

Frontier Real Estate Investment Corporation

ESG Report

October 2021

FRI is a retail facilities-specialized J-REIT,
sponsored by Mitsui Fudosan



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FRI strives to achieve its mission of building sustainable relationships with all stakeholders and raising the medium- and long-term value for unitholders by further augmenting its initiatives aimed at addressing ESG issues in real-estate investment management going forward, and disclosing its results appropriately. We ask for your continuing support and understanding.



The Ministry of the Environment forecasts that if global warming were to continue on its present course without the implementation of effective countermeasures, summers in Tokyo would reach temperatures over 40 degrees centigrade in 2100, and the wind speed of typhoons would rise to a maximum of 90 meters per hour. Judging from the severity of the torrential rains and typhoons caused by climate change in recent years, we feel that these forecasts are not fiction, but instead pose a crisis that is all too possible.

To ensure that the world and society in which we live every day remain environmentally sound and that our business continues to grow sustainably, Frontier Real Estate Investment Corporation ("FRI" or "the Investment Corporation"), which holds and manages retail facilities, and Mitsui Fudosan Frontier REIT Management Inc. (the "Asset Management Company"), are pursuing measures to reduce our environmental impact, leading to a reduction in CO₂ emissions.

The COVID-19 outbreak has placed restrictions on our lives and is changing the way we work in significant ways. As society faces the series of changes to come, we believe that we must not be a homogenous organization, but rather adopt approaches that value organizational diversity.

About half of the officers and employees of the Asset Management Company are women, and our members come from diverse career backgrounds. We believe that a vibrant corporate atmosphere with open communication in which employees can exchange their views on a regular basis is the source of new ideas.

We also believe that providing an environment that focuses on each individual employee supporting the organization, as well as their families, and enables them to work in a healthy way with energy and motivation is an important management issue. We work together with employees to pursue health management initiatives that will maintain and improve employees' health to ensure that the Asset Management Company remains sustainable.

In strengthening the governance system, we will give priority to the transparency of decision-making, with compliance and risk management taking utmost precedence. Moreover, by reinforcing dialogue with investors through intensive IR activities, we will maintain a system that is transparent externally as well.

FRI strives to achieve its mission of building sustainable relationships with all stakeholders and raising the medium- and long-term value for unitholders by further augmenting its initiatives aimed at addressing ESG issues in real-estate investment management going forward, and disclosing its results appropriately. We ask for your continuing support and understanding.

Mitsui Fudosan Frontier REIT Management Inc.
Chief Executive Officer and Representative Director

Shintaro Ono

Sustainability Management



Our Approach to Sustainability

Mitsui Fudosan group, which we belong to, has established and pursued the following three principles under its group vision of “& Earth”, aiming to contributing to the coexistence of social/economic development and preservation of global environment.

I. “Policy for Environmental Initiatives” addressing “Reducing the impact of products and services on the environment”, “Enhancing safety, security, and comfort while ensuring sustainability” and “Collaborating and cooperating with various stakeholders”.

II. “Policy for Social Initiatives” as four core areas of “the global environment”, “local communities”, “culture and education” and “international exchange”.

III. “Policy for Governance Initiatives”, from the standpoint of improving the soundness, transparency and efficiency of management in order to gain the trust of its stakeholders.

We, as part of Mitsui Fudosan group, will make efforts to execute the above principles from I to III for ESG challenges in our group.

The Investment Corporation aims to secure stable earnings for medium- to long-term and maximize unitholders’ values.

We, as an asset management company of the investment corporation, recognize the needs to operate real estate business in harmony with the society, the economy, and the earth, as well as the needs to reduce environmental burdens, to develop sustainable relationships with a variety of our stakeholders and to develop governance system so that our investors can rest assured that their unit holdings in the investment corporation will continue rewarding them over the long term.

After considering the roles that we should play in the relationships with our stakeholders, we hereby formulate “Sustainability Policy”, aiming at operation with the environment, social and governance factors in mind.

We will put in place this policy in day-to-day operation and communicate the effort status properly.

Sustainability Policy

1. Reducing environmental impact

(1) Reducing carbon emissions through pursuing energy efficiency

We aim to contribute to reducing carbon emissions through implementing power saving and energy efficiency measures in our operations as well as installing energy efficient equipment. And furthermore, we work to achieve low carbonization and non-carbonization in the portfolio through the use of renewable energy or other approaches, in order to adapt to the forthcoming decarbonized society.

(2) Conserving water and other natural resources while reducing waste

We aim to introduce high-efficiency fixtures to conserve water and promote 3Rs, i.e., reduce, reuse, recycle, to contribute to realizing resource-saving and recycle-oriented society.

(3) Reducing hazardous substances with health and safety

We aim to reduce hazardous substances or environmental pollution, brought by the operation in commercial facilities, to the extent possible, properly manage environment quality in the building space and promote efforts to enhance health, safety and hygiene for tenant employees or visitors.

In parallel, we take all possible measures in preparation for large-scale earthquakes or serious climate disasters like typhoon or flood in order to secure “safety and security” for building users.

2. Developing sustainable relationships with a variety of stakeholders

(1) Cooperation and coexistence with local communities

We aim to operate our retail facilities as a “core of local community”, providing place of human interaction and information exchange and thus contributing to regional vitalization.

(2) Collaborating with Mitsui Fudosan group companies and tenants

We strive to create comfortable and environmentally-conscious retail space, collaborating with Mitsui Fudosan

group companies and our tenant companies, so as to improve customer satisfaction as well as to enhance sustainability awareness among our visitors. In addition, we adopt ESG factors as one of criteria to select outsourcing companies related to property operation and suppliers of goods and services, and also require them to proceed with operation with sustainability in mind.

(3) Engaging with our employees

We endeavor to raise environmental awareness and literacy among our employees through conducting organized training programs including environmental seminars as well as to realize work-life balance by supporting diversified work styles.

Moreover, we strive to increase employee engagement by improving the workplace environment and creating opportunities for active internal communication.

(4) Establishing trusting relationships with investors

We make the best efforts to disclose non-financial information including environment, social and governance (ESG) factors in addition to financial information in a timely and adequate manner, aiming to establish trusting relationships with investors.

3. Enhancing governance system

(1) Clarifying corporate governance structure

We make utmost efforts to disclose decision-making process, secure the traceability, raise awareness about compliance and achieve risk management in order to make decision-making process more transparent.

(2) Enhancing corporate governance system

We pursue to increase diversity in the Board of Directors and to establish effective governance structure, in an effort to enhance the corporate governance system.

Process of Identifying Material Issues

Of the items specified in the Sustainability Policy, the Investment Corporation and the Asset Management Company designate issues of especially high priority (materiality) as material issues and work to address them accordingly. The Investment Corporation and the Asset Management Company has established KPIs to measure the progress of specific initiatives related to these material issues.

Relation to SDGs

In September 2015, at the United Nations Sustainable Development Summit, the 2030 Agenda for Sustainable Development was adopted by all 193 member nations. The agenda is a guideline for how citizens, governments, businesses and international society as a whole shall work together to realize sustainability through the Sustainable Development Goals (SDGs)-composed of 17 larger goals and 169 smaller targets-to be completed by the year 2030.

The Investment Corporation and the Asset Management Company will contribute to the achievement of the SDGs as well as contributing to social and economic development and the preservation of the global environment by tackling our materiality. How the Investment Corporation and the Asset Management Company working toward achievement of the 17 goals and 169 targets of the SDGs is detailed as follows.

Looking Forward

The Investment Corporation and the Asset Management Company seek to achieve sustainable growth by addressing the material issues presented as follows in the course of their business activities.

At the same time, while remaining aware of society's expectations by deepening dialogue with stakeholders, the Investment Corporation will flexibly revise its designated material issues in response to changes in society.



