ORIX JREIT Inc.



2026 Sustainability Report

Published in October 2026

Index

Contents

OJR's Approach to Sustainability

Message from Management 1
ESG Policy and Structure 3
Key Indicators / Goals 4
Sustainability-related disclosures (SFDR) 5

Environment

Disclosure Based on TCFD Recommendations 23
Transition Plan Toward Net Zero 25
Energy / Natural Capital 30

Social

Cooperation with Property Managers (PMs) and Building Managers (BMs) 31
Information Disclosure and Engagement 33
Approach to Human Rights 34
Human Capital 35

Governance

Structure and Governance of OJR 39
Compliance 45
Risk Management 52

Initiatives・Certifications

Membership and Signatories 56
Certifications・Green buildings 57

Finance

Green Finance (Green Loans / Green Bond) 58
Positive Impact Finance 59
Sustainability Linked Finance 60

Sustainability Report

Report 62

Reference Materials

Reference Materials 63

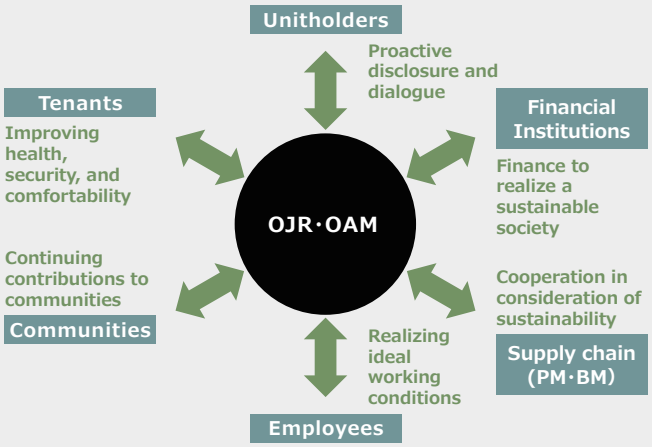
Purpose and Scope of the Report

ORIX JREIT Inc. (the "Investment Corporation" or "OJR") and ORIX Asset Management Corporation ("Asset Management Company" or "OAM"), which is entrusted with asset management, are implementing sustainability initiatives through their business activities. This report has been issued to inform stakeholders, including unitholders, about our sustainability approach and initiatives.

Scope of Report	The status of activities, primary for the following 2 companies. ・ORIX JREIT Inc. ・ORIX Asset Management Corporation (OJR's asset management company) Includes, in part, ORIX Corporation, which is OAM's parent company and ORIX Group
Report Frequency	Generally issued once a year
Period covered by Report	In principle, this report covers the achievements from April 1, 2025 to March 31, 2026, but also describes some activities that fall outside of this period
Definition of fiscal year	Each fiscal year is the period from April to March of the following year. e.g.) FY 2025 refers to the period from April 2025 to March 2026
Fiscal period end	The end of February and August, every year
GRI Standard	This report is prepared in accordance with the GRI Standards: Core option.

Identification of Stakeholders

OJR is committed to contributing to forming a sustainable society through dialogues during business activities with various stakeholders, such as unitholders, tenants, financial institutions, local communities,supplychains,and employees.



Definitions

【Stakeholders】	【Value Chain】	【Supply Chain】
Employees Communities Unitholders・Financial Institutions Tenants Business partners including PM・BM	Unitholders・Financial Institutions Tenants Business partners including PM・BM	Business partners including PM・BM

Message from Management



Ikuya Onda
President and CEO of ORIX
Asset Management Corporation

Yukako Oshimi
Executive Director of ORIX JREIT Inc.

The Investment Corporation and the Asset Management Company seek to contribute to the realization of a sustainable society through real estate investment management, while striving to enhance unitholder value over the medium to long term.

In recent years, the roles expected of companies have continued to expand, including addressing climate change, enhancing human capital, and strengthening governance. The Investment Corporation is also taking steps to address these issues.

On the environmental front, we are advancing our decarbonization initiatives in accordance with the Transition Roadmap formulated to achieve net-zero emissions by 2050. By improving the environmental performance of our portfolio properties and reducing energy consumption, we are working to reduce our environmental impact while maintaining and enhancing asset value, with a view to future changes in social and market conditions.

On the social and governance fronts, we are fostering an organization in which people with diverse backgrounds can fully demonstrate their capabilities and promoting employee development, while continuing to maintain rigorous compliance and strengthen our risk management framework.

The regulatory landscape and societal expectations surrounding sustainability continue to evolve. The Investment Corporation will closely monitor these developments and respond appropriately. We hope that this report will provide you with a deeper understanding of the initiatives undertaken by the Investment Corporation and the Asset Management Company.

October 13, 2026
Yukako Oshimi
Executive Director of ORIX JREIT Inc.
Ikuya Onda
President and CEO of ORIX Asset Management Corporation

ESG Policy and Structure

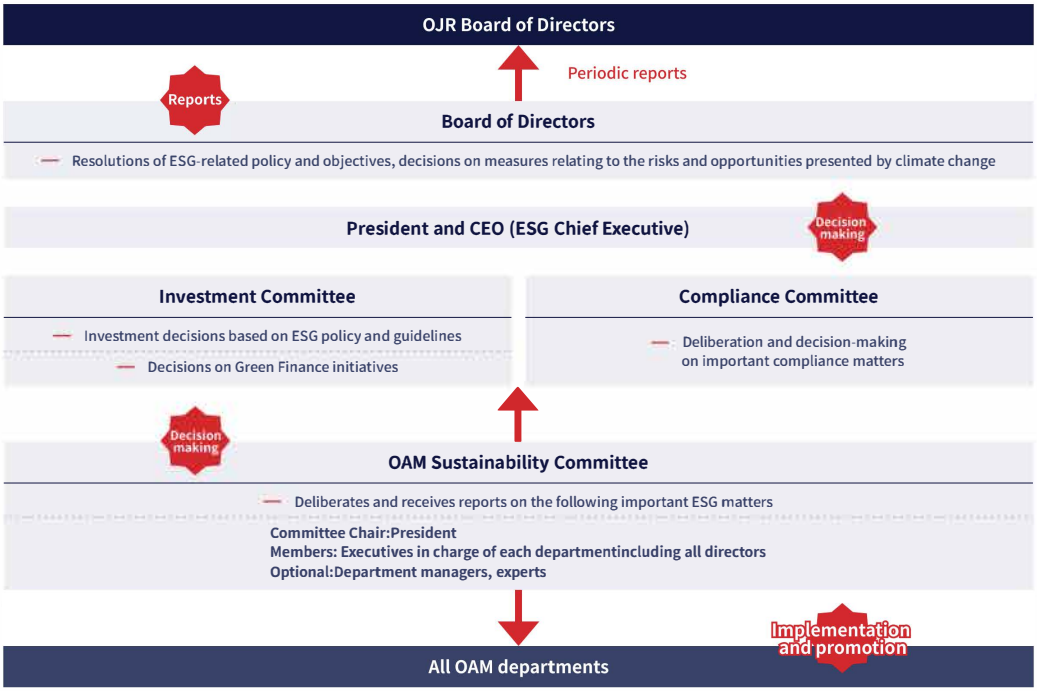
ESG Policy

Based on the investment policy of aiming for the stable growth of OJR unitholder value, OAM recognizes risks and opportunities from an ESG perspective, identifies key sustainability issues (materiality), sets targets, and promotes initiatives to address them. This approach contributes to OJR's medium- to long-term growth and helps address social challenges such as the SDGs. In conducting these activities, we implement the ORIX Group's Sustainability Policy and support and respect the international norms and initiatives outlined in the appendix (including those supported by the ORIX Group).

Please click here for more details

Sustainability Committee

ORIX Asset Management Corporation, OJR's asset management company, has established a Sustainability Committee to systematically proceed with initiatives based on our ESG policy on an ongoing basis. The Sustainability Committee is composed of OAM's President and CEO (chairman of the committee) and the officers in charge of each department, including all other directors. They meet twice (or more if necessary) per year in principle, and will deliberate and receive reports on sustainability-related matters including climate change and ESG risks. Activity reports and future plan are reported to the board of directors of OJR once a year.



Key Indicators / Goals

Materiality and Key Indicators/Goals

In February 2019, OJR defined material issues for sustainability that incorporate the perspective on the environment, society and governance (collectively, “ESG”). By setting targets for each issue and going through the plan-do-check-act (“PDCA”) cycle to achieve them, we will work to help resolve the globally shared SDGs (social issues of the sustainable development goals) adopted by the United Nations in 2015 and to realize the medium-to-long-term growth of OJR.

	OJR's Material Issues	Key Indicators	Targeted period	Targets
E	Promotion of climate change countermeasures (reduction of greenhouse gas emissions)	GHG emissions (including all Scopes 1, 2 and 3)	2050	Toward the realization of the Paris Agreement, aiming for net zero by reducing more than 90% compared to 2021
		[OJR 2030 Reduction Target] GHG emissions (including Scopes 1, 2, and areas of Scope 3 over which OJR has operational control)	2030	Reduce GHG emissions 42% over 2021
		GHG emission intensity (including energy-derived emissions over which OJR has operational control in Scopes 1, 2 and 3)	2030	Reduce GHG emission intensity 42% over 2021
		Percentage of green building certifications obtained	2030	Over 80% on a floor area basis
	Waste management	Weight of waste that should be managed and monitored by OJR	2030	Recycling rate：50% or more
	Water Resources management	Water usage of properties owned by OJR	—	No increase compared to the previous year
S	Improve the health, safety and well-being for customers (tenants and users)	Tenant satisfaction	—	—
	Information disclosure and dialogue with stakeholders	Number of dialogs with shareholders	—	—
	Cooperation with property managers ("PM") and building managers ("BM")	—	—	—
	Good workplace environment including diversity	Paid leave acquisition rate and employee satisfaction	—	—
	Development of the competencies of Officers and employees	Training time and the acquisition rate of recommended qualifications	—	—
G	Thorough compliance	Effectiveness evaluations conducted and number of compliance training sessions	—	—

Sustainability-related disclosures (SFDR)

Product Name: ORIX JREIT Inc.

ORIX JREIT Inc. (“OJR”) promotes environmental or social characteristics, but does not have a sustainable investment as its objective within the meaning of Article 9(1) of Regulation (EU) 2019/2088 (“SFDR”). OJR does not have any employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations of Japan, and relies on ORIX Asset Management Corporation (the “Asset Manager”). OJR and the Asset Manager are hereinafter referred to collectively as “we,” “us” or “our.” References to “fiscal year” or “FY” are to the 12 months began or beginning April 1 of the year specified in line with the fiscal year of the Asset Manager, unless noted otherwise.

Summary

No sustainable investment objective

The financial products offered by OJR promote environmental or social characteristics, but do not have sustainable investment as their objective.

Environmental or social characteristics of the financial product

The Asset Manager closely monitors the impact of OJR’s portfolio and its management and operations on environmental or social factors such as Environmental Certifications, Green Lease Clauses, Engagement with Partner Companies and ESG Data Coverage.

Investment strategy

OJR invests in a wide variety of real estate properties, which primarily include office buildings but also include logistics facilities, retail facilities, residential properties and hotels and other properties. The Asset Manager has established an ESG policy to provide healthy asset growth and stable distributions over the medium to long term by incorporating ESG factors into its assets investment and management decision-making process, taking into consideration the importance of sustainability.
The Asset Manager has established the ESG Investment and Management Policies, which incorporate ESG factors into our assets investment and management decision-making process by taking into consideration the ESG factors. In accordance with these policies, the Asset Manager’s investment decision-making process involves assessment of material ESG-related risks and recognition of its responsibility over ESG issues.

Proportion of investments

OJR offers financial products which promote environmental or social characteristics, but does not have sustainable investments as its objective. We define OJR's properties other than properties that have received any of the Green Building (as defined below) certifications or other energy-saving certifications as "Energy-inefficient Assets." As of February 28, 2025, 16.37% of the properties in the portfolio were Energy-inefficient Assets, and 83.63% were not Energy-inefficient Assets based on total gross floor area. OJR proactively promotes acquisition of Green Building and other energy-saving certifications. OJR plans to obtain and maintain Green Building certifications for 80% or more of its portfolio based on total gross floor area in 2030. Moreover, all of OJR's properties are evaluated against environmental and social characteristics promoted by OJR.

Monitoring of environmental or social characteristics

We use the following indicators to measure the attainment of the E/S characteristics we promote; (i) GRESB Real Estate Assessment; (ii) Green Building Certifications; (iii) JCR Green Finance Framework Evaluation; (iv) JCR Sustainability-Linked Finance Framework Evaluation; (v) Environmental Initiatives; (vi) Social Initiatives; and (vii) Sustainable Procurement Initiatives.

Methodologies

The Asset Manager established a Sustainability Committee to systematically proceed with initiatives based on our ESG policy on an ongoing basis. The Sustainability Committee is composed of the Asset Manager's President and CEO (chairman of the committee) and the officers in charge of each department, including all other directors. They meet twice (or more if necessary) per year in principle, and will deliberate and receive reports on sustainability-related matters including climate change and ESG risks. Activity reports and future plan are reported to the board of directors of OJR once a year.

Data sources and processing

As further described below, the Asset Manager obtains certain ESG related data from third-party organizations that issue environmental certifications, tenants, property managers, etc. The Asset Manager seeks to ensure data accuracy and quality coordinating with relevant departments and a third-party organization.

