

**Invincible**  
Investment Corporation

# ESG REPORT

Issued: June 2024  
(April 1, 2023 ~ March 31, 2024)

**Invincible** Investment  
Corporation

Environment

Social

Governance

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## Editorial Policy

### Reporting scope

- Invincible Investment Corporation (“INV”)
- Consonant Investment Management Co., Ltd. (“CIM”)

This also includes the initiatives of MyStays Hotel Management Co., Ltd. (“MHM”), which is the main operator of hotels owned by INV and is owned by funds managed by Fortress Investment Group LLC (“FIG”), a subsidiary of the parent company which indirectly holds 100% of the issued shares of the Asset Management Company and is the sponsor of INV, and its affiliates, as well as other operators that operate hotels owned by INV.

### Period covered by the report

This report is based on the 2023 fiscal year (from April 1, 2023 to March 31, 2024) but also includes initiatives implemented in other periods.

### Guidelines used as reference

- GRI (Global Reporting Initiative) Standard

### Inquiries about this report

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# Introduction

## Message from Management

Invincible Investment Corporation ("INV"), makes focused investments in hotels and residential properties as Core Assets, and manages its assets from a medium to long term perspective, aiming to achieve steady growth and secure stable income.

INV and Consonant Investment Management Co., Ltd. ("CIM"), the asset manager of INV, recognize the importance of environmental, social, and governance (ESG) considerations in real estate investment management from the perspective of sustainability, such as contributing to economic and social development and to global environmental conservation, and regard improving sustainability as one of its key management priorities.

We believe that the incorporation of ESG considerations into the real estate investment management business, which is our primary business, is essential to maximizing unitholder value over the medium to long term and contributes to maximizing INV's investment returns.

To this end, we established a sustainability policy in 2020 which specifies our basic policy for sustainability initiatives and developed an internal system at CIM to implement sustainability-related initiatives in our daily operations.

Furthermore, we have been expanding our sustainability initiatives such as expressing our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and issuing our first green bonds and obtaining green loans through the establishment of a green finance framework.

We have decided to issue this ESG report in order to inform our unitholders and various other stakeholders about the major ESG-related initiatives implemented by INV and CIM over the past year and promote their understanding of these efforts.

ESG initiatives have become increasingly important in recent years, and we will continue to contribute to the realization of a sustainable society by proactively addressing the ESG issues we face in cooperation with various stakeholders in real estate investment management.



Executive Director,  
Invincible Investment Corporation  
President & CEO,  
Consonant Investment Management Co., Ltd.  
**Naoki Fukuda**

## Profile & History

### Profile

<b>Name</b>	Invincible Investment Corporation
<b>Representative</b>	Naoki Fukuda, Executive Director
<b>Address</b>	Roppongi Hills Mori Tower 41F, 6-10-1 Roppongi, Minato-ku, Tokyo, Japan
<b>Contact</b>	Consonant Investment Management Co., Ltd. Tel. +81-3-5411-2731

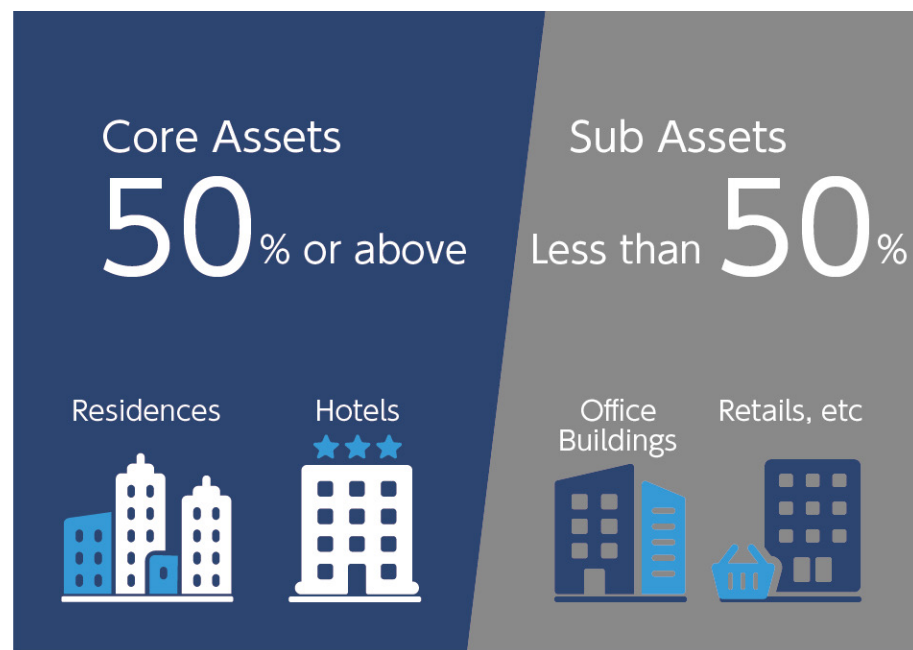
### History

<b>Jan. 08, 2002</b>	Notification relating to establishment of TGR Investment Inc.(now Invincible Investment Corporation) (hereinafter "TGR") under Article 69 of the Law Concerning Investment Trusts and Investment Corporations (hereinafter "the Law") by the incorporator, Tokyo REIT Co., Ltd.
<b>Jan. 18, 2002</b>	Registration of establishment under Article 166 of the Law. Establishment of TGR
<b>Feb. 05, 2002</b>	Application of registration under Article 188 of the Law
<b>Feb. 26, 2002</b>	Registration under Article 187 of the Law by the Prime Minister of Japan (Registration No. 15, filed with the Director of the Kanto Local Finance Bureau)
<b>May 17, 2004</b>	Listing on the J-REIT market of the Osaka Securities Exchange
<b>Aug. 01, 2006</b>	Listing on the J-REIT market of the Tokyo Stock Exchange
<b>Oct. 06, 2007</b>	Delisting from the J-REIT market of the Osaka Securities Exchange
<b>Feb. 01, 2010</b>	Merger with LCP Investment Corporation Changing the corporate name from TGR to Invincible Investment Corporation

# Policy & Strategy

## Selection Policy for Investment Targets by Property Type

- INV will make investment primarily in hotels or residential properties, or Real Estate Assets and Other Assets backed by such hotels or residential properties and Real Estate-Backed Securities (= "Core Assets")
- INV will also make investment in properties used for purposes other than hotels, residences or Real Estate Assets backed by such hotels or non-residential properties (= "Sub Assets")
- Allocation ratio for Core Assets should be 50% or above



## Selection Policy for Investment Targets by Geography

- INV's primary target regions for investment are the greater Tokyo area (Tokyo and Kanagawa, Chiba, and Saitama prefectures) and ordinance designated cities. Target regions further include major cities and surrounding areas nationwide and overseas to ensure flexibility in the pursuit of investment opportunities
- In order to secure sound growth of investment assets and stable profits over the medium and long term, INV aims to construct a geographically diverse portfolio of investment assets by avoiding the risk of economic fluctuations in certain regions as well as avoiding concentrated investment in certain areas to diversify earthquake and other risks
- Regarding overseas assets, INV currently plans to invest only in hotel properties. Also, INV's overseas investment targets will only include countries and territories that fulfill the requirements specified in Article 24-2 of the Rules on Real Estate Investment Trusts and Real Estate Investment Corporations prescribed by The Investment Trusts Association of Japan

Area	Specific Area	Allocation Ratio (based on acquisition value)	
		Overall allocation ratio	Allocation ratio among domestic assets excluding domestic hotels
Greater Tokyo Area	Tokyo and Kanagawa, Chiba and Saitama Prefectures	85% or more	70% or more
Major Regional Cities	Areas surrounding the greater Tokyo area and major cities nationwide including ordinance designated cities		less than 30%
Overseas	Countries and regions in North America, Europe and Asia with stable political, economic and financial systems, in which transparency of legal, accounting and taxation procedures and real estate markets, etc. is ensured, as well as other equivalent countries and regions (e.g., the United States of America, Canada, Great Britain, The British Cayman Islands and Singapore)	less than 15% *	--

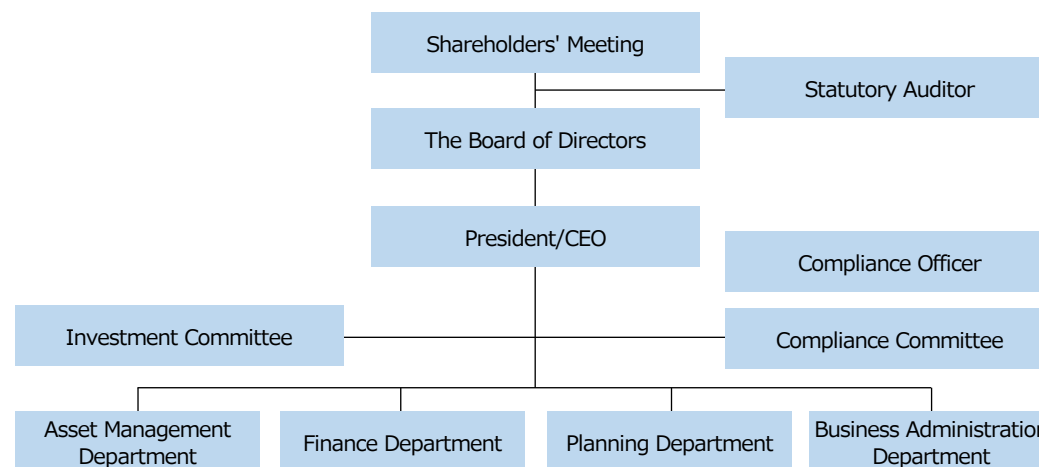
\* Acquisition price of overseas properties will be converted into JPY amount based on the exchange rate as of the time of investment. (If INV hedge risk of foreign exchange forward etc., based on after the hedging transaction.)