Materiality

	Materiality	KPI	Support SDGs
Environment	Reducing carbon emissions by pursuing energy efficiency	Per-unit energy consumption*1	
		Data coverage	
		Per-unit GHG emissions*1	
		Data coverage	
	Conserving water and other resources while reducing waste	Per-unit water consumption*1	
		Data coverage	
Reducing hazardous substances and ensuring health and safety	Waste emissions		
	Recycling rate		
Society	Cooperation and coexistence with local communities	Asset Management Company employees who take part in running activities for &EARTH Clothing Support Project	
		Participants of the &EARTH Clothing Support Project in the Investment Corporation Properties	
		Clothing collected of the &EARTH Clothing Support Project in the Investment Corporation Properties	
	Engaging with our employees	Additional donations of the &EARTH Clothing Support Project in the Investment Corporation Properties	
		Average annual training hours per employee	
		Average annual training expenses per employee	
Establishing trusting relationships with our investors	Employees with official certifications (ARES Certified Master; Real estate broker; Tax accountant; Securities analyst)		
	Employee satisfaction survey		
	Percentage of portfolio with environmental certification (DBJ Green Building Certification or CASBEE Rank*2)		
Governance	Clarifying corporate governance structure	External certifications	
		IR briefings per year	
	Enhancing corporate governance systems	Number of compliance trainings	
		Compliance training attendance rate	
		Number of independent Directors (Supervisory Directors)	
Board of directors' meeting attendance rate			
Number of female director			

*1 The average figures of the portfolio properties, calculated using consumption data as the numerator and floor area as the denominator. Those data have been normalized based on operating periods, occupancy rates and weather conditions, etc.
 *2 The Investment Corporation has not received any other green building certifications.

Dialogue with Stakeholders

The Investment Corporation and the Asset Management Company build sustainable relationships through dialogue with stakeholders. Information about stakeholder priorities and expectations obtained through dialogue is reflected in our material issues, the basis for our sustainability initiatives.

<Examples of Dialogue with Stakeholders>



Sustainability Promotion Framework

To ensure the efficacy of its sustainability initiatives, the Asset Management Company has established a Sustainability Committee and a Sustainability Secretariat ("Secretariat") as an organ for examining matters prior to their consideration by the committee. The Sustainability Committee is chaired by the Chief Executive Officer and Representative Director, and its other members are general managers of the Investment Division, the Finance Division, and the Planning and Administration Division.

Sustainability Committee

Committee chair:
Chief Executive Officer and Representative Director

Other members:
Investment Division General Manager
Finance Division General Manager
Planning and Administration Division General Manager

*In principle, the Compliance Division General Manager also attends committee meetings

Sustainability Committee

The committee meets once every quarter in principle.

*In principle, the Compliance Division General Manager attends committee meetings and offers opinions from a compliance-based perspective.

The Sustainability Committee deliberates sustainability policy, short- and medium-term goals—including key performance indicators (KPIs) used to measure progress—based on the relevant risks and opportunities as well as, to manage and realize these, specific measures and their implementation plans. These items are proposed to the committee by the Sustainability Secretariat.

Sustainability Secretariat

Secretariat Manager (appointed by the committee)
At least one person from each division

Secretariat

The Sustainability Secretariat is an organ for examining matters prior to their consideration by the Sustainability Committee. The secretariat submits proposals to the committee pertaining to such matters as sustainability policy and short- and medium-term goals—including the KPIs used to measure progress—based on the relevant risks and opportunities as well as, to manage and realize these, specific measures and their implementation plans.

Furthermore, the secretariat manages Companywide implementation related to such matters as goals and specific measures decided by the Sustainability Committee and gathers relevant information from responsible divisions that it periodically reports to the committee.

Annual Activities

The boards of directors of the Asset Management Company and the Investment Corporation periodically receive reports on the policies, goals, specific measures and other matters decided by the Sustainability Committee as well as the progress of their implementation.

Number of committees (held): 4, average attendance rate of committee members: 100% (fiscal 2020)



Environmental Initiatives



Basic Policy concerning Climate Change

The Asset Management Company has established Guidelines for Addressing Climate Change in August 2021, which set forth a policy for addressing climate change-related risks and opportunities as well as initiatives concerning business and strategic resilience (both in the sense of toughness and ability to recover) to climate-related issues. The Investment Corporation and the Asset Management Company support the international goals set out in the Paris Agreement and will work continuously to reduce greenhouse gas emissions in order to contribute to the mitigation of climate change and will aim to carry out initiatives related to climate change based on these Guidelines.

Carbon Reduction Targets

The Asset Management Company has established Energy Conservation Guidelines, GHG Emissions Reduction Guidelines, Water Efficiency Guidelines and Waste Management Guidelines in February 2015, as part of efforts to reduce carbon emissions. These guidelines include targets for reducing energy consumption, CO₂ emissions, water consumption and waste and specify related target management practices as follows.



Saving Energy

1. Target setting

- Pursuant to the Energy Conservation Act (Act on the Rational Use of Energy), the basic target has been set for reducing the basic unit of energy consumption by 1% annually on average over the medium to long term for the entire portfolio and individual properties.
- The term for the medium- to long-term target is set for the upcoming five years. If separate targets are required by local regulations, etc., relating to countermeasures against global warming, individual targets shall be set.

2. Target management

- The success or failure in achieving the targets (capability or incapability of achieving the targets over the medium to long term) shall be confirmed by comparing the actual figures for the current fiscal year with the energy consumption of the preceding fiscal year or multiple fiscal years in the past. Management reviews of plans and actual results of energy consumption shall be implemented every six months in order to identify the causes for increase or decrease.



Water Consumption

1. Target setting

- A cut in water consumption intensity for the whole portfolio and individual properties averaging 1% per year shall be set as a provisional target.
- The period for attaining this medium-to-long term target shall be set at five years.

2. Target management

- Actual performance during the current year shall be measured and compared with consumption in previous year and the feasibility of achieving the target (i.e., whether the target can be achieved in the medium to long run) shall be reviewed. Target management shall be carried out semiannually to understand the cause of rises or falls in water consumption.



CO₂ Emissions

1. Target setting

- Based on the reduction target of energy consumption, the reduction target for CO₂ emission intensity shall be set as a rolling five-year average of 1% per year for the whole portfolio.
- Target values shall be set separately for properties subject to municipal regulations on global warming mitigation measures.

2. Target management

- Budget control by comparing actual performance with target values and understanding the state of progress shall be carried out semiannually for directly managed assets and annually for indirectly managed assets.
- We shall investigate causes and consider measures when actual performance does not reach target values.



Waste Generated

1. Target setting

- Setting the medium- to long-term basic target of reducing per-unit waste generation by an annual average of 1% for the entire portfolio.

2. Target management

- Plans and results shall be subject to management review comparing target figures with results to evaluate progress every twelve months.

Reducing Environmental Burden

The Investment Corporation and the Asset Management Company aims to create retail facilities with little environment impact by promoting energy- and resource-saving initiatives at its properties.

Saving Energy

The Investment Corporation strives to promote energy saving by installing LED lighting.



VIORO
(Installed in 2014)



AEON MALL Ibaraki
(Installed in 2015)



BRANCH Hakata Papillon Garden
(Installed under the renovation project in 2019-2020)

Reducing Greenhouse Gas Emissions

The Investment Corporation strives to help reduce greenhouse gas emissions through a variety of initiatives, including installing wind turbines and chargers for electric vehicles and wall greening.

Mitsui Shopping Park LaLaport IWATA



Wind turbines



Quick charger for electric vehicles

Mitsui Shopping Park LaLaport SHIN-MISATO



Wind turbines with attached solar panels



Quick charger for electric vehicles



Wall greening

Saving water

The Investment Corporation strives to reduce water consumption through a variety of initiatives, including installation of water-saving toilets and water-efficient taps.



BRANCH Hakata Papillon Garden



AEON STYLE Shinagawa Seaside

Reducing Waste

The Investment Corporation strives to reduce waste by working with tenants to recycle food waste from restaurants and other facilities as fertilizer and animal feed, and by promoting used paper collection.



GINZA GLASSE
(Recycling food garbage)



Ecospo (Collecting used paper)
BRANCH Hakata Papillon Garden

Energy Management Across the Portfolio as a Whole

Aiming to conduct ongoing environmental management, including efforts to reduce energy consumption, the Investment Corporation and the Asset Management Company carry out data collection, compilation and analysis through outside experts.

