



Sustainability Report

MORI TRUST Sogo Reit, Inc.

(Asset Management Company)

MORI TRUST Asset Management Co., LTD.

July 2022

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1. About MORI TRUST Sogo Reit, Inc.

■ Overview of MORI TRUST Sogo Reit, Inc.

MORI TRUST Sogo Reit, Inc. (“MTR”) is a comprehensive REIT, whose main sponsor is Mori Trust Co., Ltd, a leading developer. It invests mainly in office buildings in central Tokyo and also commercial facilities, hotels, residential and other properties. MTR was listed on the Tokyo Stock Exchange’s market for real estate investment trusts (J-REIT market) in 2004 and has since achieved steady growth by investing in carefully selected properties that will contribute to stable operations over the medium and long term.

Name of Investment Corporation	MORI TRUST Sogo Reit, Inc.
Address	3-1 Toranomom 4-chome, Minato-ku, Tokyo
Representative	Masayuki Yagi, Executive Director
Date of foundation	October 2, 2001
Date of listing	February 13, 2004
Portfolio	Office buildings, commercial facilities, residential properties and hotels
Securities Code	8961
Fiscal period end	March and September

Features of MTR

1 Construction of a stable portfolio through selective investment

- Carefully selects properties that will contribute to stable operations over the medium and long term
- Attaches importance to “quality” including “location” and “sense of being high grade”

2 Broad collaboration with the Mori Trust Group

- MORI TRUST Holdings, Inc. owns approximately 26.5% (around 350,000 units) ^(Note) of the investment units outstanding of MTR
- Collaborates over the acquisition and sale of real estate, etc. and also uses the Group’s strong expertise in real estate leasing and management

3 Solid financial strategy

- Acquired “AA” rating (Outlook: Stable), the highest among J-REITs
- Leverages creditworthiness to borrow capital at a low rate of interest

(Note) As of the end of March 2022

MTR’s Organization Chart

For MTR’s Organization Chart, please refer to page 29 of this report.

2. MTR's ESG Initiatives

■ Sustainability Policy and Framework for Promoting Sustainability

As MTR's asset management company, we, MORI TRUST Asset Management Co., Ltd. ("MTAM") recognize that efforts to improve sustainability such as environmental consideration, contribution to society and strengthening corporate governance through our asset management operations are essential for growing unitholders' value in the mid-to-long term. We hereby establish the "Sustainability Policy" and aim to implement it.

Sustainability Policy

(1) Promoting energy saving and GHGs emissions reduction

In our asset management operations, we make efforts to reduce CO2 emissions through energy conservation by promoting efficient energy use at our assets under management as well as introducing equipment and facilities that contribute to energy conservation and low carbonization.

(2) Contributing to recycle-oriented society

We strive to contribute to realizing sustainable recycle-oriented society through implementing measures to make effective use of limited resources, such as water saving and "3Rs" for reducing wastes, i.e., reduce, reuse, recycle.

(3) Streamlining internal management system and strengthening compliance

We establish internal management system to effectively promote initiatives based on this policy and strictly comply with laws and regulations including environmental and social matters. In addition, we promote sustainability initiatives by improving employees' awareness and performance by continually implementing educational and awareness-raising activities focused on environment, society, and governance (ESG).

(4) Respect for Human Rights

We respect human rights based on international norms such as the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, and engage in business operations in compliance with human rights-related laws and ordinances in the countries and regions in which we conduct our business activities.

(5) Promoting health and comfort

We implement asset management that seeks improvement in health, safety, and comfort of tenants and facility users. We also respect individual employees and endeavor to create working environments that are healthy and friendly to them and that allow them to display their capacity to the fullest degree.

(6) Responding to climate change and improving resilience

We identify and evaluate risks and opportunities that arise from climate change and reflect them in our asset management operations, and by doing so, promote initiatives for adapting to and mitigating climate change to respond to risks and opportunities.

(7) Collaborating with external stakeholders

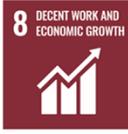
We make efforts to contribute to reducing environmental impact of our assets under management, improving tenants' satisfaction and developing sustainable local communities through engaging and collaborating with external stakeholders such as our tenants/occupiers, suppliers (e.g. property management companies) and local communities.

(8) Disclosing ESG information

We strive to proactively disclose ESG information such as this policy and status of sustainability initiatives to build good relationships and communicate with stakeholders such as our unitholders, tenants and suppliers.

■ Relevance to materiality and the SDGs

We identify issues, taking into consideration recognized issues in the REIT sector, external organizations' ESG evaluations, current social trends and other factors, and then evaluate materiality from MTR's perspectives by factoring in the main initiatives advanced by MTR as well as the importance and priority of these initiatives. In addition, we seek to contribute to the achievement of the Sustainable Development Goals (SDGs) through the implementation of these materiality-linked initiatives.

Field	Materiality	Main actions	Relevance to the SDGs
E (Environment)	Responding to climate change and improving resilience (Saving energy and reducing greenhouse gas (GHG) emissions)	<ul style="list-style-type: none"> • Operation of the environment management system • Establishment of environmental performance goals and disclosure of results 	 
	Contributing to a recycling-oriented society	<ul style="list-style-type: none"> • Introduction of highly energy-efficient equipment such as LED lighting and high-efficiency heat source equipment 	 
	Reducing environmental load of buildings through collaboration with tenants and suppliers	<ul style="list-style-type: none"> • Continuous implementation of initiatives to reduce waste with construction contractors • Collaboration with tenants and suppliers (introduction of green leases and reduction of waste) 	
S (Society)	Promoting the health and comfort of tenants	<ul style="list-style-type: none"> • Initiatives for increasing tenant comfort (renovation of common areas and exclusively- owned areas, etc.) • Initiatives for the safety and security of tenants (regular emergency drills, etc.) 	 
	Creating comfortable workplace environments for employees	<ul style="list-style-type: none"> • Support for the acquisition of qualifications and the payment of expenses for employees participating in training programs and/or taking examinations to improve the skills that are required in their operations. • Participation in sponsors' human resource programs • Introduction of personnel systems that enable employees to work in comfortable environments 	 
	Contributing to local areas and communities	<ul style="list-style-type: none"> • Cooperation in local events (cooperation in events aimed to increase the value of the area, etc.) • Social contribution by employees of the asset management company (participation in cleaning activities around properties owned by the company, etc.) • Cooperation with the Zero Emission Tokyo initiative • Cooperation in activities promoted by the Japanese Red Cross Society 	
G (Governance)	Ensuring full-scale implementation of compliance and risk management	<ul style="list-style-type: none"> • Establishment of a system to facilitate compliance (multi-layered system to facilitate compliance with laws and regulations through the leadership of Compliance Officers and the establishment and operation of a compliance committee, and regular implementation of compliance training programs) • Proper control of any conflict of interest (establishment of a policy and approval by outside committee members through multiple discussions regarding transactions with parties who have an interest in the company) 	
	Initiatives for the disclosure of ESG information	<ul style="list-style-type: none"> • Timely and proper disclosure of information to stakeholders • Provision of information requiring timely disclosure, information on financial results, information on properties owned, progress in ESG initiatives, information on distribution, etc. 	

■ Meeting for Promotion of Sustainability

Meetings for promotion of sustainability are held regularly to ensure that Sustainability Policy is implemented and the sustainability goals are achieved.

(Attendees)

- President & Director (Chief Officer with the authority to make final decisions on matters related to the promotion of sustainability)
- Other Directors
- General Managers of the Strategic Management Departments and Investment Departments of the Management Divisions (Operating Officers of matters related to the promotion of sustainability)
- General Manager of the Planning & Finance Department
- Compliance Officer
- Other members whose attendance is considered necessary by operating officers

(Details of discussions and reports, frequency of meetings and examination process)

At meetings for promotion of sustainability, policies regarding sustainability are established, revised or abolished, and a range of measures that should be taken in line with the Sustainability Policy are discussed and reported.

Meetings for promotion of sustainability are held four times a year. We are working on continuous improvement through the repetition of the PDCA cycle, including the examination and planning of measures, the reporting and evaluation of progress, the analysis of results, and the examination and planning of improvement measures.

Matters discussed at the meetings are to be decided upon and implemented according to the asset management company's Rules Regarding Administrative Authorities.

■ Employee training on sustainability

To spread the awareness of sustainability among employees, employee training on sustainability is provided periodically by inviting outside consulting companies as part of the environmental educational and awareness-raising activities.

■ Information Disclosure and Communication

To build good relationships and communicate with stakeholders such as our unitholders, tenants and suppliers, MTAM widely disseminates information about our sustainability policy and the status of sustainability initiatives through MTR's financial results presentation materials, asset management reports, its website and press releases.