# Asset Manager

## Company Profile

<b>Name</b>	Consonant Investment Management Co., Ltd.
<b>Representative</b>	Naoki Fukuda, President and CEO
<b>Address</b>	Roppongi Hills Mori Tower 41F, 6-10-1 Roppongi, Minato-ku, Tokyo, Japan Tel. +81-3-5411-2731 FAX +81-3-5411-2735
<b>Establishment</b>	March 2004
<b>Capital</b>	JPY 190 million
<b>Stockholders</b>	Fortress CIM Holdings L.P. 100.0% of issued shares of CIM
<b>Registration &amp; Licenses</b>	Real estate agent's license: The Governor of Tokyo (5) No.83288 Approval for a discretionary transaction agent : Minister of Land, Infrastructure, Transport and Tourism Approval, No.36 Registered for a financial instruments business : Kanto Local Finance Bureau registration No.314

## Organization



<b>Asset Management Department</b>	<ul style="list-style-type: none"> <li>• Formulation of asset management policy</li> <li>• Property acquisition and disposition</li> <li>• Property investment and asset management</li> <li>• Repair / renewal planning</li> <li>• Research and analysis of real estate market</li> </ul>
<b>Finance Department</b>	<ul style="list-style-type: none"> <li>• Formulation of financial strategic policy of Invincible Investment Corporation</li> <li>• Fund raising of Invincible Investment Corporation</li> <li>• Accounting and tax procedures of Invincible Investment Corporation</li> <li>• Liaison with rating agencies</li> </ul>
<b>Planning Department</b>	<ul style="list-style-type: none"> <li>• Investor relations</li> <li>• Issuance of investment units</li> <li>• Promotion of ESG-consideration initiatives</li> <li>• REIT market analysis</li> <li>• Unitholders relations</li> </ul>
<b>Business Administration Department</b>	<ul style="list-style-type: none"> <li>• General management planning</li> <li>• General affairs and accounting</li> <li>• Judicial affairs and risk control</li> <li>• Liaison with government and public agencies</li> </ul>

# Sustainability Policy and Promotion Structure

# Sustainability Policy

INV and CIM have established the following basic policies for sustainability and will put them into practice in our daily operations.

1. **Promotion of Energy Conservation and Reduction of Greenhouse Gas**  
INV and CIM make efforts to reduce energy consumption and greenhouse gas emission by introducing energy-efficient equipment and promoting energy-saving measures in operations. INV and CIM also contribute to building a carbon-free society and mitigating climate change by considering opportunities to utilize renewable energy.
2. **Adaptation to Climate Change**  
INV and CIM have strengthened the disaster and environmental resilience of investment properties to respond to the direct physical risks caused by disasters due to climate change and the transition risks associated with tightening regulations and social changes. INV and CIM curb these risks and aim to create business opportunities that adapt to climate change.
3. **Water Consumption Efficiency**  
INV and CIM strive to reduce water consumption by introducing water-efficient equipment and promoting water-saving measures in operations. INV and CIM also consider expanding the reuse of water in their facilities.
4. **Effective Utilization of Resources and Reduction of Waste**  
INV and CIM work on reducing waste in our operations and encourage stakeholders to cooperate and sort waste, with the aim of contributing to the realization of a resource-saving and recycling-oriented society.
5. **Improvement of Health, Safety and Comfort**  
INV and CIM strive to ensure the health and safety of tenants and visitors by thoroughly cleaning and sanitizing our properties and conducting appropriate air conditioning. In addition, by improving the comfort provided by INV's properties, INV and CIM aim to improve tenant satisfaction, retain and attract prime tenants, and increase real estate value.
6. **Collaboration with Tenants, Supply Chains and Local Communities**  
INV and CIM recognize tenants, supply chains such as PM/BM and local communities as major stakeholders and strive to realize sustainability in real estate management by building good relationships with such stakeholders and acting proactively to collaborate with them.
7. **Initiatives for Employees**  
INV and CIM strive to employ and evaluate employees in a fair manner, respecting human rights and diversity. In addition, INV and CIM provide a workplace environment that gives consideration to the health, safety, and comfort of employees, and in order to improve them, INV and CIM develop a work system that gives consideration to welfare and work-life balance. Furthermore, in addition to providing opportunities for skill development, such as specialized training and support for obtaining qualifications, INV and CIM make efforts to raise employee awareness of sustainability and conduct education and awareness-raising activities.
8. **Compliance**  
INV and CIM not only comply with laws and regulations, but also strive to prevent corruption and conflicts of interest, properly manage information, and prohibit improper conduct. INV and CIM establish an appropriate organizational structure to properly manage and prevent these risks.
9. **Ensuring of Transparency**  
INV and CIM fulfill our accountability for stakeholders by actively disclosing ESG related information. INV and CIM also consider the use of external evaluations and third-party certification to visualize the results of our environmental and social initiatives.



# Promotion Structure of Sustainability

CIM has established the "Sustainability Committee" to implement the "Sustainability Policy". The Sustainability Committee consists of (i) the President and CEO, who is the final decision-maker, (ii) the General Manager of the Asset Management Department and the General Manager of the Planning Department, who are responsible for executing sustainability initiatives, and (iii) officers and employees involved in promoting sustainability. The Committee meeting is held at least four times a year. The committee deliberates and decides on specific sustainability goals and measures, and such decisions and the status of progress will be reported to INV's Board of Directors. The same information will be shared with all officers and employees of CIM as well.

CIM will conduct sustainability-focused training for all officers and employees, including temporary staff, at least once a year. The purpose of this training is to help officers and employees acquire knowledge and raise awareness of sustainability considerations in line with business practices, such as trends of market and regulations related to ESG investment and environmental real estate.

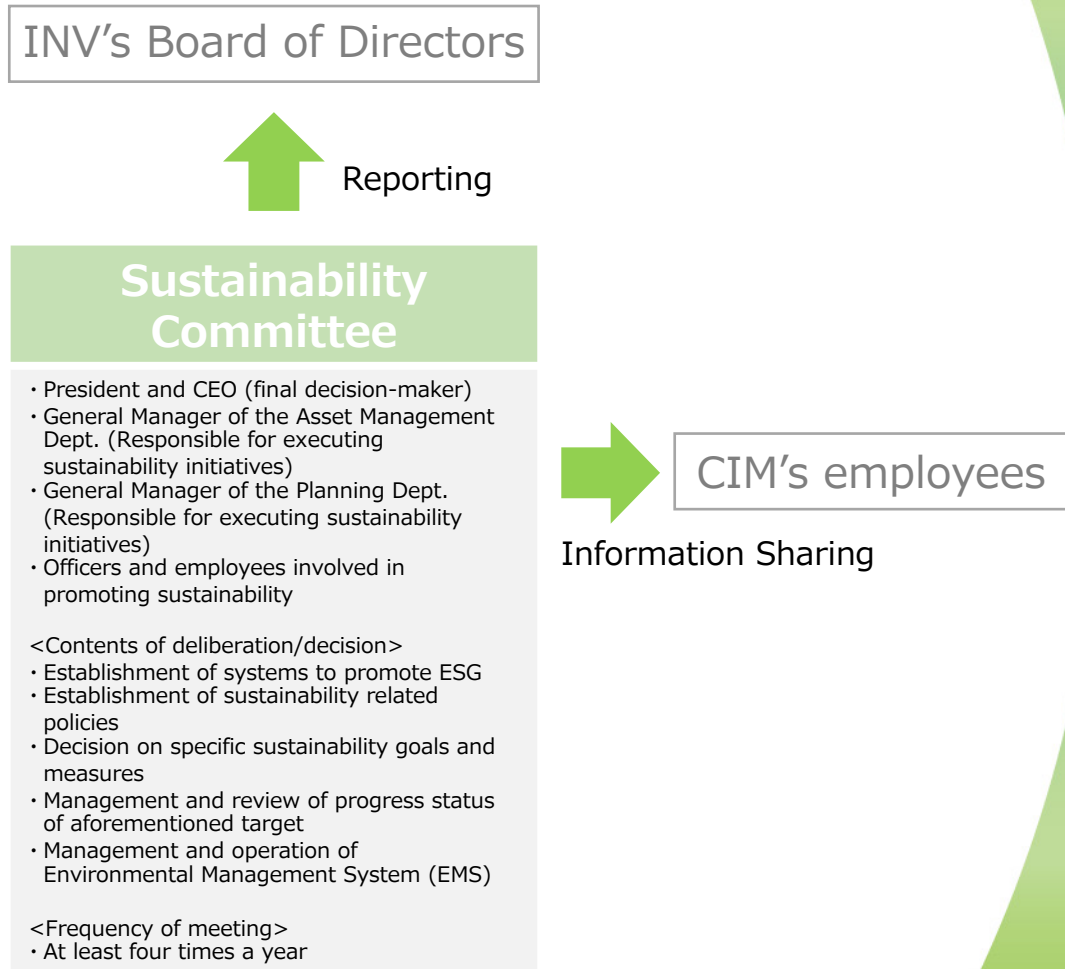
### Frequency of Sustainability Committee

Year	2021	2022	2023	2024 (Jan.-Jun.)
Frequency	4	4	5	4

# Sustainable Procurement Policy

In order to promote initiatives for ESG throughout the value chain of INV's real estate portfolio, CIM has established guidelines in the real estate investment management business, pertaining to the content of construction ordered the criteria for selecting goods to be procured in connection with construction, and the criteria for selecting and evaluating business partners (suppliers). In selecting business partners, initiatives on sustainability including environmental friendliness, respect for human rights and diversity, and prohibition of discrimination, all types of harassment, forced labor, child labor, etc. are positioned as some of the criteria, along with standards such as price, quality, creditworthiness, and services.