Energy consumption

Target: Annually 1% reduction in per-unit energy consumption on average compared to the base year

Actual results of our energy consumption

	Unit	FY2016 (Base Year)	FY2018	FY2019	FY2020
Energy consumption	kWh	296,353,744	282,168,956	245,838,740	221,695,054
Per-unit energy consumption*1	kWh/m ²	24.142	23.273	20.915	19.228
Annual reduction rate on average compared to the base year	%	—	▲ 3.4	▲ 4.4	▲ 5.5
Data coverage	%	98.5	98.5	98.5	98.4

Greenhouse Gas (GHG) emissions

Target: Annually 1% reduction in per-unit GHG emissions on average compared to the base year

Actual results of our energy consumption

	Unit	FY2016 (Base Year)	FY2018	FY2019	FY2020
GHG emissions	t-CO ₂	117,675	107,436	87,550	77,145
Scope1*2	t-CO ₂	—	273	397	410
Scope2*2	t-CO ₂	—	1,574	1,513	1,325
Scope3*2	t-CO ₂	—	105,588	85,640	75,408
Per-unit GHG emissions*1	t-CO ₂ /m ²	0.011	0.010	0.008	0.007
Annual reduction rate on average compared to the base year	%	—	▲ 6.4	▲ 8.4	▲ 10.0
Data coverage	%	98.5	98.5	98.5	98.4

Water consumption

Target: Annually 1% reduction in per-unit water consumption on average compared to the base year

Actual results of our energy consumption

	Unit	FY2016 (Base Year)	FY2018	FY2019	FY2020
Water consumption	m ³	949,128	908,268	820,207	737,426
Per-unit water consumption*1	m ³ /m ²	0.081	0.072	0.065	0.059
Annual reduction rate on average compared to the base year	%	—	▲ 4.8	▲ 5.9	▲ 7.7
Data coverage	%	98.1	98.5	98.5	98.4

Waste emissions

Actual results of our waste emissions

	Unit	FY2017	FY2018	FY2019	FY2020
Waste emissions	kg	11,850,438	11,578,510	11,535,115	9,671,280
Recycling rate	%	50.1	51.1	50.4	54.1
Data coverage	%	90.3	90.3	88.6	88.0

Food garbage recycling*3

Actual results of food garbage recycling

	Total (FY2019)
Amount generated	451t/year
Amount recycled	429t/year
Recycling rate ((Amount recycled / Amount generated) × 100)	95.2%
Recycled material uses	Fertilizer, feed

*1 The average figures of the portfolio properties, calculated using consumption data as the numerator and floor area as the denominator. Those data have been normalized based on operating periods, occupancy rates and weather conditions, etc.

*2 The above figures for each scope are calculated as follows. Scope 1: Gas use for common areas of directly managed properties. Scope 2: Electricity use for common areas of directly managed properties. Scope 3: Electricity and gas use for non-common areas of directly managed properties and electricity and gas use for indirectly managed properties.

*3 Totals for 5 properties at which tenants have disclosed the relevant information.

External Certifications/Assessments

The Investment Corporation has received environmental certifications/recognitions from the following external assessment organizations for its sustainability activities.

GRESB Assessment

In the 2020 GRESB Assessment, the Investment Corporation received an assessment rank of "5 Stars", the highest rank in the GRESB rating and a "Green Star" status for the six consecutive years in the GRESB Real Estate Assessment, as well as the highest "A Level" under the GRESB Public Disclosure Level Assessment.



GRESB is a benchmark assessment to measure environmental, social, and governance (ESG) consideration of real estate companies and funds, as well as the name of organization which runs the assessment. GRESB data is used for investment decision-making and engagement with investees.

SMBC Environmental Assessment



Assessment rank
AA
Implementing excellent environmental consideration

The Investment Corporation received this assessment as the first J-REIT on August 29, 2017.

"SMBC Environmental Assessment Loan" is a system in which the state of a company's environmental consideration is assessed using criteria prepared independently by the Japan Research Institute, Limited, and Sumitomo Mitsui Banking Corporation sets conditions for loans according to the results of the assessment. The degree of progress in environmental management is comprehensively gauged from four aspects: [1] The state of awareness of environmental loads; [2] the extent of environmental conservation measures and the results of such efforts; [3] the state of environmental management system building; and [4] the extent of initiatives for environmental communication and environmental business.

DBJ Green Building Certification

Certification rank ★★★★★ Properties with the best class environmental & social awareness



Mitsui Shopping Park LaLaport IWATA



Mitsui Shopping Park LaLaport SHIN-MISATO

Certification rank ★★★★★ Properties with exceptionally high environmental & social awareness



You Me Town Hiroshima



AEON MALL Ibaraki



Mitsui Outlet Park IRUMA



AEON MALL NAGOYADOME-Mae



Mitsui Shopping Park LaLagarden KASUKABE

Certification rank ★★★ Properties with excellent environmental & social awareness



AEON STYLE Shinagawa Seaside



Ikebukuro GLOBE



VIORO



Ikebukuro Square

"DBJ Green Building Certification" is a comprehensive evaluation system for real estate properties with high environmental and social awareness by Development Bank of Japan Inc. (DBJ). DBJ conducts an assessment based on the original scoring model and certifies real estate properties with five ranks of certification according to the score from the assessment.



CASBEE Assessment

CASBEE Real Estate Certification Assessment rank
Rank S



GINZA GLASSE

CASBEE for Buildings (New Construction)* Assessment rank
Rank A



BRANCH Hakata Papillon Garden

*as a result of self assessment

The "Comprehensive Assessment System for Built Environment Efficiency (CASBEE)" is a system for comprehensively assessing and ranking the environmental performance of buildings with regard to aspects such as the enhancement of environmental quality and performance including indoor comfort and consideration for the landscape, on top of the aspect of environmental consideration such as energy saving and the use of materials and equipment with a lower environmental burden.

Percentage of portfolio that is Green Building certified **81.8%** (as of June 30, 2021)

Social Initiatives



Initiatives for Local Communities

&EARTH Clothing Support Project

In spring and autumn every year, the Mitsui Fudosan Group kicks off the &EARTH Clothing Support Project, inviting the public to donate unneeded clothing at retail facilities. The clothing is then distributed to people in need through the NPO Japan Relief Clothing Center.

The Asset Management Company employees also take part in running the project.

Organizer: NPO Japan Relief Clothing Center

Cooperation: Mitsui Fudosan Co., Ltd., Mitsui Fudosan Retail Management Co.,Ltd.

<23rd &EARTH Clothing Support Project (Autumn 2020)> *Spring 2021 event was cancelled.

Results of events at the Investment Corporation properties		
206 participants	1,122kg of clothing collected	¥14,300 in additional donations

Date	Facility	Results		
		Participants	Clothing collected	Additional donations
October 25, 2020	Mitsui Shopping Park LaLagarden KASUKABE	206	1,122kg	¥14,300



Activities at LaLagarden KASUKABE

Social Contribution Events

Various social contribution events for visitors, primarily the residents of the surrounding areas, are held at the Investment Corporation properties.

Mitsui Outlet Park IRUMA



Environmental education event



Disaster readiness event

Promoting a Barrier-free Environment

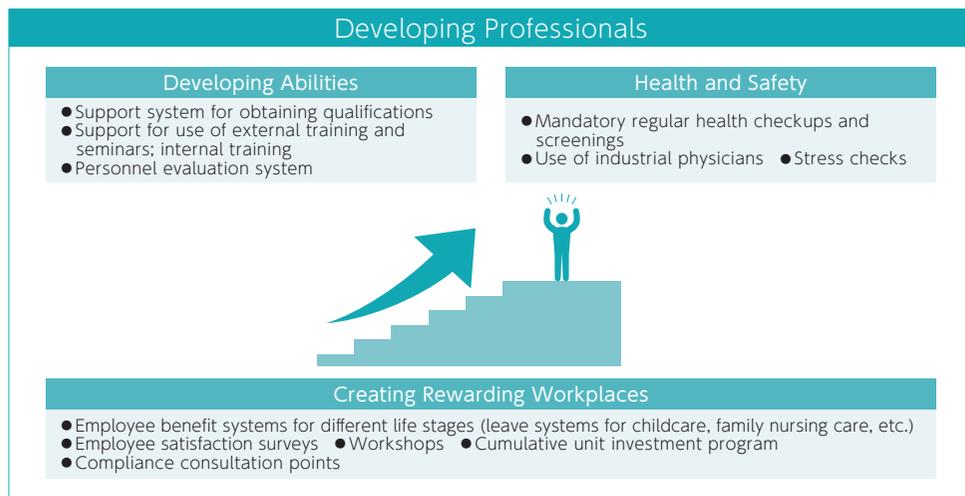
The Investment Corporation properties have installed barrier-free facilities so that various people, including elderly persons and persons with disabilities, can use them with peace of mind.



BRANCH Hakata Papillon Garden

Initiatives for Employees at the Asset Management Company

The Asset Management Company regards developing professionals with sophisticated and specialized skills, broad knowledge, and a firm sense of ethics as a key priority. Accordingly, the Asset Management Company carries out a range of initiatives related to developing employees' abilities, ensuring employee health and safety, and creating rewarding workplaces.



Developing Abilities

<Support for acquiring qualifications>

To support executives and employees in acquiring qualifications needed to enhance their specialized knowledge or further develop their abilities, we have established an internal system that offers subsidies and other forms of aid.