■ Stakeholder Engagement

MTAM recognizes that it is important to build good relationships with stakeholders such as customers and suppliers, the unitholders of investment corporations, local communities and employees. We have, therefore, adopted the corporate philosophy set out below and implement this in order to build good relationships with stakeholders, provide higher quality real estate management, increase added value and contribute to social and economic development.

Corporate Philosophy

MTAM was founded as a member of Mori Trust Group for the purpose of managing the assets of real estate investment corporations.

The inclusion of "Trust" in our company name conveys the idea that we serve society and are mandated by society to manage assets over the long term. We are, therefore, required to conduct business based on the fundamental management principles of providing high quality real estate management, increasing added value and contributing to social and economic development.

The concept of "Trust" is expressed more concretely in the following four qualities, which form our corporate philosophy.

Reliability

Trust between the trustor and trustee will form the basis of everything we do.

Continuity

We will prove ourselves worthy of the trust placed in us by operating and managing assets over the long run.

Benefit sharing

We will share any profits generated with society and stakeholders for our mutual development.

Social nature

We will contribute to society by conducting socially beneficial business activities.

Furthermore, MTAM has adopted four basic management principles for realizing this management philosophy: "Growth potential," "Profitability," "Stability" and "Transparency." Striking a balance between these requirements, we endeavor to achieve enduring corporate management in order to prove ourselves worthy of society's mandate and to live up to the expectations and trust of our shareholders, employees and other stakeholders

To endure and survive as a company, above all else, it is essential to build a compliance structure based on high ethical standards and to ensure compliance. We are committed to doing this based on the strong awareness that it is imperative for us to conduct our day to day operations in strict compliance not only with laws and regulations but also with social norms and internal regulations.

■ GRESB Real Estate Assessment

GRESB Real Estate Assessment is a benchmarking system created by European pension fund groups to measure the level of awareness of sustainability among real estate companies and asset management institutions. The system is used by major institutional investors in Europe, the United States and Asia for the selection of investment destinations, among other purposes.

In the 2021 GRESB Real Estate Assessment, MTR has earned “Green Star” designation for the fourth consecutive year by achieving high performance both in “Management Component” that evaluates policies and organizational structure for ESG promotion, and “Performance Component” that assesses environmental performance and tenant engagement of properties owned.



MTR has received the highest “A level” for the five-grade GRESB Public Disclosure”, which assess the width of ESG disclosure practices in connection with sustainability initiatives, for the second consecutive year.



■ Mori Trust Group's vision for promoting sustainability

Under the slogan "from urban planning to future planning," the Mori Trust Group has identified seven priority themes for the sponsor group's pursuit of sustainability and has set out action plans for realizing harmony between the economy, environment and society.

Seven priority themes	Action Plans
Safety and security	<ul style="list-style-type: none"> • Creation of sustainable spaces for activity through the realization of regional disaster management and BCP • Provision of peace of mind to meet the needs of the times, including infection control measures using new technologies • Promotion of regional and social development and growth in collaboration with various stakeholders
Environment	<ul style="list-style-type: none"> • Urban development through the protection of landscapes and biodiversity and the sustainable use of resources • More widespread use and more stable supply of renewable energy • Proper collaboration with various stakeholders
Work/Lifestyles	<ul style="list-style-type: none"> • Provision of facilities and services for enhancing work-life balance • Creation of lifestyle diversity through new businesses • Implementation of new work styles and proposals/giving-back of new work styles to society
Innovation	<ul style="list-style-type: none"> • Development of industry through investments and partnerships • Optimization of supply chain through the utilization of digital data and advanced technologies • Establishment of group structure which encourages the proposal and implementation of ideas
Wellness	<ul style="list-style-type: none"> • Provision of spaces which contribute to sustainable improvement in people's health and wellbeing • Creation of dining and accommodation experiences to nourish mind, body and soul • Realization of health and productivity management on a society-wide basis
Diversity	<ul style="list-style-type: none"> • Promotion of international exchanges and multilingual service • Establishment of management base which enables diverse human resources to play an active part
Compliance Governance	<ul style="list-style-type: none"> • Continuous improvement in governance to help revitalize the economy • Strengthening of risk management to support sustainable corporate activities

For details of Mori Trust Group's vision for promoting sustainability, please refer to the following URL. <https://www.mori-trust.co.jp/sustainability/> (Japanese only)

3. Climate Change Initiatives

■ Awareness of Climate Change

MORI TRUST Asset Management (MTAM) recognizes that climate change is an important issue that brings about dramatic changes to the natural environment and social structures, and has a serious impact on their operations as well as businesses overall. The background to this is global trends in greenhouse gas emissions regulations, such as the Paris Agreement adopted in 2015, and the progress of climate change as a scientific fact presented in reports such as the IPCC Special Report*. The Paris Agreement aims to limit global average temperature increase to below 2°C compared to pre-industrial levels, and below 1.5°C as an effort target. International frameworks and domestic regulations to reduce greenhouse gas emissions are expected to be toughened in the future as a result of this. MTAM also recognizes climate change as a scientific fact, and takes the position that measures to address the spread of natural disaster damage caused by climate change—such as intensifying typhoon damage, frequent heat waves, and a rise in global sea levels—are essential.

MTAM formulated a Sustainability Policy in March 2017, and has since been working to improve investor value in the medium to long term, through initiatives to improve sustainability. In March 2021, we formulated a list of material issues relating to MTR, and recognized responses to climate change and resilience as important issues by including them in this list.

(Note) The IPCC Special Report on Global Warming of 1.5 °C published in 2018 by the Intergovernmental Panel on Climate Change (IPCC).

■ Declaration of Support for the TCFD Recommendations

MTAM recognizes that climate change is a serious risk that threatens financial stability. In recent years, many stakeholders—primarily investors—are demanding disclosure of information on the financial impact of climate change.

Based on this recognition, In March 2022, MTAM declared its support for the recommendations announced in June 2017 by the Task Force on Climate-Related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB).

In order to secure MTR's sustainable and stable profitability in the long term, it will be essential for MTAM to enhance the resilience of its businesses by identifying, assessing and managing risks and opportunities that may be brought about by climate change. We will expand disclosure of information on these risks and opportunities in the future, in line with the TCFD recommendations.



■ Governance Relating to Climate Change

MTAM has established the following organizational governance system to respond to climate change-related risks and opportunities and promote and supervise matters relating to climate change.

(Chief executive responsible for response to climate change)

President & Director

(Executive officer responsible for response to climate change)

General managers of the Planning & Finance Department, and Strategic Management Department, Investment Management Department of Sogo REIT Management Division.

(Matters for discussion and reporting at the Meetings for Promotion of Sustainability)

- Identification and classification of impacts of climate change
- Managing risks and opportunities
- Progress of adaptation and mitigation initiatives
- Climate change responses such as setting indicators and targets

For details of the Meetings for Promotion of Sustainability, please refer to page 6 of this report.

■ Strategies (1)

In order to consider climate-related risks and opportunities in the real estate management industry (MTR's industry), MTAM conducted a scenario analysis for MTR's portfolio. The outline of the scenario analysis is as follows.

MTAM's process for identifying and evaluating risks and opportunities is presented under "Risk Management" described later.

Reference scenarios

	1.5-2°C scenario	4°C scenario
Transition risks	IEA NZE2050 scenario	IEA STEPS scenario
Physical risks	IPCC RCP4.5 scenario	IPCC RCP8.5 scenario

* IEA : International Energy Agency, IPCC : Intergovernmental Panel on Climate Change

Strategies (2)

Assessment of identified climate-related risks, opportunities and financial impacts

Category	Risk and Opportunity Factors	Risks and Opportunities	Financial Impact				
			4°C Scenario		2-1.5°C Scenario		
			Medium-term	Long-term	Medium-term	Long-term	
Transition	Toughening taxation on GHG emissions by introducing a carbon tax	Risks	Low	Low	Medium	High	
		Risks	Low	Low	Medium	Medium	
	Toughening of energy conservation standards leading, obligations to report emissions	Opportunities	Low	Low	Low	Medium	
		Risks	Low	Low	Medium	Medium	
	Evolution and widespread adoption of renewable energy and energy-saving technologies	Opportunities	Low	Low	Low	Low	
		Risks	Low	Medium	Medium	Medium	
	Markets and Reputations	Change in social values relating to environmental performance	Risks	Low	Medium	Medium	Medium
		Changes in tenant demand (growing needs / demand for environmental performance)	Risks	Low	Low	Low	Medium
			Opportunities	Low	Low	Low	Medium
			Risks	Low	Low	Low	Medium
Physical	Damage to properties caused by wind damage from typhoons	Risks	Medium	Medium	Low	Medium	
		Risks	Medium	Medium	Low	Medium	
	Progressive rise of sea levels	Risks	Low	Medium	Low	Low	
		Risks	Low	Low	Low	Low	

*Timeline: Mid term (-2030), long term (-2050)

MTAM has determined that climate change carries medium to long-term risks, but at the same time also sees them as a chance to create new business opportunities. Based on this scenario analysis, we will continue working to improve the resilience of MTR's asset management operations.

