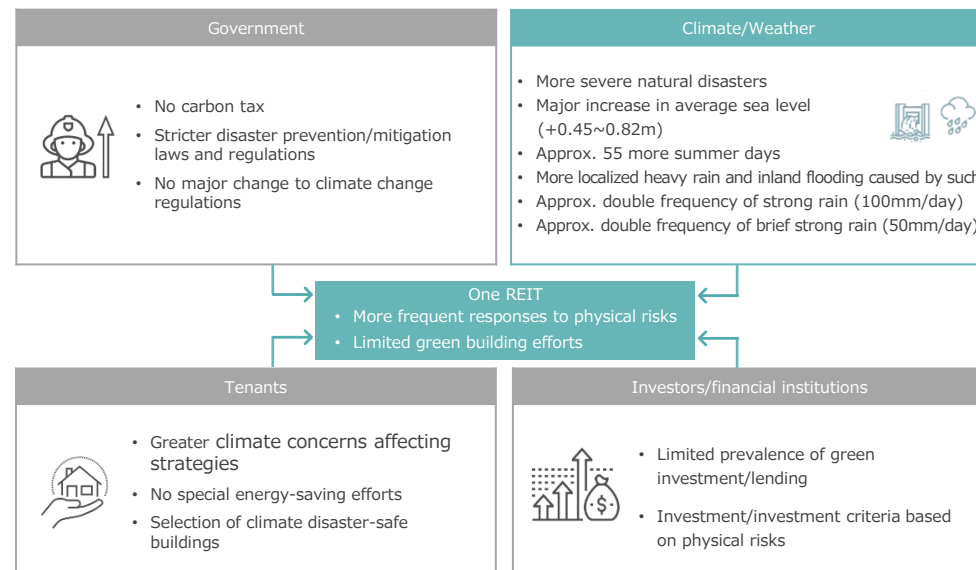
	Climate-related risks	Main information sources referenced
Transition risks	Business impacts resulting from social/economic transition to low/zero carbon	<ul style="list-style-type: none"> IEA Stated Policies Scenario World Energy Outlook 2020 (STEPS) IEA Net Zero Emissions by 2050 Scenario (NEZ2050)
Physical risks	Business impacts resulting from ongoing climate change from previous patterns and phenomena	<ul style="list-style-type: none"> IPCC 5th Assessment Report: Representative Concentration Pathways (RCP8.5) IPCC 5th Assessment Report: Representative Concentration Pathways (RCP2.6)

(3) Scenarios based on the main information sources

Based on the Paris Agreement, our base cases for analysis were the 4°C scenario and the 1.5°C scenario, as summarized on the right.

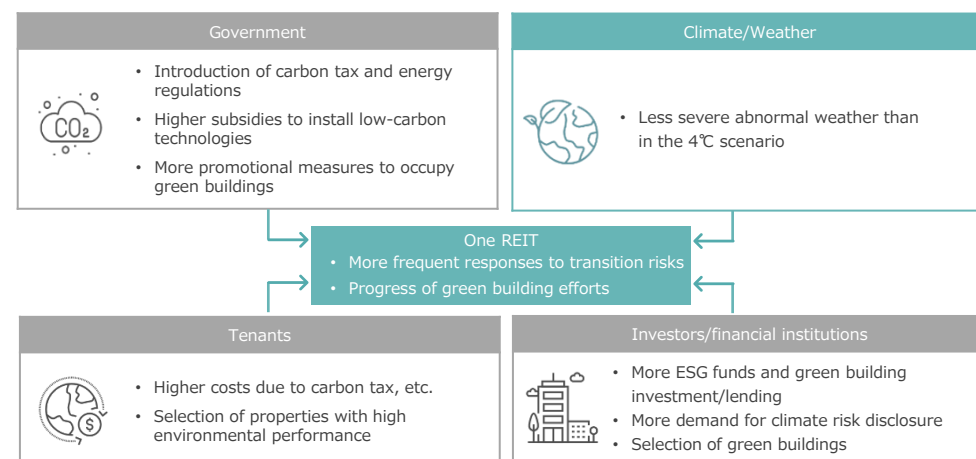
[4°C Scenario] (sources referenced: STEPS, RCP8.5)

A future in which climate change mitigation measures are insufficient and GHG emissions continue to rise, resulting in a large temperature increase. This scenario has high physical risk and low transition risk.



[1.5°C Scenario] (sources referenced: NEZ2050, RCP2.6)

A future in which zero-carbon social policies, emission controls and technology investment proceed more than in the present situation toward achieving the Paris Agreement targets, limiting temperature increase. This scenario has low physical risk and high transition risk.



Summary of Scenario Analysis

Based on the abovementioned assumptions, One REIT has examined climate-related risk and opportunity factors as well as financial implications and risk management/response measures that can be expected, as summarized below.

Risk category	Risk/opportunity factors	Type	Financial impacts	Risk Management/Response Measures	Severity/timeframe of maximum financial impacts			
					4°C	1.5°C		
Transition Risks and Opportunities	Policy and law	Stricter energy laws/regulations						
		Introduction of carbon tax	Risk	GHG emissions tax burden Higher material procurement costs, fuel costs, power costs, etc.	Introduction of low-carbon energy Promotion of energy-saving measures	Medium term		
						Low	Medium	
		Stricter building energy-saving standards	Risk	Renovation costs to meet energy-saving standards Higher property acquisition costs due to higher construction/renovation costs to install energy-saving equipment	Consideration of ZEB conversion Energy-saving renovation Enhancement of energy data management Deepening of tenant understanding of ESG through awareness-raising activities to encourage conclusion of green lease agreements and other measures	Medium term		
						Medium	High	
			Opportunity	Lower property acquisition costs due to increased sale of properties not conforming to energy-saving standards or regulations (stranded assets), and higher property value and mid-/long-term profits through renovation, etc. of these properties	Green building conversion through energy-saving renovation and renewable energy introduction	Medium term		
					Low	High		
		Risk	Higher certification acquisition costs	Cost levelling through certification period management Promotion of certification acquisition	Medium term			
					Low	Low		
		Opportunity	Higher rent revenue due to increased competitiveness of properties complying with laws and regulations Increase added value due to improving environmental performance of properties conforming to laws and regulations	Cost levelling through certification period management Promotion of certification acquisition	Medium term			
					Low	Low		
		Technology	Evolution/spread of renewable energy/energy-saving technology	Risk	Higher technology implementation costs	Installation cost reduction through new technology comparison/consideration Operating cost reduction through energy-saving technology installation Conclusion of green lease agreements and other measures	Short term	
						Low	Medium	
			Opportunity	Greater occupancy/higher property value due to increased demand for renewable energy-based properties due to stronger GHG emissions regulations Lower energy costs	Consideration of renewable energy technology installation LED lighting conversion High-efficiency air-conditioning system installation	Medium term		
					Low	Medium		
	Market/reputation	Higher utility bills (including external procurement of renewable energy)	Risk	Higher rental business costs	Energy-saving renovation Awareness-raising activities for tenant on energy-saving initiatives	Medium term		
						Medium	Low	
		Change in tenant demand/real estate transaction demand	Risk	Due to a slow response to climate change: •Lower occupancy (tenant departure, extension of tenant leasing) •Lower property prices	Property value increase through acquisition of environmental certification/energy-saving rating Appeal to tenants/market due to carbon neutrality	Medium term		
					Low	Medium		
		Green building appeal to tenants/users	Opportunity	Higher occupancy in green buildings/renewable energy-based properties due to office demand from companies seeking carbon neutrality	Consideration of ZEB conversion Promotion/advertisement of carbon neutrality through energy-saving renovation and renewable energy introduction	Medium term		
					Low	Medium		

Risk category	Risk/opportunity factors		Type	Financial impacts	Severity/timeframe of maximum financial impacts			
					4°C	1.5°C		
Transition Risks and Opportunities	Market/reputation	Worse fundraising terms for market participants (bond issuers) not responding to climate change	Risk	Higher fundraising costs	Climate change measures by One REIT Addition of climate change response to supplier selection criteria Use of green finance Advertisement of ESG (including climate change) initiatives	Short term	Low	Low
		Appeal to current investors/lenders, acquisition of new investors/lenders	Opportunity	Lower fundraising costs through green finance Higher fundraising from ESG-focused investors/lenders	Use of green finance Advertisement of initiatives to ESG-focused investors/lenders (including climate change)	Short term	Low	Low
Physical Risks and Opportunities	Acute	More water damage/landslides due to severer storm and flood damage	Risk	Higher repair/prevention costs, damage costs, insurance fees Loss of business opportunities, asset value due to flooding of owned properties	Hazard map confirmation when acquiring properties, countermeasures during management Strengthening of disaster risk management Preparation of disaster manual for each portfolio property Posting of evacuation points/hazard maps at properties	Long term	High	Medium
			Opportunity	Higher rent revenue due to resiliency of water damage/disaster countermeasures Higher portfolio competitiveness due to increased resiliency		Short term	High	Medium
	Chronic	Flooding of low-elevation properties due to sea level rise	Risk	Flood countermeasure costs (flood barrier installation, etc.) Lower property value due to flooding		Hazard map confirmation when acquiring properties, countermeasures during management	Long term	Low

Risk Management

MREIT's Sustainability Promotion Officer manages identified and assessed climate-related risks and opportunities and promotes resilience initiatives to reduce business risks and realize value creation opportunities to ensure steady, sustainable earnings over the long term. The management process for climate-related risk and opportunity factors is as follows:

- The Sustainability Promotion Officer directs the Sustainability Promotion Council to consider the development of countermeasures for climate-related risks and opportunities that are high-priority in business and financial plans.
- The Sustainability Promotion Council's proposed measures are deliberated on and approved by the institutions specified in the Basic Policy on Sustainability Initiatives based on their content, and are then implemented.
- The Sustainability Promotion Officer also instructs MREIT to consider climate-related risks that are important in business and financial plans for its regulations.