Qualification	Number of people
The Association for Real Estate Securitization (ARES) certified master	17
Real estate notary	15
Tax accountant	1
Securities analyst	1
Certification Test of Environment Specialists (ECO test)	14

(As of May 1, 2021)

<Implementation of internal training and support for participation in external training programs and seminars>

To develop the abilities of executives and employees, we recommend and provide support for participation in external training programs as well as various seminars and courses.

List of available external course programs and seminars

- SMBC Business Seminar (general business topics and education)
- Japan Knowledge Center Seminar and Dynamic Marketing Co., Ltd. (retail facilities and real estate)
- The Association for Real Estate Securitization and the Investment Trusts Association, Japan Seminar (Investment Trust Act, Financial Instruments and Exchange Act, etc.)

Fiscal 2020 Training and Seminar Attendance

	Annual total*1	Per person*2
Training hours	43.5 hours	1.7 hours/year
Training fees	¥873,000	¥34,000/year

*1 Total number of hours and amount of fees for training attended by executives and employees

*2 Calculated by dividing the annual totals by the number of the Asset Management Company's executives and employees as of March 31, 2021

<Use of outside personnel>

When necessary, the Asset Management Company brings in personnel with specialized abilities from the sponsor and other entities in order to raise the level of business execution.

Company name	Number of people
Mitsui Fudosan Co., Ltd.	8
Reiwakaikeisha Tax Corporation	1

(As of April 1, 2021)

<Personnel evaluations>

Regarding the execution of business by employees, we introduce a personnel evaluation system that assesses employees' abilities and performance from multiple perspectives, including those related to sustainability initiatives. In addition, supervisors hold meetings with their subordinates at the beginning, middle, and end of each fiscal year to give advice that helps them hone their abilities, to identify issues, and to check progress and results.

HR Data (for reference)

Item		Number
Number of employees	Male / Female	5 / 7
Number of contract employees	Male / Female	2 / 2
Number of dispatched employees	Male / Female	7 / 2
Total number of executives and employees	Male / Female	14 / 11
Percentage of female executives and employees		44.0%
Percentage of female director		0%
Percentage of temporary staff		0%
Average length of service*1		5.7 years
Number of new hires	Male / Female	0 / 0 (fiscal 2020)
Percentage of global staff with a disability		0% (fiscal 2020)
Attrition rate*2		0%
Paid leave usage rate		82.3% (fiscal 2020)
Number of people who have taken childcare leave		0 (fiscal 2020)
Number of people who have taken caregiving leave		0 (fiscal 2020)

(As of May 1, 2021)

There have been no mergers or acquisitions that necessitated layoffs and there have been no large-scale layoffs.

*1 Calculated based on the number of employees at the Asset Management Company as of May 1, 2021. The average was calculated by dividing the total number of months worked as of April 30, 2021, by the number of employees.

*2 For the period between fiscal 2018 and fiscal 2020 (regular employees and contract employees.) The employees who reached the retirement age are not included.

Initiatives for Employees at the Asset Management Company

Health and Safety

<Periodic ordinary health checks>

We put the health of executives and employees first and mandate they get health checks. Regarding periodic ordinary health checks or comprehensive health checks, we have set up a system for taking leave to receive a comprehensive health check and provide subsidies for examination fees as we actively support and promote the improvement of executive and employee health.

Percentage of executives and employees who received ordinary and comprehensive health checks (fiscal 2020)	100%
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<Special leave systems>

In addition to our annual paid leave, we have set up the following special leave systems: refreshment leave (five days), leave for comprehensive health checks, leave for special occasions or bereavement, menstrual leave, leave for pregnancy-related hospitalization or impairment, sick child leave, caregiving leave, pre- and post-childbirth leave.

<Sharing of health-related information and use of industrial physicians>

The Asset Management Company disseminates a wide range of health-related information internally and periodically holds meetings on how to improve one's health. In addition, we use platforms like this to provide opportunities for getting advice from industrial physicians.

<Stress checks>

We conduct stress checks as part of our efforts to prompt executives and employees to practice self-care and to prevent mental health problems.

<Health and productivity management>

The Asset Management Company is committed to health and productivity management and actively provides preventive support to improve the health of executives and employees because we put their health and safety first.

July 1, 2020

Silver Certification from the National Federation of Health Insurance Societies

March 4, 2021

2021 Certified Health & Productivity Management Outstanding Organization



Creating Rewarding Workplaces

<Childcare and caregiving support>

To support executives and employees in both their work and in childcare or caregiving, we have established the following systems.

Childcare support: childcare leave system, sick child leave system, childcare reduced working hour system

Caregiving support: caregiving leave system, caregiving reduced working hour system

<Employee satisfaction>

For the Asset Management Company to understand the issues it should tackle and consider policies and measures, we regularly surveys internal and external awareness and actions in specific local areas and strives to improve its internal systems and environments based on the results. (The fourth survey was conducted in August 2020.)

<Policy and initiatives concerning respect for human rights >

1. Respect for human rights

We respect human rights without discriminating based on gender, age, birthplace, nationality, ethnicity, race, creed, religion, health, disability or any other reason, and promote initiatives, such as the formation of internal systems and a work environment where diverse personnel can play active roles.

None of the various types of harassment, such as sexual harassment or power harassment, or discrimination have occurred thus far. We are advancing enhancement activities, such as by continuing to regularly carry out training related to the various types of harassment, discrimination and LGBT awareness going forward.

2. Prevention of child labor and forced labor

We will observe laws and regulations and internal rules, and thoroughly eliminate and prevent child labor and forced labor.

We have never used child or forced labor. We will thoroughly observe laws and regulations so that child labor and forced labor continue to not occur.

3. Prevention of overwork

We will work to suppress overwork and reduce overtime work, taking into consideration the maintenance and improvement of employees' health and work-life balance.

There have been no cases of long overtime work that violates the "Article 36 agreement".

We will observe the "Article 36 agreement" by monitoring working hours to reduce unreasonably long working hours and overtime work. In addition to the "Article 36 agreement", we internally communicate the various labor agreements, work regulations, etc. posted on our internal portal site.

4. Respect of the freedom of association and right to collective bargaining

We recognize that employees have the right to organize, the right to collective bargaining and the right to strike.

5. Payment of wages higher than the minimum wage

Our basic policy is to not only observe minimum wage rules in the labor laws, but pay a wage that exceeds those requirements.

We clearly indicate internal regulations, such as salary regulations, the composition and breakdown of salary in labor contracts, the calculation method and the wage table, which is based on job grade, and pay appropriate wages.

<Policy concerning the anti-fraud and political involvement>

1. Anti-bribery

We will keep our relationship with related parties and business partners within a socially acceptable scope, and will not have a relationship that may raise suspicion or distrust from society.

2. Anti-corruption

We will establish a code of conduct concerning the "elimination of antisocial forces," "prevention of money laundering," "appropriate management of conflicts of interest," "prohibition of insider trading," etc., and will work to thoroughly observe compliance and prevent corruption.

3. Political involvement

We will not make donations for the political activities of those other than political parties and political funding organizations. In the event that we support or make political donations to political parties or political funding organizations, we will observe laws and regulations, such as the Political Funds Control Act and the Public Offices Election Act.

<Compliance consultation desk (for corruption prevention, etc.) >

We have a system in place where executives and employees who notice bribery, corruption, harassment or other compliance violations can go outside their department to directly contact the Compliance Division General Manager or consult with the external consultation desk. Both the Compliance Division General Manager and the external consultation desk will adamantly defend the confidentiality of any person who seeks consultation. Depending on the matter, they will work together to investigate the facts of the case, they may report to the president or relevant executive or to the compliance committee, or they may take whatever other action deemed appropriate and follow up with the consultation seeker with the results of their efforts. The consultation seeker is protected by the Whistleblower Protection Act and cannot be treated unfairly by the Asset Management Company based on the matters discussed.