## Sustainability Promotion Structure



# Initiatives for Environment

# Environmental Targets

CIM has formulated the "Energy Conservation Policy", the "Greenhouse Gas Emissions Reduction Policy", the "Water Saving Policy" and the "Waste Management Policy" which stipulate efforts to reduce environmental impact in real estate investment management operations. Through the cycle of planning, implementation, performance management, and improvement set forth in the "Environmental Management System (EMS) Operation Manual" that stipulates the details for operating these policies, CIM will strive to continuously reduce the environmental impact.

In accordance with the Act on the Rationalization etc. of Energy Use (Energy Conservation Act), CIM sets the following quantitative targets for the continuous reduction of energy consumption throughout the portfolio.

- Long-term target 1: Reduce annual energy consumption intensity within the owner management scope (Note 1) by 5% in Fiscal Year 2024 from Fiscal Year 2019 levels (Each fiscal year is April to March of the following year. The same applies hereafter)
- Long-term target 2: Reduce the annual energy consumption intensity within the tenant management scope (Note 2) by 1% in Fiscal Year 2024 from Fiscal Year 2019 levels

Regarding greenhouse gas emissions, in accordance with the reduction target for energy consumption, the basic target for the adjusted scope 1+2 (Note 3) is to reduce the emission

intensity by 5% in Fiscal Year 2024 from Fiscal Year 2019 levels. The basic target for the adjusted scope 3 (Note 4) and the adjusted scope 1+2+3 is to reduce the emission intensity by 1% in Fiscal Year 2024 from Fiscal Year 2019 levels.

Regarding water usage and waste volume, our target is not to increase each intensity level in the five years from Fiscal Year 2020 to Fiscal Year 2024 compared to Fiscal Year 2019 levels.

The Sustainability Committee compares target and actual values and appropriately considers measures to achieve each environmental target. The scope of the initiatives for reducing energy consumption and greenhouse gas emissions is the energy consumption through the use of lighting, air conditioning, and various facilities in INV's portfolio, specifically refers to 1) purchased electricity, 2) city gas/LP gas, etc., 3) heavy oil/kerosene/gasoline, etc., and 4) purchased steam, hot and cold water, and district heating and cooling etc. consumed on-site.

Progress towards the long-term targets is as follows.

## Energy Consumption Intensity (MWh/m<sup>2</sup>)

	FY2019	FY2020	YoY	FY2021	YoY	FY2022	YoY	FY2023	YoY	Difference (vs 2019)
Owner Management Scope (Note 1)	0.094	0.093	-0.7%	0.092	-1.6%	0.088	-3.8%	0.084	-5.0%	-8.6%
Tenant Management Scope (Note 2)	0.328	0.260	-20.7%	0.274	+5.2%	0.299	+9.3%	0.300	+0.2%	-8.6%

(Note 1) In principle, the owner management scope refers to common areas of residences and retail facilities owned by INV.

(Note 2) In principle, the tenant management scope refers to whole area of hotels and tenant-exclusive areas of residences and retail facilities owned by INV.

(Note 3) Scope 1 covers direct greenhouse gas emissions from fuel consumption within the owner management scope, and Scope 2 covers indirect greenhouse gas emissions from electricity, heat, etc. purchased within the owner management scope. In addition, the target properties are those that (i) were held throughout the aggregation period and (ii) have data that enables comparison under the same conditions. Adjustments based on occupancy rates will be made on the actual values. Hereinafter the same.

(Note 4) Scope 3 covers greenhouse gas emissions derived from tenant management scope.

**Greenhouse Gas Emission (t-CO<sub>2</sub>eq) and Intensity (t-CO<sub>2</sub>eq/m<sup>2</sup>)**

		FY2019	FY2020	YoY	FY2021	YoY	FY2022	YoY	FY2023	YoY	Difference (vs 2019)
		Adjusted Scope 1 (Note 1)	Total Amount	21	21	0.0%	17	-19.0%	17	-1.5%	12
	Intensity	0.001	0.001		0.000		0.000		0.000		
Intensity Adjusted Scope 2 (Note 1)	Total Amount	738	706	-4.3%	702	-0.6%	659	-6.0%	633	-4.0%	-14.3%
	Intensity	0.041	0.039		0.039		0.036		0.035		
Intensity Adjusted Scope 1+2	Total Amount	760	728	-4.2%	719	-1.2%	676	-5.9%	645	-4.6%	-15.1%
	Intensity	0.042	0.040		0.040		0.037		0.036		
Intensity Adjusted Scope 3 (Note 2)	Total Amount	30,645	23,818	-22.3%	25,003	+5.0%	25,801	+3.1%	25,908	+0.4%	-15.5%
	Intensity	0.102	0.079		0.083		0.086		0.086		
Intensity Adjusted Scope 1+2+3	Total Amount	31,405	24,546	-21.8%	25,722	+4.8%	26,477	+2.8%	26,553	0.3%	-15.4%
	Intensity	0.099	0.077		0.081		0.083		0.083		

**Water Usage Intensity (m<sup>3</sup>/m<sup>2</sup>) and Waste Volume Intensity (t/m<sup>2</sup>)**

	FY2019	FY2020	YoY	FY2021	YoY	FY2022	YoY	FY2023	YoY	Difference (vs 2019)
Water Usage Intensity	3.833	2.147	-44.0%	2.448	+14.0%	3,265	+33.4%	3,610	+10.6%	-5.8%
Waste Volume Intensity	0.011	0.006	-44.4%	0.007	+19.6%	0.009	+33.3%	0.010	+3.3%	-8.5%

(Note 1) Scope 1 covers direct greenhouse gas emissions from fuel consumption within the owner management scope, and Scope 2 covers indirect greenhouse gas emissions from electricity, heat, etc. purchased within the owner management scope. In addition, the target properties are those that (i) were held throughout the aggregation period and (ii) have data that enables comparison under the same conditions. Adjustments based on occupancy rates will be made on the actual values. Hereinafter the same.

(Note 2) Scope 3 covers greenhouse gas emissions derived from tenant management scope.

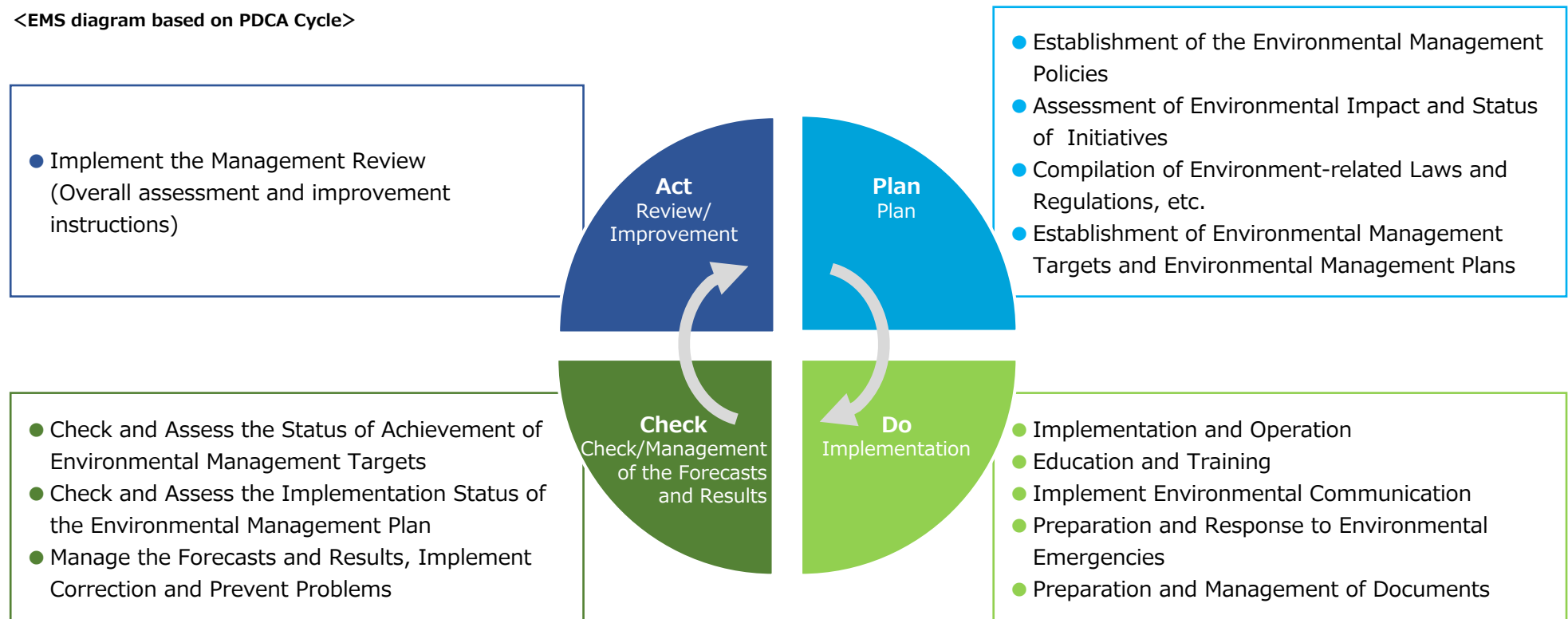
(Note 3) Each intensity is based on 95 properties (52 properties for waste volume intensity) in the portfolio that have been held from the beginning of FY2019 to the end of FY2022 and for which data that enables comparison under the same conditions can be obtained.

# Environmental Management System (EMS)

## EMS Policy

CIM recognizes energy conservation and reduction of GHG emission and others as important environmental issues for our real estate portfolio and is committed to addressing these issues in our sustainability policy. CIM has developed the “energy conservation policy”, “GHG emission reduction policy”, “water-saving policy” and “waste management policy” which define initiatives toward the reduction of environmental impact in the real estate investment management business. Furthermore, CIM has been working to reduce our environmental impact through PDCA (Plan/Do/Check/Act) cycle based on our EMS policy which specifies the details for managing these policies.