Limitations to methodologies and data

The primary limitation to methodologies and data is the necessity of reliance on tenants and property managers for raw data at the property level. Like many other real estate investment corporations and asset managers, we rely on raw data provided by the tenants and the property managers at the properties of OJR's portfolio. While we engage a third-party consulting firm to collect and compile such property-level data on a monthly basis and hold monthly meetings to review and confirm the collected data, the raw data at the property level is collected and provided by the tenants and the property managers, and independent verification of accuracy of such raw data provided by the tenants and the property managers presents challenges. In addition, certain data at the property level is updated on an annual basis. Accordingly, such property-specific data will therefore not always be fully up-to-date.
Annual data at the portfolio level is compiled by the Business Operation Management Department. To ensure the accuracy of the annually compiled data at the portfolio level, we have engaged an independent third-party firm which has provided an assurance report regarding the accuracy and quality of compiled data at the portfolio level in accordance with our own criteria and methodologies. However, the assurance report does not provide independent verification of accuracy of raw data at the property level and the challenges associated with our reliance on tenants and property managers for raw data at the property level remain.
Limitations to the methodologies and data are not expected to affect the attainment of the environmental or social characteristics promoted by OJR in any material way.

Due diligence

The Asset Manager recognizes that, when representing OJR in the acquisition or sale of real estate related assets, the results of their due diligence and appraisal, etc. will have a significant influence on pricing and decision making by OJR when acquiring and transferring real estate related assets, and therefore selects and manages contractors appropriately, not only based on their business performance and social reputation, but also from the perspective of ESG initiatives. Prior to our investment in a property, the Asset Manager conducts due diligence on the property, including environment assessment and evaluation of earthquake resistance and PML. In addition, the Asset Manager reviews each property's Green Building certification at the time of acquisition to confirm the status of acquiring the certificates. We also consider recent heavy rain disasters due to climate change, floods, typhoons, etc., and whether there is any past damage. We also check whether the property is within the expected range of damage caused by natural disasters by using the "hazard maps" disclosed by local government agencies. In addition, we also acquire environmental performance data of properties to be acquired and the Risk Compliance Department of the Asset Manager confirms the risk analysis results.
Also, when conducting due diligence and appraisal of subcontractors, the results reflect the content of ESG Initiatives for real estate related assets.

Engagement policies

We do not generally consider investing in properties that are designated as contaminated areas that require government notification under the Soil Contamination Countermeasures Act of Japan or that do not otherwise meet our environmental standards based on their history of land usage and soil contamination assessment by experts and examination of presence of hazardous substances (soil contamination, asbestos, polychlorinated biphenyls, etc.), unless appropriate measures are taken under the Soil Contamination Countermeasures Act or we conclude, after appropriate due diligence review, that any health or other ESG risk is limited. We also review whether the property we may acquire is compliant with applicable law.
When investing in properties using proceeds from our green finance, we do not consider properties that do not meet the criteria under our green finance framework. OJR plans to obtain and maintain Green Building certifications for 80% or more of its portfolio based on gross floor area by 2030.
Sustainable Procurement Initiatives. We believe that establishing standards for the entire supply chain is an effective way to promote ESG, and we are working with the property managers and building managers among our business partners to implement these standards.

Designated reference benchmark

OJR has no benchmark index designated as a reference benchmark to meet the environmental or social characteristics promoted by OJR.

No sustainable investment objective

The financial products offered by OJR promote environmental or social characteristics, but do not have sustainable investment as their objective.

Environmental or social characteristics of the financial product

OJR invests in a wide variety of real estate properties, which primarily include office buildings but also include logistics facilities, retail facilities, residential properties and hotels and other properties. The Asset Manager believes that it is vital to consider environmental, social and governance, or ESG issues of properties in order to conduct sustainable asset management. Accordingly, the Asset Manager has established an ESG policy to achieve stable growth in unitholder value, which is in line with OJR's investment policy. OJR has implemented a number of environmental initiatives, including resource and energy management, waste management, water use and environmental care, as well as a number of social initiatives, including connections with tenants and business partners and engagements with local communities.

OJR does not have a specific index designated as a reference benchmark to determine whether OJR is aligned with the environmental or social characteristics that it promotes.

In order to monitor and track our performance on environmental and social initiatives, we utilize certain environmental certifications for the properties in OJR's portfolio, cooperate with property managers and building managers by applying our ESG Guidelines for Procurement and Other Transactions, and gather ESG data for the properties in OJR's portfolio:

• Environmental Certifications. OJR uses various certifications issued by third-party organizations, which we call Green Building (as defined below) certifications, to monitor and track the ESG performance for each building. We plan to obtain and maintain Green Building certifications for 80% or more of the properties in OJR's portfolio based on total gross floor area by 2030.

• Green Lease Clauses. OJR has executed lease agreements, which include clauses addressing environmental issues such as reduction of energy usage and waste weightage and requiring tenants to collaborate with us when we seek Green Building certification with some tenants of some properties in OJR's portfolio. We will continue our efforts to include such green lease clauses with our new tenants.

• Engagement with Partner Companies. To create sustainable society through asset management, the ESG Guidelines for Procurement and Other Transactions were established to ensure that property managers and other business partners take into account the environment and social norms during procurement and other transactions. Some of OJR's property management agreements include ESG clauses requiring property managers to take into account ESG factors in their property management and promote ESG factors through suppliers. In addition, OJR assesses its outsourcing partners based on ESG-related measures in addition to evaluating their management capability and service quality.

• ESG Data Coverage. We monitor and track energy consumption, greenhouse gas emissions, water usage and waste amounts at the properties in OJR's portfolio.

Investment strategy

OJR invests directly or indirectly through trust beneficiary interests in real estate and real estate-related assets. Therefore, due diligence review (including the assessment of good governance practices) in relation to investee companies is not applicable. The investment and due diligence policies as described below are related to real estate and real estate-related assets.

OJR takes into account sustainability in its investment process as follows.

• Investment Policy. OJR invests in a wide variety of real estate properties, which primarily include office buildings but also include logistics facilities, retail facilities, residential properties and hotels and other properties. The Asset Manager has established an ESG policy to provide healthy asset growth and stable distributions over the medium to long term by incorporating ESG factors into its assets investment and management decision-making process, taking into consideration the importance of sustainability.

• ESG Investment and Management Policies. The Asset Manager has established the ESG Investment and Management Policies, which incorporate ESG factors into our assets investment and management decision-making process by taking into consideration the ESG factors. In accordance with these policies, the Asset Manager's investment decision-making process involves assessment of material ESG-related risks and recognition of its responsibility over ESG issues. With each acquisition opportunity, OJR and the Asset Manager review ESG-related due diligence findings and these findings are required to be considered by the Investment Committee (and the Risk Management and Compliance Committee only if it is a related party transaction) before a final decision is made on the investment by OJR's Board of Directors.

• Due Diligence. Prior to our investment in a property, the Asset Manager conducts due diligence on the property, including environment assessment and evaluation of earthquake resistance and PML. In addition, the Asset Manager reviews each property's Green Building certification at the time of acquisition to confirm the status of acquiring the certificates.

• Selection of Properties under Sustainable Finance. In addition to the review of environmental issues discovered through due diligence review, we evaluate risks associated with climate change, environmental issues, human rights and social challenges, including health and safety. Furthermore, OJR has established a "Sustainability-Linked Finance Framework" to conduct sustainable financing in line with the requirements of the Sustainability-Linked Bond Principles 2020 of the International Capital Market Association, Sustainability Linked Loan Principles 2023 of the Loan Market Association, the Loan Syndications and Trading Association and the Asia Pacific Loan Market Association, and Green Bond and Sustainability-Linked Bond Guidelines 2022 and Green Loan and Sustainability-Linked Loan Guidelines 2022 of the Ministry of the Environment of Japan. Sustainable financing procured through the Sustainability-Linked Finance Framework is subject to terms and conditions based on achievement of sustainability performance targets ("SPTs") using certain key performance indicators ("KPIs") related to sustainability and reporting obligations thereunder. More information related to the sustainability-linked finance framework and other ESG-related finance frameworks that we use can be found on the website:
https://www.orixjreit.com/en/feature/finance/sustainability-linked-finance/

While there is no third-party rating used for assessment of OJR's governance practices, OJR and the Asset Manager have introduced the following measures to assess and enhance OJR's governance systems:

• Adoption of Performance-linked Asset Management Fees. OJR pays performance-linked fees to the Asset Manager to align the interest of OJR's unitholders and the interest of the Asset Manager.

• Related-party Transactions. OJR is not allowed to carry out related-party transactions which amount exceed certain threshold without the approval of OJR's Board of Directors.

• Transparent and Appropriate Information Disclosure. OJR holds management calls for its overseas unitholders and engages with a wide range of unitholders at its earnings meetings, which are held via teleconference. OJR makes ongoing disclosures in Japanese pursuant to the Financial Instruments and Exchange Act and other applicable laws and regulations in Japan, and provides ongoing disclosures in English simultaneously.

Proportion of investments

OJR offers financial products which promote environmental or social characteristics, but does not have sustainable investments as its objective. We define OJR's properties other than properties that have received any of the Green Building (as defined below) certifications or other energy-saving certifications as "Energy-inefficient Assets." As of February 28, 2025, 16.37% of the properties in the portfolio were Energy-inefficient Assets, and 83.63% were not Energy-inefficient Assets, in each case based on total gross floor area. OJR proactively promotes acquisition of Green Building and other energy-saving certifications. OJR plans to obtain and maintain Green Building certifications for 80% or more of its portfolio based on total gross floor area by 2030. Moreover, all of OJR's properties are evaluated against environmental and social characteristics promoted by OJR.

Monitoring of environmental or social characteristics

OJR and the Asset Manager use the following indicators to measure progress made on the environmental or social characteristics promoted by OJR:

• GRESB Real Estate Assessment. OJR and the Asset Manager have participated in the Global Real Estate Sustainability Benchmark ("GRESB") since the fiscal period ended August 31, 2013. OJR has been evaluated by the GRESB every year.

• Green Building Certifications. We utilize certain environmental certifications issued by third-party organizations to monitor and track the ESG performance of the properties in OJR's portfolio at the building level. In particular, we use the Development Bank of Japan ("DBJ") Green Building Certification, Comprehensive Assessment System for Built Environment Efficiency ("CASBEE") Certification and the Building-House Energy-efficiency Labeling System ("BELS") Certification for Real Estate, which we collectively refer to as "Green Building" certifications.

o DBJ Green Building Certification. The DBJ Green Building Certification is a system developed by the Development Bank of Japan with the objective of promoting real estate that demonstrates not only high environmental performance but also high levels of consideration for disaster prevention and anticrime measures as well as societal demands from stakeholders.

o CASBEE Certification. The CASBEE is a comprehensive environmental performance assessment system that is under the initiative of the Japanese Ministry of Land, Infrastructure, Transport and Tourism for buildings being developed and promoted in Japan.

o BELS Certification for Real Estate. The BELS is a third-party certification system to rate houses and buildings based on energy saving performance in accordance with the Act on Improving Energy Consumption Performance for Architectural Structures of Japan.

o Net Zero Energy Building ('ZEB') certification. ZEB is a building aimed to achieve annual zero primary energy balance while managing a comfortable indoor environment, which is evaluated in the BELS certification system in 4 stages, ZEB, Nearly ZEB, ZEB Ready, and ZEB Oriented.

• JCR Green Finance Framework Evaluation. OJR aims to further promote ESG considerations in asset management and strengthen its financial foundation by broadening its investor base by creating opportunities for ESG investment through a green finance framework. Since 2019, OJR's green finance framework has received a Green 1 (F) rating, the highest rating, from the JCR Green Finance Framework Evaluation from Japan Credit Rating Agency, Ltd. ("JCR"), an institution which assesses green finance.

• JCR Sustainability-Linked Finance Framework Evaluation. OJR has made a Sustainable Finance guideline to promote sustainable finance with financial institutions in response to the "Collaboration with Stakeholders" as set out in our ESG policy and also established the Sustainability-Linked Finance Framework. The KPIs and SPTs stated in OJR's Sustainability Linked Finance Framework have been evaluated by a third party, JCR, as meaningful and ambitious in relation to our ESG initiatives.

• Environmental Initiatives. We monitor and track energy consumption, greenhouse gas emissions, water usage and waste amounts at the properties in OJR's portfolio, and implement various initiatives to reduce the environmental impact of the properties in OJR's portfolio.

o Energy Saving Initiatives. OJR aims to reduce energy consumption intensity by an average of 1% or more per year over five years for the properties in OJR's portfolio that are under OJR's operational control and are subject to periodic reporting under the Act on the Rational Use of Energy of Japan.

o Reduction of Greenhouse Gas Emissions Initiatives. OJR aims to reduce total GHG emissions (defined as including Scope 1, Scope 2 and Scope 3 from all of OJR's properties in OJR's portfolio) by 90% or more by 2050 compared to the level in 2021 and to reduce Scope 1, Scope 2 and Scope 3 GHG emissions by 42% by 2030 compared to the level in 2021 for portions of OJR's properties that are under OJR's operational control. To achieve this goal, we set an interim target of 14% reduction in 2024, and then annual target of increasing reductions by 4.7% per year until 2030, in each case compared to the level in 2021.

o Water-saving and Efficient Usage Initiatives. We ascertain water use in properties held by OJR, promote efficient use, and aim every year to achieve no increase in water use compared to that of the previous year.

o Waste Management Initiatives. We measure the amount of waste (both waste attributable to OJR and other waste that we can detect) and aim to increase the recycling rate to 50% or more for the properties owned in OJR's portfolio in 2030.