For examples of climate change initiatives, please refer to page 14-15 of this report.

■ Risk Management

MTAM identifies, evaluates, and manages climate-related risks under the following framework.

Process the organization uses to identify and evaluate climate-related risks

MTAM regularly reports the results of the identification and evaluation of the impacts of climate change to the Meetings for Promotion of Sustainability.

For details of the Meetings for Promotion of Sustainability, please refer to page 6 of this report.

Process the organization uses to manage climate-related risks

Climate-related risk management is integrated into and properly managed based on the company-wide risk management programs.

For outline of the company-wide risk management program, please refer to "Risk Management Initiatives " on page 33 of this report.

■ Metrics and Targets

MTAM uses indicators and targets to monitor its efforts to reduce the impact of climate-related risks and actualize opportunities. The goals currently set by MTAM in relation to climate change issues are introduced below, along with corresponding achievements.

For details of the Metrics and Targets, please refer to page 17 of this report.

4. Environmental Initiatives

MTAM is working to reduce the environmental impact of the portfolio of properties held by MTR in accordance with “Promoting energy saving and GHGs emission reduction” and “Contributing to recycle-oriented society,” which form part of its sustainability policy.

■ Environmental Management System (EMS)

MTR’s asset management company has built an environmental management system to promote energy saving, reduction of greenhouse gas (GHG) emissions, and effective use of resources. MTR sets targets for CO2 emissions, energy consumption and water consumption, observes the results, carries out plan-and-result management, and takes measures to contribute to the creation of a sustainable recycling society through the reduction of the environmental burden.



■ Introduction of LED Lighting

MTR introduced LED lighting and lighting equipment with human sensors successively in rooms for rent and common areas of the properties held. Energy saving activities for reducing the environmental burden are promoted.

(Examples of introduction)

- Tokyo Shiodome Building
- ON Building
- Kioicho Building
- Kamiyacho Trust Tower
- Osaki MT Building
- Midosuji MTR Building
- Hiroo MTR Building
- Tenjin Prime
- Shin-Yokohama TECH Building
- SHIBUYA FLAG
- Shinbashi Ekimae MTR Building
- Ito-Yokado Shonandai
- Kohnan Sagamihara-Nishihashimoto
- Hotel Okura Kobe
- Park Lane Plaza

■ Introduction of Highly Efficient Heating Systems/Renewal of air-conditioning systems

MTR is working on increasing comfort and reducing CO2 through the introduction of highly efficient heating systems whose energy efficiency is excellent and renewal with highly efficient air-conditioning systems whose energy saving performance is high upon the replacement of air-conditioning systems.

(Examples of introduction)

- Tokyo Shiodome Building
- ON Building
- Kioicho Building
- Kamiyacho Trust Tower
- Osaki MT Building
- Midosuji MTR Building
- Hiroo MTR Building
- Tenjin Prime
- Shin-Yokohama TECH Building
- SHIBUYA FLAG
- Shinbashi Ekimae MTR Building
- Ito-Yokado Shonandai
- Kohnan Sagamihara-Nishihashimoto
- Hotel Okura Kobe
- Park Lane Plaza

■ Promotion of zero CO2 emissions from electricity usage

MTR is promoting the use of CO2-emission free power through the use of non-fossil certificates, etc.

(Examples of introduction)

- SHIBUYA FLAG (RE100 initiatives)

■ Introduction of Building Energy Management Systems (BEMS)

MTR is working to introduce building energy management systems (BEMS) in the properties it owns to measure the energy efficiency of entire buildings, thereby achieving energy saving and creating optimal indoor environments.

(Examples of introduction)

- Kamiyacho Trust Tower

■ Introduction of smart meters

MTR is focusing on the efficient use of energy by utilizing smart meters to understand details such as the amount of power that is consumed and the time it is consumed.

(Examples of introduction)

- Kamiyacho Trust Tower • Osaki MT Building

■ Water-saving through reduction of water consumption and toilet equipment renewal

MTR is working to conserve water in the common areas of the properties it owns by installing automatic sink faucets and replacing hygiene equipment with products with high water-saving performance.

(Examples of introduction)

- Tokyo Shiodome Building
- ON Building
- Kioicho Building
- Kamiyacho Trust Tower
- Osaki MT Building
- Midosuji MTR Building
- Hiroo MTR Building
- Shin-Yokohama TECH Building
- Tenjin Prime
- Ito-Yokado Shonandai
- Hotel Okura Kobe

■ Properly Dealing with Environmental Issues such as Contamination

When acquiring real estate, assessing beforehand whether there are harmful substances such as PCBs or asbestos, soil contamination or other environmental issues is an integral part of the process.

We deal with any issues with real estate held such as the presence of harmful substances through appropriate measures, management or treatment in accordance with laws and regulations.

■ Collaboration with Tenants and Suppliers

Introduction of green lease

MTR and tenants have concluded a memorandum of understanding for a green lease, aiming to reduce the environmental burden. Information sharing about electricity, gas and water consumption and discussions on the improvement of environmental performance will be conducted on a regular basis.

In addition, MTR has introduced an initiative where MTR will carry out energy-saving installation work in the units of some tenants at Osaki MT Building at MTR's own expense and a portion of the installation costs will be returned as green lease payments from the tenants.

Reduction of waste

When carrying out construction work, MTR is continuously working to reduce waste in collaboration with contractors.

Supply chain management

When selecting a property management company, MTR assessed the candidates' activities related to sustainability in addition to their facility operation and management, lease operation and management, and leasing operations.

■ Protection of Biodiversity

The Kamiyacho Trust Tower provides a comfortable green space and a waterfront terrace for waterscape relaxation, among other facilities. We conserved a large camphor tree, which is more than 100 years old, by transplanting it within the premises with the traditional *tatebiki* (tree sliding) method, creating a biodiversity-conscious biotope in the 5,000-square-meter green space that offers the area's original landscape.



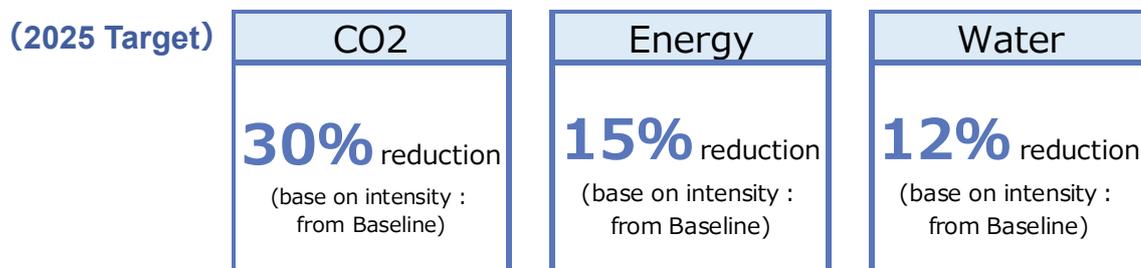
ON Building and Osaki MT Building, which are owned by MTR, have formed Osaki Business Garden, a large-scale redevelopment project. The site has an open space full of greenery, worthy of the name "Garden", and contributes to symbiosis and coexistence with nature and the protection of biodiversity.



Environmental Performance Data

Environmental Performance Targets

MTAM has set reduction targets for total CO2 emissions, energy consumption and water consumption across the portfolio, as shown below.



* Energy: Electricity, gas, fuel, DHC, etc./Water: Water supply and recycled water

* Baseline: Average in 2014 and 2015

* Intensity is consumption intensity or emissions intensity per unit floor area. Adjusted based on the period of holding and utilization rate of each property.

All reduction targets set for FY2016 to FY2020 have been achieved, as shown below.

Item	Medium to long term (five years from FY2016 to FY2020)	Reductions achieved (as of end of FY2020)
CO2	5% reduction in intensity compared to Baseline	Minus 28.6%
Energy		Minus 22.6%
Water	Maintenance of the status quo	Minus 44.0%

Environmental Performance Data

		unit	Baseline	2019	2020	2021
CO2	Emissions	t-CO2	39,327	36,541	30,254	25,421
	Scope1 (Direct emissions)	t-CO2	–	624	594	604
	Scope2 (Indirect emissions)	t-CO2	–	3,100	2,648	2,598
	Scope3 (Tenants' emissions)	t-CO2	–	32,817	27,012	22,219
	Emissions intensity	t-CO2/m ²	0.095	0.083	0.069	0.064
Energy	Consumption	MWh	101,814	99,076	84,370	75,540
	Consumption intensity	MWh/m ²	0.246	0.224	0.191	0.189
Water	Consumption	m ³	546,827	512,893	325,073	282,065
	Consumption intensity	m ³ /m ²	1.317	1.161	0.737	0.706

*Excluding properties (dedicated areas of residential houses, etc.) the data for which cannot be easily assessed, although all properties owned by MTR are included for the compilation of data (excluding land with leasehold interest, etc.)