Indicators and Targets

The following indicators and targets are used in the process of managing climate-related risks and opportunities.

	Indicator	Target
1	Reduction of greenhouse gas emission (intensity)	(From FY2014) 40% (FY2030) 100% (FY2050)
2	Reduction of water consumption (intensity)	(From FY2014) 10% (FY2030)
3	Percentage of portfolio that is green building-certified (by total floor area)	90% (FY2030)

Greenhouse Gas (GHG)/Energy

GHG (CO₂) Emissions

	FY2018	FY2019	FY2020	FY2021	FY2022
Total emissions (t-CO ₂)	16,711	16,506	13,756	14,764	14,609
Intensity (t-CO ₂ /1,000m ² × days)	0.20383	0.18154	0.15408	0.16183	0.15064

※Numbers may change due to revision of aggregation method.

※The numbers in the table above have not been verified by a third party.

※The numbers in the table above are the sum of Scope 1 and Scope 2.

※Intensity is calculated by dividing the total emissions for each fiscal year by the intensity denominator (the total of the total floor area (m²/day) according to the number of business days of each property). Occupancy rate and tenant attendance rate are not taken into account.

※CO₂ emissions are calculated based on the emission coefficients from the Ministry of the Environment's Greenhouse Gas Emissions Calculation, Reporting, and Publication System.

Energy Consumption

	FY2018	FY2019	FY2020	FY2021	FY2022
Total consumption (kl)	8,196	9,075	8,402	8,627	8,612
Intensity (kl/1,000m ² × days)	0.09997	0.09981	0.09411	0.09456	0.08880

※Numbers may change due to revision of aggregation method.

※The numbers in the table above have not been verified by a third party.

※Intensity is calculated by dividing the total consumption for each fiscal year by the intensity denominator (the total of the total floor area (m²/day) according to the number of business days of each property). Occupancy rate and tenant attendance rate are not taken into account.

Use of Renewable Energy

We are considering use of renewable energy, for example by installing solar power equipment or otherwise using electricity derived from renewable energy sources.

<Initiative Examples>

Renewal work

Daihakata Building

- Renewal work on a boiler that had not been updated since its completion in 1975. Reduced kerosene usage by approximately 14% per year compared to before renewal (equivalent to approximately 16t-CO₂ reduction per year based on CO₂ emissions)

Crescendo Building

- Renewal work on the cold and hot water generator, which had not been updated since its completion in 1987. Electricity usage reduced by approximately 51% annually compared to before renewal (equivalent to approximately 6t-CO₂ reduction per year based on CO₂ emissions)

Promotion of LED lighting conversion

LED lighting Conversion Rate

	FP Aug. 2021	FP Feb. 2022	FP Aug. 2022	FP Feb. 2023	FP Aug. 2023
Exclusive floor area	15.9%	21.3%	24.7%	28.7%	30.2%
Common use area	28.8%	29.8%	31.6%	33.6%	35.1%
Total of exclusive floor area and common use area	20.2%	24.0%	26.9%	30.3%	31.8%

※Numbers may change due to revision of aggregation method.

※The numbers in the table above have not been verified by a third party.

※The LED lighting conversion rate is calculated by dividing the area converted to LED by the total floor area and rounded to the first decimal place.



Renewal work to equipment that has energy-saving effects



LED lighting conversion

Water

Water Consumption

	FY2018	FY2019	FY2020	FY2021	FY2022
Total consumption (m ³)	171,627	187,975	146,334	149,965	158,615
Intensity (m ³ /1,000m ² × days)	2.09345	2.06741	1.63906	1.64374	1.63556

※Numbers may change due to revision of aggregation method.

※The numbers in the table above have not been verified by a third party.

※Intensity is calculated by dividing the total consumptions for each fiscal year by the intensity denominator (the total of the total floor area (m²/day) according to the number of business days of each property). Occupancy rate and tenant attendance rate are not taken into account.

<Initiative Examples>

Sanitary equipment construction

We select water-saving sanitary appliances when renovating or updating toilets.

The equipment has been introduced at nine properties, including ONEST Omiya Kishiki-cho Building, Tokyo Parkside Building, and ONEST Shin-Osaka Square, for which constructions were carried out in fiscal year 2022.



Toilet renewal work (water-saving toilet)

Waste

Waste weight

	FY2018	FY2019	FY2020	FY2021	FY2022
Total weight (t)	1,405	1,512	1,251	1,304	1,391
Intensity (t/1,000m ² × days)	0.01714	0.01663	0.01402	0.01429	0.01434

※Numbers may change due to revision of aggregation method.

※The numbers in the table above have not been verified by a third party.

※Intensity is calculated by dividing the total weight for each fiscal year by the intensity denominator (the total of the total floor area (m²/day) according to the number of business days of each property). Occupancy rate and tenant attendance rate are not taken into account.

Other Effort

Biodiversity

Case study of Higobashi Center Building



As more than 40 years have passed since the building was built, vegetation has grown in the public open space of the Higobashi Center Building, reducing the visibility of the building itself and its function as a public open space. Therefore, we pruned the existing trees to create a blank space and built new benches to restore the space's relaxing function and transform it into a place that will become a signature of the area. The new benches also serve as earthen retainers, and we planted native plants. In addition, the new plants to be planted throughout the public open space were selected with consideration for biodiversity and centered on Japanese native species, while making use of Chinese fringe trees, the existing trees.

The green shade of existing trees, new benches, and people relaxing take center stage, creating a generous space that connects with the local community.

Green Lease

One REIT has introduced green lease agreements with the aim of collaborating with tenants to improve the environmental performance of its properties.

A green lease is an agreement or memorandum of understanding with a tenant to reduce environmental footprint, for example by saving energy, and improve the working environment. The agreed matters are implemented accordingly.

Environmental Management

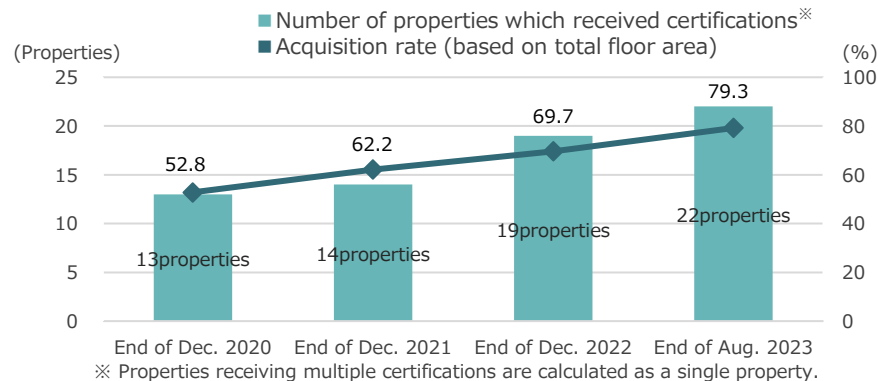
MREIT has established individual policies for important environmental issues, and based on the EMS Operation Manual, which stipulates the details for operating these policies, we set environmental targets (Plan), monitor performance (Do), analyze the forecasts vs. results (Check) and implement and improve measures (Action) for matters related to energy consumption, greenhouse gas emissions, water consumption and waste in the management of One REIT's properties to continuously reduce environmental load.

Green Building Certifications

Greening of Portfolio

In order to demonstrate the quality of our portfolio properties, including their environmental friendliness, One REIT works to acquire third-party certifications such as Certification for CASBEE for Real Estate, DBJ Green Building Certification and BELS Certification. One REIT intends to increase the portfolio's green building certification percentage (based on total floor area) to 90% by fiscal year 2030.

Acquisition of External Evaluations/Certifications



Certification for CASBEE for Real Estate



CASBEE (Comprehensive Assessment System for Built Environment Efficiency) is a method for evaluating and rating buildings based on their environmental performance and a system for comprehensively evaluating environmental consideration, such as energy saving and use of materials with low environmental impact, as well as the quality of buildings including indoor comfort and consideration for landscape.

Certification for CASBEE for Real Estate was developed with an aim to utilize the results of environmental evaluation of buildings in CASBEE in real estate evaluation, and it rates existing buildings that were completed no less than one year ago based on the four ranks of "Rank S (Excellent)," "Rank A (Very Good)," "Rank B+ (Good)" and "Rank B (Satisfying the Required Items)."