Governance Initiatives



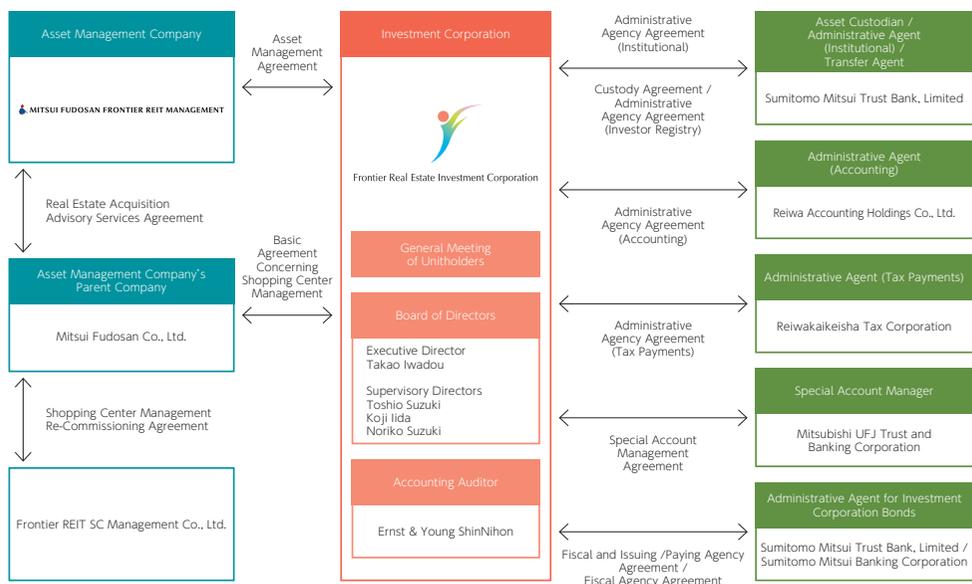
FRI's Corporate Governance

Corporate Governance

The Investment Corporation shall have at least one executive director and at least two supervisory directors (the number of supervisory directors must be equal or larger than the number of executive director(s) plus one). The executive director(s) and the supervisory directors shall constitute the Board of Directors of the Investment Corporation.

The Investment Corporation's institutions are made up of one executive director, three supervisory directors, the Board of Directors comprising all executive directors and supervisory directors, and the accounting auditor, in addition to the Investment Corporation's unitholders, who constitute the General Meeting of Unitholders.

Basic Structure



Director information

Title	Name	Gender	Attendance at Board of Directors meetings (FY2020)	Total compensation amount in the 34th Period ended June 30, 2021
Executive Director	Takao Iwadou	Male	100% (13 times / 13 times)	3,000 thousand yen
Supervisory Director	Toshio Suzuki	Male	100% (13 times / 13 times)	1,800 thousand yen
Supervisory Director	Koji Iida	Male	100% (13 times / 13 times)	1,800 thousand yen
Supervisory Director	Noriko Suzuki	Female	100% (13 times / 13 times)	1,800 thousand yen

<Brief Biographies>

Executive Director Takao Iwadou	April 1973	Entered Mitsui Fudosan Co., Ltd. (Mitsui Fudosan)
	April 1999	Appointed General Manager of Affiliated Business Division, Group Management Department, Mitsui Fudosan
	April 2001	Appointed General Manager of General Administration Department and Internal Audit Department, Mitsui Fudosan
	April 2003	Appointed Managing Officer and General Manager of General Administration Department and Internal Audit Department, Mitsui Fudosan
	April 2005	Appointed Managing Officer and General Manager of General Administration Department, Mitsui Fudosan
Supervisory Director Toshio Suzuki	April 2007	Appointed Advisor, Mitsui Fudosan Senior Corporate Auditor, Mitsui Fudosan Residential Co., Ltd.
	March 2014	Retired Advisor, Mitsui Fudosan Retired Senior Corporate Auditor, Mitsui Fudosan Residential Co., Ltd.
	April 2018	Appointed Executive Director, Frontier Real Estate Investment Corporation (present post)
Supervisory Director Koji Iida	April 1971	Entered Mitsubishi Corporation
	April 2000	Retired Mitsubishi Corporation
	December 2009	Registered as an attorney (Daiichi Tokyo Bar Association)
	December 2009	Entered Sakuragi, Koiwai & Sakurai (currently, Sakuragi, Nakano & Co.)
	April 2016	Appointed Supervisory Director, Frontier Real Estate Investment Corporation (present post)
Supervisory Director Noriko Suzuki	June 2020	Retired Sakuragi, Nakano & Co.
	June 2020	Entered Aoyama Tokyo Law Offices (present post)
	April 1981	Entered Asahi & Co. (currently, KPMG AZSA LLC)
	December 1984	Registered as a certified public accountant
	May 1998	Appointed Partner, Asahi & Co. (currently, KPMG AZSA LLC)
Supervisory Director Koji Iida	May 2007	Appointed Representative Partner, KPMG AZSA & Co. (currently, KPMG AZSA LLC)
	July 2010	Appointed Partner, KPMG AZSA LLC
	June 2019	Retired KPMG AZSA LLC
	July 2019	Established Iida CPA Office (present post)
	April 2020	Appointed Supervisory Director, Frontier Real Estate Investment Corporation (present post)
	March 1981	Entered Chuo Accounting Corporation
	March 1989	Entered Chuo Coopers & Lybrand International Tax Office (currently, PwC Tax Japan)
	October 1992	Entered ASAHU SHINWA & Co. (currently, KPMG AZSA LLC)
	April 1996	Registered as a certified public accountant
	October 2008	Appointed Senior Manager, KPMG AZSA & Co. (currently, KPMG AZSA LLC)
Supervisory Director Noriko Suzuki	September 2015	Retired KPMG AZSA LLC
	October 2015	Appointed part-time audit staff, KPMG AZSA LLC
	October 2015	Established Suzuki Noriko CPA Office (present post)
	March 2020	Retired part-time audit staff, KPMG AZSA LLC
	April 2020	Appointed Supervisory Director, Frontier Real Estate Investment Corporation (present post)
	June 2021	Appointed Outside Director (Member of Audit and Supervisory Committee), Nishimatsu Construction Co., Ltd. (present post)

FRI's Corporate Governance

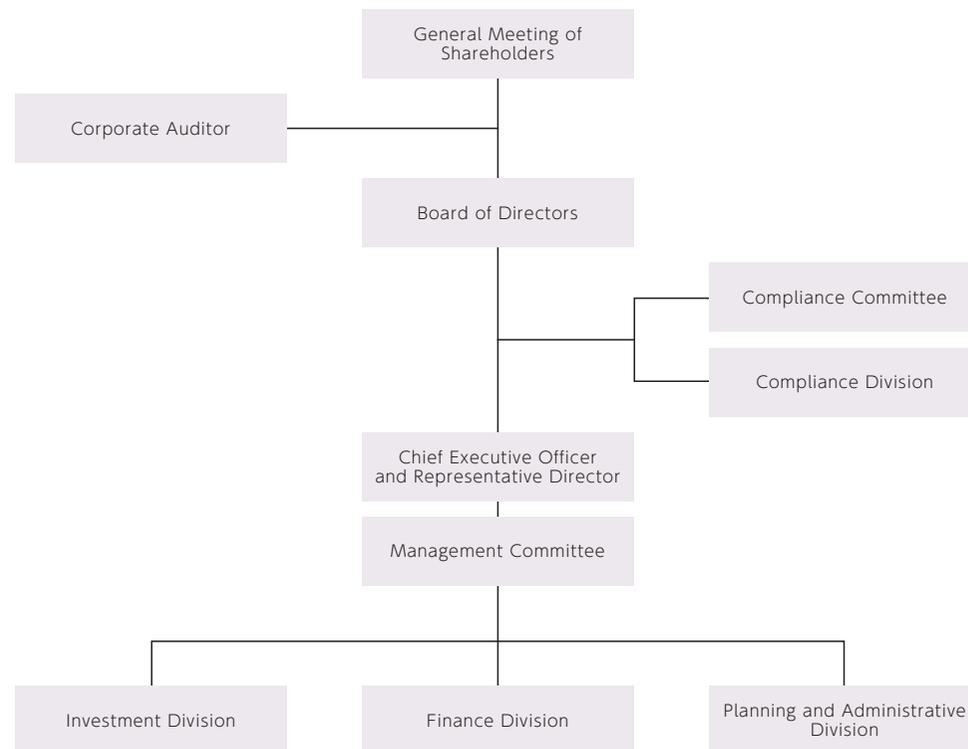
The Investment Corporation has made the following arrangements as to the standard for payment of the directors' compensations and the time when the payment is made.

- (1) The compensations for each executive director shall be up to 800,000 yen per month, and the amount determined by the Board of Directors that is deemed reasonable in light of the general price trends and wage trends, etc. shall be paid for a relevant month by the end of said month and shall be done so each month.
- (2) The compensation for each supervisory director shall be up to 500,000 yen per month, and the amount determined by the Board of Directors that is deemed reasonable in light of the general price trends and wage trends, etc. shall be paid for a relevant month by the end of said month and shall be done so each month.

There was no fines and settlements specified for ESG issues as of December 31, 2020.

Management System

Management of the Investment Corporation's assets is entrusted to Mitsui Fudosan Frontier REIT Management Inc., the asset management company, which performs its assignments based on the asset management agreement concluded with the Investment Corporation under the following organizational structure.