*Scope 3: Emissions from areas under the management of tenants (Category-13)

*Aggregation period is one year from April 1 each year to March 31 of the following year.

*The confirmation of a third party (Yasui Architects & Engineers, Inc.) has been obtained regarding total CO2 emissions, energy consumption and water consumption.

Management of waste

We are working on the continuous reduction of waste by properly managing waste in our portfolio.

Item	2021
Total amount of waste (t)	2,063

*Excluding properties (residential houses, etc.) whose data cannot be easily assessed.

*Aggregation period is one year from April 1 each year to March 31 of the following year.

■ Acquisition of Environmental Certification and Evaluation

The ratio of certified properties in the portfolio, excluding land with leasehold interest, is around 53% on a number of properties basis and around 50% on a leasable area basis, as of March 31, 2022.

DBJ Green Building Certification

 Properties with excellent environmental & social awareness	 Properties with high environmental & social awareness	 Properties with high environmental & social awareness
Tokyo Shiodome Building (2021) Kioicho Building (Office) (2020) Kioicho Building(Residential) (2020)	ON Building (2019) Osaki MT Building (2021) Midosuji MTR Building (2019) SHIBUYA FLAG (Office) (2020)	Shin-Yokohama TECH Building (2021) SHIBUYA FLAG (Retail) (2020)

(Note) Figures in parentheses indicate the year of acquisition or reacquisition

Tokyo Metropolitan Government's Energy Performance Certificate Program

Property name	Heat insulation capacity Of the building	building Energy-saving capability of the equipment systems
Kamiyacho Trust Tower	AAA (Highest rating)	AAA (Highest rating)

5. Social Initiatives

MTAM aims to help improve tenant satisfaction and contribute to the sustainable development of local communities by building good relationships with external stakeholders related to the real estate MTR holds and cooperating and collaborating with them in accordance with the “collaborating with external stakeholders” strand of its sustainability policy.

■ Initiatives for Tenants

Tenant Satisfaction Surveys

We conduct questionnaire surveys of the tenants which occupy MTR’s office, retail and other properties. By sharing the survey results with building management companies and other concerned parties and using them to improve the operation and management of properties, we seek continuous improvement in tenant satisfaction.

Improvement of Tenant Comfort

We carry out various work to improve tenant comfort, including renovating common areas and creating barrier-free access. We also regularly conduct air environment measurements to maintain good air quality in office spaces.



Renovation of entrance
(Shin-Yokohama TECH Building)



Creation of barrier-free access
(Tenjin Prime)

Initiatives for Tenant Safety and Security

- Installation of emergency boxes in elevators
- Free provision of storage space for emergency supplies to tenants
- Installation of emergency power source equipment
- Disaster toilet stockpiling
- Provision of AEDs
- Response to COVID-19
 - Provision of disinfectant liquid at the entrance, elevator halls and other common areas
 - Cleaning personnel and security guards wearing face shields, face masks, disposable gloves and others while on duty
 - Display of documents related to measures to prevent infection

Other Initiatives

- Separation of smoking and non-smoking areas
- Provision of Christmas tree and other decorations

■ Contributing to local areas and communities

Social Contribution by MTAM Employees / Installation of Bicycles for the Community

From the perspective of contributing to local society and communities, MTAM requires its employees to take a small part of their working hours for participation in cleaning activities carried out in the Shibuya area where properties owned by MTR are located.

We make part of the sites of real estate owned by MTR available for the installation of cycle ports for shared bicycles.



Cleaning Activities around Shibuya area
(SHIBUYA FLAG)



Provision of community cycle system
(Kioicho Building)

Cooperation with Local Events

We endeavor to contribute to the sustainable development of local communities by participating in various community development-related councils and participating in and cooperating with local events, including financially contributing to the town management company of the Shiodome area in which Shiodome Building is located and signing a local townscape planning agreement designed to improve the value of the Midosuji area in which Midosuji MTR Building is located.



(Midosuji Illumination/
Midosuji MTR Building)

Cooperation in Zero Emission Tokyo Strategy

To cooperate with the Tokyo government in the Zero Emission Tokyo program targeting zero CO2 emissions by 2050, the Company donated CO2 reduction credit of 15,007 points to the Tokyo government in October 2020 based on Tokyo Cap-and-Trade Program.

Cooperation in the activities of the Japanese Red Cross Society

Cooperation in the activities of the Japanese Red Cross Society

As a gesture of its endorsement of the activities of the Japanese Red Cross Society, MTR has been cooperating with the educational activities of the Red Cross by displaying its posters in owned properties.



(SHIBUYA FLAG 1st floor entrance)

■ Contributing to local areas and communities (Mori Trust Co., Ltd.)

*The Asset Management Company are comprised of personnel seconded from Mori Trust Co., Ltd.

Our sponsor Mori Trust Co., Ltd. has formulated the Kamiyacho God Valley Vision as its vision for new urban development in the Kamiyacho area of Toranomon in Minato Ward, which is being developed as a new international hub of Tokyo.

Through initiatives such as the promotion of the SDGs in urban development, the creation of areas that will encourage creativity, the adoption of the technologies of the future and next-generation services, the formation of a diverse community and the staging of collaborative events in the area, MORI Trust is working with the people of Kamiyacho to create the future.



SDGs ~Realization of a Sustainable Society

Our sponsor has adopted the SDGs-realization of a sustainable society, as one of the four pillars for achievement of its Kamiyacho God Valley vision and, through initiatives with individual companies and groups for achievement of the SDGs, it is pushing ahead with urban development in each area and collaborating with local stakeholders to solve social issues.

SUSTAINABLE DEVELOPMENT GOALS



For further details on the Kamiyacho God Valley Vision, please visit the URL below.
https://www.mori-trust.co.jp/co-creation/area_kamiyacho.html (Japanese only)

■ Initiatives for Employees (Asset Management Company)

In accordance with the provisions of the Act on Investment Trusts and Investment Corporations, MTR is not allowed to recruit employees and the officers and staff of MTAM are responsible for its operation to all intents and purposes. Entrusted with asset management by MTR, MTAM develops human resources through initiatives such as those shown below in order to achieve a high level of asset management.

MTAM's Employee Training

MTAM bears the cost of participation in training and examinations and other activities to support employees in gaining qualifications and developing necessary business skills in order to improve their professional skills.

(MTAM's training programs)

- Internal training on compliance, protection of personal information, etc.
- External training on sustainability delivered by ESG experts
- Study meetings on real estate delivered by university professors

(Support for the acquisition of various qualifications and attendance of external seminars)

- Acquisition of real estate-related specialist qualifications such as ARES Certified Master and Real Estate Transaction Specialist
- External seminars on practical accounting and tax issues
- External seminars on compliance

MTAM's employees also take part in diverse human resource development programs prepared by Mori Trust Co. Ltd., which is MTAM's sponsor.

Sponsor's Human Resource Development Programs

- | | | |
|----------|-------------------------|--|
| 1 | MT TALK | Companywide presentation competition on the future vision of MORI TRUST
Themes: New business, company-wide reform |
| 2 | MT ACADEMY | Study meetings and workshops on new business knowledge and approaches
Themes: Critical thinking, design thinking, SDGs, etc. |
| 3 | MT meetup future | Internal lectures delivered by executives, researchers and other experts playing an active part in various fields
Themes: Tourism-oriented country, AI, IoT, DX, etc. |

Training Program

Officers and employees are regularly provided with training on themes such as sustainability, compliance and protection of personal information.

Personnel Evaluation and Feedback

We conduct performance evaluations and reviews of all employees on a regular basis. Through regular appraisal and feedback, we accelerate employees' career development and build a transparent personnel evaluation framework.

Implementation of employee satisfaction surveys

The asset management company conducts an employee satisfaction survey every year. It respects each employee and has been working on the provision of healthy and comfortable workplace environments to ensure that all employees are able to fully demonstrate their capabilities.

Scheme for listening to complaints from officers and employees

We listen to employees regarding their complaints and frustrations in each workplace, identify organizational or individual violations of laws and regulations, including abuses of human rights and acts of discrimination and harassment, and take appropriate steps through the whistleblowing system applicable to all managers and staff members in the workplace (managers and staff members including part-time employees, contract employees, employees dispatched from other companies and temporary staff).