### <EMS diagram based on PDCA Cycle>



# Environmental Performance

The environmental performance of INV's portfolio for each fiscal year (April to March of the following year) is as follows.

		FY2019 Actual (Note 3)	FY2020 Actual (Note 3)	FY2021 Actual (Note 3)	FY2022 Actual (Note 3)	FY2023 Actual (Note 3)	Coverage Ratio (Note 4)
Number of Target Properties (Note 1)		152	148	142	128	134	-
Energy Consumption	Total Amount (MWh)	273,223	195,743	223,678	232,464	271,810	89.3%
	Intensity (MWh/m <sup>2</sup> )	0.358	0.261	0.300	0.322	0.347	
	Renewable Energy (MWh: included in total amount)	3,797	3,695	3,505	4,355	3,465	23.1%
Greenhouse Gas Emissions	Total Amount (t-CO <sub>2</sub> eq)	80,618	58,250	63,321	65,222	76,768	89.3%
	Intensity (t-CO <sub>2</sub> eq/m <sup>2</sup> )	0.105	0.077	0.085	0.090	0.098	
Water Usage	Total Amount (m <sup>3</sup> )	2,821,557	1,712,511	1,944,347	2,595,546	3,323,857	89.8%
	Intensity (m <sup>3</sup> /m <sup>2</sup> )	3.637	2.253	2.578	3.582	4.226	
Waste Volume	Total Amount (t)	7,150	4,282	5,180	5,302	6,140	84.8%
	Intensity (t/m <sup>2</sup> )	0.010	0.006	0.007	0.007	0.008	
	Recycling Rate (Note 2) (%)	20.9	19.4	17.3	25.1	21.0	

(Note 1) Properties acquired or sold during the relevant period are included.

(Note 2) Recycling rate (%) is calculated by dividing the recycled weight (t) by the total weight of waste (t). Hereinafter the same shall apply.

(Note 3) Actual value of each property is based on the data during the holding period by INV. For co-ownership properties, actual value of the entire property is reported regardless of INV's ownership ratio. Hereinafter the same shall apply.

(Note 4) Coverage ratio (%) is calculated by dividing floor area of the portion where the data was collected (m<sup>2</sup>) by total floor area (m<sup>2</sup>).

The following are actual values (Note 1) for properties in INV's portfolio that can be compared under the same conditions (Note 2).

		FY2019	FY2020	YoY	FY2021	YoY	FY2022	YoY	FY2023	YoY	Difference (vs 2019)
Energy Consumption (95 properties)	Total Amount (MWh)	99,887	79,523	-20.4%	83,550	+5.1%	91,122	+9.1%	91,220	0.1%	-8.7%
	Intensity (MWh/m <sup>2</sup> )	0.315	0.251		0.263		0.287		0.288		
	Renewable Energy (MWh: included in total amount)	2,118	2,208	+4.3%	2,135	-3.3%	2,248	+5.3%	2,170	-3.5%	+2.5%
Greenhouse Gas Emissions (95 properties)	Total Amount (t-CO <sub>2</sub> eq)	31,406	24,545	-21.8%	25,750	+4.9%	26,478	+2.8%	26,554	0.3%	-15.4%
	Intensity (t-CO <sub>2</sub> eq/m <sup>2</sup> )	0.099	0.077		0.081		0.083		0.083		
Water Usage (95 properties)	Total Amount (m <sup>3</sup> )	1,213,482	679,860	-44.0%	774,985	+14.0%	1,033,493	+33.4%	1,142,806	10.6%	-5.8%
	Intensity (m <sup>3</sup> /m <sup>2</sup> )	3.833	2.147		2.448		3.265		3,610		
Waste Volume (52 properties)	Total Amount (t)	3,275	1,820	-44.4%	2,177	+19.6%	2,903	+33.3%	2,998	3.3%	-8.5%
	Intensity (t/m <sup>2</sup> )	0.011	0.006		0.007		0.009		0.010		
	Recycling Rate (%)	23.1	26.5	+3.4pt	21.9	-4.6pt	21.2	-0.7pt	12.3	-8.9pt	-10.8pt

(Note 1) A certain adjustment has been made by CIM.

(Note 2) Properties that have been held from the beginning of FY2019 to the end of FY2022 and for which data that enables comparison under the same conditions can be obtained. The following properties are excluded because it is difficult to make an adjustment for comparison under the same conditions: (i) properties acquired or sold during the relevant period, (ii) properties for which the occupancy rate has not been disclosed to INV, (iii) properties with a month when the occupancy rate became 0% due to a temporary closure. The number of target properties for each item of the environmental data is shown in parenthesis under each item name.

## Initiatives for Green Buildings

In order to promote initiatives for green buildings, the real estate that is environmentally and socially friendly, INV has implemented the following renovations in our portfolio and introduced effective equipment to reduce environmental impact, such as promoting energy conservation, reducing CO<sub>2</sub> emissions, and effectively utilizing water resources.

- Introduction of large-scale energy-saving equipment (cold/hot water generator, hot water heater, etc.)
- Water saving by recycling pool drainage
- Introduction of LED lighting
- Introduction of the water-saving type toilet
- Installation of a water-saving shower
- Installation of gas cogeneration, inverter, etc.
- Automatic meter readings (AMR)
- Introduction of BEMS
- Installation of high-efficiency equipment and appliances
- Introduction of on-site renewable energy

## Green Lease

Green lease is an initiative in which owners and tenants of a real estate asset voluntarily agree in a lease contract to work together on measures related to the environmental consideration of the real estate and put them into practice. INV has been actively adopting green lease and, together with the agreed tenants, has been actively maintaining and improving the environmental performance of INV's properties.

Track record of concluding green leases with the agreed tenants including INV's main tenant, MHM that operates most of INV's hotels as of the end of March 2024

Number of hotels: 79

Total floor area ratio covered in the entire portfolio: 60.8%

## Distribution of Sustainability Guides for Tenants

We distribute examples of initiatives on "sustainable hotel management" to hotel operators, who are tenants, and encourage them to work to reduce the environmental impact of hotel management and raise environmental awareness among guests.

## Green Finance

### Green Finance Framework

INV has established the Green Finance Framework to procure funds necessary to realize a sustainable environment and society through Green Bonds and Green Loans. It acquired "Green1 (F)", the highest rating on JCR's Green Finance Framework Evaluation

Green Finance Framework:

[https://www.invincible-inv.co.jp/en/upd/framework\\_202406\\_ENG.pdf](https://www.invincible-inv.co.jp/en/upd/framework_202406_ENG.pdf)



### Total Amount of Green Finance

Name of Green Bond/Lender	Date of issuance/borrowings	Term	Amount (JPY million)
9th series unsecured corporate bonds (Green bond)	21 Sep 2023	5 years	1,700
10th series unsecured corporate bonds (Green bond)	14 Dec 2023	5 years	1,800
Mizuho Bank MUFG Bank Sumitomo Mitsui Banking Corporation Sumitomo Mitsui Trust Bank Development Bank of Japan San ju San Bank The Nomura Trust and Banking (Green loan)	16 Jan 2024	6 years	8,970
Mizuho Bank MUFG Bank Sumitomo Mitsui Trust Bank Development Bank of Japan (Green loan)	14 Mar 2024	6 years	1,029



# Initiatives to Address Climate Change

## Our Awareness of Climate Change

As indicated by the Paris Agreement adopted in 2015 and other agreements, the progression of climate change is a scientific fact, and social demands to address climate change-related issues are increasing.

Since the natural environment and social structure are expected to change dramatically due to more severe weather disasters and stricter emission regulations brought about by the progression of climate change, INV and CIM recognize that climate change is an important issue (risk) that will have a significant impact on our management and business in the medium to long term.

Based on this awareness, INV and CIM have set forth "Adaptation to Climate Change" in our "Sustainability Policy", and INV and CIM are promoting efforts to address climate change-related issues.

## Support for the TCFD Recommendations

The Task Force on Climate-related Financial Disclosures (TCFD) is an international initiative established by the Financial Stability Board (FSB) at the request of the G20 to examine how climate-related information should be disclosed and how financial institutions should respond. The TCFD has published recommendations for companies and others to disclose their "governance", "strategy", "risk management", and "metrics and targets" for climate change-related risks and opportunities.



In February 2023, CIM has expressed its support for the TCFD recommendations in order to officially announce its support for the international goals set forth in the Paris Agreement and its willingness to continue to promote efforts to reduce greenhouse gas emissions in order to contribute to climate change mitigation.

CIM also participates in the TCFD Consortium, an organization of supporting companies in Japan. Through communication with supporting companies, CIM will deepen its knowledge on effective information disclosure and utilization of information, etc., and apply this knowledge to our efforts to address climate change-related issues.

## Governance

CIM has established the following governance structure to address climate change-related risks and opportunities.

- The chief executive overseeing climate change-related issues shall be the President and CEO, who is the final decision-maker on sustainability promotion.
- The operating officers responsible for climate change-related issues shall be the General Manager of the Asset Management Department and the General Manager of the Planning Department, who are responsible for the execution of sustainability promotion.
- The operating officers for climate change-related issues shall report regularly to the chief executive for climate change-related issues at the Sustainability Committee on matters related to initiatives to address climate change, including identification and assessment of climate change impacts, risk and opportunity management, progress in adaptation and mitigation efforts, and the setting of metrics and targets. The Sustainability Committee shall discuss and review these matters. After deliberation and consideration by the Sustainability Committee, decisions shall be made by the chief executive for climate change-related issues.

For an overview of the Sustainability Committee, please refer to "Promotion Structure of Sustainability" in "Sustainability Policy and Promotion Structure".