• Social Initiatives. We endeavor to contribute to society through various engagements with the community. We host and sponsor various events at OJR's properties to contribute to local communities throughout the year. In addition, safety measures at OJR's properties are implemented with property managers and building managers so that the properties are disaster-ready and are safe for the tenants and other property users. At the time of any property acquisition, we investigate past damage on the property such as destruction due to earthquakes, floods or typhoons, whether the building meets earthquake resistance standards and whether the probable maximum loss value meets our standards.

• Sustainable Procurement Initiatives. We believe that establishing standards for the entire supply chain is an effective way to promote ESG, and we are working with the property managers and building managers among our business partners to implement our sustainable procurement standards, as further described below under "Engagement policies".

Methodologies

In March 2018, the Asset Manager established a Sustainability Committee composed of senior management including the President and CEO as well as other board members to systematically implement initiatives based on our ESG policy on an ongoing basis. The Rules for the Sustainability Committee were officially established on December 25, 2018, to position the committee as a body to deliberate on important ESG matters as well as to receive Sustainability Reports. In general, the Sustainability Committee meets twice (or more if necessary) a year. In addition, ESG activity reports and schedules are reported to OJR's Board of Directors once a year.

Moreover, the Asset Manager has established the ESG Investment and Management Policies, which incorporate ESG factors into our assets investment and management decision-making process by taking into consideration the ESG factors. In accordance with these policies, the Asset Manager's investment decision-making process involves assessment of material ESG-related risks and recognition of its responsibility for ESG issues.

• GRESB Real Estate Assessment. The Risk Management and Compliance Department and the Business Operation Management Department of the Asset Manager lead in preparing draft responses to GRESB questionnaires. The draft responses are reviewed by relevant departments, such as the Finance and Investor Relations Department, if necessary. The Risk Management and Compliance Department and the Business Operation Management Department consult with a third-party consulting firm regarding the contents of our responses. The responses are finalized after discussions at the Sustainability Committee and submitted to the GRESB. The evaluation results and analytical information are reported to the Sustainability Committee, and the Sustainability Committee discusses measures to be taken for the next year's evaluation.

• Green Building Certifications. As a KPI corresponding to the materiality, OJR plans to obtain and maintain Green Building certifications for 80% or more of its portfolio based on total gross floor area by 2030. The Business Operation Management Department of the Asset Manager monitors and tracks the portfolio-level management of the percentage of the properties with Green Building certification by use, renewal deadlines and certification rankings. The Business Operation Management Department also leads the property-level acquisition of Green Building certification by selecting candidate properties for new certifications and renewals. Once a property is selected as a candidate for a new Green Building certification or renewal, the Business Operation Management Department engages a third-party consulting firm, and obtains the necessary internal approval (the decision-maker varies depending on the amount of money and other factors). To ensure the accuracy of data and to facilitate the acquisition of Green Building certifications, the preparation of responses to questionnaires from the issuing organizations is generally outsourced to the third-party consulting firm except for the DBJ Green Building Certification, which is handled by the Business Operation Management Department. The percentage of the properties with Green Building certifications as of the end of each fiscal period is disclosed on our website.

• JCR Green Finance Framework Evaluation. The Finance and Investor Relations Department of the Asset Manager, which is in charge of executing OJR's borrowings and other financings, leads in preparing the responses to the JCR's evaluation process. The Finance and Investor Relations Department receives the relevant data necessary for preparing the responses from the Risk Management and Compliance Department, the Business Operation Management Department and other departments. When we first established the green finance framework, it was discussed by the Sustainability Committee and then approved by the Investment Committee (chaired by the President and CEO of the Asset Manager). The fund appropriation status reporting and impact reporting are disclosed once a year on our website. Such data is also included in the Sustainability Report.

• JCR Sustainability-Linked Finance Framework Evaluation. The Finance and Investor Relations Department of the Asset Manager, which is in charge of executing OJR's borrowings and other financings, leads in preparing the responses to the JCR's evaluation process. The Finance and Investor Relations Department receives the relevant data necessary for preparing the responses from the Risk Management and Compliance Department, the Business Operation Management Department and other departments. When we established the sustainability-linked finance framework, it was discussed by the Sustainability Committee and then approved by the Investment Committee (chaired by the President and CEO of the Asset Manager). The KPI/SPT performances validated by an independent third party are disclosed more than once a year on our website. Such data is also included in the Sustainability Report.

• Environmental Initiatives. A third-party consulting firm collects and compiles data on energy consumption, greenhouse gas emissions, water usage and waste amounts at the properties in OJR's portfolio from the property managers. In principle, the relevant data is collected and compiled on a monthly basis from the property managers unless separate arrangements with tenants or property managers are in place, and the third-party consulting firm reports monthly data to the Business Operation Management Department of the Asset Manager. The annual aggregate data is reported to the Sustainability Committee once a year and is used in our various reports required under the laws and local regulations in Japan, as well as GRESB responses and our annual Sustainability Report.

• Social Initiatives. Upon receiving an invitation to hold or sponsor an event or campaign from the property managers or local associations, the Investment & Asset Management Department of the Asset Manager examines the significance, contents, and costs for holding or sponsoring such event or campaign, obtains internal approval of the Asset Manager (the decision-maker varies depending on the level of the costs) and holds or sponsors the events.

• Sustainable Procurement Initiatives. The Risk Management and Compliance Department is primarily in charge of monitoring and managing the status of achievements of the materiality and KPIs related to our sustainable procurement standards, as further described below under "Engagement policies". The Risk Management and Compliance Department revises the relevant policies as necessary, taking into consideration government policies on ESG and current trends in the society. When such revisions are made, they are discussed by the Sustainability Committee after consulting with a third-party consulting firm, and then approved by the Board of Directors of the Asset Manager. The information on the status of achievements of the materiality and KPIs related to our sustainable procurement standards is reported to the Sustainability Committee once a year and is used in our various reports required under the laws and local regulations in Japan, as well as GRESB responses and our annual Sustainability Report.

Data sources and processing

We use the following data sources:

• GRESB Real Estate Assessment. The data used to prepare the responses to GRESB questionnaires, such as data on energy consumption and other environmental data, are initially provided by the tenants and property managers, and compiled and confirmed by a third-party consulting firm in charge of collecting and compiling the environmental data described under "—Environmental Initiatives" below.

• Green Building Certifications. The data used to prepare the responses to questionnaires from the certification-issuing organizations, such as data on energy consumption and other environmental data, are initially provided by the tenants and property managers, and compiled and confirmed by the Business Operation Management Department of the Asset Manager. The frequency of collection of the data is in principle once a year. To ensure the accuracy of data and facilitate the acquisition of Green Building certifications, the preparation of responses to questionnaires from the certification-issuing organizations is generally outsourced to a third-party consulting firm except for the DBJ Green Building Certification, which is handled by the Business Operation Management Department.

• JCR Green Finance Framework Evaluation. As mentioned above, the Finance and Investor Relations Department receives the relevant data necessary for preparing the responses to the JCR's evaluation process from the Risk Management and Compliance Department, the Business Operation Management Department and other departments, and leads in preparing responses for the JCR's evaluation process. The Finance and Investor Relations Department compiles and discloses the fund appropriation status reporting and impact reporting once a year on our website.

• JCR Sustainability-Linked Finance Framework Evaluation. As mentioned above, the Finance and Investor Relations Department receives the relevant data necessary for preparing the responses to the JCR's evaluation process from the Risk Management and Compliance Department, the Business Operation Management Department and other departments, and leads in preparing responses for the JCR's evaluation process. The Finance and Investor Relations Department discloses the KPI/SPT performances validated by an independent third party more than once a year on our website.

• Environmental Initiatives. As mentioned above, we engage a third-party consulting firm to collect and compile data on energy consumption, greenhouse gas emissions, water usage and waste amounts at the properties in OJR's portfolio, which are initially provided by the tenants and property managers. The frequency of collection of such environmental data is in principle once a month, but the frequency of collection varies for single-tenant properties and waste-related data for certain properties depending on the circumstances of the properties. The Business Operation Management Department of the Asset Manager conducts monthly meetings with the third-party consulting firm to review the collected data, correct any abnormal values and improve the accuracy of the data. To ensure the accuracy of the annually compiled data, the Asset Manager obtains an assurance report regarding the annually compiled data on energy consumption, greenhouse gas emissions, water usage and waste amounts from an independent third-party firm.

• Social Initiatives. The content and details of the events and campaigns held and/or sponsored are compiled annually by the Investment & Asset Management Department of the Asset Manager.

• Sustainable Procurement Initiatives. The data related to our sustainable procurement initiatives, including the status of achievements of the materiality and KPIs are collected and compiled internally by the Risk Management and Compliance Department of the Asset Manager.

Limitations to methodologies and data

The primary limitation to methodologies and data is the necessity of reliance on tenants and property managers for raw data at the property level. Like many other real estate investment corporations and asset managers, we rely on raw data provided by the tenants and the property managers at the properties of OJR's portfolio. While we engage a third-party consulting firm to collect and compile such property-level data on a monthly basis and hold monthly meetings to review and confirm the collected data, the raw data at the property level is collected and provided by the tenants and the property managers, and independent verification of accuracy of such raw data provided by the tenants and the property managers presents challenges. In addition, certain data at the property level is updated on an annual basis. Accordingly, such property-specific data will therefore not always be fully up-to-date.

Annual data at the portfolio level is compiled by the Business Operation Management Department. To ensure the accuracy of the annually compiled data at the portfolio level, we have engaged an independent third-party firm which has provided an assurance report regarding the accuracy and quality of compiled data at the portfolio level in accordance with our own criteria and methodologies. However, the assurance report does not provide independent verification of accuracy of raw data at the property level and the challenges associated with our reliance on tenants and property managers for raw data at the property level remain.

Limitations to the methodologies and data are not expected to affect the attainment of the environmental or social characteristics promoted by OJR in any material way.

Due diligence

The Asset Manager recognizes that, when representing OJR in the acquisition or sale of real estate related assets, the results of their due diligence and appraisal, etc. will have a significant influence on pricing and decision making by OJR when acquiring and transferring real estate related assets, and therefore selects and manages contractors appropriately, not only based on their business performance and social reputation, but also from the perspective of ESG initiatives. Prior to our investment in a property, the Asset Manager conducts due diligence on the property, including environment assessment and evaluation of earthquake resistance and PML. In addition, the Asset Manager reviews each property's Green Building certification at the time of acquisition to confirm the status of acquiring the certificates. We also consider recent heavy rain disasters due to climate change, floods, typhoons, etc., and whether there is any past damage. We also check whether the property is within the expected range of damage caused by natural disasters by using the "hazard maps" disclosed by local government agencies. In addition, we also acquire environmental performance data of properties to be acquired and the Risk Compliance Department of the Asset Manager confirms the risk analysis results.
Also, when conducting due diligence and appraisal of subcontractors, the results reflect the content of ESG Initiatives for real estate related assets.

Engagement policies

We do not generally consider investing in properties that are designated as contaminated areas that require government notification under the Soil Contamination Countermeasures Act of Japan or that do not otherwise meet our environmental standards based on their history of land usage and soil contamination assessment by experts and examination of presence of hazardous substances (soil contamination, asbestos, polychlorinated biphenyls, etc.), unless appropriate measures are taken under the Soil Contamination Countermeasures Act or we conclude, after appropriate due diligence review, that any health or other ESG risk is limited. We also review whether the property we may acquire is compliant with applicable law.

When investing in properties using proceeds from our green finance, we do not consider properties that do not meet the criteria under our green finance framework. OJR plans to obtain and maintain Green Building certifications for 80% or more of its portfolio based on gross floor area by 2030.

Sustainable Procurement Initiatives

We believe that establishing standards for the entire supply chain is an effective way to promote ESG, and we are working with the property managers and building managers among our business partners to implement these standards.

• ESG Guidelines for Procurement and Other Transactions. The Asset Manager aims to create sustainable society through asset management. To this end, the ESG guidelines for Procurement and Other Transactions were established to ensure that property managers and other business partners take into account the environment and social norms during procurement and other transactions.

• ESG Consideration Clause. Some of OJR property management agreements with property managers include ESG clauses requiring property managers to take into account ESG factors in their property management and promote ESG factors through suppliers.

• Ensuring ESG-related Measures. OJR assesses its outsourcing partners based on ESG-related measures as shown in Table1 below in addition to evaluating their management capability and service quality.

Designated reference benchmark

OJR has no benchmark index designated as a reference benchmark to meet the environmental or social characteristics promoted by OJR.

REMUNERATION AND SUSTAINABILITY RISKS (SFDR ARTICLE 5 DISCLOSURE)

The Asset Manager has a remuneration policy in place which aims to support its strategy, values and long-term interest, including its interest in sustainability. The Asset Manager's remuneration policy is consistent with the integration of sustainability risks as follows.

• ORIX Corporation ("ORIX"), OJR's sponsor and the parent company of the Asset Manager, determines the remuneration for employees of the Asset Manager seconded from ORIX each year based on a comprehensive assessment that takes into consideration corporate performance, including the contribution to sustainability targets, individual position, rank and evaluation, and other circumstances as required by law.

