

**Announcement about the formulation of our “Responsible Investment Policy”**

Diamond Realty Management Inc. (“DREAM”) hereby announces that we formulated its Responsible Investment Policy (“This Policy”) on 26th September 2023. This Policy is based on the knowledge and experience DREAM has gained in six years since DREAM became a signatory of the Principles of Responsible Investment <sup>\*1</sup> (“PRI”). Through This Policy, as a signatory of the PRI, DREAM would express its approach toward the six Principles for Responsible Investment.

In May 2017, as a real estate investment management company, DREAM signed and endorsed the PRI proposed by the United Nations. Since then, DREAM provides tangible and intangible sustainable contributions, such as planning and implementing participation in GRESB<sup>\*2</sup> and TCFD<sup>\*3</sup> initiatives through DREAM Private REIT (“DPR”). As a result, DREAM has received high external recognition, such as a 5-star rating for DPR from GRESB 2023 for the second consecutive year. We believe that sustainability and ESG (Environment, Society, Governance) values are essential in our real estate management business, and by incorporating these values into our decision-making processes, including investment, management, and disposition, we aim to contribute to the realization of an even more sustainable society.

\*1 : PRI is an international network of investors organized to realize the six principles proposed to the financial services sector by the then Secretary-General of the United Nations in 2006.

The principles advocate possible actions for incorporating Environmental, Social and Governance (ESG) issues into investment decision-making process to enhance long-term investment results for beneficiaries.

Please refer to the following for details of PRI. PRI website: <https://www.unpri.org/>

\*2 : GRESB is an annual benchmarking assessment to measure ESG (Environmental, Social and Governance) integration of real estate companies and funds, as well as the name of organization which runs the assessment. It was founded in 2009 by a group of major European pension funds who played leading roles in launching PRI.

Please refer to the following for details of GRESB. GRESB website: <https://www.gresb.com/nl-en/>

\*3 : TCFD (Task Force on Climate-Related Financial Disclosures) is the organization which was established by the Financial Stability Board (FSB) at the request of the G20, chaired by Michael Bloomberg, to consider how to disclose climate-related information and respond to financial institutions.

Please refer to the following for details of TCFD. TCFD website: <https://www.fsb-tcfd.org/>

# Responsible Investment Policy

Diamond Realty Management, Inc.

Diamond Realty Management Inc. also uphold the philosophy of the Mitsubishi Corporation Group's Three Corporate Principles. Under one of these principles, "Shoki Hoko (Strive to enrich society, both materially and spiritually, while contributing towards the preservation of the global environment.)", we aim to "maximize the well-being of society" through our real estate investment management business as a sustainability policy. And as a pioneer in this business, we will ceaselessly "Challenge" issues so that we can address the potential needs of our stakeholders amid changing circumstances by leveraging our "Trust" and "Discerning Ability" to realize a sustainable society.

We agree with the Ideas of the Principles for Responsible Investment (PRI) (signed in May 2017). And we enacted four key areas as our Sustainability Priorities:

- ① Global environmental conservation
- ② Sustainable development of real estate markets
- ③ Realizing sustainable societies
- ④ Employee and organization growth

These ideas are based on the six principles of the PRI, the SDGs, and so on.

We believe aligning corporate activities with these concepts is a quick way to "maximize the well-being of society."

Furthermore, we will act following our separately established "Policy on customer-oriented business operations" and work together with all stakeholders, including investors, tenants, and others, to realize a sustainable society and develop the industry.

## **1. Our recognition of the six Principles for Responsible Investment**

In principle, we will conduct business activities under these principles, which apply to all real estate investment management operations, unless they conflict with our fiduciary duties.

### **Principle 1 : We will incorporate ESG issues into investment analysis and decision-making processes.**

We will comprehensively analyze, and grasp property information and ESG (Environmental, Social, and Governance) issues related to the real estate in Investment Committee and Operational Committee and incorporate them into the decision-making process for investment and management policies.