Under this system, whistleblower are able to make reports anonymously. In addition, dismissal, disciplinary measures, retaliation or any other treatment disadvantageous to the whistleblower on account of such whistleblowing is prohibited.

Creation of Comfortable and Healthy Workplace Environment

We endeavor to create a healthy and comfortable workplace environment where employees can reach their full potential.

(Specific examples)

- Leave and work restriction systems for maternal health management (special leave, restriction of overtime and holiday work)
- Spouse's childbirth leave system
- Maternity leave system
- Childcare leave system
- Childcare time system (short working hour system, slide work system, restriction of overtime and holiday work)
- Response to COVID-19
 - Implementation of work from home (with the recommendation of commuting outside rush hour if it is necessary to come to the office)
 - Implementation of infection prevention measures (alcohol disinfectant and face masks are always in stock at offices)
 - Shift to online meetings, etc.
- Child nursing care leave system
- Family care leave system
- Congratulation and condolence allowance system
- Mental health support
- Periodic health examinations
- Use of Group hotels by members, etc.

Human Resources with High levels of Expertise

We seek to achieve even more sophisticated asset management operations by accepting human resources with extensive experience and high levels of expertise from our sponsor and the sponsor group and leveraging their specialist skills.

Status of Employees (as of March 31, 2022)

Male/female employee ratios	Male: 78%	Female: 22%
Regular (*)/Non-regular employee ratios	Regular employees: 78%	Non-regular employees: 22%

*Regular employees consist of employees seconded from the sponsor group.

Elderly people employment system

For employees who desire to work among those who have reached the age of retirement, we have a system of re-employment up to the age of 65 to utilize their extensive knowledge and experience.

■ Initiatives for Employees (Mori Trust Co., Ltd.)

*The Asset Management Company are comprised of personnel seconded from Mori Trust Co., Ltd.

Mori Trust, the sponsor of the asset management company, considers the work-life balance of its employees to help maximize each employee's abilities and strives to create a comfortable environment for them to work.

(1) Promotion of work-life balance and women's participation

Mori Trust has introduced various programs, such as childcare leave, to help employees manage both their work and childcare.

(1) Percentage of female recruitment		33.3%
(2) Percentage of female employees		27.7%
(3) Percentage of female managers		6.8%
(4) Percentage of paid leave taken		79.1%
(5) Percentage of employees taking childcare leave	male	90.0%
	female	100%

* Item (1)and(4)and(5): FY2021, items (2) and (3) as of March 31, 2022

■ Systems to Support Work-Life Balance

- | | |
|--|-------------------------------|
| (i) Leave and work restrictions for maternal health management | |
| (ii) Spouse's childbirth leave | (v) Childcare time |
| (iii) Maternity leave | (vi) Child nursing care leave |
| (iv) Childcare leave | (vii) Family care leave |

(2) Certification as a childcare supporting company and start of childcare business

Mori Trust is recognized as a company supporting childcare and promoting women's activities by the Ministry of Health, Labour and Welfare (MHLW) and certified Kurumin and Eruboshi (two stars). Mori Trust opened a company-sponsored nursery, Nursery Room Mirai's, in Shiroyama Trust Tower in November 2019, which is available for use of the building's tenants and employees.



(3) Implementation of work-style reforms

- Participation in "Time Difference Biz" led by the Tokyo Metropolitan Government
- Uses telecommuting and mobile workplace

(4) Health and productivity management

The company, employees, their families, and the health insurance society work together on health management-related initiatives.

These initiatives have been favorably received, and Mori Trust was certified as a "Health and Productivity Management Organization" in 2022 (Ministry of Economy, Trade, and Industry).

■ Collaboration with Other External Stakeholders

Collaboration with Property Management Companies, Suppliers and Other Business Partners

When selecting and evaluating property management companies, suppliers and other business partners, we assess their environmental policy and corporate framework and their cooperation with MTAM's Sustainability Policy.

■ Initiatives for Human Rights

Based on the "Respect for Human Rights" section of its Sustainability Policy, MTAM supports and respects the principles of human rights stipulated by international norms such as the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Guiding Principles on Business and Human Rights, and engages in initiatives to ensure respect for human rights.

MTAM has established the following rules to be complied with by MTAM. Such compliance rules apply to all corporate officers and employees involved in asset management for MTR. We also expect business partners and stakeholders involved in transactions to engage in initiatives that ensure respect for human rights in business processes relating to MTR.

(1) Respect for Human Rights

Our internal regulations prohibit all acts that could be construed as discrimination on the grounds of gender, age, nationality, race, ethnicity, creed, religion, Sexual orientation, gender identity, social identity, physical disability or other differences or as sexual harassment and power harassment. We aim to create a workplace environment where the rights and personality of the individual are respected, and diverse human resources can thrive.

(2) Prohibition on child labor and forced labor

MTAM support and practice the effective abolition of child labor and forced labor. We observe the minimum working age stipulated by laws and ordinances, and do not force workers to engage in labor contrary to their own free will.

(3) Respect for freedom of association and collective bargaining rights

MTAM support and respect freedom of association and collective bargaining rights, and do not discriminate with regard to employment, promotion, dismissal or decisions to transfer workers, in accordance with relevant laws and ordinances.

(4) Control excessive work hours and overtime work

MTAM comply with labor-management agreements on overtime work (Article 36 Agreements) and strive to control excessive working hours and overtime work.

(5) Payment of wages equal to or above the minimum wage

MTAM pay employees wages equal to or above the minimum wage stipulated by law, to ensure stable lifestyles.

(6) Compliance with equal pay for equal work

MTAM prohibit unreasonable differences in treatment between regular (permanent) and irregular (non-permanent) workers, in accordance with relevant laws and ordinances.

MTAM will continue to identify negative impacts on human rights in asset management for MTR, and implement measures to prevent and improve them.

There has been no material violation of laws and ordinances regarding the rules.

■ Information Disclosure

Information Disclosure

We seek to protect investors, etc., by setting forth policies and procedures to ensure that MTR and MTAM disclose information in a timely and appropriate manner in accordance with relevant laws and regulations. We have also set out the Information Disclosure Regulations to help maintain and improve public trust in MTR and MTAM.

In accordance with the Companies Act, the Act on Investment Trusts and Investment Corporations, the Financial Instruments and Exchange Act, the Tokyo Stock Exchange regulations, and other applicable laws and regulations, we endeavor to disclose to the public in a timely and appropriate fashion information requiring disclosure in relation to MTR and MTAM and other information that will help investors make investment decisions.

IR Activities

We communicate various useful information for investors via MTR's website including timely disclosure information, financial information, portfolio information, and information about ESG initiatives and distributions.

We also holding briefing sessions on financial results for each fiscal period (mainly for securities analysts and institutional investors) and provide explanations about MTR's operations and forecasts. We video the briefing sessions and post the video on MTR's website to keep investors informed.

In addition, we conduct individual interviews with institutional investors in Japan and overseas to given them a better understanding of MTR's operations.

■ Measures for Dealing with Complaints

MTAM has set forth the Regulations for Dealing with Complaints and Disputes, and strives to deal sincerely and promptly with complaints and other requests from customers or others and to show them understanding.

■ Disaster Response

Implementation of Disaster Drills

We regularly conduct disaster drills in collaboration with tenants at properties owned by MTR in an effort to increase disaster prevention awareness.

Collaboration with Sponsor Group

MTR has concluded a Basic Agreement Concerning Cooperation for Large-scale Disaster Response, etc. with Mori Trust Group Companies to strengthen cooperation for large-scale disaster response. MTR will cooperate with the sponsor group in areas such as human support, technical support, physical support such as emergency supplies and the provision of disaster information in relation to the properties owned by MTR, which entrusts management to Sponsor Group companies pursuant to the Master Lease Agreement and the Property Management Service Agreement.

6. Corporate Governance Initiatives

MTR's Organization

The organization of MTR consists of the Shareholders' Meeting comprised of unitholders, one Executive Director, two Supervisory Directors, the Board of Management comprised of the Executive Director and the Supervisory Directors, and the Accounting Auditor.

Details of Organization

(a) Shareholders' Meeting

Certain matters concerning MTR as set forth in the Act on Investment Trusts and Investment Corporations ("AITIC") or the Articles of Incorporation are decided by a resolution of the Shareholders' Meeting, which shall be composed of unitholders. Unless otherwise stipulated in laws or the Articles of Incorporation, a resolution at the General Meeting of Unitholders will be made by the majority of the voting rights of the unitholders present. However, certain important matters, including amendments to the Articles of Incorporation, require a resolution made by two-thirds or more of voting rights of unitholders present, provided that unitholders holding investment units equivalent to majority of total investment units issued are present (special resolution).