Compliance

The Investment Corporation and Mitsui Fudosan Frontier REIT Management Inc., the asset management company (the "Asset Management Company"), which are bearers of the listed investment corporation system that plays the role of the financial brokerage system through the securities market, position compliance as the fundamental principle for business operations and proactively work to promote compliance.

The Asset Management Company has established the compliance regulations as its internal rules, in which it defines compliance as "implementing corporate activities with integrity and in a fair manner, fully understanding the social norms as well as strictly abiding by all laws relating to its operations, various regulations, internal rules and market rules." By incorporating the function to promote compliance into its corporate governance system, it endeavors to ensure appropriate asset management and protect investors.

The Investment Corporation, in close coordination with the Asset Management Company, implements fair and highly transparent asset management operations through appropriate administration of the Board of Directors and other bodies.

<Establishment of system to eliminate anti-social forces>

The Asset Management Company shall prepare a manual to cope with anti-social forces as its internal rules, and establish a company-wide system to eliminate anti-social forces. As part of such a system to eliminate them, all officers and employees of the Asset Management Company shall review and assess the attributes of its business partners and shareholders upon initiating transactions as well as confirming the identity of such parties, in order to avoid all involvement, transaction and use of any kind of anti-social forces.

<Rules concerning conflicts of interest>

The Asset Management Company has determined Rules Concerning Conflicts of Interest regarding transactions with parties.

FRI's Rules Concerning Conflicts of Interest

- ① Related Parties

The following are related parties.

 - a. Related parties of the Asset Management Company as defined by the Investment Trust and Investment Corporation Act of Japan (hereinafter, the "Investment Trust Act")
 - b. Other Related Parties

Other related parties are as defined below.

 - i. The shareholder of the Asset Management Company and the subsidiaries and affiliated companies of said shareholder laid out in the Regulation for Terminology, Forms, and Preparation of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28 of 1976, including subsequent amendments, hereinafter the "Consolidated Accounting Standards").
 - ii. Special purpose companies (including specified purpose companies, special limited liability companies, corporations and others as laid out in the Law on Securitization of Assets; hereinafter "SPCs") that meet certain conditions. Specifically, if the Asset Management Company's shareholder and said shareholder's subsidiaries and affiliated companies (as defined in the Consolidated Accounting Standards) have invested a total of 15% or more of an SPC's invested capital (including investments made by silent partnership and preferred equity investments), the SPC in question is a related party.
- ② Deliberation of Transaction Details
 - a. The details of transactions laid out below in 1. through 9. with related parties (transactions related to the operation of the Investment Corporation's assets, excluding transactions made in the course of fund procurement) must be approved in accordance with the Investment Corporation's internal rules as set out below before said transaction can be executed.
 - i. Acquisition of real estate, leasehold rights to real estate or surface rights, as well as trust beneficiary interests in real estate, leasehold rights to real estate or surface rights (hereinafter "real estate, etc.," including the underlying assets of trust beneficiary interests).
 - ii. Sale of real estate, etc.
 - iii. Leasing of real estate, etc.
 - iv. Acquisition or sale of securities (excluding transactions covered by 1. or 2., above).
 - v. Leasing of securities (excluding transactions covered by 3., above).
 - vi. Formation or amendment of property management consignment agreements related to real estate, etc.
 - vii. Formation or amendment of brokerage contracts related to the purchase, sale or leasing of real estate, etc.
 - viii. One-time transactions of ¥10 million or more per deal or ongoing transactions of ¥10 million or more per year other than those specified in 1. through 7., above.
 - ix. One-time transactions of ¥1 million to less than ¥10 million per deal or ongoing transactions of ¥1 million to less than ¥10 million per year other than those specified in 1. through 7., above.
 - b. Transactions specified in a. 1 through 5., above, are proposed by the Investment Division and pre-screened by the Compliance Division General Manager.

The Compliance Division General Manager examines whether there are any issues related to compliance in light of law and regulation, and submits the proposal to the Management Committee for deliberation. If the Management Committee passes the proposal, it moves on to the Compliance Committee.

In principle, proposals deliberated by the Compliance Committee must be approved unanimously. If approved, proposals are taken up by the Investment Corporation's Board of Directors for consideration and approval (this approval constitutes permission from the Investment Corporation. The same applies throughout II.). Proposals approved by the Investment Corporation's Board of Directors are then taken up by the Asset Management Company's Board of Directors for consideration and approval (however, transactions specified in a. 3. through 5., above, that fall under the transactions laid out in Article 245-2 of the Enforcement Order for the Investment Trust Act do not require the approval of the Investment Corporation's Board of Directors, and are referred directly to the Asset Management Company's Board of Directors). In accordance with the rules of the Board of Directors, the Board makes the final decision to approve or reject the proposal. If a proposal is rejected at any step of this process, it is immediately sent back to the department that proposed it.

Compliance

c. Transactions specified in a. 6. through 8., above, are proposed by the Investment Division and pre-screened by the Compliance Division General Manager.

The Compliance Division General Manager examines whether there are any issues related to compliance in light of law and regulation, and submits the proposal to the Management Committee for deliberation. If the Management Committee passes the proposal, it moves on to the Compliance Committee.

In principle, proposals deliberated by the Compliance Committee must be approved unanimously. If approved, proposals are taken up by the Asset Management Company's Board of Directors for consideration and approval. In accordance with the rules of the Board of Directors, the Board makes the final decision to approve or reject the proposal. If a proposal is rejected at any step of this process, it is immediately sent back to the department that proposed it.

d. Transactions specified in a. 9., above, are proposed by the Investment Division and pre-screened by the Compliance Division General Manager.

The Compliance Division General Manager examines whether there are any issues related to compliance in light of law and regulation, and submits the proposal to the Compliance Committee.

In principle, proposals deliberated by the Compliance Committee must be approved unanimously. If approved, proposals are taken up by the Management Committee, which considers the proposal and makes the final decision to approve or reject it. If a proposal is rejected at any step of this process, it is immediately sent back to the department that proposed it.

③ Acquisition of Investment Assets from Related Parties

a. In the event that real estate, etc. is acquired from a related party, the acquisition price must not exceed the appraisal value as determined by a real estate appraiser that is not a related party (including entities; hereinafter, the same). This appraisal value is the price of the property itself, and does not include taxes, sales expenses, trust establishment expenses, trust account deposits, trust proceeds, or current expenses such as payment of pro-rata property taxes for the remainder of the tax year.

b. In the event that expenses (company establishment expenses, due diligence expenses, etc.) arise from the temporary formation of an SPC or other vehicle as a prerequisite for the transfer from a related party to the Investment Corporation, notwithstanding IV. a., above, the acquisition can be conducted with the concerned expenses added to the appraisal value.

c. In the event that other specified assets are acquired from a related party, the market value is used as the transfer price for those assets whose market values can be determined, and the transfer price for other assets is determined in accordance with the above items IV. a. and b.

④ Transfer of Investment Assets to Related Parties

a. In the event that real estate, etc. is transferred to a related party, the transfer price must be no less than the appraisal value determined by a real estate appraiser that is not a related party. This appraisal value is the price of the property itself, and does not include taxes, sales expenses, trust establishment expenses, trust account deposits, trust proceeds, or current expenses such as payment of pro-rata property taxes for the remainder of the tax year.

b. In the event that other specified assets are transferred to a related party, the market value is used as the transfer price for those assets whose market values can be determined, and the transfer price for other assets is determined in accordance with IV. a., above.

⑤ Leasing of Investment Assets to Related Parties

In the event that a property is leased to a related party, it is to be leased after an assessment of market prices in general and in the surrounding area, and according to terms judged to be reasonable based on the written opinion, etc. of a third party that is not a related party.

⑥ Acquisition, Transfer and Leasing of Securities to or from Related Parties

In the event of the acquisition, transfer or leasing of securities to or from related parties (excluding transactions covered by III. through V., above), such transactions shall be made in accordance with III. through V., above.

⑦ Consignment of Property Management Work to Related Parties

a. In the event that property management work is consigned to a related party, this determination must follow an assessment of the related party's track record, creditworthiness and similar factors, and remuneration shall be determined by taking into consideration such factors as the current market, the particulars of the services to be provided and the total amount of work to be performed.

b. In the event that a related party is already conducting property management work for a property to be acquired, property management work shall, in principle, be consigned to the concerned related party after the acquisition, and the consignment fee shall be determined in accordance with VII. a., above.