# Strategy

## Reference Scenarios

CIM used the following two scenarios (future visions) to identify climate change-related risks and opportunities.

### Scenario of Transition to a Decarbonized Society

A scenario in which the global average temperature increase is limited to less than 1.5°C compared to pre-industrial revolution levels (1.5°C scenario). Investors and companies are required to address risks that they may face in the future due to structural social and economic changes that will occur in the process of transitioning to a sustainable low-carbon society (transition risks). Transition risks consist of the following risks;

Risks	Overview
Policy and Regulatory Risks	Risks that administrative burdens and costs will increase in order to comply with tighter policies, laws, and regulations aimed at decarbonization
Technology Risks	Risks that technological innovations related to decarbonization may render existing technologies and products obsolete
Market Risks	Risks related to cost increases due to soaring raw material prices or changes in customer demand for specific products and services
Reputation Risks	Risks of damage to reputation among stakeholders due to inadequate decarbonization efforts

### Scenario of Climate Change Progression

A scenario in which the average global temperature increases by 4°C compared to pre-industrial revolution levels (4°C scenario). The risks related to damages and hazards caused by natural disasters, changes in weather conditions, or physical changes such as a rise in sea level, brought about by climate change (physical risks) must be addressed. Physical risks consist of the following risks;

Risks	Overview
Acute Physical Risks	Risks of damage due to an increase in typhoons, floods, and other sudden weather disasters
Chronic Physical Risks	Risks of damage from prolonged extreme weather events, such as a rise in sea level and heat waves

Based on the TCFD recommendations, CIM conducted a scenario analysis by referring to the World Energy Outlook 2022 published by the International Energy Agency (IEA) and the Fifth Assessment Report published by the United Nations Intergovernmental Panel on Climate Change (IPCC).

Scenarios	Referenced Scenarios		World View
	Transition Risks	Physical Risks	
1.5°C Scenario	IEA NZE2050	IPCC RCP2.6	Transition risks increase as social policies for decarbonization, emission controls and technology investments are strengthened. On the other hand, physical risks are reduced compared to the 4°C scenario due to reduced greenhouse gas emissions.
4°C Scenario	IEA STEPS	IPCC RCP8.5	Greenhouse gas emissions will continue to increase and physical risks will increase. On the other hand, transition risks are reduced compared to the 1.5°C scenario, as regulations for decarbonization do not change significantly from the current situation.

**Identification of Climate Change-related Risks and Opportunities and Financial Impact**

CIM has assessed the financial impact of the risks and opportunities identified based on the scenario analysis as follows;

	Risks and Opportunities in Real Estate Management	Classification	Financial Impact						Risk Management, Countermeasures, and Initiatives		
			Details of Impact	4°C scenario			1.5°C scenario				
				Short-term	Medium-term	Long-term	Short-term	Medium-term		Long-term	
Transition risks	Policy and Regulation	risk	Tighter taxation of greenhouse gas emissions by introducing a carbon tax	Increased tax burden on greenhouse gas emissions from owned properties	Small	Small	Small	Small	Medium	Large	<ul style="list-style-type: none"> <li>• Introduction of energy-saving equipment and facilities</li> <li>• Introduction of renewable energy</li> <li>• Promoting awareness of energy conservation among property users</li> <li>• Monitoring energy consumption and conducting energy conservation assessment</li> <li>• Promoting acquisition of environmental certifications</li> <li>• Replacing properties with ones that have higher environmental performance</li> <li>• Further discussions with foreign law attorneys and foreign investors</li> <li>• Utilization of outside consultants who are knowledgeable in the field of renewable energy and energy-saving technologies</li> <li>• Employing the experienced in-house engineers</li> <li>• Utilization of businesses that provide products and services that take advantage of cutting-edge technologies</li> <li>• Introduction of energy-saving equipment and facilities</li> <li>• Introduction of renewable energy</li> <li>• Promoting awareness of energy conservation among property users</li> <li>• Monitoring energy consumption and conducting energy conservation assessment</li> <li>• Promoting acquisition of environmental certifications</li> <li>• Replacing properties with ones that have higher environmental performance</li> </ul>
		risk	Tightening of energy conservation standards in existing real estate	Increased cost of renovation to comply with the standards, and fines imposed in some cases	Small	Small	Small	Small	Medium	Large	
		risk	Stricter emissions reporting requirements under the Energy Conservation Law	Increased expenses, such as payment of fees to outside vendors to meet reporting requirements	Small	Small	Small	Small	Medium	Medium	
		risk	Compliance with overseas laws and regulations	Risk of sanctions due to violations of laws and regulations Loss of reputation with investors due to delayed response	Small	Small	Small	Small	Medium	Medium	
	Technology	risk	Evolution and diffusion of renewable energy and energy-saving technologies	Increased costs of introducing new technology for owned properties to prevent becoming technologically outdated	Small	Small	Small	Small	Medium	Medium	
		Opportunity	Evolution and diffusion of renewable energy and energy-saving technologies	Reduction of utility costs through improved environmental performance	Small	Small	Small	Small	Medium	Medium	
		Opportunity	Introduction of on-site renewable energy	Reduction of externally procured utility costs	Small	Small	Small	Small	Medium	Medium	
	Market	risk	Introduction of environmental performance and other criteria into real estate appraisals	Lower appraisal value and NAV (Net Asset Value) when environmental performance is low	Small	Small	Small	Small	Medium	Medium	
		risk	Deterioration of financing conditions for market participants not addressing climate change	Rising financing costs	Small	Small	Small	Small	Medium	Medium	
		Opportunity	Developing new investors	Utilization of Green Bonds Increased funding volume and lower funding costs by addressing and appealing to investors who care about environmental issues	Small	Small	Small	Small	Medium	Medium	
risk		Rising utility costs (including externally procured renewable energy)	Increase in expenses	Small	Small	Small	Small	Medium	Large		
risk		Change in tenants and/or occupants demand, where they may choose properties with lower environmental impact or avoid non-environmentally friendly properties	Difficulty in attracting new tenants/occupants and decrease in rent income due to lower retention	Small	Small	Small	Small	Medium	Medium		

		Risks and Opportunities in Real Estate Management	Classification	Financial Impact						Risk Management, Countermeasures, and Initiatives	
				Details of Impact	4°C scenario			1.5°C scenario			
					Short-term	Medium-term	Long-term	Short-term	Medium-term		Long-term
Transition risks	Market	Changes in the procurement environment for materials and human resources due to increasing emphasis on environmental performance and environmental considerations	risk	Increased expenses due to higher costs Lack of materials with high environmental performance Difficulty in hiring human resources due to insufficient environmental considerations	Small	Small	Small	Small	Medium	Medium	<ul style="list-style-type: none"> <li>Implementing green finance</li> <li>Improvement of ESG ratings</li> <li>Enhancing disclosure of climate change-related information such as TCFD</li> <li>Conducting satisfaction surveys and make improvements according to survey results</li> <li>Strengthening information sharing and collaboration with hotel operators and property management companies</li> <li>Strengthening sustainability-related initiatives and appeals at owned properties</li> </ul>
	Reputation	Decrease in a brand value of properties due to delays in addressing climate change	risk	Decrease in rent premium due to decrease in a brand value	Small	Small	Small	Small	Medium	Medium	
		Changes in demand from hotel guests and residential occupants, where they may avoid properties with inadequate climate change adaptation)	risk	Increased costs to meet needs of hotel guests and residential occupants and losing customers due to unaddressed needs	Small	Small	Small	Small	Medium	Large	
		Developing new customers by continuously providing low-emission facilities, specifications, and services that adapt to change of their preferences	Opportunity	Increased revenues due to higher room rates and rents, and acquisition of new customers	Small	Small	Small	Small	Medium	Medium	
Physical risks	Acute	Wind damage to property caused by typhoon	risk	Increased repair and insurance costs, lost sales opportunities, and lower occupancy rates	Medium	Large	Large	Medium	Medium	Medium	<ul style="list-style-type: none"> <li>Implementing disaster prevention and mitigation measures</li> <li>Area diversification of portfolio</li> </ul>
		Inundation due to internal flooding and flooding of nearby rivers caused by torrential rains	risk	Same as above	Medium	Large	Large	Medium	Medium	Medium	
	Chronic	Flooding of properties with low elevation due to sea level rise	risk	Large-scale renovation (raising) costs incurred	Small	Medium	Large	Small	Small	Small	<ul style="list-style-type: none"> <li>Implementing disaster prevention and mitigation measures</li> <li>Area diversification of portfolio</li> <li>Considering sales of properties based on the level of impact</li> </ul>
		Increasing demand for air conditioning due to increase in extreme weather conditions such as extremely hot and cold days	risk	Increase in utilities, maintenance-related expenses, and repair costs	Small	Medium	Large	Small	Small	Small	<ul style="list-style-type: none"> <li>Installation of high-efficiency air conditioning equipment</li> </ul>
		Impacts of climate change on resort areas	risk	Decrease in travel demand and lower occupancy rates due to events adversely affecting tourism resources in the resort area	Medium	Large	Large	Small	Small	Small	<ul style="list-style-type: none"> <li>Area diversification of portfolio</li> <li>Considering sales of properties based on the level of impact</li> </ul>
	Resilience	Contributing to local communities Preservation of natural environment	Opportunity	Improving disaster resilience of areas where properties are located Enhancing attractiveness to customers as a region	Small	Small	Small	Small	Medium	Medium	<ul style="list-style-type: none"> <li>Deepening relationships with local communities through participation in local events, etc.</li> <li>Participating in local environmental preservation activities</li> </ul>

\*Due to uncertainties and unknown risks in future projections, the accuracy of the above assessment of financial impact cannot be guaranteed.