DBJ Green Building Certification



DBJ Green Building

DBJ Green Building Certification was launched by Development Bank of Japan Inc. ("DBJ") in April 2011 for the purpose of supporting properties which give proper care to the environment and society ("Green Building"). The certification evaluates and certifies properties sought by society and economy, and supports their efforts based on comprehensive assessment while evaluating various factors ranging from properties' environmental features to their communication with stakeholders, such as disaster prevention and proper care for surrounding communities.

BELS Certification



BELS (Building-Housing Energy-Efficiency Labeling System) is a third-party certification system in Japan that displays the energy saving performance of buildings. From April 2016, real estate companies and others are required to strive to display the energy-saving performance of buildings based on the Act on the Improvement of Energy Consumption Performance of Buildings ("Building Energy-Efficiency Act"). The concrete labeling method is stipulated in the guidelines for energy saving performance display of buildings, BELS is evaluated based on the same guideline, and the evaluation result is represented by the number of stars (one star "★" to five stars "★★★★★").

List of Certifications Acquired

Property No.	Property name	Certification for CASBEE for Real Estate	DBJ Green Building Certification	BELS Certification
OT-2	ONEST Kanda Square	★★★★		
OT-3	Tachikawa Nishiki-cho Building	★★★★★		
OT-5	ONEST Yokohama Nishiguchi Building			
OT-7	ONEST Nakano Building			
OT-9	Minami-Shinagawa JN Building			
OT-10	Minami-Shinagawa N Building			
OT-11	Minami-Shinagawa J Building			
OT-13	Hachioji SIA Building	★★★★		
OT-14	ONEST Motoyoyogi Square	★★★★		
OT-15	ONEST Ueno Okachimachi Building			
OT-16	ONEST Omiya Kishiki-cho Building	★★★★		
OT-17	ONEST Ikebukuro East Building	★★★★		
OT-18	Crescendo Building	★★★★		
OT-19	Tokyo Parkside Building	★★★★		
OT-20	ONEST Nishi-Gotanda Square	★★★★		
OT-21	ONEST Hongo Square	★★★★		
OT-22	ONEST Minami-Otsuka Building	★★★★		
OT-23	ONEST Kanda-Nishifukuda-cho Building	★★★★		
OT-24	ONEST Kinshicho Square	★★★★		★★★★
OT-25	REID-C Chiba Ekimae Building		★	
OT-26	Shinkawa 1-chome Building	★★★★		
OT-27	ONEST Hakozaki Building			
OT-28	ONEST Higashi-Nakano Building			
OT-29	FIELD Kita-Sando			
OO-1	ONEST Shin-Osaka Square		★	
OO-2	ONEST Kyoto Karasuma Square	★★★★		
OO-3	ONEST Nagoya Nishiki Square			
OO-4	MY Kumamoto Building	★★★★		
OO-5	Nagoya Fushimi Square Building	★★★★		
OO-6	Daihakata Building		★	
OO-7	Higobashi Center Building	★★★★		
OO-8	Daido Life Mito Building	★★★★		
Total (properties)		19	3	1

Green Finance

Green Finance Framework

1. Use of proceeds

Funds procured through green finance will be used to refinance funds for the acquisition of assets and renovation work that meet either Eligibility Criteria 1 or Eligibility Criteria 2 described below (hereinafter referred to as “Eligible Green Assets”) as well as funds required for them.

2. Eligibility Criteria

Eligibility Criteria 1

Properties which have already acquired/renewed or are scheduled to acquire/renew one of the following certifications granted by a third-party certification body.

- ① DBJ Green Building Certification: three stars, four stars or five stars
- ② Certification for CASBEE for Real Estate: rank B+, A, or S
- ③ LEED Certification: Silver, Gold or Platinum
- ④ BELS Certification: three stars, four stars or five stars

Eligibility Criteria 2

Renovation work of facilities, etc. that meets any of the following.

- ① Renovation work intending to improve the number of stars or the rank by one or more for any green eligibility criteria (green building) certification
- ② Facility renovation work aiming for beneficial environmental improvement, such as energy efficiency and water consumption performance, at real estate under management (those which are expected to reduce consumption by 30% or more compared with previous levels)
- ③ Introduction or acquisition of equipment related to renewable energy

3. Process for evaluation and selection of projects

At MREIT, the Finance and Administration Division will select a project for which the proceeds will be used, and Head of Investment & Asset Management Division I, Compliance Officer and Chief Executive Officer will deliberate and confirm conformity with the eligibility criteria. Subsequently, the board of directors, etc. resolves the implementation of green finance in accordance with the rules of MREIT and One REIT.

4. Management of proceeds

- Internal management of the proceeds from green finance and unallocated funds will be performed appropriately. If there are unallocated funds, they will be managed as cash or cash equivalents until such funds are allocated.
- The amount calculated by multiplying the total acquisition price of owned properties that meet Eligibility Criteria 1 and the total amount of expenses of construction and renovation projects that meet Eligibility Criteria 2 by the LTV (Loan to Value (ratio of interest-bearing debt)) based on total assets as of the end of the most recent fiscal period (hereinafter referred to as the “upper limit of eligible green debt”) is set as the upper limit of the balance of green finance, and the balance of green finance is managed so that it does not exceed the upper limit of eligible green debt.

As of August 31, 2023

A. Total acquisition price (Eligibility Criteria 1)	79,161 million yen
B. Total amount of expenses of renovation work of facilities, etc. (Eligibility Criteria 2)	–
C. Total amount of Eligible Green Assets (A+B)	79,161 million yen
D. LTV	48.6%
E. Upper limit of eligible green debt (C×D)	38,472 million yen

Reporting

Reporting on status of fund allocation (As of November 30, 2023)

The status of fund allocation regarding green finance of One REIT is as follows.

	Balance of proceeds (million yen)	Allocated amount (million yen)	Unallocated amount (million yen)
Green Bonds	3,000	3,000	–
Green Loans	17,000	17,000	–

Status of issuance of green bond

Name	Issue Amount (million yen)	Interest rate	Issue Date	Maturity Date	Remarks
5th Unsecured Investment Corporation Bonds (Green Bonds)	3,000	0.780%	January 27, 2022	January 27, 2032	Unsecured Unguaranteed

Status of borrowing of green loan

Lender	Balance (million yen)	Interest rate	Drawdown date	Repayment date	Remarks
Mizuho Trust & Banking Co., Ltd. 5 other lenders	2,000	0.42000%	September 7, 2022	September 7, 2025	Unsecured Unguaranteed Floating rate※
Mizuho Trust & Banking Co., Ltd. 6 other lenders	6,000	0.79750%	September 7, 2022	September 7, 2027	Unsecured Unguaranteed Fixed rate
Mizuho Bank, Ltd. 12 other lenders	9,000	1.03250%	September 7, 2023	September 7, 2028	Unsecured Unguaranteed Fixed rate

※ The interest rate is applied from November 30, 2023 to February 29, 2024.

Changes in the Japanese Bankers Association (JBA) Japanese yen TIBOR as the base rate of interest (JBA three-month Japanese yen TIBOR) can be checked on the website of the JBA TIBOR Administration. (<https://www.jbatibor.or.jp/english/rate/>).

Impact Reporting

As long as green finance balance remains, One REIT will annually publish the following indicators regarding green eligible assets on its website.

- Types of environmental certification
- Energy Consumption
- GHG (CO₂) Emissions
- Water Consumption

Evaluation by external agency

For eligibility of the green finance framework, One REIT has been assigned “Green 1 (F)”, the highest evaluation grade in “JCR Green Finance Framework Evaluation” by Japan Credit Rating Agency, Ltd. (JCR).

For details, please refer to JCR’s website (<https://www.jcr.co.jp/en/greenfinance/>)

Social

Tenant/Community Initiatives

We aim to increase tenant satisfaction, secure steady earnings and earn the trust of tenants and society by maintaining regular two-way communication with tenants, providing tenants and facility users with safe, comfortable, and healthy (well-being) spaces, renovating properties to meet diversifying social needs and such.

Provision of Peace of Mind, Comfort and Health to Tenants

<Initiative Examples>

Creation of a shared lounge

We asked tenants for opinions concerning the use of the first-floor common use area. Based on their requests, we created a lounge space that helped raise tenant satisfaction.

ONEST Nishi-Gotanda Square



ONEST Minami-Otsuka Building



Acquired "CASBEE for Smart Wellness Office"

Acquired "CASBEE for Smart Wellness Office" in January 2020 after making efforts such as renovating the common use area that enhances the comfort of tenants.

Tokyo Parkside Building



Tenant Satisfaction Surveys

One REIT has started a tenant satisfaction survey for the real estate it manages from fiscal year 2022. To date, we have completed surveys on 10 of the 32 properties in our portfolio. At One REIT, we hope to utilize the opinions we receive from tenants through this survey in our future operations, leading to "peace of mind, comfort, and health" (Well-Being).

Furthermore, we will complete tenant satisfaction surveys for all properties currently under management by the end of fiscal year 2023, and we plan to conduct tenant satisfaction surveys that will be completed within two years.

Results of tenant satisfaction survey targeting 10 properties

Contents of question	Rate (Very satisfied and Generally satisfied)
Size (too small, too wide, etc.)	88.1%
Lighting (brightness, energy saving, etc.)	81.9%
Air conditioning (temperature settings, energy saving, etc.)/ventilation	54.8%
Comprehensive evaluation of exclusive area	81.9%
Overall evaluation of common use areas	76.6%

Green Lease

Please refer to page 16.