• ORIX group companies other than ORIX (the "Group Company") determine remuneration for employees of the Asset Manager seconded from the relevant Group Company each year based on a comprehensive assessment that takes into consideration corporate performance, including the contribution to sustainability targets, individual position, rank and evaluation, and other circumstances as required by law.

• The remuneration for employees of the Asset Manager employed by the Asset Manager directly is decided by the Asset Manager according to the compensation rules of the ORIX group including a comprehensive assessment that takes into consideration corporate performance, including the contribution to sustainability targets, individual position, rank and evaluation, and other circumstances as required by law.

INTEGRATION OF SUSTAINABILITY RISKS IN THE INVESTMENT DECISIONS, AND THE IMPACT OF SUCH RISKS ON THE RETURNS OF OJR (SFDR ARTICLE 6 DISCLOSURE)

OJR and the Asset Manager address sustainability risks by taking into account environmental, social and governance, or ESG, factors in our investment decision process and on a continuous basis.
The Asset Manager's investment decision-making process involves assessment of material ESG-related risks and opportunities to ensure that OJR's sustainable investment strategy is implemented. With each acquisition opportunity, OJR and the Asset Manager review ESG-related due diligence findings and risk assessment. These findings and assessment are required to be considered by the Asset Manager's Investment Committee (and the Risk Management and Compliance Committee only if it is a related party transaction) before a final decision is made on the investment by OJR's Board of Directors.

As part of due diligence review prior to investment in a property, the Asset Manager conducts due diligence on the property, including environment assessment and evaluation of earthquake resistance and PML. The Asset Manager also reviews each property's Green Building certification at the time of acquisition to confirm the status of acquiring the certificates. In addition to the review of environmental issues discovered through due diligence review, we evaluate risks associated with climate change, environmental issues, human rights and social challenges, including health and safety.

In accordance with the ESG Investment and Management Policies, the Asset Manager's investment decision-making process involves assessment of material ESG-related risks and recognition of its responsibility over ESG issues. With each acquisition opportunity, OJR and the Asset Manager review ESG-related due diligence findings and these findings are required to be considered by the Asset Manager's Investment Committee (and the Risk Management and Compliance Committee only if it is a related party transaction) before a final decision is made on the investment by OJR's Board of Directors.

Furthermore, the Asset Manager tracks the sustainability measures including energy saving initiatives, reduction of greenhouse gas emissions initiatives, water-saving initiatives and waste management initiatives.

As a result of the growing interest in ESG factors among our investors and other stakeholders, we believe that insufficient engagement in ESG-related issues could materially adversely impact our reputation, business activities and our unit price. Having established the ESG Investment and Management Policy in September 2021, we will take ESG factors into serious consideration when investing in new properties and managing our portfolio in accordance with such policy. We believe that our ongoing ESG initiatives will contribute to our sustainable growth and improve unitholders' value while mitigating such ESG-related risks. In addition, we believe that such initiatives also contribute to reduction of the environmental impact of Japan's overall economy while contributing to local communities and regional economies and at the same time generate sustainable growth in returns.

We believe that adapting to change and contributing to sustainable society will ultimately lead to growth in unitholder value. We do not consider sustainable society and unitholder value growth to be mutually exclusive, and we believe that aiming to achieve both will enable stable medium to long-term growth. In addition, while sustainability issues will severely impact our business activities, we believe that such issues may also become potential business opportunities to create new value for sustainable growth. Accordingly, we position our commitment to sustainability as a top priority in our management strategies. We also believe that integrating sustainability factors alongside traditional financial and operational metrics in our investment decision process helps us make a more holistic assessment of a property's risks and opportunities and is commensurate with the pursuit of superior risk-adjusted returns.

Table1

Measures on environmental issues (E)	Awareness of energy conservation and reduction of environmental load. including reduction of energy consumption and waste
	Priority on environment- and health-friendly products and service procurement
	Formulation of policies and establishment of systems for environmental friendliness and energy concervarion
Measures on social issues (S)	Respect for basic human rights
	Consideration of occupational health and safety in workplaces
	Elimination of human rights violations, including unfair discrimination, forced labor and child labor
Measures on governance (G)	Compliance with all laws and regulations and internal company rules
	Conduct with a strong sense of ethics

Statement on principal adverse impacts of investment decisions on sustainability factors PDF (599KB)

Disclosure Based on TCFD Recommendations

Governance

- OAM handles OJR's response to climate-related issues, with the President of OAM assuming responsibility. OAM has established a "Sustainability Committee" consisting of the President and executive officers (including all directors), where climate change and other ESG issues are deliberated and reported. Specific decisions are made by OAM's Board of Directors or the President based on the results of these deliberations and following approval standards.
- OAM's directors also serve as members of the Sustainability Committee, where they formulate transition plans, set targets for addressing climate change issues, and monitor progress.
- Revisions to ESG policy and related guidelines, as well as annual activity plans and budgets, are deliberated by the Sustainability Committee and decided by the Board of Directors.
- Matters related to ESG initiatives, including climate change, are regularly reported by OAM to OJR's Board of Officers.
- OAM's directors are responsible for activities based on the ESG policy, while the executive officers promote initiatives regarding ESG-related matters as an organizational mission for their respective departments.

Please click here for information on the ESG promotion sysytem

Strategy

- OAM is advancing its analysis of risks and opportunities posed by climate change for OJR and their potential future impacts on strategies and plans.
- Specifically, analyses are being conducted using multiple scenarios (1.5°C–2°C and 4°C scenarios) based on TCFD recommendations to assess how resilient OJR's climate change measures are to the transition to a low-carbon economy aligned with the Paris Agreement and to the physical risks expected to increase in the future. Verification efforts using tools such as CRREM [*1] are also underway. A transition plan for achieving net zero by 2050 has been formulated.

[*1] CRREM is an abbreviation for Carbon Risk Real Estate Monitor.

Please click here for scenario analysis

Please click here for transition plan

Risk Management

- OAM identifies and evaluates risks, including climate change risks, and reviews these annually. Risk management is conducted under the “Risk Management Rules.” Specifically, a “Risk Library” is created according to the “Risk Management Implementation Guidelines,” categorizing risks, describing their details, and assessing their frequency and importance. Based on this, the “Risk Management Supervisor” (the executive officer overseeing the Compliance Department) identifies issues requiring action as significant risks and formulates a response plan as part of the “Risk and Compliance Program.” This plan is implemented following approval by the Board of Directors.
- For climate change risks, OAM conducts risk and opportunity identification and scenario analysis to understand financial impacts in alignment with TCFD recommendations.

Please click here for risk management ⟶

Metrics and Targets

- OAM is working toward a long-term goal of achieving net zero in its asset management activities for OJR by 2050. Additionally, as a medium-term goal for 2030, OAM aims to reduce GHG emissions by 42% compared to FY2021 for areas under OJR’s management authority and reduce GHG emissions intensity by 42% compared to FY2021. The goal also includes achieving a green building certification acquisition rate of 80% or more by floor area by 2030.
- The medium-term goal for 2030, “GHG emissions reduction by 42% compared to FY2021,” is based on scientifically grounded targets aligned with the 1.5°C goal.
- Indicators related to climate change, including energy consumption, greenhouse gas emissions (Scope 1, 2, 3), green building certification status, waste weight and recycling rate, and water usage, are regularly monitored and disclosed.
- Regarding internal carbon pricing, risk analysis based on TCFD scenario analysis assumes a future carbon tax of 13,650 yen (130 USD; converted using an exchange rate of 105 yen as of November 20, 2020, when the analysis was conducted). This is used as a reference indicator for projecting future cost increases and making investment decisions.

Please click here for information on Materiality and Key Indicators/Goals ⟶

Transition Plan Toward Net Zero

OJR's point of view

In 2021-22, OJR conducted scenario analyses based on TCFD recommendations to identify the impact of climate change on its business, identifying business risks and opportunities. The scenario analysis results suggest that the 1.5°C and 4°C scenarios could have a moderate impact by 2030, requiring measures to mitigate these impacts. OJR supports the Paris Agreement and has established its 2050 net zero and 2030 reduction targets, obtaining approval from SBTi for each. Regarding the 2030 target, the goal includes Scope 1 (S1), Scope 2 (S2) direct emissions, and Scope 3 (S3) tenant emissions, including those managed by OJR, in line with SBTi's near-term requirements. It is proceeding systematically with measures to achieve the "OJR 2030 Target." Achieving net zero is a long-term effort that will take over 20 years, and there are inherent challenges that OJR cannot overcome alone. Therefore, we have formulated a medium-to-long-term action plan as a "Transition Plan Toward Net Zero," which will be addressed in phases. By 2030, we will focus on areas where OJR has management responsibility, promoting energy-saving renovations and introducing renewable energy. Post-2030, efforts will be made in collaboration with the entire value chain, including tenants.

Identification of Risks and Opportunities and Scenario Analysis

Scenario analysis based on TCFD recommendations analyzed the impact on earnings for 2030, with the 1.5°C scenario estimated to have an impact of 1–8% annually on earnings (operating income) and the 4°C scenario estimated to have an effect of around 3%.

Please click here for more details

Roadmap Toward 2030 Targets and 2050 Net Zero

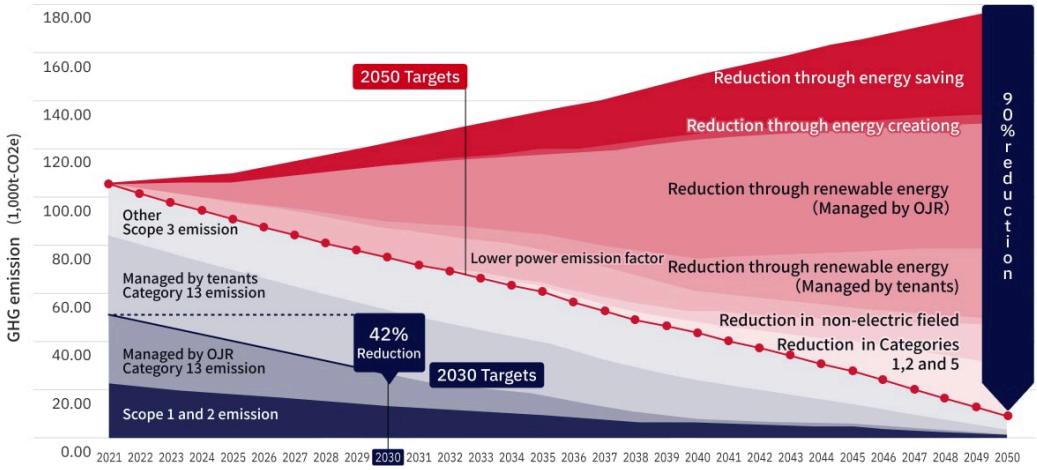
OJR’s Goals

To achieve the goals of the Paris Agreement, we are working toward the long-term target of achieving Net Zero by 2050.

(1) By 2050, reduce total GHG emissions (Scope 1, 2, 3) across the entire value chain by more than 90% compared to 2021
→ SBTi SME version (for small and medium-sized enterprises) Net Zero target certification obtained

(2) As the “OJR 2030 Target,” reduce total GHG emissions from Scope 1, Scope 2, and Scope3 (Category 13 under OJR’s management authority) by 42% compared to 2021 by 2030.
→ Of this, the portion of GHG emission reductions for Scope 1 and Scope 2 has been certified as an SBTi SME version near-term target.

Roadmap

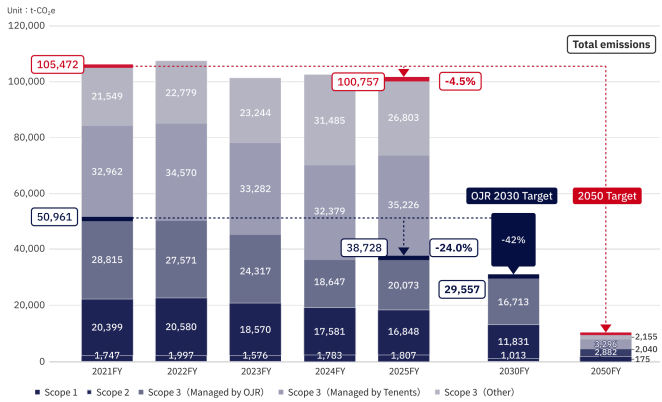


Target Year	2030 (Mid-Term Target)		2050 (Long-Term Target)
Scope	Scopes 1 and 2, as well as items managed by OJR under Scope 3 Category 13		Scopes 1, 2, and 3 (all)
Reduction Targets	42% reduction (considering a 3% annual increase in emissions due to expansion of asset size, etc.)	Level of Contribution to Reduction	90% reduction (considering a 3% annual increase in emissions due to expansion of asset size, etc.)
Countermeasures Anticipated Measures	● Reduction through energy saving and energy creation (The average annual reduction is 1%)	22%	● Reduction through energy saving and energy creation (The average annual reduction is 1%) * Includes the effects of replacing properties, etc.
			● Reduction through energy creation (about 5%)
	● Reduction through renewable energy and non-fossil fuel certificates (50% renewable energy in areas managed by OJR)	51%	● Reduction through renewable energy (100% renewable energy in areas managed by OJR by 2040)
	● Reduction through lower power emission factor (about 3% annually)	27%	● Reduction through decarbonization of non-electric energy sources (gradual progress from 2035 onward, 90% reduction anticipated by 2050)
	● About 10% reduction in tenant areas anticipated through adopting renewable energy (area not covered in the targets)		● Reduction through tenant response (90% renewable energy by 2050 anticipated through continuous response)
			● Reduction through decarbonization of services, capital goods, and waste disposal (gradual progress from 2030 onward, 80% reduction anticipated by 2050)

* Energy creation: Initiatives to generate energy on one's own, such as through solar power generation.