⑧ Consignment to Related Parties of the Brokerage of the Purchase, Sale or Leasing of Investment Assets

a. In the event that the brokerage of a purchase or sale of real estate, etc. is consigned to a related party, remuneration shall be within the scope stipulated by the Building Lots and Buildings Transaction Business Law, while taking into consideration such factors as the relative value of the trade and relative difficulty of the brokerage.

b. In the event that the brokerage of leasing of real estate, etc. is consigned to a related party, remuneration shall be within the scope stipulated by the Building Lots and Buildings Transaction Business Law, while taking into consideration such factors as the relative rent and the relative difficulty of the brokerage.

⑨ Contracting of Construction Work to Related Parties

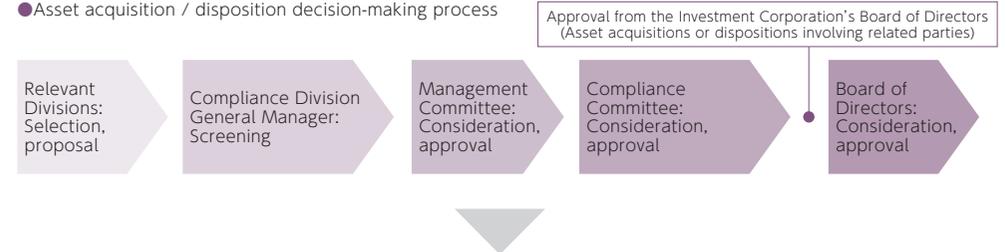
In the event that construction work is contracted to a related party, the construction work is to be contracted according to terms judged to be reasonable after comparing and examining the estimated price and details of a third-party bid. However, if emergency work (such as repair construction work due to property damage resulting from an earthquake, fire or other calamity) is required, the manager of the Investment Management Department determines the contracting of the work. In this case, retroactive approval of the contents, contract price and other details of such construction work must be obtained separately in accordance with this section, IX., as well as the above section II.

<Decision-making process>

● Decision-making process for establishing and changing management guidelines and asset management plans



● Asset acquisition / disposition decision-making process



Ensuring appropriate asset management and Protecting unitholders

Compliance

Compliance Promotion Framework

The Asset Management Company promotes compliance based on the following framework.



Annual compliance program

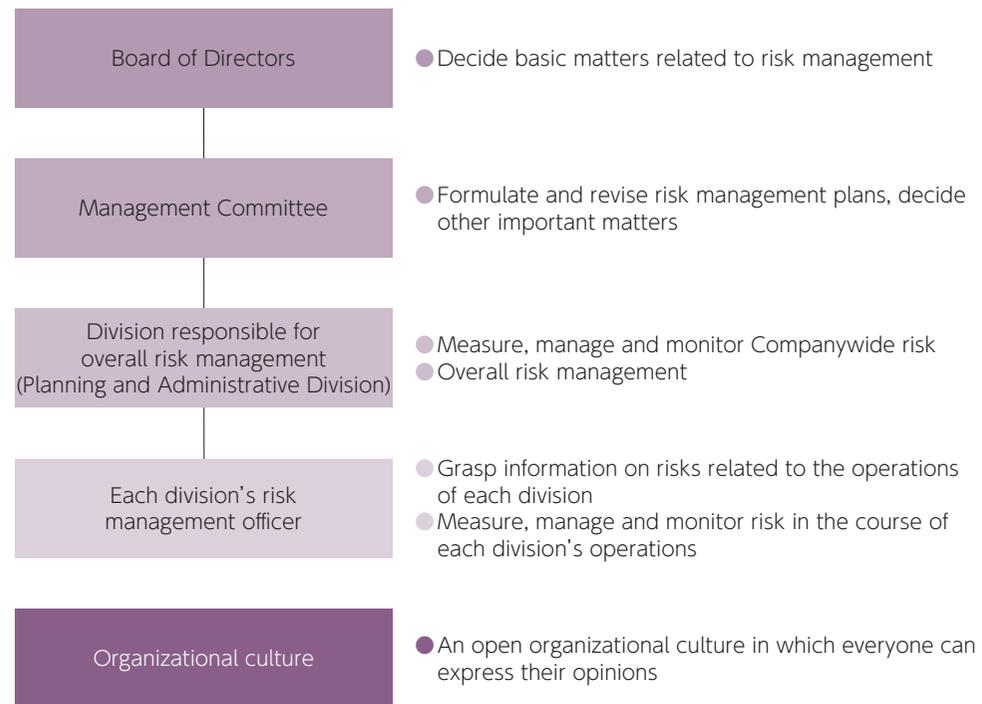


Risk Management

The Asset Management Company serves as the financial instruments business operator that manages the Investment Corporation's assets. In this role it has created the Risk Management Regulations to help ensure the soundness of business operations and, fully aware of the importance of comprehensive risk management, works to appropriately manage each type of risk and to minimize risk. This stance serves as the basis of its management.

Risk Management Framework

The Asset Management Company carries out risk management based on the following framework.



The Role of Risk Management Plans

The Asset Management Company regards risk management and compliance as integral to management strategy and organizational culture and, as one of its management tasks, works to carry out risk management plans in coordination with internal audit plans.

Index

KPI Actual Results

The Investment Corporation and the Asset Management Company set KPIs(Key Performance Indicators) to measure the progress of initiatives for materialities.

Materiality	KPI	Scope	KPI Results			
			FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)	FY2020 (April 1, 2020 to March 31, 2021)	
Environment	Reducing carbon emissions by pursuing energy efficiency	Per-unit energy consumption*1	Energy consumed in facility operations	23,273 kWh/m ²	20,915 kWh/m ²	19,228 kWh/m ²
		Data coverage	Floor area basis, excluding land interest properties and properties for which data is unavailable	98.5%	98.5%	98.4%
		Per-unit GHG emissions*1	GHG emissions from facility operations	0.010 t-CO ₂ /m ²	0.008 t-CO ₂ /m ²	0.007 t-CO ₂ /m ²
		Data coverage	Floor area basis, excluding land interest properties and properties for which data is unavailable	98.5%	98.5%	98.4%
	Conserving water and other resources while reducing waste	Per-unit water consumption*1	Water use attributable to facility operations	0.072m ³ /m ²	0.065m ³ /m ²	0.059m ³ /m ²
		Data coverage	Floor area basis, excluding land interest properties and properties for which data is unavailable	98.5%	98.5%	98.4%
	Reducing hazardous substances and ensuring health and safety	Waste emissions	Waste emissions attributable to facility operations	11,578,510 kg	11,535,115 kg	9,671,280 kg
		Recycling rate	Waste recycling rate attributable to facility operations	51.1%	50.4%	54.1%
Society	Cooperation and coexistence with local communities	Asset Management Company employees who take part in running activities for &EARTH Clothing Support Project	Asset Management Company employees who participate in the project	9	7	0
		Participants of the &EARTH Clothing Support Project in the Investment Corporation Properties		3,140	1,588	206
		Clothing collected of the &EARTH Clothing Support Project in the Investment Corporation Properties	The &EARTH Clothing Support Project in the Investment Corporation Properties	14,711kg	8,080kg	1,122kg
		Additional donations of the &EARTH Clothing Support Project in the Investment Corporation Properties		¥143,733	¥56,237	¥14,300
	Engaging with our employees	Average annual training hours per employee		24.0 hours	16.5 hours	1.7 hours
		Average annual training expenses per employee		¥280,000	¥240,000	¥34,000
		Employees with official certifications (ARES Certified Master; Real estate broker; Tax accountant; Securities analyst)	Employees of the Asset Management Company	ARES Certified Master: 14 Real estate broker: 15 Tax accountant: 1 Securities analyst: 1	ARES Certified Master: 15 Real estate broker: 15 Tax accountant: 1 Securities analyst: 1	ARES Certified Master: 17 Real estate broker: 15 Tax accountant: 1 Securities analyst: 1 (as of May 1, 2021)
		Employee satisfaction survey		–	Carried out in July 2019	Carried out in August 2020
	Establishing trusting relationships with our investors	Percentage of portfolio with environmental certification (DBJ Green Building Certification or CASBEE Rank*2) (floor area basis, as of the end of December)		62.2% (as of December 31, 2018)	76.5% (as of December 31, 2019)	75.1% (as of December 31, 2020)
		External certifications as of the end of December	External recognitions or certifications of portfolio properties or of the Investment Corporation or the Asset Management Company	12 (DBJ Green Building Certification: 9; GRESB Assessment; SMBC Environmental Assessment; Silver Certification from the National Federation of Health Insurance Societies) (as of December 31, 2018)	15 (DBJ Green Building Certification: 10; CASBEE: 1; GRESB Assessment; SMBC Environmental Assessment; Silver Certification from the National Federation of Health Insurance Societies; 2019 Certified Health & Productivity Management Outstanding Organization) (as of December 31, 2019)	15 (DBJ Green Building Certification: 10; CASBEE: 1; GRESB Assessment; SMBC Environmental Assessment; Silver Certification from the National Federation of Health Insurance Societies; 2020 Certified Health & Productivity Management Outstanding Organization) (as of December 31, 2020)
IR briefings per year			12 times in 2018	11 times in 2019	4 times in 2020	
Governance	Clarifying corporate governance structure	Number of compliance trainings	The governance structure of the Investment Corporation and the Asset Management Company		6	
		Compliance training attendance rate			93.0%	
	Enhancing corporate governance systems	Number of independent Directors (Supervisory Directors)		The governance systems of the Investment Corporation	KPI was set in FY2020	3
		Board of directors' meeting attendance rate				100.0%
	Number of female director			1		

*1 The average figures of the portfolio properties, calculated using consumption data as the numerator and floor area as the denominator. Those data have been normalized based on operating periods, occupancy rates and weather conditions, etc.
*2 The Investment Corporation has not received any other green building certifications.