Contributing to Local Communities

<Initiative Examples>

Installation of rental bicycles (Tokyo Parkside Building)

Installation of "LUUP" (ONEST Kanda Square, ONEST Nakano Building, Minami-Shinagawa N Building)

In order to improve convenience for tenants and the local community, we have installed ports for rental bicycles and the electric scooter sharing service "LUUP" on open space. We also believe that these initiatives contribute to the problem handling of climate change by contributing to the reduction of greenhouse gas emissions by promoting the use of bicycles and electric scooters.

Installation of car sharing (Daihakata Building)

We are working to improve convenience for tenants and the local community by setting up a car share facility using part of the parking lot.

Strengthening of Risk Management against Disasters

We installed disaster prevention equipment and supplies in portfolio assets and implemented measures to increase disaster preparedness (distributed disaster manuals, etc.)

<Initiative Examples>



Installation of disaster supplies



Creation/distribution of disaster manuals



Preparation of water barriers or sandbags, etc.

Status of related KPI initiatives at One REIT (FY2022)

KPI	Initiative status
Disaster prevention equipment installation rate	The installation rate of disaster prevention cabinets in elevators has progressed to 39.3% (based on number of units)
Implementation rate of measures to improve disaster prevention awareness	Currently checking the status of efforts to improve disaster prevention awareness for each managed property
Disaster prevention manual maintenance rate	A format is currently being created to prepare a unified disaster prevention manual.
Establishment of disaster damage reporting system	Maintenance completed for all managed properties
Evacuation site posting rate	Preparing to achieve 30% (based on number of properties) in FY2023

Creation of Long-life Real Estate Stock

Through long-term, strategic management of facilities and architecture, we discover the potential of high-quality building stock, maintain and increase real estate value even aging, and contribute to the effective use of social infrastructure and the sustainability of society.

- Value-enhancement renovations
- Renovation (change of use)
- Energy-saving renovations
- Biodiversity-conscious exterior renovations
- Seismic reinforcement

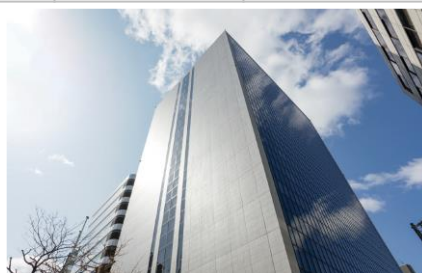
As of August 31, 2023

	Daihakata Building	Higobashi Center Building
Building age	48.0 years	45.9 years
Occupancy rate	99.9%	100.0%

<Concrete example>

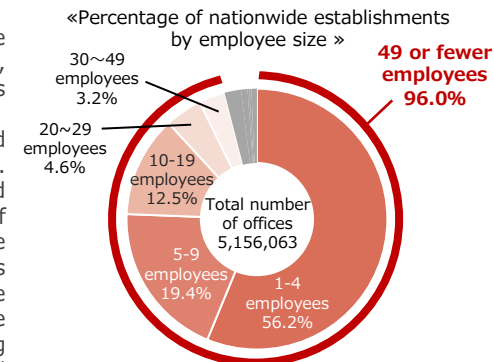
Higobashi Center Building

In January 2021, the exterior walls of the Higobashi Center Building, which is over 40 years old, were renovated using a stone-like sheet covering method, with the aim of updating the exterior image and preventing tiles from falling off and achieved a longer lifespan for the exterior walls. In July 2022, the public open space was renovated with biodiversity in mind. Please refer to page 16 for details.



Support for Small and Medium-sized Enterprises

Looking at the percentage of nationwide establishments by employee size, establishments with 1 to 49 employees account for 96.0%, and most of them are opened by medium-sized and small-to-medium-sized enterprises. One REIT primarily invests in mid-sized office buildings that house many of these businesses, providing comfortable office space at more reasonable rents than large-scale office buildings. We contribute to the development of the Japanese economy by providing comfortable office space to small and medium-sized enterprises, which are the foundation of the Japanese economy.



Source: Created by MREIT based on the Ministry of Internal Affairs and Communications Statistics Bureau "Reiwa 3rd year (2021) Economic Census: Tabulation of establishments and tabulation of enterprises, etc."

Supply Chain Initiatives

Procurement Policy

Mizuho's business activities are supported by the collaboration of many suppliers of goods and services. Mizuho has therefore established its basic approach toward suppliers with regard to purchasing goods and services, ordering IT systems, etc. in the Mizuho Code of Conduct and established the Procurement Policy to indicate the specific actions it will take to ensure responsible procurement, based on the basic approach. As part of Mizuho, MREIT has adopted the Procurement Policy with the aim of improving corporate value as well as helping to achieve a sustainable society.

For more information, please visit the MONE website.

<https://www.mizuho-realtyone.co.jp/realtyone/en/sustainability/policy/>

Collaboration with Property Management Companies

<Initiative Examples>

Continuous evaluation of Property Management Companies

MREIT conducts monitoring of the current property management companies once a year in order to determine whether it is appropriate to continue outsourcing operations to the property management companies. We will provide feedback to the property management companies regarding the property management companies' evaluation results. For matters that require improvement, we will make requests for improvement using an improvement request and response form.

In addition, during this monitoring, we also confirm the sustainability initiatives at each property management company.

Collaboration on tenant satisfaction surveys

Regarding the survey results and comments obtained through the tenant satisfaction survey, we are working with the property management companies to consider countermeasures.

Employee Initiatives

MREIT and MONE Group strive to secure excellent personnel, develop them and enhance their skills, so that both employees and the company can achieve sustainable growth, based on our belief that a company's management resources are its people. We aim to increase employee engagement and strengthen the company's growth potential by creating a work environment in which each employee can enhance their expertise and broaden their knowledge and skills to cultivate personnel capacity and work together in a robust, collaborative manner.

Training and Capacity Development of Personnel in Charge of Sustainable Growth

Enhancement of Personnel Development Programs

- We develop various educational and on-the-job training programs for employees and executives.

Career Support

- We create an environment that facilitates the work of all employees and support employees so that each individual can actively contribute in their own way while developing their skills.
- We develop personnel who will be accepted and valued in the industry.

Qualification Acquisition Support

- In order to promote self-study, we fully subsidize the cost of acquiring and maintaining qualifications recommended by the company.

No. of qualification holders in the MONE Group (as of March 31, 2023)

Real Estate Notary	63	Real Estate Appraiser	4
ARES Certified Master	37	Judicial Scriveners	3
Certified Building Administrator	15	First-class Plumbing Work Operation and Management Engineer	3
First-class Architect	13	First-class Electrical Work Operation and Management Engineer	3
Energy Manager	7	Second-class Architect	1
Facility Manager	5	Certified Public Accountant	1
First-class Building Operation and Management Engineer	5	Managing Engineer	1
Securities Analyst (CMA)	4		

※Includes contract employees, fixed-term employees, and employees seconded from <Mizuho>, but excludes part-time executives and temporary employees.

※Includes those who passed the exam.

Self-Development Support

- We provide opportunities and learning tools to obtain cutting-edge knowledge and skills, support participation in external training courses, and conduct various training programs.

Fair Personnel Evaluation

- We conduct fair evaluations based on achievement of targets set at the start of the fiscal year.
- We conduct competencies evaluations of skills and behavior, which serve as a basis for determining salary raises and promotions.

Strategy for Securing Human Resources

- In addition to new recruitment from outside, MREIT receives cooperation from Mizuho Trust & Banking Co., Ltd. as a sponsor support for One REIT in securing and dispatching human resources necessary or useful to carry out asset management operations.

Improvement of Employee Engagement, Health and Comfort

Measures to Promote Internal Communication

- We promote internal communication and create an environment conducive to collaboration.

Dialogue with Employees

- We maintain company-employee dialogue through employee engagement surveys (which include employee satisfaction questions).

MONE Group Employee Engagement Survey Results

	Overall satisfaction	Degree of pride	Degree of how much you would recommend to family and friends	Positive response rate
Apr. 2022 (Simple survey)	83.1%	67.5%	48.2%	66.3%
Sep. 2022 (Main survey)	83.2%	66.3%	44.2%	64.6%
Mar. 2023 (Simple survey)	69.1%	54.6%	30.9%	51.5%

Employee Health Promotion Measures

- We identify health issues of our employees and implement measures to promote their health.
- In October 2023, MONE has obtained the "Health Excellent Company Silver Certification," which is issued to companies that meet certain achievement standards under the Health Excellent Company Certification System implemented by the Tokyo Federation of Health Insurance Societies.

Enhancement of Medical/Physical Checkups

- In addition to examinations of legally required items, we will enhance health checkups by expanding cancer examinations, and we will further enhance the health checkup items.
- We fully subsidize the cost of undergoing a complete medical checkup.

Provision of Well-Being-Focused Working Spaces

- We provide working spaces that feature ample natural light and greenery, furniture that enables employees to work, hold meetings, and take breaks in various ways, circadian lighting, etc.