Progress of Metrics and Targets

The GHG total emissions (Scope 1, Scope 2, and Scope 3) that form the basis for the “2050 Net Zero Target” decreased by 4.5% in 2024 compared to the baseline year of 2021.
Regarding the “OJR 2030 Target” (Scope 1, Scope 2, and Scope 3 Category 13 under OJR’s management), a reduction of 24.0% was achieved in 2025 compared to the baseline year of 2021. The portion of the “OJR 2030 Target,” excluding emissions from fluorocarbons, is also the SPT (target) for the Sustainability-Linked Loan, and incorporating the GHG reduction element into financing serves as an incentive to achieve the “OJR 2030 Target.”
Although investing in obtaining Green Building certifications and energy-efficient renovations may be costly in the short term, we believe it will contribute to future earnings in the medium to long term, so we will continue investing.



	Details	Unit	FY2021	FY2022	FY2023	FY2024	FY2025	FY2030
OJR 2030 Target	Scorpe1,2 and 3 (Managed by OJR)	t-CO2e	50,961	48,556	46,283	43,826	41,431	29,557
Actual records regarding environmental targets	GHG total emissions	t-CO2e	105,472	107,497	100,988	101,876	100,757	-
	OJR 2030 Target Scorpe1,2 and 3 (Managed by OJR)	t-CO2e	50,961	50,148	44,463	38,011	38,728	-
	Reduction rate compared to 2021	%	—	1.6%	12.8%	25.4%	24.0%	42%
	Introduction rate of renewable energy	%	2.2%	8.8%	11.7%	21.8%	24.2%	-
	Green building certification floor area coverage ratio	%	83%	84%	82%	82%	79%	Over 80%
Financial performance	AUM(total acquisition price)	Million yen	688,969	688,361	696,178	724,564	797,195	
	Operating revenues	Million yen	47,376	51,791	54,502	51,852	59,604	
	Operating revenues from green building certified properties	Million yen	29,957	36,975	38,797	39,975	40,697	
		Ratio	63%	71%	71%	77%	68%	
	DPU(yen),br>	Per a year	3,507	3,960	3,823	3,906	4,684	
	GHG emissions intensity (base on AUM)	t-CO2e/ Million yen	0.2	0.2	0.1	0.1	0.1	
	GHG emissions intensity (base on revenue)	t-CO2e/ Million yen	2.2	2.1	1.9	2.0	1.7	

2021(39th and 40th financial period)
2022(41st and 42nd financial period)
2023(43rd and 44th financial period)
2024(45th and 46th financial period)
2025(47th and 48th financial period)

Engagement

Value Chain Engagement

Achieving the 2050 Net Zero Target requires the entire value chain to move toward Net Zero. OJR also promotes engagement to encourage PM, BM, tenants, and other stakeholders to advance their initiatives.

- For PM and BM companies, we regularly hold briefings and study sessions to ensure understanding of OJR's stance on climate change and set targets, facilitate the reporting of environmental data, and coordinate responses during renovations.
- For tenants, some have been requested to consider introducing renewable energy into tenant-managed areas, and discussions have been initiated. Most tenants have signed Green Leases, creating a situation where sustainable initiatives can be pursued collaboratively. Moving forward, we aim to promote collaboration further while ensuring an understanding of OJR's initiatives and inquiring about the tenants' needs for sustainable efforts.
- Understanding and support from unitholders and financial institutions are also critical. This report discloses information about our climate change and sustainability initiatives, IR-related materials, website, etc. Additionally, we seek more profound engagement with financial institutions through sustainability finance.

Policy Engagement

Government policies play a critical role in ensuring a Net Zero society's prompt and reliable realization. OJR's transition roadmap includes expectations for policy-driven initiatives, such as promoting the adoption of renewable energy, decarbonizing energy use, and reducing carbon emissions in the construction and waste disposal industries. OAM engages in policy advocacy through its participation in initiatives and recommendations to the government. It also organizes individual dialogues with relevant ministries to advance efforts toward achieving a Net Zero society.

Third-Party Verification

A third-party organization (Japan Quality Assurance Organization) has verified the GHG emissions, energy usage, water usage, and waste weight disclosed by OJR since the 2021 fiscal year.

Please click here to see previous Environmental Information Independent Verification Reports →

Energy / Natural Capital

Energy Consumption Status

Energy consumption is calculated based on the GHG Protocol.

Please click here for detail on GHG emissions

Waste Management and Circular Economy

OJR promotes the effective use of resources by preventing pollution by properly managing waste and hazardous substances and encouraging recycling. OJR measures the weight of waste, including the waste under its management. OJR guides and supervises property management (PM) and building management (BM) companies to ensure the appropriate preparation and implementation of plans.

Dependence and Impact on Natural Capital

We strive to protect the environment by considering biodiversity and ecosystems. Biodiversity refers to the rich diversity of various living organisms and their interconnections. This biodiversity provides significant natural benefits to people but is currently declining globally. OJR recognizes that efforts to maintain biodiversity contribute to sustaining nature's benefits and that forming a nature-harmonized society is a critical theme.

Protection of Water Resources

OJR strives to protect water resources through measures such as the use of groundwater and recycled water.

Cooperation with Property Managers (PMs) and Building Managers (BMs)

Promoting ESG Initiatives Among PMs/BMs

We believe that setting standards for the entire supply chain is an effective way to promote ESG, and we are working with the property managers (PM) and building managers (BM) among our business partners to implement these standards.

PM Contract Including ESG Consideration Clause

OJR has entered into property management agreements with some property managers that include ESG consideration clauses. As of April 1, 2025, Approximately 97.5% of our properties are covered by contracts that contain such clauses.

ESG Training for PMs

OJR conducts training sessions to enhance understanding of how to implement better property management from an ESG perspective through specific collaborative efforts with OJR and OAM.

Ensuring ESG-Related Measures from Business Partners

OJR evaluates the following ESG-related measures for each business partner during the execution of outsourcing contracts and conducts a reassessment annually thereafter, in addition to assessing their management capability and service quality. We also monitor PMs/BMs annually for compliance with laws and the quality of their services.

Safety Measures

Safety measures are carried out with property managers (PM) and building managers (BM) to prepare for disasters and improve customer safety (tenants and users).

Due diligence upon property acquisitions

Upon property acquisitions, we consider recent heavy rain disasters due to climate change, floods, typhoons, etc., and whether there is any past damage. We also check whether the property is within the expected range of damage caused by natural disasters by using the “hazard maps” disclosed by government agencies. In preparation for earthquakes, we check whether the building meets earthquake resistance standards and whether the PML value * meets or exceeds standards.

* PML (Probable Maximum Loss) measures the potential losses to a building that is statistically likely to occur once every 475 years, expressed as a percentage of the building’s replacement cost. The earthquake risk assessment of buildings involves calculations based on a risk curve that shows the relationship between expected loss (horizontal axis) and the annual exceedance probability of that loss resulting from seismic motion (vertical axis), using damage distribution that considers the indeterminacy of damage due to the building’s earthquake-resistance performance, the nature of the seismic motion, and other factors.

Customer (Tenant) Satisfaction Survey

OJR conducts a yearly satisfaction survey to ensure operational management aims to improve customer satisfaction. To ensure fairness, we hire a third-party organization to conduct this survey. The survey was divided into two categories: hard aspects, such as buildings and facilities, and soft aspects, including cleaning and the responses of PMs and BMs across most properties. Starting in FY2022, we included Net Promoter Score questions in the survey and conducted a questionnaire that categorized importance and satisfaction into four levels.

	Subjects	Satisfaction Level
2024	Approx. 2,970 tenants in 24 residential properties nationwide	89%
2023	Approx. 940 tenants in 85 offices, commercial facilities, and hotels nationwide	91%
2022	Approx. 1,010 tenants in 99 offices, commercial facilities, and hotels nationwide	92%
2021	Approx. 670 tenants in 55 offices nationwide	90%
2020	Approx. 600 tenants in 53 offices nationwide	87%

Improvement Process

We share survey results with PMs and BMs, then identify issues and consider countermeasures. For example, we carried out equipment repairs in response to a concern about air conditioning and conducted exterior construction work to expand parking spaces in response to complaints about parking shortages. We have also addressed requests for lighting and cleaning. Implementing measures in partnership with PMs and BMs helps us improve the detailed services in our daily operations as well as the environment.

Proactive Investor Relation (IR) Activities

We emphasize dialogue with stakeholders and strive to deepen their understanding of OJR through timely and appropriate information disclosure. At the same time, we work daily by sincerely accepting the expectations and needs of stakeholders. IR activities for investors include active dialogue with institutional investors in Japan and overseas institutional investors in Europe, North America, Asia, and other regions through various methods, including visits, telephone conferences, and web conferences. We are also working on property information for institutional investors. As for activities for individual investors, we focus on creating engagement opportunities by participating in on-the-spot briefing events, online seminars, and on-demand distribution of seminar videos.

Unit Holders, Investors, & Financial Institutions	Regularly	● Financial results briefings ● Individual IR meetings with institutional investors ● Debt IR
	Irregularly	● Briefings and events for individual investors ● Property information for institutional investors

Approach to Human Rights

ORIX Human Rights Policy

ORIX Group recognizes the need to fulfill our social responsibilities through all of our business activities. We recognize our responsibility to incorporate human rights protections as outlined in the UN's Universal Declaration of Human Rights and consideration of human rights into our business activities as part of this. ORIX Group's approach to corporate sustainability and environmental, social, and governance issues most relevant to the Group are stated in the ORIX Group Sustainability Policy. We have also established the ORIX Group Human Rights Policy to make our commitment to respect for human rights even more concrete and will strive to respect human rights through our business activities. As a member of ORIX Group, OAM falls within the scope of our Human Rights Policy.

Please click here for the full text of the ORIX Group Human Rights Policy.

Systems and Efforts for Respecting Human Rights

Please click here.

Human Capital

OAM's Talent Strategy

OAM aims to be an organization that respects the values of each and every employee, enhances engagement, and draws out the capabilities and potential to the maximum. We also aim to achieve business growth by taking a positive view of various social changes and leveraging our diverse expertise and experience to strengthen partnerships with stakeholders. Regarding employee trainings, we continually strive to enhance employee expertise by strengthening organizational capabilities, supporting qualification acquisition with a focus on career paths, and offering practical work opportunities. In addition, we aim to operate an organization with vitality by deepening cooperation with our PMs, BMs, and other related parties to increase the value of our portfolio while also focusing on employee health management and creating a comfortable working environment. Through these initiatives, the Asset Manager will pursue the growth of the company and the growth of human resources, which are essential capital supporting the company.

Human Capital Management to Support Sustainable Growth of ORIX.

Promoting Diversity, Equity & Inclusion

At ORIX, diverse people support our varied businesses. By respecting the diversity of our employees and promoting flexible working styles, we are creating a comfortable work environment in which all employees can play an active role.

For ORIX's promotion, please click here.

ORIX Group Employee Engagement Survey

ORIX Group conducts surveys to understand how employees feel about their work and workplace, utilizing the results to inform various HR initiatives. Since 2004, employee satisfaction surveys have been implemented; from 2016, the results have been disclosed internally. The name was changed to the ORIX Group Employee Engagement Survey along with changes to the questions and subjects in FY2023, but it continues to assess satisfaction levels. All responses are treated anonymously, and the results are used to identify trends in satisfaction levels across ORIX Corporation and ORIX Group companies, serve as a reference for HR policy decisions, and evaluate the effectiveness of ongoing HR policies.

Please click here for survey results.

Human Resources System

From early on, ORIX has established a human resources system that goes beyond the legal requirements. Even before the enforcement of the Equal Employment Opportunity Law in 1986, we actively recruited women. By enhancing human resource systems that support each employee's life stage and career, we are fostering an environment where employees can thrive and fully utilize their expertise and abilities.

Please click for further details.

Personnel Transfers through the Career Development Support System

ORIX Group, including OAM, facilitates human resource transfers through its Career Challenge System, which allows employees to apply to departments they wish to join, and the Senior Employees Internal Job Posting Program, through which ORIX Group recruits senior employees. These initiatives are part of the career development support system. This approach allows employees to change careers without leaving the company, fostering a sense of ownership over their career choices and increasing motivation.

Training for Enhancing Management Capabilities and Human Resources

ORIX Group, including OAM, provides employees with training tailored to years of service and responsibilities using external training institutions.

Please click here for ORIX's talent development.

OAM also regularly invites outside experts to conduct training on compliance, taxation, real estate markets, and other topics to further improve our expertise.

Click here for information on OAM's training programs.

Support for Qualification Acquisition

As the asset management company of OJR, OAM actively supports the acquisition of qualifications of officers and employees in order to further enhance their knowledge and skills related to operations. All employees, including those with a fixed term, are encouraged to acquire a variety of professional qualifications, such as the ARES Certified Master, Real Estate Transaction Agent, which enable them to systematically acquire practical expertise in the real estate and financial fields. The company bears all or part of the costs of maintaining these qualifications, in addition to the costs of training and entrance examinations. The number of qualified personnel is as follows.

Click here for information on qualification holders.