(b) Executive Director, Supervisory Directors and Board of Management

The Executive Director executes the business of MTR and also has the authority to take any judicial or extra-judicial acts related to the business of MTR on behalf of MTR. A Supervisory Director has the authority to supervise the conduct of business by the Executive Director. The Board of Management is composed of the Executive Director and Supervisory Directors and has the authority to approve the execution of specific responsibilities as well as the authority set forth in the AITIC and the Articles of Incorporation and the authority to supervise the execution of duties by the Executive Director.

(Status of Investment Corporation's Board of Management meetings)

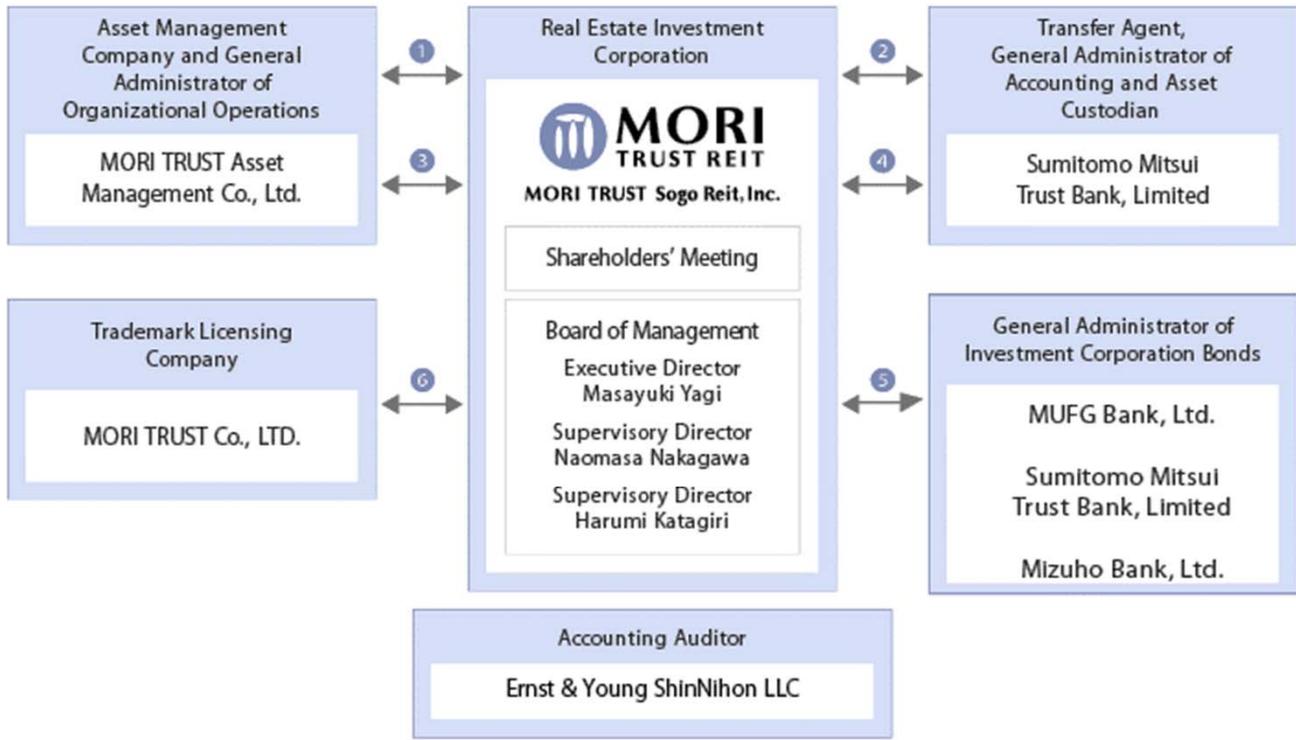
Title	Name	Attendance (April 2021 - March 2022)
Executive Director	Masayuki Yagi	12 meetings/12 meetings (100%)
Supervisory Director	Naomasa Nakagawa	12 meetings/12 meetings (100%)
	Harumi Katagiri	12 meetings/12 meetings (100%)

(Note) At MTR, no meetings (committee meetings, etc.) equivalent to board meetings are held except for meetings of the Board of Directors.

(c) Accounting Auditor

MTR has elected Ernst & Young ShinNihon LLC as the Accounting Auditor. The Accounting Auditor will audit MTR's financial statements and other relevant material, report to Supervisory Directors in the event of detection of a fraudulent act or material fact violating any law or the Articles of Incorporation concerning execution of duties of the Executive Director and perform other duties stipulated in laws.

Organization of MTR



- ① Asset Management Agreement
- ② General Services Agreement (Administration of Registration Share Issuance and Accounting)
- ③ General Services Agreement (Administration of Organizational Operations)
- ④ Asset Custody Agreement
- ⑤ Fiscal, Issuing and Payment Agency Agreement
- ⑥ Trademark Licensing Agreement

■ Status of Directors

The status of the Executive Director and Supervisory Directors is as shown below.

Criteria that apply to the payment of remuneration to Executive Directors and Supervisory Directors are specified in MTR's Articles of Incorporation decided pursuant to a resolution of Investors' Meeting.

(Executive Director)

An amount determined at a meeting of the Board of Directors with a maximum of 800,000 yen per month.

(Supervisory Director)

An amount determined at a meeting of the Board of Directors with a maximum of 500,000 yen per month.

Title	Name	Gender	Brief Personal History	Directors' remuneration (Note)	Number of investment units owned
Executive Director	Masayuki Yagi	Male	<p>April 1988 Joined Fuji Bank, Limited (now Mizuho Bank, Ltd.)</p> <p>October 2009 Deputy General Manager, Financial Corporation Department 1, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)</p> <p>May 2011 Deputy General Manager, Asset Management Operations Management Department, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)</p> <p>April 2012 Deputy General Manager, Asset Management Operations Department, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)</p> <p>July 2013 Deputy General Manager, Asset Management Operations Department, Mizuho Bank, Ltd.</p> <p>April 2014 General Manager, Pension Sales Department, Mizuho Bank, Ltd.k</p> <p>May 2016 Temporarily transferred to Mori Trust Co., Ltd. Corporate adviser, Mori Trust Hotels & Resorts Co., Ltd. after another temporary transfer</p> <p>January 2017 Corporate adviser, Mori Trust Asset Management Co., Ltd., after another temporary transfer</p> <p>June 2017 Executive Director of MORI TRUST Sogo Reit, Inc. (in office)</p> <p>Representative Director, Mori Trust Asset Management Co., Ltd., after another temporary transfer</p> <p>July 2017 Representative Director, Mori Trust Asset Management Co., Ltd.,</p> <p>March 2019 Representative Director, Chief Operating Officer (COO), Head of Sogo REIT Management Division, MORI TRUST Asset Management Co.,Ltd.(in office)</p>	-	0
Supervisory Director	Naomasa Nakagawa	Male	<p>October 1999 Passed a bar examination</p> <p>October 2001 Joined Mitsui, Yasuda, Wani & Maeda</p> <p>September 2004 Joined Orrick's Tokyo office</p> <p>October 2008 Joined Orrick, Herrington & Sutcliffe LLP (San Francisco)</p> <p>September 2009 Joined Hibiya Park Law Office</p> <p>April 2018 Auditor, coly, Inc. (in office)</p> <p>January 2019 Partner lawyer, Hibiya Park Offices (in office) (Practice Areas : General Corporate, Cross-border Transactions, Mergers and Acquisitions, Compliance, Corporate corruption, Crisis management, Intellectual Property, Systems-related, Non-profit activities-related, Lawsuits and International arbitration)</p> <p>June 2019 Supervisory Director, MORI TRUST Sogo Reit, Inc. (in office)</p>	¥1,800,000	0
	Harumi Katagiri	Female	<p>November 1993 Joined Asahi Audit Corporation. (currently, KPMG AZSA LLC)</p> <p>April 1998 Registered as a certified public accountant in Japan</p> <p>March 2000 Joined Century Audit Corporation (currently, Ernst & Young ShinNihon LLC)</p> <p>July 2009 Employee of Ernst & Young ShinNihon (currently, Ernst & Young ShinNihon LLC)</p> <p>July 2017 Established the Harumi Katagiri CPA office (in office)</p> <p>March 2018 Outside Director, Tamron Co., Ltd. (in office)</p> <p>June 2019 Supervisory Director, MORI TRUST Sogo Reit, Inc. (in office)</p> <p>Director, Japan Asia Investment Co., Ltd. (in office)</p> <p>In addition to the above, she serves as a member of the Contract Review Committee of the Ministry of Internal Affairs and Communications and a member of the Bid Monitoring Committee of the Tokyo Metropolitan Government.</p>	¥1,800,000	0

(Note) Directors' remuneration for the fiscal period ended March 2022 (6 months). Remuneration is paid entirely on a fixed pay basis. No remuneration is paid on a variable basis.