GRI Standards Content Index

The information about sustainability presented on the Investment Corporation's website was prepared with reference to GRI 102: General Disclosures 2016.

Publication channel

- F** The Investment Corporation's website
- M** The Asset Management Company's website
- Y** Securities Report (Japanese language only)
- S** Report on the Management Structure and System of the Issuer of Real Estate Investment Trust Units and Related Parties (Japanese language only)

Organizational Profile			
	General Disclosures	Publication Channel	Section
102-1	Name of the organization	F	Profile
102-2	Activities, brands, products, and services	Y	p.7
102-3	Location of headquarters	F	Profile
102-4	Location of operations	F	Profile
102-5	Ownership and legal form	F	Organization
102-6	Markets served	F	Investment Unit Information
102-7	Scale of the organization	Y	p.1
		S	p.5
102-8	Information on employees and other workers	S	p.5
		M	Initiatives for Executives and Employees
102-9	Supply chain	F	Organization
102-10	Significant changes to the organization and its supply chain		There are no applicable changes.
102-11	Precautionary principle or approach	F	Sustainability Policy
102-12	External initiatives	F	Supported Initiatives
102-13	Membership of associations	M	Profile
Strategy			
	General Disclosures	Publication Channel	Section
102-14	Statement from senior decision-maker	F	Our Commitment
102-15	Key impacts, risks, and opportunities	F	Sustainability Policy
		F	Materiality

Ethics and Integrity			
	General Disclosures	Publication Channel	Section
102-16	Values, principles, standards, and norms of behavior	F	Operational Policy
		M	Our Management Philosophy and Investment Policy
			"Statement Vision Mission" on Mitsui Fudosan's website
102-17	Mechanisms for advice and concerns about ethics	F	Contact Us
		M	Privacy Policy
		M	Initiatives for Executives and Employees
Governance			
	General Disclosures	Publication Channel	Section
102-18	Governance structure	F	The Investment Corporation's Corporate Governance
		M	About Our Organization
		Y	p.12
		S	p.10
		F	Sustainability Promotion Framework
102-19	Delegating authority	F	Sustainability Promotion Framework
102-20	Executive-level responsibility for economic, environmental, and social topics	F	Sustainability Promotion Framework
102-21	Consulting stakeholders on economic, environmental, and social topics	F	Dialogue with Stakeholders
102-22	Composition of the highest governance body and its committees	F	The Investment Corporation's Corporate Governance
		M	About Our Organization
		Y	p.12
102-23	Chair of the highest governance body	S	p.5
		F	Directors
		M	Management Members
102-24	Nominating and selecting the highest governance body	F	Articles of Incorporation of the Investment Corporation
102-25	Conflicts of interest	F	Rules Concerning Conflicts of Interest
		Y	p.200
		S	p.14

GRI Standards Content Index

102-26	Role of highest governance body in setting purpose, values, and strategy	F	Sustainability Promotion Framework
102-27	Collective knowledge of highest governance body	F	Compliance
102-28	Evaluating the highest governance body's performance	F	Sustainability Promotion Framework
102-29	Identifying and managing economic, environmental, and social impacts	F	Materiality
102-30	Effectiveness of risk management processes	F	Risk Management
102-31	Review of economic, environmental, and social topics	F	Sustainability Promotion Framework
		F	Compliance
102-32	Highest governance body's role in sustainability reporting	F	Sustainability Promotion Framework
102-33	Communicating critical concerns	F	Sustainability Promotion Framework
102-34	Nature and total number of critical concerns		There are no critical concerns.
102-35	Remuneration policies	Y	p.46
102-36	Process for determining remuneration	Y	p.46
102-37	Stakeholders' involvement in remuneration	Y	p.46
Stakeholder engagement			
	General Disclosures	Publication Channel	Section
102-40	List of stakeholder groups	F	Dialogue with Stakeholders
102-41	Collective bargaining agreements		There are no agreements.
102-42	Identifying and selecting stakeholders	F	Dialogue with Stakeholders
102-43	Approach to stakeholder engagement	F	Dialogue with Stakeholders
102-44	Key topics and concerns raised		There are no key topics and concerns raised.
Reporting practice			
	General Disclosures	Publication Channel	Section
102-45	Entities included in the consolidated financial statements		There are no entities included in the consolidated financial statements.
102-46	Defining report content and topic boundaries	F	Materiality
102-47	List of material topics	F	Materiality
102-48	Restatements of information		There are no restatements of information.
102-49	Changes in reporting		There are no changes in reporting.

102-50	Reporting period		In line with the Investment Corporation's fiscal closing period, its report includes financial results from January 1 to June 30, 2021. However, the report also features the Investment Corporation's environmental performance and data associated with the Asset Management Company during the period from April 1, 2020 to March 31, 2021.
102-51	Date of most recent report		Initial issuance date: January 31, 2019
102-52	Reporting cycle		Based on the reporting period stated in 102-50, plans call for annually updating the content of reporting in March and September.
102-53	Contact point for questions regarding the report	F	Contact Us
102-54	Claims of reporting in accordance with the GRI Standards		This material references GRI 102 : General Disclosures 2016.
102-55	GRI content index		
102-56	External assurance		
Disclosures of the management approach			
	Specific Disclosures	Publication Channel	Section
103-1	Explanation of the material topic and its Boundary	F	Materiality
103-2	The management approach and its components	F	Materiality
		F	Sustainability Policy
		F	Sustainability Promotion Framework
		F	Carbon Reduction Targets
103-3	Evaluation of the management approach	F	Materiality
		F	Sustainability Promotion Framework
Environmental			
	Specific Disclosures	Publication Channel	Section
302	Energy	F	ESG Data
303	Water and effluents	F	ESG Data
305	Emissions	F	ESG Data
306	Effluents and waste	F	ESG Data
Social			
	Specific Disclosures	Publication Channel	Section
404	Training and education	M	Initiatives for Executives and Employees
G4 Sector Disclosures: Construction and Real Estate			
	Specific Disclosures	Publication Channel	Section
CRE8	Aspect: Product and Service Labeling	F	External Certifications

Initiatives at the Mitsui Fudosan Group

In order to realize continuous value creation, the Mitsui Fudosan Group has positioned ESG (Environment, Society, and Governance) as a key management issue, the Group aims to achieve a sustainable society and drive sustainable profit growth. The Mitsui Fudosan Group supports the following initiatives.

Participation in the United Nations Global Compact

The Mitsui Fudosan Group supports the UN Global Compact comprising 10 principles relating to human rights, labor, the environment, and anti-corruption advocated by the UN. We signed the compact in December 2018, and participate in the Global Compact Network Japan.

Affiliation with RE100

The Mitsui Fudosan Group is a member of RE100, a global initiative committed to utilizing 100% renewable energy. We are also proud to be fighting climate change as a recognized member of the JCLP (Japan Climate Leaders' Partnership), a local partner of RE100.

Supporting the Task Force on Climate-related Financial Disclosures (TCFD)

The Mitsui Fudosan Group agrees with the disclosure of the associated risks and opportunities regarding climate change proposed by the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, we are also active as a member of the TCFD Consortium, a collective of Japanese companies supporting the TCFD.

GHG emissions reduction targets validated by the SBT initiative

The Mitsui Fudosan Group's Groupwide GHG emission reduction targets have been validated as scientifically sound by the international Science Based Targets (SBT) initiative.

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Mitsui Fudosan Frontier REIT Management Inc.

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