Performance Review and Compensation Scheme

Equal Pay for Equal Work

OAM offers a variety of work styles and occupations to help employees of diverse backgrounds maximize their performance, and by providing opportunities for them, OAM supports the realization of the career they desire. OAM implements an evaluation and remuneration system that seeks to provide fair pay based on an employee's seniority, role, and duties, with adjustments for personnel evaluations. Gender have no relationship to the evaluation and remuneration system.

Please click here for ORIX's Performance Review and Compensation Scheme.

Employee Health and Safety (Occupational Safety)

ORIX Group companies and health insurance associations work together to promote initiatives aimed at improving the safety and health of employees.

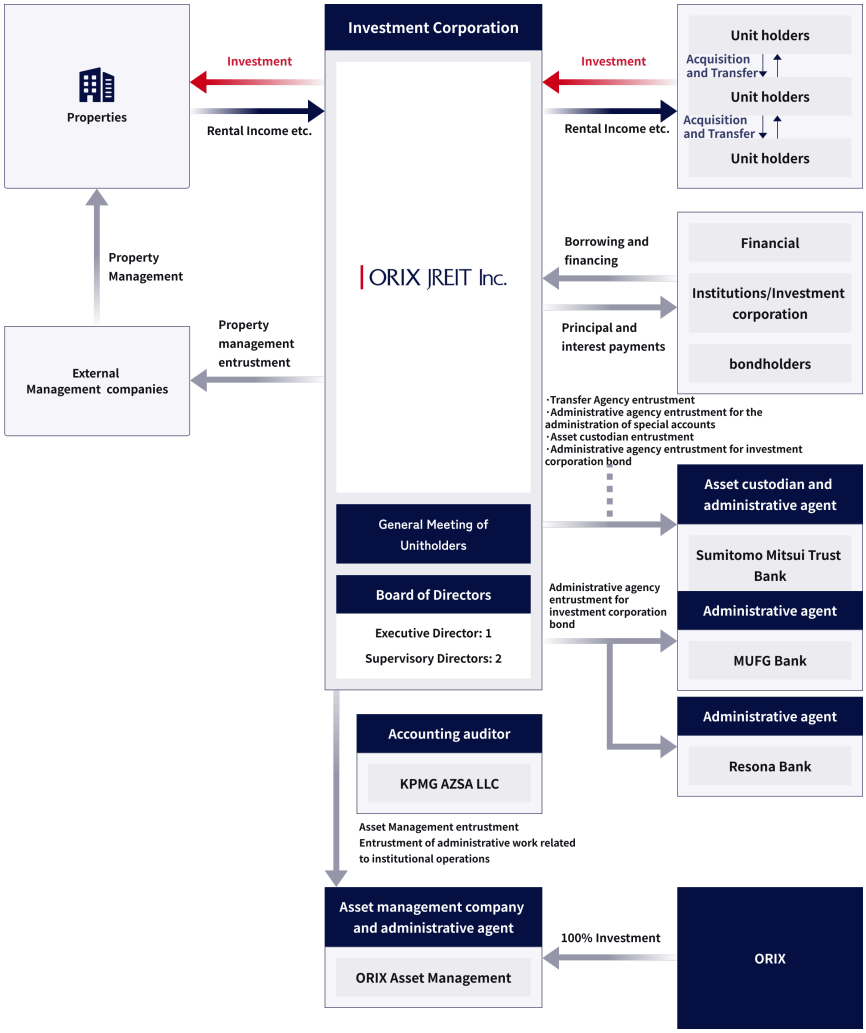
Please click here for ORIX's Employee Health and Safety.

Health and Sanitation Committee

OAM has established a Health and Sanitation Committee to investigate and discuss issues related to health and safety. These include fundamental measures to prevent health problems among employees and others, maintain and improve health, and address the causes of workplace accidents and measures to prevent recurrence. The General Manager of the General Affairs and Accounting Department chairs the committee. It includes industrial physicians, sanitation managers, and employees with experience in health and sanitation (half of the committee members, excluding the chairperson, are nominated based on recommendations from worker representatives). The committee convenes once a month. Activities include checking office humidity and temperature, conducting walk-around inspections of workplace environments, refrigerators, and other sanitation-related areas, and reviewing overtime hours. The following summarizes the health and safety achievements of OAM.

Structure of OJR

In J-REITs, investment corporations serve as a "container" for asset management, and under the Investment Trust Law, they are prohibited from employing their own staff. Instead, they are required to entrust operations to external entities ("external management system"). Following this framework, asset management tasks are entrusted to an asset management company, custody-related tasks to an asset custodian, and administrative tasks unrelated to asset management or custody are delegated to general administrative agents (collectively referred to as "asset management companies, etc.").
The Investment Trust Law and the Financial Instruments and Exchange Act (FIEA) stipulate that asset management companies, etc., bear a duty of loyalty and a duty of diligence toward the investment corporation. Additionally, asset management companies and asset custodians must have a certain level of financial and organizational foundation to protect investors. They are also subject to segregated management obligations to mitigate commingling risks and maintain checks and balances. Furthermore, the supervisory authority of the Prime Minister (via the Securities and Exchange Surveillance Commission) extends to these asset management companies, ensuring that the appropriateness of their operations is upheld through oversight.
The executive director of an investment corporation is authorized to execute its business and to take all judicial and extra-judicial actions related to its operations on its behalf. However, as noted above, because the investment corporation outsources asset management and other tasks to external entities, the primary role of the executive director is to oversee and supervise the asset management companies, etc.
Supervisory directors, on the other hand, are required to maintain independence from the asset management company, sponsors, and the executive director. As stipulated by the Investment Trust Law, the number of supervisory directors must be at least one more than the number of executive directors. Independent supervisory directors constitute a majority of the investment corporation's board of directors and are responsible for supervising both the executive director and the asset management companies, etc. This structure is designed to prevent arbitrary actions by the executive director that could conflict with the interests of unitholders and stakeholders, thereby maintaining governance between the investment corporation and the asset management companies.



* This diagram illustrates the main contractual relationships and contract counterparties centered on ORIX JREIT in the case of real estate owned directly by ORIX JREIT. Those appearing here may differ in cases where ORIX JREIT retains real estate trust beneficiary interests or holds real estate in other formats.

Organization of OJR

In addition to the general meeting of unitholders, which consists of the unitholders, OJR comprises an executive director, supervisory directors, a board of directors composed of the executive director and supervisory directors, and an accounting auditor.

Please click here to see OJR's Corporate Data.

Executive Director

To strengthen its internal control, OJR appoints an executive director who does not concurrently serve as the president of OAM and is selected from outside the Sponsor Group. Like the supervisory directors, OJR's executive director has no vested interest in OAM, etc. or the Sponsor Group and supervises OAM, etc. from an independent standpoint.

Supervisory Directors

OJR has appointed qualified professionals, such as a real estate appraiser, an attorney, and a certified public accountant, as supervisory directors, all of whom possess expertise and experience necessary for supervising the execution of duties by the executive director.
The supervisory directors oversee the executive director and OAM as independent executives who are not in conflict with the Investment Trusts Law's standards for independence from the executive director and asset management company.

Composition of OJR's board of directors, expertise, attendance at Board of Directors meetings

Title	Name	Gender	Photo	Reason for Appointment	Qualifications Held	Board of Director Chairperson	Independent Director	Attendance at Board meetings in FY2025
Executive Director	Yukako Oshimi Appointed in November 2025	Female		Ms. Oshimi has a specialty in the field of risk management, in addition to extensive expertise and business experience as a legal expert. She has served as a Supervisory Director of OJR for four years.	Lawyer	○	○	18 times out of 18 times (100%)
Supervisory Director	Junya Igarashi Appointed in November 2023	Male		As a real estate appraiser and an investment expert, he has extensive knowledge and experience in the real estate industry. Served as an external member of the Investment Committee of OAM for nine years.	Real Estate Appraiser		○	18 times out of 18 times (100%)
Supervisory Director	Megumi Konishi Appointed in November 2023	Female		She has extensive work experience and knowledge as an accounting, tax, finance, and risk management expert	Certified Public Accountant		○	18 times out of 18 times (100%)

*1 "Independent Director" in this table refers to an "Independent Director" who does not violate the standards related to independence from executive officers and asset management companies, etc., as stipulated in the Investment Trust Law.

*2 Neither executive nor supervisory officers own any investment units of OJR in their name or under another person's name.

*3 The name Yukako Oshimi is registered in the family register as Yukako Saito. The name Megumi Konishi in the family register is Megumi Kogawa.

*4 The attendance status of Executive Director Yukako Oshimi at the Board of Directors meetings held in FY2025 reflects her attendance while serving as both Executive Director and Supervisory Director. The attendance status for the former Executive Director, Hiroshi Miura was 11 out of 11 times (100%).

Operation Structure and Governance

OAM, being entrusted with the asset management and institutional operation of OJR, raises fundamental management policy to achieve highly consistent, efficient, and transparent investment operations to grow OJR into a sound and highly profitable J-REIT and engaged in the business activities through the following structure for pursuing operation and supervising management. OJR oversees the operation of OAM by the executive director, supervisory directors, and its Board of Directors, with OAM constructing the corporate governance in an integrated manner.

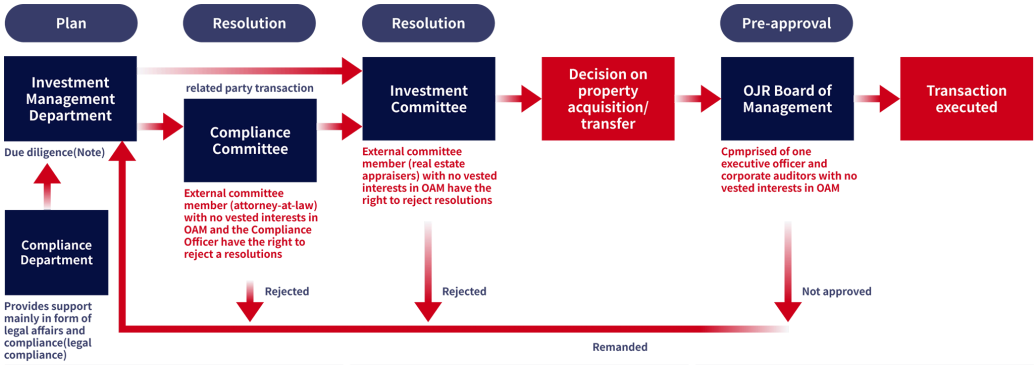
Decision-Making Process

OAM is strengthening its governance by integrating a highly effective deliberation process with supervision led by third-party external committee members into OJR's asset management decision-making process. The external members of the Investment Committee and Compliance Committee are independent experts with no vested interest in OJR, OAM, or Sponsor Group and have the power to veto resolutions in each committee. Please refer to the diagram below for the asset acquisition process.

Supervision of OAM

All members of the OJR Board of Directors (executive directors and supervisory directors) are independent of OAM and other related parties. The members receive information periodically from OAM about asset management and risk management status at this Board of Directors, composed of independent appointees. In addition, under the Investment Trusts Law, supervisory directors can request OAM for information regarding OJR's operations and assets at any time and conduct any necessary investigations.

Decision-making flow of the Asset Management Company (property acquisition and transfer)



Compliance Committee	Investment Committee	OJR Board of Management
Comprised of the President, the Compliance Officer, Executive Officer responsible for Compliance Department and external committee member (attorney-at-law) with no vested interests in OAM	Comprised of the President, Executive Officer of the Asset Management Company, Executive Officer responsible for Compliance Department and external committee member (real estate appraisers) with no vested interests in OAM	Comprised of one Executive Officer and two corporate auditors (real estate appraiser/ attorney-at-law/certified punlic accountant) with no vested interests in OAM
Attendance and approval of the Compliance Officer along with external committee members are mandatory.	Attendance and approval of the external committee members are mandatory.	

Operation Structure of OAM/Organization of Committees of OAM

Please click here for details on operation structure

Effectiveness Evaluation

OJR introduced effectiveness evaluations in 2024 to improve the effectiveness of the Board of Directors. A named survey is conducted once a year. The evaluation conducted this fiscal year confirmed that the effectiveness of the Board of Directors was generally rated highly. We will continue to strive further to enhance the effectiveness of the Board of Directors.

Compliance

Basic Compliance Policy and Structure

Compliance Policy

OJR and OAM Company fully recognize the importance of social responsibility and the public mission required of investment corporations and regard compliance with social norms based on high ethical standards and compliance centered on the Investment Trust Law and the FIEA as one of the most critical management issues.

OJR

In light of the importance of the compliance stance of the Board of Directors, OJR strives to ensure that members of the Board of Directors are always aware of compliance issues and consider compliance by realizing active and sound deliberations at the Board of Directors. To ensure the practice of compliance, all directors have pledged to OJR that they will comply with the Investment Trust Law, other laws and regulations applicable to OJR, various rules established by the Tokyo Stock Exchange, Inc., and various regulations established by OJR in the execution of their duties, and they conduct their business in this spirit.

OAM

In order to comply with the FIEA, the Investment Trust Law, the Building Lots and Buildings Transaction Business Act and other related laws and regulations, the Articles of Incorporation of OJR, the rules established by Investment Management Association of Japan, the Asset Management Entrustment Agreement and the Real Estate Management Entrustment Agreement with the Investment Corporation, internal rules, etc., and to execute the operations in charge per the general ethics, common sense and norms of society, the significance and importance of compliance, the basic policy on the practice of compliance, the roles of each organization in the practice of compliance, the procedures for officers and employees to practice their actions, etc., are specified in the “Compliance Manual,” which is the internal rules of OAM, and efforts are made to ensure that these policies are thoroughly implemented. In addition, each year, each officer and employee obtains a written oath of compliance with relevant laws and regulations.