List of Benefit Programs

- Gender-equal childcare leave system
- Maternity leave system
- Sick/injured childcare leave system
- Nursing care leave system
- Shortened working hours system
- Special leave, sick leave, and congratulatory /condolence leave systems
- Long service leave system, long service award system
- Stress checks
- Supporting cost of regular medical and physical checkups
- Industrial physician system
- Defined contribution pension system
- Cumulative investment unit investment program
- Corporate rental housing
- Remote work system

Human Rights

Human Rights Policy

In the Mizuho Code of Conduct, Mizuho has stated its commitment to acting in a manner that respects internationally recognized human rights, and it has established a Human Rights Policy that specifically indicates how it will act to fulfill its responsibility to respect human rights as an integrated financial services group operating at the global level.

As part of Mizuho, MREIT has adopted the Human Rights Policy as a guide for conduct that respects human rights.

For more information, please visit the MONE website.

<https://www.mizuho-realtyone.co.jp/realtyone/en/sustainability/policy/>

Diversity & Inclusion

Efforts for Promoting the Advancement of Various Personnel and Enhancing Work-life Balance

Prohibition of Discrimination

- We prohibit unreasonable discrimination based on gender, age, employment status, disability, etc., and promote the active participation of all human resources.

Promotion of Awareness and Behavioral Change among All Employees

- We provide opportunities (in-house training, etc.) to gain a deeper understanding of respecting the rights of self and others, including understanding of LGBTQ and other sexual minorities.

Promotion of Various Work Styles

- We are promoting ABW (Activity-Based Working).
- We continue to maintain a flex time system with no restrictions placed on the number of days or hours, a free-address system, a remote work system (including working from home), and shared offices.

Enhancing Systems that Support Work-life Balance

- We support balancing work, child-rearing, and nursing.
- We encourage employees to take various types of leave.
- We prevent overwork.

HR Data of MONE Group including MREIT

Item	FY2022	Item	FY2022
Total employees ^{*1, 3, 5}	101 employees	No. of people leaving the company ^{*5, 6}	4 employees
Male employees/rate	65 employees/64.4%	Turnover ^{*5, 6}	4.9%
Female employees/rate	36 employees/35.6%	Manager turnover rate	0%
No. of directors ^{*1, 4}	11 directors	Turnover rate for non-managerial staff	6.5%
Male directors/rate	11 directors/100.0%	No. of people taking childcare leave/returning to work after childcare leave ^{*5, 6}	1 employee /3 employees
Female directors/rate	-/0.0%	Male	1 employee /1 employee
No. of managers ^{*1}	23 managers	Female	-/2 employees
Male managers/rate	20 managers/87.0%	Childcare leave acquisition rate/Return-to-work rate ^{*5, 6}	25.0%/100.0%
Female managers/rate	3 managers/13.0%	Male	25.0%/100.0%
No. of temporary employees and outsourced employees ^{*1}	21 employees	Female	-/100.0%
Male employees	4 employees	No. of people taking nursing care leave ^{*5, 6}	-
Female employees	17 employees	Average number of paid vacation days taken/usage rate ^{*5}	12.6 days/57.5%
No. of newly hired employees ^{*5}	15 employees	Monthly average overtime hours ^{*5}	8.2 hours
Male employees/rate	8 employees/53.3%	Training hours per employee ^{*3, 5}	3.8 hours
Female employees/rate	7 employees/46.7%	Human resources development cost amount	945 ten thousand yen
Average length of service ^{*1, 5, 6}	5.3 years	No. of qualified persons ^{*1, 3, 5, 6}	148 employees in total
Male	5.3 years	No. of support cases for obtaining qualifications	13 cases
Female	5.5 years	No. of support cases for maintaining qualifications	60 cases
Average salary ^{*2, 5, 6}	12,052 thousand yen	No. of people fired ^{*5, 6}	-
Male	13,586 thousand yen	No. of people laid off due to M&A ^{*5, 6}	-
Female	9,097 thousand yen	No. of strikes	-
No. of employees 65 or older ^{*1, 5, 6}	4 employees	Stress check consultation rate	88.5%
No. of non-Japanese employees ^{*1, 5, 6}	-	Health checkup/Comprehensive medical checkup participation rate ^{*3}	100.0%
No. of employees with disabilities ^{*1, 5, 6}	2 employees	Occupational accident frequency rate ^{*7}	0.0%

*1 The above table is as of March 31, 2023.

*2 The applicable period is from January 1, 2022 to December 31, 2022.

*3 Excludes part-time directors and corporate auditors.

*4 Includes directors and corporate auditors.

*5 Excludes temporary employees or outsourced employees. *6 Excludes seconded employees.

*7 Occupational accident frequency rate = Number of casualties due to occupational accidents ÷ Total number of actual working hours × 1,000,000

Governance

Corporate Governance

Governance of One REIT

One REIT has established various regulations, including rules for the Board of Directors and Regulations Governing Insider Trading, and currently holds Board of Directors meetings approximately once a month and ensures appropriate decision-making.

In addition, MREIT appropriately reports on asset management operations for One REIT to the Board of Directors and provides information necessary for the board to make decisions, ensuring that One REIT has a sufficient check-and-balance function over MREIT. Furthermore, by positioning thorough compliance as a fundamental management principle, MREIT strives to protect investors by ensuring the appropriateness of asset management and the soundness of operations.

Executive Director and Supervisory Directors

When electing director candidates, at least one executive director and two supervisory directors, who do not fall under the disqualification grounds stipulated in laws and regulations such as the Act on Investment Trusts and Investment Corporations (Article 98, Items 2, 4 and 5 of the Act, and Article 244 of the regulation for enforcement of the Act), are elected by resolution of a general meeting of unitholders. The executive director concurrently serves as the Chief Executive Officer of MREIT. The supervisory directors are third parties who have no special interest in One REIT and are knowledgeable lawyers or certified public accountants.

Title	Name	Board of directors attendance rate※1	Number of investment units owned※2
Executive Director	Hirofumi Nabeyama	100.0% (13/13 times)	—
Supervisory Director	Gen Takizawa※3	100.0% (13/13 times)	—
Supervisory Director	Yoshiki Ohmori	100.0% (13/13 times)	—

※1 The attendance status for board of directors' meetings held from March 1, 2022 to February 28, 2023 is shown in number and percentage.

※2 Figures as of February 28, 2023.

※3 Gen Takizawa retired from a supervisory director of One REIT on May 31, 2023, and Kazunori Furukawa was appointed as a new supervisory director on June 1, 2023.

Management Compensation, etc.

The management compensation, etc. paid by One REIT is as follows.

Executive Director and Supervisory Director Compensation

Director compensation is determined by the board of directors, with a maximum of 800,000 yen per month for each executive director and 600,000 yen per month for each supervisory director.

Title	Name	Total compensation for each position	
		Fiscal Period Feb. 2023 (19th fiscal period)	Fiscal Period Aug. 2023 (20th fiscal period)
Executive Director	Hirofumi Nabeyama	—	—
Supervisory Director	Gen Takizawa※	1,938 thousand yen	969 thousand yen
	Yoshiki Ohmori	1,938 thousand yen	1,938 thousand yen
	Kazunori Furukawa※	—	969 thousand yen

※ Gen Takizawa retired from a supervisory director of One REIT on May 31, 2023, and Kazunori Furukawa was appointed as a new supervisory director on June 1, 2023.

Accounting Auditor Compensation

Accounting auditor compensation is determined by the board of directors, with a maximum of 20 million yen per fiscal period subject to audit.

Position	Name	Total compensation	
		Fiscal Period Feb. 2023 (19th fiscal period)	Fiscal Period Aug. 2023 (20th fiscal period)
Accounting auditor	Ernst & Young ShinNihon LLC	12,300 thousand yen	12,300 thousand yen

※ Includes compensation for auditing English financial statements.

Asset Management Company Compensation

Compensation paid to MREIT consists of the Management Fee 1, Management Fee 2, Management Fee 3, Acquisition Fee, Transfer Fee and Merger Fee. The calculation formula for each of these fees is as follows.

	Calculation method
Management Fees	Management Fee 1 Total assets×0.3%×(Number of months in the fiscal period/12)
	Management Fee 2 NOI (※1) × 2.5%
	Management Fee 3 EPU (※2) × 2,000
Acquisition Fee	Acquisition price×1.0% (Transactions with interested parties: Acquisition price×0.5%)
Transfer Fee	Transfer price×1.0% (Transactions with interested parties: Transfer price×0.5%)
Merger Fee	Appraisal value of real-estate-related assets, etc. (on effective date of merger)×1.0%

※1 NOI is the amount arrived at after deducting property-related operating expenses (excluding depreciation and loss on retirement of noncurrent assets) from the sum total of property-related operating revenue, silent partnership dividends and revenues from Real Estate-Related loans and other assets for each operating period.

※2 EPU is the amount arrived at after dividing net income before income taxes (the amount before deducting Management Fee 3 and non-deductible consumption tax for Management Fee 3 and after adding amortization of goodwill and deducting gain on negative goodwill) for each operating period (if there is loss carried forward, the amount after covering the amount) by the total number of investment units issued and outstanding as of the period's settlement for the relevant operating period.

Establishment of System to Prevent Conflicts of Interest

Upon performing its asset management duties for One REIT, MREIT has established a system to appropriately manage conflicts of interest by identifying potential conflicts of interest with One REIT and establishing a basic policy for specific actions to be taken.