**Initiatives to Address Climate Change-related Risks and Opportunities**

In response to the above risks and opportunities, CIM has set environmental targets and is working on various measures to reduce its environmental impact. For details, please refer to "Initiatives for Environment"

# Risk Management

CIM manages climate change-related risks based on the following processes;

## **Process for Identifying and Assessing Climate Change-related Risks and Opportunities**

A working group composed of personnel from departments deemed necessary identifies and assesses risks and opportunities based on the classification of transition and physical risks, and reports the progress and results at the Sustainability Committee.

## **Process for Managing Climate Change-related Risks**

The chief executive for climate change-related issues shall designate a department or person in charge of responding to climate change-related risks and opportunities that have a high priority in business and financial planning, as discussed by the Sustainability Committee, and instruct them to formulate countermeasures for such risks and opportunities. The countermeasures will be deliberated at the Sustainability Committee or an appropriate internal meeting body, depending on their nature, and then will be implemented.

## **Integration into the Company-wide Risk Management Program**

The chief executive for climate change-related issues will direct that climate change-related risks that are material to business and financial planning be considered in existing company-wide risk management programs, and will integrate and supervise the risk identification, assessment, and management process.

# Metrics and Targets

CIM has established key performance indicators (KPIs) and targets to manage and monitor risks and opportunities. Please refer to "Environmental Targets" and "Environmental Performance" in "Initiatives for Environment" for metrics, targets and results.

# Initiatives for Society

## Providing Facilities as Countermeasures against COVID-19 Infections

APA Hotel Yokohama-Kannai and Hotel MyStays Oita were utilized as accommodation and medical facilities for patients with mild symptoms or quarantine facilities for returnees from overseas. In addition, meeting rooms at Hotel MyStays Shin Osaka Conference Center were provided as a vaccination venue.

## Contribution to Disaster Prevention

Designated as "Tsunami Evacuation Building"

Buildings designated by municipalities in advance as an emergency evacuation site for local residents to evacuate temporarily when a Tsunami inundates an area, in areas where it is considered difficult to evacuate due to time delay from the occurrence of the earthquake to arrival of the Tsunami considering geographical conditions.



## Initiatives for Tenants – Tenant Satisfaction Survey

We conducted a satisfaction survey for all residents of INV's residential properties excluding three student residences with fixed-rent sublease, in March 2022 through an external research organization. We collect opinions and requests of residents and share them with PM companies to improve building / equipment specifications and services.



# Asset Management Company Initiatives for Employees

We, the Asset Management company, place among the top priorities of business management the establishment of a comfortable work environment and organization that promotes the physical and mental health of executives and employees. We have made various initiatives to establish an environment that promotes personnel evaluation and benefits in order to maximize the abilities and motivation of every employee which leads to the achievement of sustainable growth.

## Regular performance appraisals and feedback processes

All employees set an annual goal following an interview with their reporting supervisor. We conduct personnel evaluations at the end of the fiscal period after an interview with all employees to look back on their performance and provide feedback on the evaluation results. The result of those performance reviews are reflected in employees' compensation. We have established a transparent personnel evaluation system through regular measurement and feedback processes.

## Skill development opportunities

Employees are provided with a wealth of e-learning contents to prepare for qualification exams and to acquire various business skills. Employees can use them at any time to improve their expertise and skills.

## Respect for human rights and promotion of diversity

We accept differences in diverse professional abilities and values as well as paying respect to positive heterogeneity in order to maximize the abilities of each individual employee. We aspire to achieve sustainable corporate growth while creating additional value.

Our Compliance Regulations clearly prohibits all kind of discrimination and sexual harassment, and we strive to foster a corporate culture that respects personality, and promote the active participation of women by creating a work environment and systems that are comfortable for women.

## Establishment of DEI promotion policy

Social norms and values related to human rights have been increasingly diversified and globalized, and the opportunity to interact with people with various backgrounds and cultures has been increasing. Under such environment, we recognize that DEI (Diversity, Equity and Inclusion) is an important social issue and we have developed a DEI promotion policy to nourish an inclusive organizational culture and to establish an inclusive value chain to promote DEI in the belief that our approach to ESG, including DEI, will contribute to the alignment with our unitholders and the resolution of social issues.

## Employee Data (At the End of Each Fiscal Year)

	FY2019	FY2020	FY2021	FY2022	FY2023
Number of Directors	5	5	5	5	6
Females (Female ratio)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Number of Employees	19	19	20	20	35
Females (Female ratio)	12 (63.2%)	12 (63.2%)	12 (60.0%)	12 (60.0%)	20 (57.1%)
General Managers (Note)	7	7	8	8	16
Females (Female ratio)	3 (42.9%)	3 (42.9%)	3 (37.5%)	3 (37.5%)	5 (31.3%)
Managers	6	6	5	5	7
Females (Female ratio)	3 (50.0%)	3 (50.0%)	2 (40.0%)	2 (40.0%)	4 (57.1%)
Number of newly hired employees	6	0	2	3	19
Females (Female ratio)	2 (33.3%)	0 (0.0%)	1 (50.0%)	2 (66.7%)	10 (52.6%)
Number of Turnover (Turnover rate)	3 (16.7%)	0 (0%)	2 (10.5%)	2 (10.5%)	5 (14.7%)
Average years employed (for male employees)...a	4.9 years	5.9 years	6.0 years	6.7 years	4.0 years
Average years employed (for female employees)...b	4.2 years	5.2 years	5.8 years	6.3 years	3.8 years
Percentage difference in average years employed for female to male employees...b / a	86.8%	89.1%	96.6%	95.3%	95.7%

(Note) General Manager and Staff General Manager

**Initiatives for Health and Well-being of each Employee**

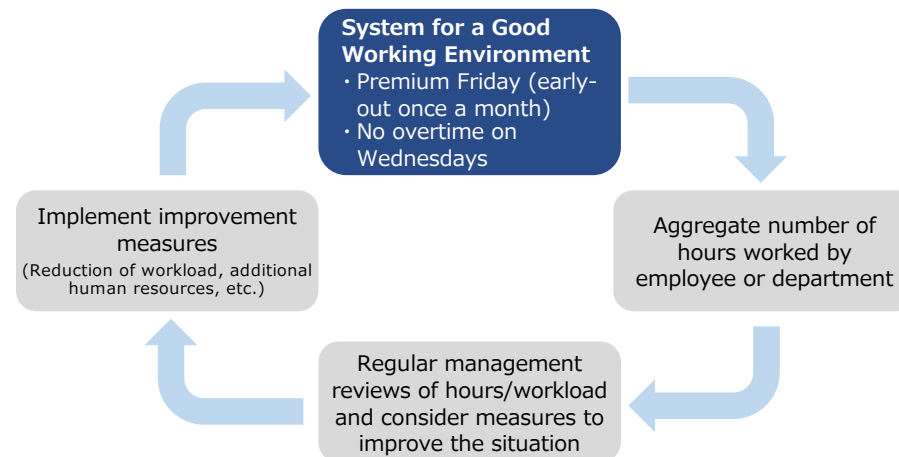
We have established various benefit programs listed below to support each work/lifestyles of employees.

- Full subsidy for a comprehensive medical checkup (no age restriction)
- Childcare leave (including shortened work hours for childcare)
- Family care leave (including shortened work hours for nursing care)
- Family care leave to care for children
- Monetary gifts for congratulations, condolences, etc.
- Service provided by an employee benefits services company
- Premium Friday (early-out once a month)\*
- No overtime on Wednesdays\*
- Off-peak commuting or remote working in case of emergencies such as infectious disease outbreak

\* We implement Plan Do Check Action cycles to ensure that management regularly reviews the implementation rate of the system and improves the implementation rate for Premium Friday and No overtime on Wednesdays.

**Other Initiatives for Employees**

- Cover the expense of getting or renewing qualifications
- Prohibit discrimination and harassment (Defined by compliance rule)
- Establish the external contact office for the internal reporting and protect the whistleblower
- Conduct employee satisfaction survey (once in every 3 years for permanent and contract employees; actual coverage ratio in Fiscal Year 2023: 100% of employees)



		FY2019
The implementation rate of Premium Friday <small>(Note 1)</small>		51.4%
The implementation rate of No overtime on Wednesdays <small>(Note 1) (Note 2)</small>	Zero hours overtime	22.4%
	Less than 60min. overtime	58.2%

(Note 1) As measures to prevent COVID-19 infections, we have adopted off-peak commuting and Work from Home systems since February 26, 2020, and Premium Friday and No overtime on Wednesdays systems have not been applied.

(Note 2) Calculation is based on the employees excluding absent ones on the day for No-Overtime-Working.

# Initiatives by Hotel Operator

# Environment

MHM, the main operator of hotels owned by INV has been implementing various initiatives to promote energy savings and CO<sub>2</sub> reduction related to hotel operations and to preserve biodiversity in the surrounding areas.