System to Promote Compliance

Please click here for more details.

Compliance Promotion

Handling of transactions with conflicts of interest, etc.

OAM, which is entrusted with the management of OJR's assets, has, in addition to the obligations outlined in the asset management agreement with OJR, obligations under Article 42 of the FIEA to faithfully perform its duties relating to the management of assets on behalf of OJR (Article 42, Paragraph 1), and to perform its duties relating to the management of OJR's assets with the care of a good manager (Article 42, Paragraph 2). Accordingly, in dealings with Sponsor Group, we strive daily to avoid executing transactions that would unfairly benefit Sponsor Group to the detriment of OJR.

In addition, OAM has established the Affiliated Companies Transaction Rules as internal rules regarding transactions, etc., with affiliated companies, including OAM's Sponsor Group. Compliance with these rules eliminates the harmful effects of transactions between OJR and OAM's stakeholders and other parties that could cause conflicts of interest. We have also created and utilized a Compliance Manual to raise awareness of legal compliance on the part of every officer and employee and establish basic implementation procedures. The result is a system that we believe ensures that OAM's interests do not take precedence over those of OJR.

In addition, OAM's internal rules stipulate that OAM shall obtain the prior consent of OJR's board of directors for certain transactions, etc., with Sponsor Group, and the asset management agreement between OJR and OAM stipulates that any changes to such internal rules require the approval of OJR's board of directors. This provision ensures a system is in place to prevent conflicts of interest in transactions with Sponsor Group.

The Compliance Committee requires the attendance of the compliance officer for resolutions, and the compliance officer has the authority to reject matters independently. We believe that giving such authority and functions to the cimpliance officer prevents the potential harm caused by transactions with conflicts of interest.

Furthermore, the Investment Committee and the Compliance Committee established by OAM have each appointed a real estate appraiser and an attorney with no vested interest in OAM as external committee members. Each committee resolution requires an external committee member's attendance, granting the external member the power to veto resolutions independently. We believe that giving such authority and functions to external committee members ensures the third-party nature of committee decision-making, and prevents the potential harm caused by transactions with conflicts of interest.

Giving and receiving of entertainment and gifts, and prevention of corrupt practices

OAM's Rules on Giving and Receiving of Entertainment and Gifts set forth basic rules for giving and receiving entertainment and gifts to and from business partners, public officials, etc. OAM works to prevent the use of entertainment and gifts as a means to gain unfair profits and strives to conduct fair and transparent transactions with our business partners and public officials.

In addition, ORIX Group has established the ORIX Group Anti-Corruption Policy, which prohibits the giving and receiving of payments related to corruption under any circumstances, regardless of whether the other party to the transaction is a government official, a private party, or an individual. This policy also applies to OAM. The Compliance Department regularly supervises all divisions for compliance with laws and regulations in addition to the daily monitoring.

The officers and employees of OAM shall submit an oath each year to comply with the laws and regulations related to the prevention of corruption while also attending training related to the prevention of corruption (including bribery) in the form of an annual e-learning course.

During this fiscal year, no cases at OAM of disciplinary action against personnel for violating anti-corruption regulations existed.

Policy to eliminate antisocial forces

OAM has established a "Basic Policy to Prevent Damage Due to Antisocial Forces" to clearly lay out its stance on responding firmly to antisocial forces. In addition, OAM has established a system for excluding antisocial forces by specifying in the "Guidelines to Responding to Antisocial Forces," OAM's internal regulations, the exact procedures that should be followed in the event that OAM or OJR intends to begin a transaction with a third party and it becomes clear that this third party in the transaction with OAM or OJR is an antisocial force, or when an antisocial force makes an inappropriate demand to OAM or OJR.

Prevention of Money Laundering

OAM, a real estate transaction business operator and financial instruments business operator, is legally obligated as a specified business operator to prevent the transfer of criminal proceeds. OAM has established the Regulations on Prevention of Money Laundering to fulfill these obligations, as well as an accompanying operations manual. Per these internal rules, when entering into contracts for the sale and purchase of real estate and trust beneficiary rights, or acting as an agent or intermediary for such contracts, we confirm the identity of the counterparty at the time of transaction, prepare and store confirmation and transaction records, etc. In the event that a suspicious transaction is found, it will be reported to the appropriate administrative agency. These measures enable us to prevent the transfer of criminal proceeds, detect them early, and deprive them of their value.

Prevention of Insider Trading

OAM's internal rules on the prevention of insider trading, etc., prohibit OAM officers and employees from trading in the OJR's investment units, new investment unit subscription rights, and investment corporation bonds (hereinafter referred to as "Investment Units, etc.") before the public announcement of any material facts learned in the course of their duties (Information about OAM or OJR, which is defined in Article 166, Paragraph 2 of the FIEA as "material facts about the business, etc.," and information that applies to them is referred to as "insider information"). The communication of insider information is prohibited in principle. Suppose the communication of insider information is necessary during one's duties. In that case, it may be done only to the extent required. It is stipulated that until such time as the information in question is made public, said information shall not be communicated, nor shall transactions be recommended to cause the other party to engage in sales, purchases, or other compensated transactions involving OJR's units, etc. to enable the other party to gain profits or avoid losses. In addition, OAM has established an information sharing arrangement, including management of insider information, under the Sponsor Support Agreement dated December 24, 2013, with ORIX Corporation and ORIX Real Estate Corporation.

Prevention of unfair transactions, etc.

OJR strives to ensure fair and free competition by stipulating in its Compliance Manual the prohibition of "abuse of a superior bargaining position," which is an unfair trade practice under the Antimonopoly Law, and compliance with the obligations stipulated in the Law on the Prevention of the Delay in the Payment of Subcontracting Charges and Related Matters.

Dealing with complaint, accident, crisis, etc.

The “Compliance Rules for Complaints, Accidents, Crises, etc.” also stipulate that in the event of a complaint, accident, crisis, etc., involving compliance issues, an officer or employee of OAM should promptly report the matter to the head of the department and then make an internal report according to the prescribed procedures.
“Complaints, accidents, crises, etc.” refer to incidents that negatively affect the operations of OJR and OAM, including legal violations, information leaks/information security incidents, system failures, fraud/misconduct by officers and employees, administrative errors, complaints/disputes, reputational damage/infringement of trademark rights, involvement with antisocial forces, disasters/accidents/incidents at owned properties, defects in products/services, negligence, and deterioration of business conditions of business partners.
Until each reported matter is concluded, the Compliance Department monitors the status of corrective measures and reports the progress semiannually to the Board of Directors of OAM. Reports are also made to the Compliance Committee and the Board of Directors of OJR as necessary. The same regulations also stipulate that in the event that a complaint, accident, crisis, etc., involving compliance issues occurs, but it is difficult for the officer or employee to report to their superior, they should report the incident directly to the General Manager of the Compliance Department or the director in charge of the Compliance Department.

ESG perspectives on due diligence and acquisition appraisal

OAM recognizes that, when representing OJR in the acquisition or sale of real estate-related assets, the results of their due diligence and appraisal, etc., will have a significant influence on pricing and decision-making by OJR when acquiring and transferring real estate-related assets, and therefore selects and manages contractors appropriately, not only based on their business performance and social reputation but also from the perspective of ESG initiatives. Also, when conducting due diligence and appraisal, the results reflect the content of ESG initiatives in each real estate-related asset.

Payment of Fines for Violations of Business Laws, Corruption, Environmental Laws, and Labor-related Laws and Regulations in Audited Accounts

During this fiscal year, there were no fines to be paid for violations of business laws, corruption, environmental laws, labor-related laws and regulations in audited accounts.

Relevant Regulations of ORIX Group

OAM accepts part of the regulations on compliance common to ORIX Group established by ORIX, the parent company of OAM, and promotes the code of conduct and code of conduct to act in compliance with the internal regulations outlined in the regulations.

ORIX Group Code of Conduct

The ORIX Group has established a “Code of Conduct for Officers and Employees.” As a member of the ORIX Group, OAM also adheres to these principles.

Please click here to read “Code of Conduct for Officers and Employees.

Whistleblower system

As part of its effort to promote compliance, ORIX Group has set up a whistleblower hotline for business partners to report.

External whistleblower hotline

Internal whistleblower hotline

Compliance Training and Awareness

Officers and employees of OAM receive compliance training conducted by the Compliance Department when they join the company.
To raise awareness and maintain the company’s internal compliance framework, OAM’s Compliance Department holds training sessions for officers and employees (temporary staff and employees of OAM’s business trustees who are stationed at OAM are also included) at least once every six months, with group training and e-learning programs on topics including FIEA, the Investment Trusts Law, the Building Lots and Buildings Transaction Business Act, and other laws and regulations related to real estate transactions, as well as internal regulations, corruption prevention, and information security.
In addition, the President sends out a message to all officers and employees to raise their awareness of compliance, and the implementation of compliance is reflected in personnel evaluations.

Auditing and Monitoring System

The Asset Management Company outsources internal audit services to external experts. The person in charge of commissioned internal audits formulates medium-term policies and annual audit plans relating to internal audits and submits them to OAM. OAM proposes them to the Board of Directors and the board approves them. Internal audits are conducted at least once a year. The Person Responsible for Internal Audit Services reports the results of internal audits to OAM's President and CEO and the appropriate parties concerned in the form of audit reports. After receiving the report, OAM reports the results of the internal audit to the Board of Directors. The heads of the audited departments must take necessary improvement measures in response to the findings of the internal audit. Furthermore, to ensure the appropriateness and soundness of OAM's internal controls, each department investigates whether its business operations are being conducted appropriately and effectively per the Basic Management Policy, organizational mission, key objectives, laws, regulations, ordinances, and internal rules. The results are evaluated, and appropriate operations corrections and improvements are made. OAM has established an organizational structure based on "Three Lines of Defense." Different independent divisions have been appointed to the compliance officer and the Compliance Department, which corresponds to the second line, and the person in charge of commissioned internal audits, which corresponds to the third line. OAM also outsources some works to external experts.



Customer-Oriented Business Conduct

The concept of customer-oriented business conduct (fiduciary duty) is, in recent years, generally interpreted as going beyond its original meaning of "obligations of a trustee based on a trust agreement" and is defined to refer collectively to "the broad range of roles and responsibilities to be assumed by a person engaged in certain business activities in order to fulfill the trust that is placed by another party." For asset management companies like ourselves, the "fiduciary duty" encompasses the duties and responsibilities based on the fiduciary relationship between investors and an asset management company. We believe that this fiduciary relationship is not bound merely by the terms of an agreement but calls for real estate management professionals to conduct business to maximize investors' interests. Based on this concept, OAM established a "Basic Policy for Customer-Oriented Business Conduct" in September 2017 so that OAM can conduct exhaustive customer-oriented business operations.

Please click here for the concept of customer-oriented business conduct

Risk Management

Main risks and the management of them

OAM defines and recognizes the risks related to the business of OJR and OAM in the “Risk Management Implementation Guidelines,” which are the internal rules of OAM, and performs risk management according to these characteristics. For example, to lower the risks related to human resources, OAM is implementing measures to provide a healthy and secure work environment by enhancing the vacation system and work style reforms. Other examples of the main risk and their management methods from the risks defined and recognized by OAM in question are listed below.

Risk Categories	Types of Risk
Governance-Related Risk	Governance Risk, Organizational and Corporate Culture Risk, Compliance and Legal Risk, Information Asset Risk, IT and Systems Risk, Tax and Accounting Risk, Business Partner Risk, Administrative Operations Risk, Audit Framework and Self-Assessment Risk
Economic Risk	Market and Liquidity Risk, Investment and Asset Management Risk, Strategic Risk
Social Risk	Natural Disaster and Crisis Risk, Human Resources Risk, Labor Risk, Sustainability-Related Risk

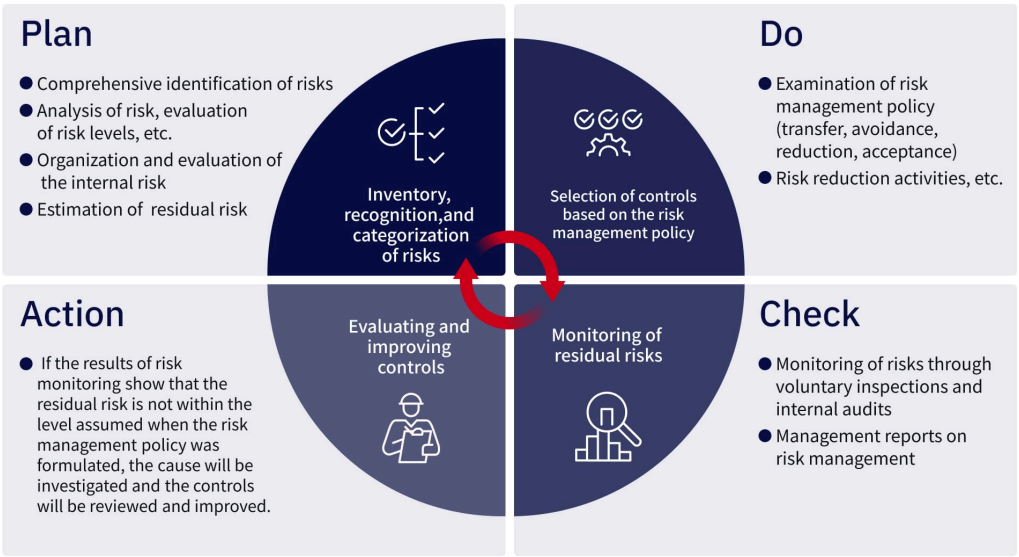
Risk Management System

Risk Management Structure

OAM has established a Compliance Department to oversee risk management. In addition, OAM has established a Compliance Committee chaired by the Compliance Officer and composed of the President and CEO, an external committee member (an attorney with no interest in OAM), and the Director in charge of the Compliance Department.
The Compliance Committee deliberates and approves matters concerning the acquisition and disposition of real estate-related assets of OJR (limited to cases falling under restricted transactions), as well as prescribed transactions with affiliated companies and other matters.
In addition, if any officer or employee of OAM identifies a compliance-related issue in the course of business operations, such officer or employee is required to promptly report the matter to their department head and the General Manager of the Compliance Department in accordance with the Compliance Manual.
Furthermore, the Board of Directors is responsible for ensuring that compliance practices are implemented fairly and effectively. The Board of Directors resolves important matters concerning compliance and approves the Compliance Program. Through this multilayered framework, OAM endeavors to ensure risk management and compliance with laws, regulations and other applicable rules.