Conflict-of-Interest Transactions

Actions that may cause conflicts of interest with One REIT while managing its assets include transactions between One REIT and interested parties of MREIT when MREIT manages assets for One REIT. Therefore, it has established interested party transaction rules and specifically categorized certain transactions with the potential for such conflicts of interest as “transactions with interested parties.”

Management Policy for Transactions with Interested Parties

In managing One REIT's assets, MREIT will not only ensure that there are no legal issues with transactions between One REIT and interested parties of MREIT, but also that itself, as the trustee of One REIT's asset management, fulfills its responsibilities such as duty of care and duty of loyalty in these transactions. In addition, it will manage conflicts of interest by complying with the interested party transaction rules.

(1) Parties with interests in MREIT

In its interested party transaction rules, MREIT has defined interested parties under its self-imposed rules more broadly than the scope of “interested parties, etc.” in Article 201, Paragraph 1 of the Investment Trusts Act.

(2) Method of managing conflicts of interest

When conducting interested party transactions, MREIT will make decisions using strict internal procedures in accordance with its interested party transaction rules.

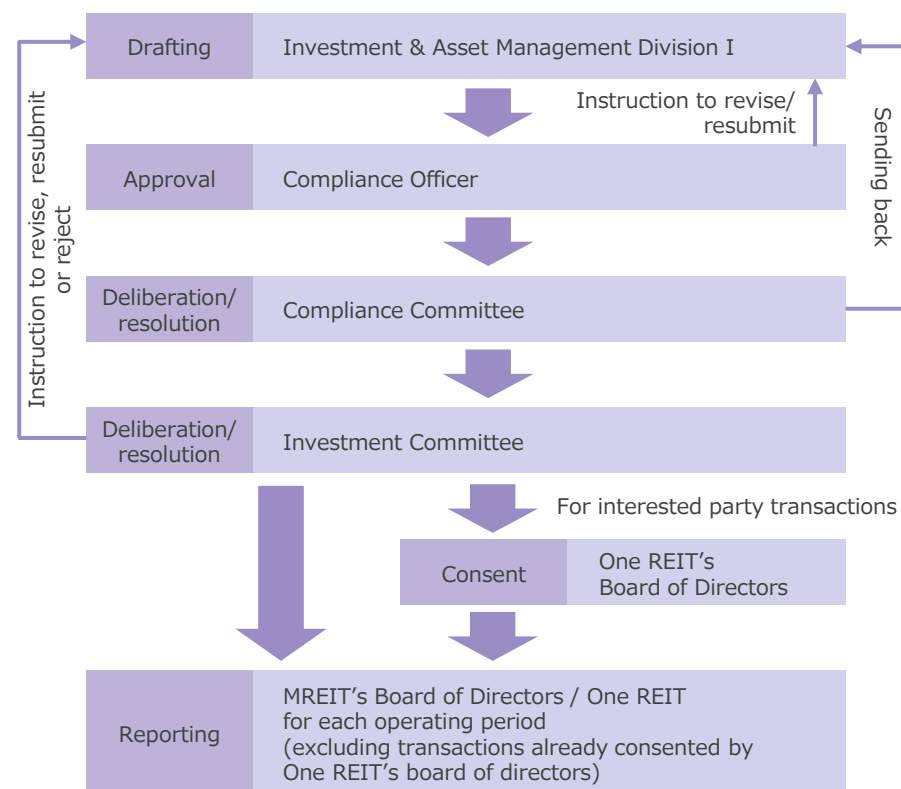
(3) Continuous improvement

MREIT will strive to continuously improve its management of conflicts of interest, including by reviewing its interested party transaction rules.

Internal Organization for Acquisition and Transfer of Assets Under Management

In addition to One REIT, MREIT is also entrusted with asset management by One Private REIT, Inc. (hereinafter referred to as “OPR”), an open-ended non-listed private REIT. One REIT primarily invests in office buildings, while OPR primarily invests in accommodation facilities centered on residences. Therefore, the main investment targets between One REIT and OPR basically do not overlap, and no competition is expected for acquisition opportunities. However, regarding mixed-use assets, there may be competition for acquisition opportunities between One REIT and OPR. In order to avoid competition in property acquisition opportunities, MREIT has established standards to prevent competition in property acquisition. In case of a mixed-use asset that falls under an office building, One REIT will obtain preferential negotiation rights and OPR will obtain preferential negotiation rights in case of real estate, etc., or assets backed by such real estate, which have the largest floor area for residential use out of the leasable area of the property.

MREIT decides on proposed asset acquisition or transfer after drafting by the Investment & Asset Management Division I, approval by the compliance officer and resolutions by the Compliance Committee and Investment Committee. However, if this constitutes an interested party transaction, it must also obtain the consent of One REIT's board of directors. In addition, resolutions at Investment Committee meetings require the attendance of at least two-thirds of the members with voting rights (outside members and the compliance officer must also attend) and the approval of at least two-thirds of those in attendance with voting rights (however, for interested party transactions, this includes approval by the outside members). Resolutions at Compliance Committee meetings require the attendance of at least two-thirds of the members (outside members must also attend) and the approval of at least two-thirds of the members in attendance, including approval by the outside members. In addition, One REIT has established a structure to ensure it can acquire assets at appropriate prices and conditions to protect the interests of unitholders, including measures to prevent conflicts of interest in interested party transactions.



Compliance

Compliance

Basic Compliance Policy

MREIT understands the importance of managing One REIT's assets as managing unitholders' funds. In order to build an appropriate management system, it positions thorough compliance as a fundamental management principle to protect investors by ensuring the appropriateness of asset management and the soundness of operations. Therefore, MREIT has established the following compliance structure.

Compliance Structure

Compliance Office and Compliance Officer

The Compliance Office has been established as the department in charge of compliance-related matters, and the compliance officer is appointed as the person in charge of overseeing compliance-related matters to ensure the effectiveness of the internal check-and-balance function over other departments. Appointment and dismissal of the compliance officer are made by resolution of the board of directors.

The compliance officer, as the person in charge of compliance at MREIT, endeavors to establish an internal compliance system and foster awareness of internal norms to comply with laws, regulations and other rules. To this end, the officer constantly monitors MREIT's execution of asset management for One REIT for legal compliance and also monitors/supervises compliance in everyday operations.

In light of the seriousness of the compliance officer's responsibilities as described above, MREIT appoints compliance officers who have sufficient examination and supervisory capabilities to ensure compliance with laws, regulations, and codes.

Compliance Committee

The Compliance Committee consists of the compliance officer, the Chief Executive Officer, the head of the Finance & Administration Division, outside committee members and other persons appointed as necessary by the board of directors and is chaired by the compliance officer. The outside members are knowledgeable third parties (lawyers, in principle) outside MREIT.

In principle, the Compliance Committee is convened by the chair once a month, but other meetings are held as necessary. Resolutions at Compliance Committee meetings require the attendance of at least two-thirds of the members (outside members must also attend) and the approval of at least two-thirds of the members in attendance, including approval by the outside members.

Creation of Compliance Manual, etc.

In order to establish and operate a compliance system, MREIT has created a Compliance Manual as a code of conduct, and as a practical plan to more thoroughly implement the code of conduct set forth in the Compliance Manual, it has formed a compliance program, based on revisions to laws, regulations, and other rules concerning One REIT and MREIT and social trends and changes, which it reviews yearly. It has also developed a compliance training program, which is likewise reviewed on an annual basis, to effectively increase the awareness and knowledge of MREIT's employees, which is essential to establishing and maintaining the compliance activities set out in the compliance program.

Conducting Compliance Training

To establish and operate the compliance system planned in the compliance program, MREIT conducts compliance training for all officers and employees multiple times each year, which is essential to improving their awareness and acquisition of knowledge and performing them more efficiently.

FY2022 results (for MREIT)

Date	Main themes	Attendance rate
Sep. 2022	Combating money laundering and terrorist financing	97.1%
Sep. 2022	Information Management/Amended Personal Information Protection Act/Amended Whistleblower Protection Act	94.3%
Feb. 2023	Protection and management of personal information and personal data	97.2%
Mar. 2023	Fiduciary duty/Information management at MREIT	97.1%

Whistleblower System (Compliance Hotline)

MREIT has established a whistleblower system in order to ensure early detection and correction of compliance-related problems, to embed a self-correcting mechanism and to make the compliance system effective through creation of a framework for appropriate handling of inquiries and reports from officers and employees concerning compliance such as organizational or individual violations of laws, regulations or service disciplines.

Record in MONE Group

	FY2022
Number of reports	0

Response to Compliance Violations

MREIT views rigorous compliance as a basic management principle and deals strictly with compliance violators, including taking disciplinary action based on the nature of the offence.

Measures against Antisocial Forces

MREIT sever any ties with anti-social forces that pose a threat to the order and safety of civil society, and with future social changes in mind, we ensure the soundness and safety of financial infrastructure functions.