■ Status of Accounting Auditor

The status of the Accounting Auditor is as shown below.

Title	Name	Remuneration (note)	
		Accounting Auditor	Ernst & Young ShinNihon LLC
		non-audit fees	¥2,100,000

(Note) Accounting Auditor's remuneration is for the fiscal period ended March 2022 (6 months).

■ Status of Unitholders

MTR's principal unitholders (the top ten entities with the highest holding ratios) as of the end of March 2022 are as shown below.

Name	Number of units owned	% of total units outstanding
MORI TRUST Holdings, Inc.	350,070	26.52%
Custody Bank of Japan, Ltd.(Trust accounts)	215,401	16.32%
The Master Trust Bank of Japan, Ltd. (trust account)	136,844	10.37%
The Nomura Trust and Banking Co., Ltd. (investment trust)	43,800	3.32%
Custody Bank of Japan, Ltd.(Securities investment trust accounts)	23,926	1.81%
SSBTC CLIENT OMNIBUS ACCOUNT	17,610	1.33%
STATE STREET BANK WEST CLIENT - TREATY 505234	16,828	1.27%
LEGAL + GENERAL ASSURANCE PENSIONS MANAGEMENT LIMITED	16,145	1.22%
JP MORGAN CHASE BANK 385781	13,376	1.01%
THE HACHIJUNI BANK,LTD.	13,085	0.99%
Total of top 10 investors	847,085	64.17%

■ Same Boat Investment by Sponsor Group

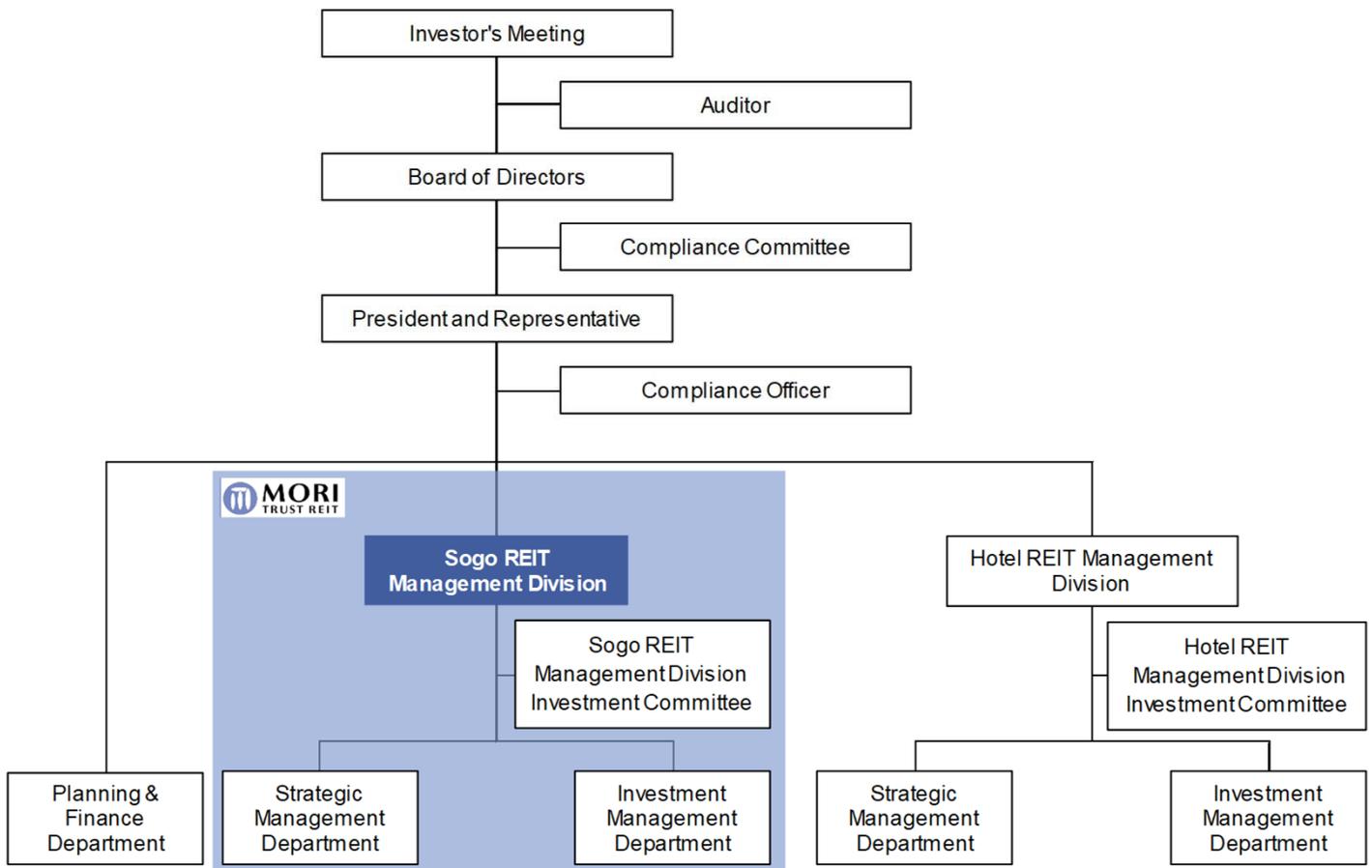
MTR aims to improve unitholder value by aligning sponsor interests with those of unitholders.

Percentage of investment units owned by MORI TRUST Group

26.5% (As of end of Mar. 2022)

■ MTAM's Organizational Structure

MTR entrusts asset management to MTAM. MTAM's organizational structure is as shown below.



■ Risk Management Initiatives

Risk management basic policy

With risk management positioned as one of its management policies, MTAM is facilitating risk management according to the Risk Management Regulation set forth for ensuring the continuity and stable growth of businesses and soundness of management.

Risk management system and process

- The Compliance Officer, as Chief Risk Management Officer, establishes and develops a company-wide risk management system and oversees risk management operations. Each general manager oversees and executes risk management-related operations as a risk management officer.
- A Risk Management Plan (a specific plan for implementing company-wide risk management) is resolved annually by the Board of Directors and implemented every year. Progress is reported regularly to the Board of Directors by the Chief Risk Management Officer.
- A draft Risk Management Plan is prepared by each general manager in accordance with the instructions of the Chief Risk Management Officer, and submitted to the Chief Risk Management Officer.
- If necessary, as a result of a review by the Chief Risk Management Officer, the draft Risk Management Plan is revised in accordance with the Chief Risk Management Officer's instructions.
- Risk Management Plans include the following items:
 - (1) Annual Risk Management Policy
 - (2) Timing of risk identification and evaluation, formulation of risk management execution plan, and assessment of progress of risk management implementation, and planned improvement and correction by risk management officers.
 - (3) Scheduled timing of internal audits on risk management
 - (4) Scheduled reporting to the Board of Directors

Education and training

The Chief Risk Management Officer or risk management officers provides all managers and staff members with education and training to make sure that they understand and recognize risk management and the importance thereof.

■ Compliance Initiatives

Compliance Structure

MTAM has set compliance with laws, regulations and other rules as one of its management priorities and MTAM's management is actively working to develop and strengthen the compliance structure and internal control structure. To establish an appropriate operational structure, MTAM has appointed a compliance officer as the person responsible for compliance-related matters at MTAM to ensure that internal checks and balances on other departments function effectively. Furthermore, through the establishment and operation of the Compliance Committee, MTAM has established a multi-tiered structure for ensuring MTR's compliance with laws, regulations and other rules.

(a) Board of Directors

The Board of Directors seeks to ensure compliance as the organization with ultimate responsibility for the execution of business and, besides receiving reports on matters approved by the Compliance Committee, also makes resolutions on important compliance-related matters at MTAM, including formulation and amendment of the basic policy on compliance and compliance program, formulation of the risk management plan and internal audit plan, as well as appointment and dismissal of Compliance Committee members and the Compliance Officer.

(b) Compliance Committee

The Compliance Committee is responsible for execution of the duties set forth in the Compliance Committee Rules in cooperation with the Board of Directors and Compliance Officer.

(c) Compliance Officer

As the person responsible for compliance at MTAM, the Compliance Officer works to establish an internal compliance structure and to raise awareness of norms for compliance with laws, regulations and other rules within the company. The Compliance Officer, therefore, constantly monitors whether MTAM executes asset management business in accordance with laws, regulations and other rules, and also monitors and supervises the status of compliance in the execution of day-to-day operations.