### **Principle 2 : We will be active owners and incorporate ESG issues into our ownership policies and practices.**

We believe it is important to actively engage with stakeholders (investors, tenants, property management companies and others) that are participating in the value chain of assets under management, and we will incorporate ESG (Environmental, Social, Governance) issues into operational policies and product development.

**Principle 3 : We will seek appropriate disclosure on ESG issues by the entities in which we invest.**

We request stakeholders associated with the targeted real estate and its operations to disclose information on ESG issues within appropriate scope. We are committed to addressing disclosure on events that may impact investments to the extent possible.

**Principle 4 : We will promote acceptance and implementation of the Principles within the investment industry.**

We recognize that the widespread adoption of the concept of responsible investment in the entire real estate investment management industry contributes to the conservation of the global environment and the sustainable development of the economy and society. By appropriately disclosing our initiatives, we aim to contribute to fostering understanding and awareness of responsible investment.

**Principle 5 : We will work together to enhance our effectiveness in implementing the Principles.**

To confront global challenges such as climate change, we will proactively engage in external collaborations, including participation in initiatives such as Principles for Responsible Investment (PRI). Through these efforts, we will collaborate with all stakeholders to work towards the resolution of ESG issues.

**Principle 6 : We will each report on our activities and progress towards implementing the Principles.**

In accordance with the PRI reporting framework, we will annually report on the status of our activities related to this policy and disclosing the results to the extent possible. We will emphasize engagement with stakeholders in this reporting process.

**2. "ESG issues" to focus on**

We consider the following issues (materiality defined by our company) to be important "ESG issues" and will conduct activities by these principles.

**ESG issues 1 : Global environmental conservation**

- Reducing energy consumption
- Promoting acquisition of environmental certification, etc.
- Responding to climate change

**ESG issues 2 : Sustainable development of real estate markets**

- Enhancing engagement with stakeholders
- Implementing innovations related to product development and investment methods
- Promoting green finance

**ESG issues 3 : Realizing sustainable societies**

- Improving supply chain transparency
- Improving investor and tenant satisfaction
- Contributing to the revitalization of local communities

**ESG issues 4 : Employee and organization growth**

- Improving employee satisfaction
- Promoting diversity
- Enhancing governance system

### **3. Operations that consider ESG issues in investment analysis and decision-making processes.**

We will thoroughly consider ESG issues when conducting the following operations based on these principles. We will also create guidelines as needed in the future.

- ① Real Estate Investments and Sales
- ② Real Estate Asset Management
- ③ Real Estate Development and Reconstruction\*

\*Includes major Extension and Renovation Works

### **4. Promotion Structure of This Policy**

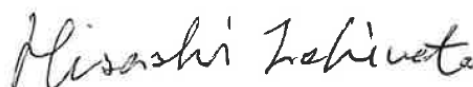
We collaborate across all departments involved in tasks considering ESG issues to promote this policy. The Sustainability Promotion Office will report on the activities related to this policy to the Sustainability Committee as needed.

### **5. Understanding, Promotion, and Penetration of This Policy**

We are dedicated to educating and raising awareness among all officers and employees suitably and effectively to ensure the understanding, promotion, and penetration of this policy.

### **6. Revision of this policy**

Major modifications or additions to this policy will be implemented upon the approval of the Sustainability Committee. Minor changes will be made with the approval of the Sustainability Executive Officer.



**HISASHI ISHIWATA**

**Diamond Realty Management, Inc.**

President and CEO

Enactment: September 26, 2023

Amendment: December 22, 2023

[About Diamond Realty Management Inc.]

Head Office: 16-1, Hirakawa-cho 2-chome, Chiyoda-ku, Tokyo

Businesses Services: Real estate asset management business/advisory & consulting services

Shareholder: Wholly owned by Mitsubishi Corp.

Representative: Hisashi Ishiwata, President and CEO

Establishment: 2004

Number of employees: 102 (as of the end of September 2023)

[For Comments or Inquiries on this Press Release]

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