Efforts to Prevent Bribery and Corruption

MREIT has stipulated Detailed Procedures Concerning the Provision and Receipt of Hospitality/Gifts for the purpose of ensuring the appropriateness of hospitality and gifts, including preventing collusion with customers through expenses being paid to provide hospitality or gifts to external parties, such as customers, or employees or officers of the various companies receiving hospitality and gifts at the expense of external parties, such as customers. Furthermore, MREIT has stipulated Operational Guidelines for Dealing with Public Officials, etc., which provide specific operational guidelines for complying with the code of conduct and specific guidelines relating to the legal granting of favors to public officials, persons equivalent to public officials, etc., and strives to implement thorough compliance by following these regulations in an appropriate manner.

Initiatives to Counter Money Laundering and Terrorism Financing

With financial crimes becoming more varied and sophisticated and terrorism continuing to occur in places around the world, money-laundering and terrorism financing countermeasures ("anti-money-laundering measures") are increasing in importance, and the strengthening of anti-money-laundering measures is an issue. In carrying out its asset management business for One REIT, MREIT takes steps to comply with laws, regulations, and other rules, including the formulation of a Customer Acceptance Policy, the creation and updating of Documents Created by Specified Business Operators that identify and assess money-laundering-related risks, and the implementation of money-laundering-related risk assessment, while also continuously working to further strengthen its anti-money-laundering measures.

Risk Management/Internal Audits

Risk Management

Basic Policy for Risk Management

MREIT understands the locations, types and characteristics of risks and has established a system to manage each type, because accurately understanding the various risks inherent to managing One REIT's assets and appropriately managing potential losses is key to investor protection.

In risk management, risk is defined as the possibility of future loss or the uncertainty of expected profit or achievement of objectives. Our basic approach in managing One REIT's assets is to identify risks, analyze their likelihood of occurrence and impact and consider and implement policies to deal with each risk appropriately.

Risk Management System

MREIT has established the Risk Management Regulations as its basic policy for risk management in managing One REIT's assets, Investment Risk Reporting Rules for investment risks, and internal regulations such as its Basic Policy for Administrative Risk Management and Operational Guidelines for Risk Event Records for administrative errors. In addition, we use a Risk Monitoring Checklist for risk management (identification, analysis, evaluation, monitoring, and implementation and verification of activities to mitigate risks).

The board of directors oversees the development of an appropriate risk management system based on an awareness of risks and their nature. The head of the Compliance Office is responsible for overall risk management while the head of each department is responsible for risk management in their own department. They manage risks by recognizing the nature, etc. of each risk and formulating appropriate management methods.

Management of External Suppliers

Even in cases where MREIT outsources clerical work to an external supplier, it is not exempt from final responsibility for the outsourced work. Therefore, to protect the profits of MREIT's investors and ensure sound governance, it manages the external suppliers that it selects in an appropriate manner.

Internal Audits

Internal auditing at MREIT is conducted by the Internal Audit Office.

The Internal Audit Office conducts internal audits for all divisions and offices of MREIT other than itself. However, if the Internal Audit Office manager also jointly serves as the Compliance Officer, the Internal Audit Office manager's internal auditing powers will be conferred upon the Finance & Administrative Division manager for the purpose of carrying out internal auditing related to the work of the Compliance Office.

Internal auditing at MREIT is conducted at least once per fiscal year, in accordance with the basic audit plan and audit implementation plan.

After conducting an internal audit, the Internal Audit Office manager reviews and gives feedback on the results (including rough assessments conducted before reporting to the CEO) to the audited department in person, records the details as a document of the review meeting with the consent of the audited department, and distributes it to the audited department and other concerned departments.

Business Continuity Planning (BCP)

In accordance with the Basic Policy on Business Continuity Management of its sponsor, Mizuho Trust & Banking Co., Ltd., MREIT has formulated a Business Contingency Plan (BCP) with its parent company, MONE, based on which it strives to avoid being placed in circumstances where maintaining operations is difficult due to the occurrence of a large-scale natural disaster, terrorist attack, pandemic, etc. Furthermore, to increase the effectiveness of BCP, MREIT also participates in safety confirmation training conducted by MONE for the purpose of rapidly understanding the circumstances and safety of officers and employees in the event of a disaster and in evacuation drills, etc. at the head office building for the purpose of improving disaster awareness.

Cybersecurity

The safe, stable operation of systems is a basic premise of securing investment markets' confidence in MREIT and ensuring appropriate governance, and improving and strengthening risk management systems is extremely important. MREIT's management, including the Board of Directors, therefore recognizes the importance of cybersecurity, and based on an outsourcing agreement, it entrusts tasks relating to cybersecurity to its parent company, MONE, which implements the following measures.

System that does not permit infiltration by cyberattacks (system settings)

- Optimizing network equipment settings
- Introducing security software and optimizing updates
- Blocking remote access from equipment whose security settings are unknown, etc.

System that does not permit infiltration by cyberattacks (user education)

- In recognition of the risk of cyberattacks, conducting training and sharing examples of attacks for the purpose of enhancing resilience when cyberattacks occur

Constructing backup systems for the purpose of minimizing damage when cyberattacks occur

Furthermore, the Internal Audit Office manager promptly creates an audit report once the internal audit is complete, reports to the CEO, Board of Directors, and Compliance Committee, and sends a copy of the report to the person in charge in the audited department.

After receiving the audit report, the person in charge in the audited department must enter any improvement measures, policies, etc. implemented based on the recommended matters for correction indicated in the report on the designated response form without delay, then report to the Internal Audit Office manager as the person in charge of auditing. The Internal Audit Office manager, as the person in charge of auditing, collects the response form, reports the details to the CEO and Board of Directors, verifies the implementation status of improvement measures based on the response form, and, if necessary, conducts follow-up audits.

In addition, as an initiative to supplement internal audits, MREIT conducts voluntary inspections in all departments to verify whether administrative processes, etc. are being carried out appropriately in accordance with laws and internal regulations.

GRI Content Index

Statement of use One REIT, Inc. has reported this document in accordance with the GRI Standards for the period from April 1, 2022 to March 31, 2023.

GRI used GRI 1: Foundation 2021

DISCLOSURE		LOCATION (Sustainability report)	LOCATION (Website posting place) as of December 2023
GRI2 : General Disclosures 2021			
1. The organization and its reporting practices			
2-1	Organizational details	Outline of One REIT	Corporate Profile
2-2	Entities included in the organization's sustainability reporting	Editorial Policy	–
2-3	Reporting period, frequency and contact point	Editorial Policy	Sustainability Information Disclosure Policy/Reporting Framework
2-4	Restatements of information	No corrections or amendments.	No corrections or amendments.
2-5	External assurance	–	–
2. Activities and workers			
2-6	Activities, value chain and other business relationships	Outline of One REIT Supply Chain Initiatives –	Structure – Portfolio List
2-7	Employees	Diversity & Inclusion One REIT has no employee, and all asset management operations are outsourced to MREIT, so MREIT's employees data is disclosed here.	Employee Initiatives One REIT has no employee, and all asset management operations are outsourced to MREIT, so MREIT's employees data is disclosed here.
2-8	Workers who are not employees	–	–
3. Governance			
2-9	Governance structure and composition	Outline of One REIT – Sustainability Policy and Promotion Structure Corporate Governance	Corporate Profile Structure Sustainability Policy and Promotion Structure Corporate Governance
2-10	Nomination and selection of the highest governance body	Corporate Governance	Corporate Governance
2-11	Chair of the highest governance body	Corporate Governance	Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Policy and Promotion Structure Stakeholder Engagement Materiality	Sustainability Policy and Promotion Structure Stakeholder Engagement Materiality
2-13	Delegation of responsibility for managing impacts	Sustainability Policy and Promotion Structure	Sustainability Policy and Promotion Structure
2-14	Role of the highest governance body in sustainability reporting	Sustainability Policy and Promotion Structure	Sustainability Policy and Promotion Structure
2-15	Conflicts of interest	– Corporate Governance –	Internal Management and Compliance Structure Corporate Governance Capital and Unitholders
2-16	Communication of critical concerns	Compliance Risk Management/Internal Audits –	Compliance Risk Management Internal Audits
2-17	Collective knowledge of the highest governance body	–	–
2-18	Evaluation of the performance of the highest governance body	–	–
2-19	Remuneration policies	Corporate Governance	Corporate Governance
2-20	Process to determine remuneration	Corporate Governance	Corporate Governance
2-21	Annual total compensation ratio	–	–

DISCLOSURE		LOCATION (Sustainability report)	LOCATION (Website posting place) as of December 2023
GRI2 : General Disclosures 2021			
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Message from Executive Director	Message from Executive Director
2-23	Policy commitments	Sustainability Policy and Promotion Structure	Sustainability Policy and Promotion Structure
		Supply Chain Initiatives	–
		Human Rights	–
2-24	Embedding policy commitments	Sustainability Policy and Promotion Structure	Sustainability Policy and Promotion Structure
		Supply Chain Initiatives	–
		Human Rights	–
		Materiality	–
2-25	Processes to remediate negative impacts	Diversity & Inclusion	–
		Compliance	Compliance
2-26	Mechanisms for seeking advice and raising concerns	Compliance	Compliance
2-27	Compliance with laws and regulations	–	Privacy Policy
		There were no major legal or regulatory violations that occurred during the reporting period.	There were no major legal or regulatory violations that occurred during the reporting period.
2-28	Membership associations	Outline of MREIT	Asset Management Company
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	Materiality	Materiality
		Stakeholder Engagement	Stakeholder Engagement
		Employee Initiatives	Employee Initiatives
		Tenant/Community Initiatives	Tenant/Community Initiatives
2-30	Collective bargaining agreements	Supply Chain Initiatives	–
		Not applicable as One REIT has no employees. MREIT respects freedom of association as stipulated by law, but does not have a labor union.	Not applicable as One REIT has no employees. MREIT respects freedom of association as stipulated by law, but does not have a labor union.
GRI3 : Material Topics 2021			
Disclosures on material topics			
3-1	Process to determine material topics	Materiality	Materiality
3-2	List of material topics	Materiality	Materiality
3-3	Management of material topics	Sustainability Policy and Promotion Structure	Sustainability Policy and Promotion Structure
		Materiality	Materiality