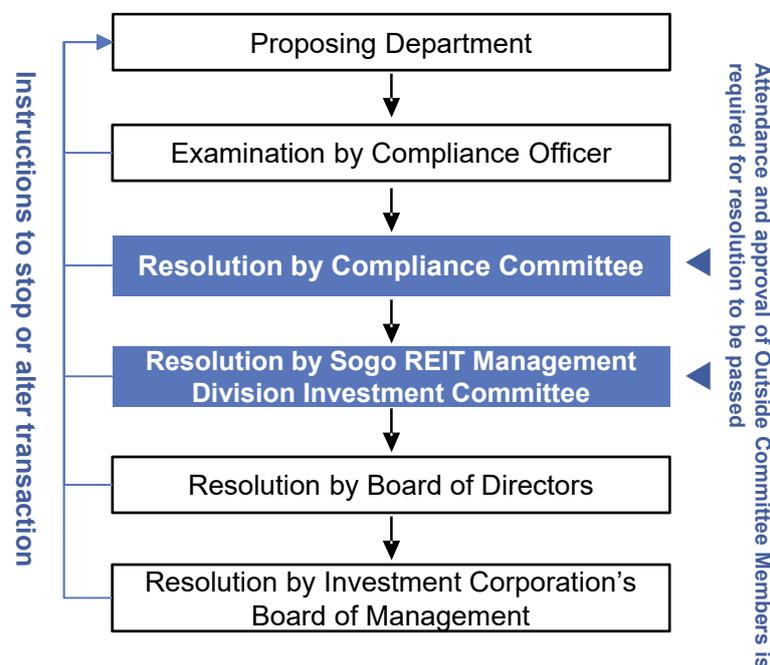
In light of the importance of the Compliance Officer's responsibilities, MTAM elects as Compliance Officer an individual who is sufficiently capable of examining and supervising business execution to achieve compliance with laws, regulations and norms.

MTAM has put in place a structure such that any act pertaining to MTAM's business operations that violates or is likely to violate laws and regulations discovered by any officer or employee is reported immediately to the Compliance Officer.

Appropriate Management of Conflicts of Interest

To prevent MTAM from engaging in transactions with related parties sharing certain interests with MTAM which may be harmful to the interests of MTR, MTAM has identified types of related party transactions and set forth related party transactions standards and comprehensively judges whether to conduct a transaction through deliberation by more than one body. MTAM elects outside specialists as committee members to both the Compliance Committee and the Investment Committees that hold such deliberations.

If the acquisition of an asset or other transaction by an investment corporation which entrusts its asset management to MTAM constitutes a related party transaction, the approval of the outside committee members of the Compliance Committee and Investment Committees as well as the approval of the investment corporation's Board of Management are required. Details of this decision-making process are as shown below.



Exclusion of Antisocial Forces

MTAM has formulated the Basic Policy to Prevent Damages Caused by Antisocial Forces in order to exclude antisocial forces and groups that threaten public order or stability and obstruct the economic activity of companies and individuals.

The Policy sets out that the organization as a whole will deal with unjust demands by antisocial forces, that MTAM will establish close and cooperative relationships with external specialist organizations such as the competent police, the National Center for Removal of Criminal Organizations, and legal practitioners, that it have no relations with antisocial forces including business relations, and that it will refuse any unjust demands by antisocial forces.

Prohibition of Insider Trading

MTR and MTAM established respectively its Corporate Information Management Rules to prohibit MTR's officers and MTAM's all its officers and employees (including temporary employees, contract employees, and employees on loan or dispatched from other companies) from engaging in transactions such as trading securities including MTR's investment units, based on corporate information or other special information that they have obtained in the course of operations by taking advantage of their titles and positions.

Relations with politicians and governments

MTAM's Basic Policy on Compliance stipulates that it shall maintain transparent and sound relations with politicians and governments.

It has never made any political donations in the past.

Measures for the prevention of acts of fraud and corruption

MTAM has the Rules of Employment and the Basic Policy on Compliance in place to ensure that all managers and employees do not engage in any type of fraud or corruption, including the offering or accepting of gifts, entertainment and/or other benefits beyond socially accepted limits, money laundering, acts of bribery including the offering of economic benefits to public officers and acts of pursuing their own interest by taking advantage of their positions, with strict disciplinary action applying for any violation of such rules.

With respect to acts of fraud and corruption, there has been no material violation or any record of paying penalties, surcharges or settlement money to date.

No employee has been subject to reprimand or dismissal due to acts in relation to bribery or corruption.

In addition, we are fully committed to ensuring that all managers and staff members thoroughly understand the content of the Rules of Employment and the Basic Policy on Compliance.

Measures for the prevention of acts of fraud and corruption are properly integrated into the company-wide risk management program and management.

For outline of the company-wide risk management program, please refer to "Risk Management Initiatives " on page 33 of this report.

Establishment of Whistleblowing System

MTAM has a whistleblowing system in place for all its officers and employees (including temporary employees, contract employees, and employees on loan or dispatched from other companies).

This system is used for whistleblowing to report acts involving organizational or individual violations of laws and regulations, including any type of fraud or corruption such as the offering or accepting of gifts, entertainment and/or other benefits beyond socially accepted limits, money laundering, acts of bribery including the offering of economic benefits to public officers and acts of pursuing personal interest by taking advantage of one's position.

A whistleblower can make a report anonymously. In addition, in accordance with the Whistleblower Protection Act, it is prohibited to carry out dismissal, disciplinary measures, retaliation or any other treatment that is disadvantageous to a whistleblower on account of such whistleblowing.

Provision of Regular Compliance Training

MTAM provides all its officers and employees (including temporary employees, contract employees, and employees on loan or dispatched from other companies) with training mainly aimed at raising compliance awareness on a regular basis.

Information Security

MTAM enacted the Information Management Rules with the aim of properly utilizing company information and preventing information incidents including unauthorized access and the loss or leak of company information.

The rules aim to ensure information management by providing for training and audits on the management of confidential information, restriction of unauthorized access, prevention of information leaks, maintenance of information systems and information system.

■ Customer-oriented Business Conduct

MTAM adopted the Principles for Customer-Oriented Business Conduct announced by the Financial Services Agency on March 30, 2017 and set forth a Policy on Customer-Oriented Business Conduct as set out below.

1. Formulation and Announcement of Policies regarding Customer-Oriented Business Conduct

We have formulated and announced this Policy and we publish the status of the Policy's implementation and also revise this Policy as appropriate.

2. Pursuit of the Customers' Best Interest

As a financial service provider, we maintain a high level of expertise and professional ethics, conduct business with customers in a faithful and fair manner, and pursue customers' best interests. MTAM also endeavors to ensure that such business conduct becomes firmly established as its corporate culture.

3. Appropriate Management of Conflicts of Interest

To accurately understand and manage potential conflicts of interests in transactions, we have established rules such as the Related Party Transaction Rules and Compliance Rules as voluntary rules in addition to the provisions of relevant laws and regulations, and we have established a policy for dealing with transactions involving conflicts of interest and an operating structure to ensure high independence.

4. Clarification of Various Fees and Commissions

MTAM properly provides information to help customers understand details of various fees and commissions paid to us by investment corporations which entrust their asset management to us, including details of the kind of services provided in exchange for these fees and commissions.

5. Providing Important Information in an Easy-to-understand Manner

MTAM provides important information which might affect customers' investment decisions in an easy-to-understand manner through statutory disclosure, timely disclosure, voluntary disclosure and other means.

6. Providing Suitable Service to Customers

We endeavor to understand customers' needs and conduct asset management based on an awareness of these needs. We also provide easy-to-understand information that helps customers understand the status of operations of investment corporations who entrust their asset management to us.

7. Framework for Adequate Motivation of its Employees

To further promote customer-oriented business conduct, MTAM raises awareness of its Corporate Philosophy and its Basic Policy on Compliance as well as of the importance of this policy among individual employees through compliance training, etc.

Disclaimer / Contact Information

Disclaimer

- This document is intended to provide information about the business performance and strategies of MORI TRUST Sogo Reit, Inc.(MTR). It is not intended and should not be construed as an inducement or invitation to purchase or invest in the products or investment units of MTR. We caution readers to contact their securities company representative if intending to acquire or sell any of MTR's investment products or investment units.
- While MTR takes all reasonable care in the preparation of this document, it does not guarantee the accuracy and completeness of its content.
- Readers are also cautioned that the contents of this document may be changed or deleted without prior notice.
- This document should not be construed as a disclosure document prepared in accordance with the Financial Instruments and Exchange Act.
- Readers are advised to exercise their own independent judgment when making any investment decision.

Contact Information

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