Risk Assessment Method

OAM's "Risk Management Rule" as its internal rule stipulates the basic risk management policies. The executive officer in charge of each department, including all directors and each department in OAM, identifies the content and occurrence frequency of the risks that should be managed, their degrees of impact, the specifics of the current status of management, their management level and responses to these, and put all of this information together as a risk library (hereafter, "library"). After doing this, the director in charge of the Compliance Department examines the content of the library put together by the executive officer in charge of each department, including all directors and each department, selects the necessary items from a company-wide perspective and formulates an annual Risk and Compliance Program. Based on this, we have established the PDCA cycle for risk management, which consists of risk inventory, recognition, and categorization (Plan) ⇒ selection of controls according to risk management policies (Do) ⇒ monitoring of residual risks (Check) ⇒ evaluation and improvement of controls (Action), and Compliance Department evaluates whether or not the PDCA cycle is functioning properly.
When a risk becomes apparent, the necessary internal reports are made promptly according to the level of impact to minimize the damage and loss incurred by OJR and OAM.
In the event of a crisis, the OAM will consider whether to establish a crisis management headquarters. If it is deemed necessary, the crisis management headquarters will be established, and based at the crisis management headquarters, it will collect and analyze information on the crisis; consider, decide on, and implement countermeasures; investigate the causes of the crisis; and consider, decide on, implement, and verify corrective measures and measures to prevent a recurrence.



Information Security Risk Management

ORIX Group recognizes that information security-related risks are an important management issue and strives to protect information and safely manage information assets appropriately.

Please click here for more details

Crises Management System

Incident Management System

The ORIX Group has rules in place for addressing operational risk incidents and manages operational risk according to the degree of managerial impact.

Please click here for more details

Disaster Risk Management

BCP (Business Continuity Planning)

ORIX Group has established the Disaster Risk Management Rules, which define the basic approach, activities, and framework for systematic risk management in the event of a disaster, accident, or other unforeseen event.

Please click here for more details

Membership and Signatories

The United Nations Global Compact	WE SUPPORT UN GLOBAL COMPACT	In July 2014, ORIX Group joined the United Nations Global Compact. We support the ten principles in four fields: human rights, labor, environment and anti-corruption. We promote initiatives in each of these fields.
JAPAN CLIMATE LEADERS' PARTNERSHIP (JCLP)	JCLP	ORIX Group, including OAM, participates in the initiative as it supports the organization's recognition that the industries must develop a sound sense of urgency and initiate more proactive actions in order to realize a sustainable zero-carbon society.
Principles for Financial Action towards a Sustainable Society (also known as Principles for Financial Action for the 21st Century)	21世紀金融行動原則	OAM, ORIX Corporation and ORIX Bank Corporation are signatories of "Principles for Financial Action towards a Sustainable Society (also known as Principles for Financial Action for the 21st Century)". The principles were established as the action guidelines for financial institutions seeking to fulfill their roles and responsibilities necessary for a sustainable society.
Task Force on Climate-related Financial Disclosures (TCFD)	TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	TCFD released a final recommendation report to encourage voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, and other stakeholders. OAM and ORIX Group support TCFD.
GX Future Consortium	TCFD Consortium	The GX Future Consortium is a public-private partnership platform that promotes the social implementation of GX by enhancing GX literacy, stimulating GX demand, facilitating smooth financing, and facilitating public-private rule-making. OAM and ORIX Corporation are members.
Principles for Responsible Investment (PRI)	Signatory of: PRI Principles for Responsible Investment	PRI is a set of investment principles publicized by the United Nations in 2005. Participating institutional investors sign up to address basic issues in their investment portfolios. OAM, ORIX Life Insurance Corporation and ORIX Real Estate Advisors Corporation are signatories.

Certifications·Green buildings

Ratings and Scores by ESG Rating Agencies

GRESB	Rating (2026)	4stars
	GRESB Public Disclosure evaluation (2026)	A
CDP (2025)		A
MSCI (2025)		A
Sustainalytics (2025)		8.0

Details about each Green Building certification

DBJ Green Building Certification	DBJ Green Building 2020	This certification system comprehensively evaluates a broad range of real estate initiatives, including environmental performance, disaster preparedness, crime prevention, and stakeholder considerations.
CASBEE for Real Estate Evaluation	CASBEE 不動産 2020	This certification system assesses a building's overall environmental performance in areas such as energy and water consumption, resource use, biodiversity, and indoor environmental quality.
BELS	BELS	This third-party certification system evaluates and discloses a building's energy efficiency based on its primary energy consumption.
CASBEE® Wellness Office Certification	CASBEE ウェルネスオフィス 2020	This certification system assesses factors such as building users' health and comfort, intellectual productivity, and safety and security.
ResReal (Flood) Real Estate Resilience Certification	ResReal	This certification system quantifies, visualizes, and assesses the resilience of real estate assets to natural disasters.

Please click here to see the list of Green Building Certified Properties →

Green Finance (Green Loans / Green Bond)

Overview

OJR has established a Green Finance Framework to promote sustainable financing in collaboration with financial institutions and other stakeholders, and raises funds through green financing under the framework.

◆ Use of proceeds

Funds acquired through green financing shall be allotted to funds for the acquisition of assets that meet the eligible criteria*1 (“Eligible Green Assets”), funds for renovation work that meets the eligible criteria*2, or funds for repayment of loans or redemption of investment corporation bonds required for such purposes.

◆ Project evaluation and selection process

The executive officers and a related department review and discuss the evaluation of Green Buildings with the Eligible Criteria. The funding selection and the status of fund allocation that meets the Eligible Criteria are reported to the Investment Committee, comprising the executive officers including President and CEO.

◆ Management of Proceeds

The total amount of funds procured through green bonds or green loans shall be managed not to exceed the eligible green debt.

Please click here for more details ⟶

◆Reporting

OJR discloses environmental data and details about our green buildings.

Please click here for Environmental Data / Green Buildings ⟶

*1 Assets meeting the eligible criteria (Eligible Green Assets) are assets that have acquired or are scheduled to acquire/recertify particular green building certifications.

*2 Renovation work that meets the eligible criteria is renovation work that corresponds to either of the following:

- Renovation work that aims to increase the rating or ranking by more than one in one of the certifications for Eligible Green Assets
- Renovation work that can reduce energy consumption, CO_2 emissions, or water use by 30% or more
- Installation or acquisition of equipment related to renewable energy

Positive Impact Finance

Overview

OJR has undertaken the "Positive Impact Finance" scheme with Sumitomo Mitsui Trust Bank, Limited ("SuMi TRUST Bank") following the Principles for Positive Impact Finance [*1], its model framework (Financial products for corporate with unspecified use of funds) and Positive Impact Real Estate Investment Framework released by the United Nations Environment Programme Finance Initiative ("UNEPFI") [*2] Positive Impact Finance (hereinafter "PIF"), as a kind of the sustainable finance, is intended to support corporate activities of which SuMi TRUST Bank comprehensively analyzes and evaluates the impact (both positive and negative) related to the environment, society and economy. The most notable feature of PIF is that the level of contribution from corporate activities, products, and services in achieving Sustainable Development Goals (SDGs) will be used as an evaluation indicator and monitored based on publicly disclosed information to support its activities through engagement. SuMi TRUST Bank assessed the initiatives of OJR both qualitatively and quantitatively as initiatives that particularly impact achieving SDGs.

The PIF has also obtained a third-party opinion [*3] from Japan Credit Rating Agency, Ltd. regarding compliance of the procedures related to this evaluation to the Principles as well as the rationality of the evaluation indicators.

[*1] The Principles for Positive Impact Finance
UNEP FI developed the Principles for Positive Impact Finance in January 2017 as a financial framework for achieving the SDGs. Companies disclose the level of contributions to achieving SDGs through KPIs. Banks then provide funding by evaluating the positive impact observed from these KPIs intended to guide the borrowers to increase positive impact and reduce negative impact. As a responsible financial institution, the lending bank will check if the impact is continuing or not by monitoring the indicators.

[*2] The United Nations Environment Programme Finance Initiative (UNEP FI)
The United Nations Environment Programme (UNEP) is an executive body that implements the "Human Environment Declaration" and the "International Environmental Action Programme," which was established in 1972 as a subsidiary body to the United Nations system.

[*3] For more details, please refer to the Japan Credit Rating Agency website. https://www.jcr.co.jp/en/

Sustainability Linked Finance

Overview

OJR has established a Sustainability-Linked Finance Framework to promote sustainable financing in collaboration with financial institutions and other stakeholders, and raises funds through sustainability-linked financing under the framework.

◆ Selection of Key Performance Indicators (KPI)

OJR has selected our CO_2 emissions for Scope1, Scope2, and Category 13 of Scope3 that are under OJR's operational control as KPI by driving energy management such as improving energy efficiency, promoting energy conservation, and the introduction of renewable energy, etc., in our properties to aim for net zero GHG emissions by 2050.

◆ Measurement of Sustainability Performance Targets (SPT)

The scope of CO_2 emissions reduction for SPT is the range selected by KPI above.

	SPT	Period
1	Achieve 14% reduction in CO_2 emissions from 2021 levels by 2024 in line with * "Near term target"	Period ending March 31, 2025
2	For each year from 2025 to 2029 an equal reduction between the 2024 target 14 reduction from 2021 and the 2030 target 42 reduction from 2021	For a year ending March 31 of each year
3	Achieve 42% reduction in CO_2 emissions from 2021 levels in 2030 in line with SBT "Near term target"	For a year ending March 31, 2031

◆ Specific features of the Finance

Finance interest rate linked to the performance of SPT

Judgment contents of SPT	terms and conditions
Achievement of SPT tailored to individual financing periods on the last day of the reference period	Reduce the applicable rate upon achievement or raise the applicable rate upon non achievement

The specific range linked to the applicable interest rate will be determined separately for each financing arrangement. Suppose reduction targets are set individually for each financing period. In that case, details such as the SPT judgment criteria, the judgment date, and the applicable terms and conditions will also be stipulated separately in the relevant contracts or agreements.
For reporting on the performance of KPI/SPT, validation will be conducted by an independent third party, and the results will be disclosed on OJR's website or other platforms.

◆Reporiting

OJR discloses the performance data about our KPI (CO_2 Emissions) .

Please click here for Environmental Data / Green Buildings ⟶

◆ Third-party Opinion

OJR has obtained a third-party opinion from Japan Credit Rating Agency, Ltd. (JCR) confirming adaptability with the Sustainability Link Finance Framework principles.

Report

OJR has issued Sustainability report with the objective of reporting to unitholders and all other stakeholders regarding OJR/OAM's approach to ESG as well as the ESG initiatives taken by OJR and OAM. Please click the icon to see the latest version of the report.

FY 2026 - 2021 | **FY 2020 - 2019**

	2026	2025	2024	2023	2022	2021
Sustainability Report		(12.5MB)	(8.3MB) Revised First Edition			
ESG Report				(9.4MB) First Edition	(12.1MB) Revised First Edition	(5.0MB) Revised First Edition

FY 2026 - 2021 | FY 2020 - 2019

	2020	2019
Sustainability Report		
ESG Report	(3.5MB) Supplementary	(2.5MB)

Reference Materials

Policy and Related Guidelines

ESG Policy	Guidelines for Reducing Energy and Greenhouse Gases	Guidelines for Management of Resources and Waste
PDF (624KB)	PDF (752KB)	PDF (396KB)

ESG Guidelines for Procurement and Other Transactions	Guidelines for ESG Investment and Management	Scenario Analysis
PDF (372KB)	PDF (346KB)	PDF (1.4MB)

Materiality	Sustainability Linked Finance Flamework
PDF (419KB)	PDF (456KB)

Environmental Data/Green Buildings

2026
PDF (131KB)

Status of Officers and Employees of OAM

2026
PDF (43KB)

Details of Sustainable Finance

2026
PDF (337KB)

GRI Standard

2026
PDF (152KB)

Third-Party Verification

2025	2024	2023
PDF (158KB)	PDF (184KB)	PDF (158KB)

2022	2021
PDF (160KB)	PDF (155KB)

System to Promote Compliance

PDF (48KB)