## Energy-saving construction using Ministry of the Environment subsidy (SHIFT Project)

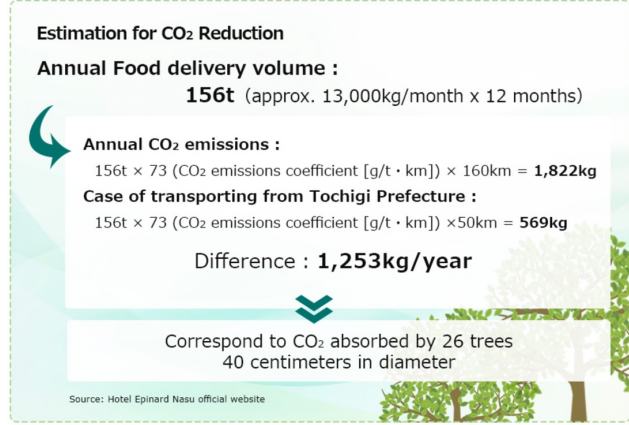
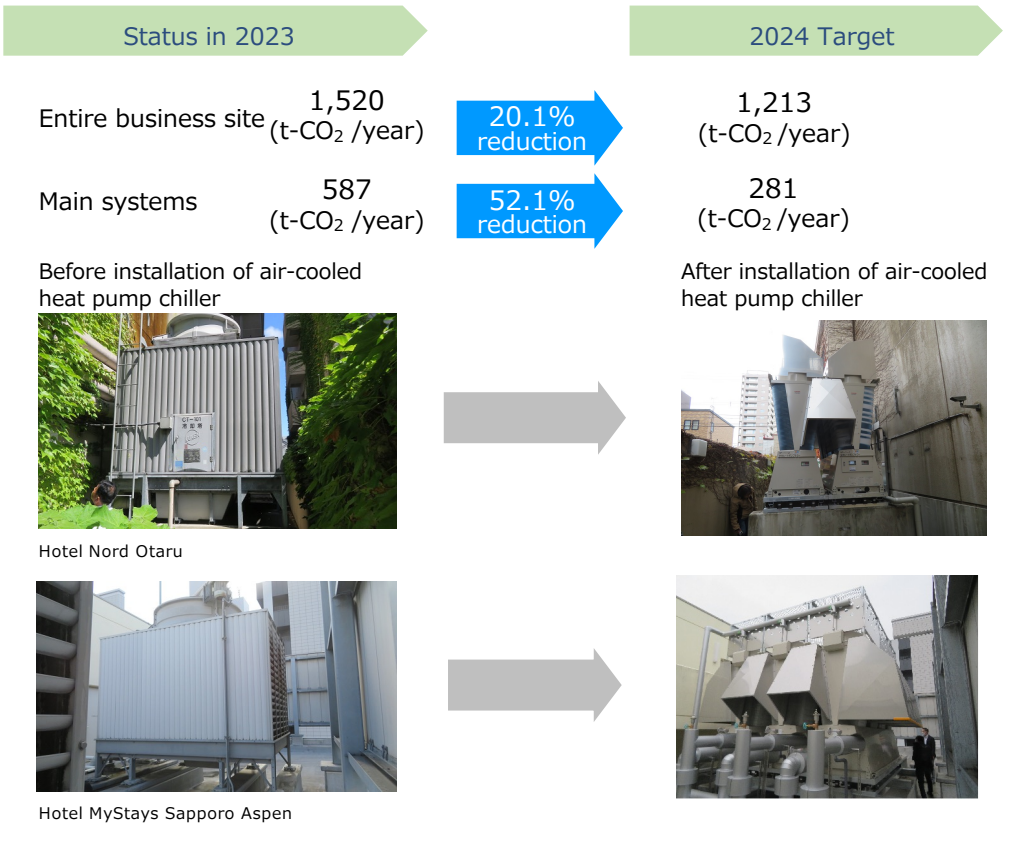
• Hotel Nord Otaru and Hotel MyStays Sapporo Aspen received a subsidy of JPY 25 million in total (about one-third of the total investment) from the Ministry of the Environment's "Project for the Promotion of Leading Decarbonization Initiatives in Factories and Business Sites (SHIFT Project\*)" to replace a gas-fired absorption chiller/heater that was due for renewal with an air-cooled heat pump chiller. The hotels aim to reduce CO<sub>2</sub> emissions and energy costs through reduction of fuel consumption by improvement of energy efficiency and reduction of energy power consumption by removing cooling water pumps and cooling towers.

\* Projects that support initiatives that serve as role models for decarbonization (setting reduction targets, formulating reduction plans, and implementing facility upgrades, electrification, fuel conversion, and operational improvements) at factories and business sites to achieve Japan's 2030 GHG reduction targets and achieve carbon neutrality in 2050.

## Various Initiatives for Energy Conservation and CO<sub>2</sub> Reduction

- ✓ Eco-friendly plan at hotel "ECO-Plan"  
Encouraging guests to use eco-friendly plans by lowering the price of plans that do not require linen exchange when guests stay 7 consecutive nights
- ✓ Conducted energy-saving checks
- ✓ Reducing greenhouse gas emissions from Food Transportation at Hotels (Hotel Epinard Nasu)  
Contributing to CO<sub>2</sub> reductions by cooperating with farmers and dairy farmers in Tochigi Prefecture to reduce the procurement from prefectures other than Tochigi

### CO<sub>2</sub> Reduction Plan



## Introduction of EV infrastructure "Terra Charge"

- Decided to introduce EV charging infrastructure "Terra Charge" provided by Terra Motors Corporation in most of hotels operated by MHM as one of the measures to achieve a decarbonized society. 156 units will be installed at 90 hotels, and will be gradually expanded to hotels across Japan to protect the environment and improve convenience of hotel guests (as of May 14, 2024)

Hotel brand	# of hotels introduced	# of units introduced
Hotel Mystays Premier	3	5
Hotel Mystays	20	28
Flexstay Inn	0	0
Art hotel	7	11
Mystays collection	19	28
Kamenoi Hotel	29	58
<b>Total</b>	<b>78</b>	<b>130</b>



**Biodiversity Initiative**

**•Hotel Epinard Nasu**

In order to reduce the impact of deforestation on the ecosystem, tree felling was minimized during hotel development. In the blueberry farm area scheduled to be opened in 2024, we are working to conserve the forest by planting more blueberries than were cut down. Furthermore, hotel provides the activities and nature tours that guests can enjoy in the rich natural forest which is home to insects and small animals.



**•Fusaki Beach Resort Hotel & Villas**

With the aim of preserving the rich nature of Ishigaki Island, from June 13, 2022, we are replacing toothbrushes and hairbrushes made with 100% plant derived materials that biodegrade in seawater. In addition, the razors provided to guests have been replaced by the ones containing renewable biological resources consisting of waste parts of wheatgrass. Furthermore, plastic packaging was changed to paper packaging in the aim of reducing the amount of plastic waste.



**Biodiversity Initiatives by other hotel operators**

**The Westin Grand Cayman Seven Mile Beach Resort & Spa**

Collaborates with “Beneath the Waves Foundation” who are working with the Cayman Islands Department of Environment to establish a deep-sea marine protected area in The Cayman Trench, the deepest point of the Caribbean Sea, and contributes to ocean conservation through nature-based solutions to climate change. Furthermore, the hotel provides groups and leisure guests an opportunity for turtle releases with “The Cayman Islands Turtle Centre”. Sea turtles have a positive impact on the marine ecosystem as well as the beach and dune ecosystems. Turtle releases ensure that the turtle is older when it reaches the water, increasing their survival rate, and contributing to a healthy marine environment.

# Society

MHM has implemented various initiatives to contribute to local communities in many areas.

### Opening of "Narita Hospitality Academy"

Opened "Narita Hospitality Academy" on June 1, 2023, in Narita city, Chiba prefecture, which is a post-arrival training facility specializing in hospitality internships for foreign technical interns. The training contributes to the development of hospitality personnel by providing a general Japanese language program as well as the spirit and culture of Japanese hospitality, in the aim to make them acquire the knowledge and specialized skills as hotel staff. In 2023, total 60 interns from Vietnam and Philippines participated in the training. In 2024, interns from Nepal, Vietnam and Myanmar are expected to complete the training and start to work at MHM managed hotels.

### "Summer Vacation Kids Hotelier Experience"

Provided opportunities for children up to elementary school age to experience hotel work such as chef, pâtissier, bartender, and front desk staff with lectures by professionals in August 2023 at 11 hotels in 10 prefectures. Upon completion of the course, a certificate was issued making this experience a good souvenir of their summer vacation or for summer vacation independent research project to be submitted at school. It is an enjoyable opportunity to learn about the behind-the-scenes of a hotel and hotel work, which they would not normally have the chance to see. The hotels owned by INV where the events were held: Art Hotel Morioka, Kamanoi Hotel Beppu, Art Hotel Ishigakijima

### Promotion of local ingredients (local production for local consumption)

• Hotel MyStays Gotanda Station :

Started to serve original course menu from November 2023 at "Trattoria VICINO", a restaurant located on the 2nd floor. The menu uses vegetables cultivated around Tokyo called "Edo-Tokyo vegetables" and fresh fish from Tokyo bay to promote "local production for local consumption" which contributes to reduce environment burden created from logistics etc. and to revitalize the local community.

### Collaboration with local community

• Hotel MyStays Matsuyama :

Organized an event for two days where students from Kawahara college, a college in Matsuyama city, work as restaurant staff at "Setouchi Bar La Terrazza" located on the 1st floor. The college's desire to nurture the next generation and the hotel's wish for students to make the most of their academic experience as part of the internship program in harmony with each other.

### Participation in Local Activities

- Clean-up activities of the surrounding roads and rivers: Hotel MyStays Matsuyama
- Official partner agreements to support community-based sports club teams: Hotel MyStays Haneda
- Support and cooperation for community festivals, community disaster prevention activities, and public health activities: Hotel MyStays Kanda and many others

### SDGs Event "Mystays Charity Market"

Expanded the "Matching Project", a project that had been implemented among 145 group hotels to reuse products as much as possible, to the general public and organized events in the group hotels (August 2023 and February 2024) to sell items such as tableware, furniture, appliances, etc. that are no longer used in the establishments due to renovation or renewal. Profits made from two events were donated to Japan Ecotourism Society and Plan International, an International NGO.



Students from Bridal and hotel course and Patisier et boulanger course of Kawahara college

# Initiatives for Governance

While the executive director of INV concurrently serves as the representative director at CIM, two supervisory directors (an attorney and a certified public account) oversee the execution of the executive director's duties via the Board of Directors of INV.