Economic			
DISCLOSURE		LOCATION (Sustainability report)	LOCATION (Website posting place) as of December 2023
GRI201 : Economic Performance 2016			
201-1	Direct economic value generated and distributed	– Employee Initiatives	IR Library (Semi-Annual Report) Employee Initiatives
201-2	Financial implications and other risks and opportunities due to climate change	Response to Climate Change	Response to Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Employee Initiatives	Employee Initiatives
201-4	Financial assistance received from government	–	–
GRI202 : Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	–	–
202-2	Proportion of senior management hired from the local community	–	–
GRI203 : Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	–	–
203-2	Significant indirect economic impacts	–	–
GRI204 : Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	–	–
GRI205 : Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	MREIT has established regulations, including the "Policy on Preventing Bribery and Corruption," which are implemented at one headquarters.	MREIT has established regulations, including the "Policy on Preventing Bribery and Corruption," which are implemented at one headquarters.
205-2	Communication and training about anti-corruption policies and procedures	Compliance	Compliance
205-3	Confirmed incidents of corruption and actions taken	There have been no confirmed cases of corruption during the reporting period, and there are no events that may pose a risk of corruption.	There have been no confirmed cases of corruption during the reporting period, and there are no events that may pose a risk of corruption.
GRI206 : Anti-competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were no cases of legal action being taken during the reporting period, and there are no events that may pose a risk of such action.	There were no cases of legal action being taken during the reporting period, and there are no events that may pose a risk of such action.
GRI207 : Tax 2019			
207-1	Approach to tax	–	–
207-2	Tax governance, control, and risk management	–	–
207-3	Stakeholder engagement and management of concerns related to tax	–	–
207-4	Country-by-country reporting	–	–
Environment			
DISCLOSURE		LOCATION (Sustainability report)	LOCATION (Website posting place) as of December 2023
GRI301 : Materials 2016			
301-1	Materials used by weight or volume	–	–
301-2	Recycled input materials used	–	–
301-3	Reclaimed products and their packaging materials	–	–

Environment			
DISCLOSURE		LOCATION (Sustainability report)	LOCATION (Website posting place) as of December 2023
GRI302 : Energy 2016			
302-1	Energy consumption within the organization	Greenhouse Gas (GHG)/Energy	–
302-2	Energy consumption outside of the organization	–	–
302-3	Energy intensity	Greenhouse Gas (GHG)/Energy	–
302-4	Reduction of energy consumption	–	–
302-5	Reductions in energy requirements of products and services	–	–
GRI303 : Water and Effluents 2018			
303-1	Interactions with water as a shared resource	Water	Environmental Initiatives
303-2	Management of water discharge-related impacts	–	–
303-3	Water withdrawal	–	–
303-4	Water discharge	–	–
303-5	Water consumption	Water	Environmental Policy and Performance
		–	Environmental Initiatives
GRI304 : Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	–	–
304-2	Significant impacts of activities, products and services on biodiversity	–	–
304-3	Habitats protected or restored	–	–
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	–	–
GRI305 : Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas (GHG)/Energy	Environmental Policy and Performance
		–	Environmental Initiatives
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas (GHG)/Energy	Environmental Policy and Performance
		–	Environmental Initiatives
305-3	Other indirect (Scope 3) GHG emissions	–	–
305-4	GHG emissions intensity	Greenhouse Gas (GHG)/Energy	Environmental Policy and Performance
		–	Environmental Initiatives
305-5	Reduction of GHG emissions	Greenhouse Gas (GHG)/Energy	Environmental Policy and Performance
		–	Environmental Initiatives
305-6	Emissions of ozone-depleting substances (ODS)	–	–
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	–	–
GRI306 : Waste 2020			
306-1	Waste generation and significant waste-related impacts	–	–
306-2	Management of significant wasterelated impacts	–	–
306-3	Waste generated	Waste	–
306-4	Waste diverted from disposal	–	–
306-5	Waste directed to disposal	–	–
GRI308 : Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	There were no contracts with new suppliers selected based on environmental standards during the reporting period.	There were no contracts with new suppliers selected based on environmental standards during the reporting period.
308-2	Negative environmental impacts in the supply chain and actions taken	–	–

Social			
DISCLOSURE		LOCATION (Sustainability report)	LOCATION (Website posting place) as of December 2023
GRI401 : Employment 2016			
401-1	New employee hires and employee turnover	Diversity & Inclusion	Employee Initiatives
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Employee Initiatives	Employee Initiatives
401-3	Parental leave	Materiality	Employee Initiatives
		Diversity & Inclusion	–
GRI402 : Labor/Management Relations 2016			
402-1	Minimum notice periods regarding operational changes	–	–
GRI403 : Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	–	–
403-2	Hazard identification, risk assessment, and incident investigation	–	–
403-3	Occupational health services	Employee Initiatives	Employee Initiatives
403-4	Worker participation, consultation, and communication on occupational health and safety	–	–
403-5	Worker training on occupational health and safety	–	–
403-6	Promotion of worker health	Employee Initiatives	Employee Initiatives
		Tenant/Community Initiatives	Tenant/Community Initiatives
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Tenant/Community Initiatives	Tenant/Community Initiatives
403-8	Workers covered by an occupational health and safety management system	–	–
403-9	Work-related injuries	Diversity & Inclusion	Employee Initiatives
403-10	Work-related ill health	–	–
GRI404 : Training and Education 2016			
404-1	Average hours of training per year per employee	Diversity & Inclusion	Employee Initiatives
404-2	Programs for upgrading employee skills and transition assistance programs	Materiality	–
		Employee Initiatives	Employee Initiatives
404-3	Percentage of employees receiving regular performance and career development reviews	Materiality	Employee Initiatives
GRI405 : Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Diversity & Inclusion	Employee Initiatives
405-2	Ratio of basic salary and remuneration of women to men	There is no systematic salary difference between men and women at MREIT.	There is no systematic salary difference between men and women at MREIT.
GRI406 : Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	There were no applicable matters during the reporting period.	There were no applicable matters during the reporting period.
GRI407 : Freedom of Association and Collective 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There were no applicable matters during the reporting period.	There were no applicable matters during the reporting period.
GRI408 : Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	There were no applicable matters during the reporting period.	There were no applicable matters during the reporting period.
GRI409 : Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	There were no applicable matters during the reporting period.	There were no applicable matters during the reporting period.

Social			
DISCLOSURE		LOCATION (Sustainability report)	LOCATION (Website posting place) as of December 2023
GRI410 : Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	Materiality Employee Initiatives	– Employee Initiatives
GRI411 : Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	There were no applicable matters during the reporting period.	There were no applicable matters during the reporting period.
GRI413 : Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Tenant/Community Initiatives	Tenant/Community Initiatives
413-2	Operations with significant actual and potential negative impacts on local communities	There were no applicable matters during the reporting period.	There were no applicable matters during the reporting period.
GRI414 : Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	There were no contracts with new suppliers selected based on social standards during the reporting period.	There were no contracts with new suppliers selected based on social standards during the reporting period.
414-2	Negative social impacts in the supply chain and actions taken	No suppliers have been identified that had a particularly significant negative impact during the reporting period.	No suppliers have been identified that had a particularly significant negative impact during the reporting period.
GRI415 : Public Policy 2016			
415-1	Political contributions	Compliance There was no political donations during the reporting period.	Compliance There was no political donations during the reporting period.
GRI416 : Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	Tenant/Community Initiatives	Tenant/Community Initiatives
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no applicable matters during the reporting period.	There were no applicable matters during the reporting period.
GRI417 : Marketing and Labeling 2016			
417-1	Requirements for product and service information and labeling	Green Building Certifications Tenant/Community Initiatives	Acquisition of Green Building Certifications Tenant/Community Initiatives
417-2	Incidents of non-compliance concerning product and service information and labeling	There were no applicable matters during the reporting period.	There were no applicable matters during the reporting period.
417-3	Incidents of non-compliance concerning marketing communications	There were no applicable matters during the reporting period.	There were no applicable matters during the reporting period.
GRI418 : Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no specific cases of complaints related to violation of customer privacy or loss of customer data. Furthermore, there have been no cases of leakage, theft, or loss of customer data of One REIT.	During the reporting period, there were no specific cases of complaints related to violation of customer privacy or loss of customer data. Furthermore, there have been no cases of leakage, theft, or loss of customer data of One REIT.



Contact Us

Mizuho REIT Management Co., Ltd.

Finance & Administration Division

TEL : +81-3-5220-3804