## Compliance Initiatives and System

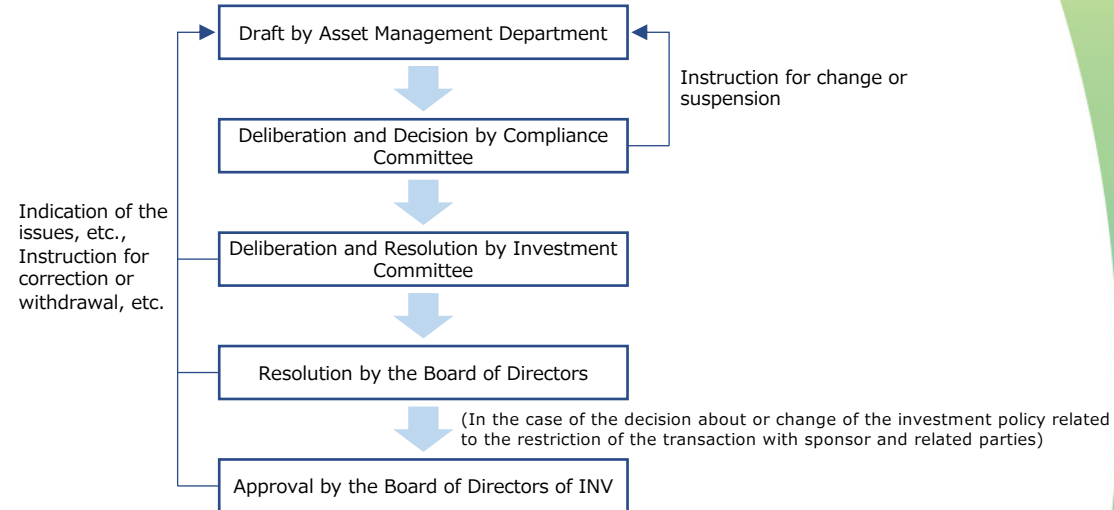
CIM has a compliance officer who is responsible for compliance with laws, regulations and other relevant matters as well as overall management of transactions with sponsor related parties. Moreover, CIM has in place a compliance committee which, chaired by such compliance officer, is in charge of deliberating on compliance with laws, regulations and other relevant matters as well as transactions with sponsor related parties.

In addition to the President and CEO of CIM, the full-time directors, the General Manager of the Planning Department, and the auditor (an observer), Compliance Committee meetings are attended by an outside expert (an attorney) who, sitting in as a committee member, conducts rigorous deliberations on the existence of conflicts of interest in transactions with sponsor related parties, remedial and preventive measures against inappropriate behavior in compliance with laws and regulations, and identification of interested parties related to other operations, as well as strict examinations with respect to INV's compliance with laws and regulations. No resolution will be adopted unless the outside expert agrees.

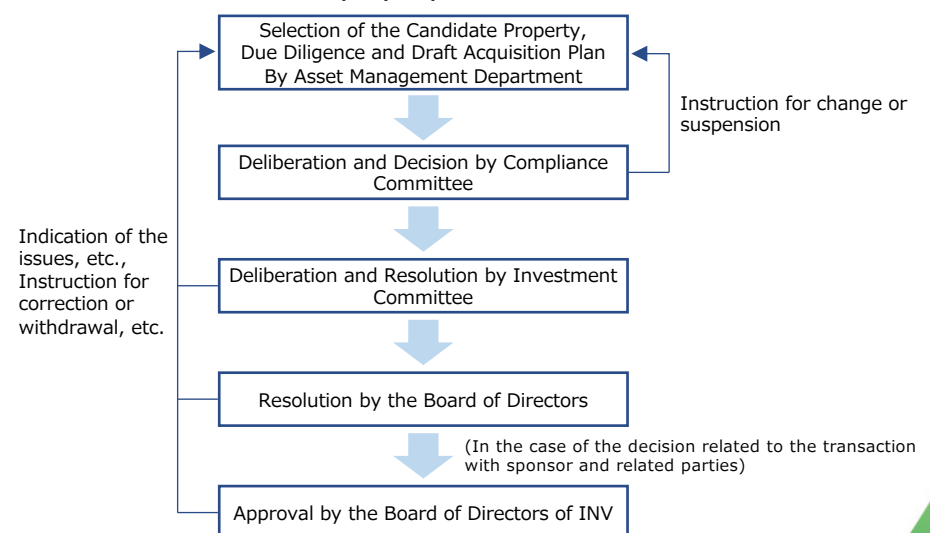
The roles of the Compliance Officer and the Compliance Committee in decision-making of individual operations are extremely important, and in addition to deliberations and approvals related to the acquisition, sale and management of individual properties, deliberations and approvals by the Compliance Committee are indispensable in investment policy, and unless the approval of the Compliance Committee is obtained, deliberations cannot proceed with the Investment Committee, the Board of Directors, and the Board of Directors of INV, ensuring the effectiveness of the internal checking function. In addition, CIM has established "Accident Handling Regulations" with the aim of handling accidents legally and promptly to resolve early and prevent recurrence, to prevent the loss of CIM's credibility and the expansion of losses, and to ensure the soundness of management.

### Decision Making Body of Investment Management

#### Decision Process of Investment Policy



#### Decision Process of the Property Acquisition





## About Directors

Directors at the end of the Reporting Period are listed below.

Fiscal Period ended June 30, 2023 (January 1, 2023 to June 30, 2023)

Position	Name	Concurrent responsibilities	Directors' remuneration for operating period (JPY thousand)
Executive Director	Naoki Fukuda	President and CEO, Consonant Investment Management Co., Ltd. (current position)	—
Supervisory Director	Yoshihiro Tamura	Attorney, Shiba-Daimon Law Office Statutory Auditor, BEQONE PARTNERS, Inc. (current position)	2,400
	Hiroyuki Fujimoto	Certified Public Accountant, CPA Fujimoto Office Outside Auditor, BRYCEN Co., Ltd. (current position) Outside Director, the Audit & Supervisory Committee Member, NEO MARKETING INC. (current position)	2,400
Auditor	Ernst & Young ShinNihon LLC (Note 2)	—	20,900

(Note 1) Executive and supervisory directors do not hold INV's units either in their names or in the names of third parties. In addition, while they may be directors of organizations not listed above, those organizations as well as those listed above have no conflicts of interest with INV.

(Note 2) The auditor's remuneration includes the remuneration for the preparation of a comfort letter in connection with the issuance of investment corporation bonds.

Fiscal Period ended December 31, 2023 (July 1, 2023 to December 31, 2023)

Position	Name	Concurrent responsibilities	Directors' remuneration for operating period (JPY thousand)
Executive Director	Naoki Fukuda	President and CEO, Consonant Investment Management Co., Ltd. (current position)	—
Supervisory Director	Yoshihiro Tamura	Attorney, Shiba-Daimon Law Office Statutory Auditor, BEQONE PARTNERS, Inc. (current position)	2,400
	Hiroyuki Fujimoto (Note 1)	Certified Public Accountant, CPA Fujimoto Office Outside Auditor, BRYCEN Co., Ltd. (current position) Outside Director, the Audit & Supervisory Committee Member, NEO MARKETING INC. (current position)	2,400
	Marika Nagasawa (Note 1)	Certified Public Accountant, Avantia GP Marika Nagasawa Accounting Firm	400
Auditor	Ernst & Young ShinNihon LLC (Note 2)	—	41,900

(Note 1) As of December 21, 2023, Takushi Fujimoto, a former supervisory director, resigned the position of supervisory director and Marika Nagasawa assumed the position.

(Note 2) The auditor's remuneration includes 1,200 thousand yen for auditing English financial statements and 23,000 thousand yen for non-audit remuneration. In addition, non-audit remuneration to a person belonging to the same network as the accounting auditor is 7,742 thousand yen.

(Note 3) Executive and supervisory directors do not hold INV's units either in their names or in the names of third parties. In addition, while they may be directors of organizations not listed above, those organizations as well as those listed above have no conflicts of interest with INV.

## Appropriate Management of Conflicts of Interest

In order to accurately understand the possibility of conflicts of interest in transactions conducted by INV and to properly manage any potential conflicts of interest, CIM has established the "Regulations on Transactions with Sponsor-related Parties" and the "Manual on Management of Transactions with Sponsor-related Parties" as CIM's voluntary rules, in addition to regulations imposed by related laws and regulations. CIM has defined interested parties, such as CIM's shareholders, as "Sponsor-related Parties". CIM has defined transactions with potential conflicts of interest, such as the purchase and sale of properties with sponsor-related parties and the outsourcing of operations for a fee to sponsor-related parties, as "Transactions with Sponsor-related Parties" and has clearly defined the criteria and procedures for conducting such transactions. In conducting Transactions with Sponsor-related Parties, in addition to the approval by the Compliance Committee, including an external expert, prior approvals by the Board of Directors of INV are required to ensure an objectivity in deliberation regarding conflicts of interests. In such agenda, only two supervisory directors (a lawyer and a certified public accountant) will participate in the vote, and the executive director who concurrently serves as the representative director of CIM will not participate in the vote as he is a special interested party. CIM properly manages conflicts of interest by following such established procedures.

Please refer to the link below for CIM's decision-making process.

<https://www.invincible-inv.co.jp/en/profile/amcompany.html>

## Anti-Corruption Initiatives

CIM stipulates in its Compliance Rules and Compliance Manual that all of its officers and employees are prohibited from providing favors, benefits, etc. to civil servants or persons deemed as such. Furthermore, it stipulates that regardless of whether business-related transactions take place, it is prohibited to provide or accept favors, benefits, etc. that exceed the scope of courtesy based on socially accepted conventions.

## Measures against Anti-Social Forces

CIM shall maintain a firm stance to seclude and eliminate itself from any relationship with anti-social forces\* in order to retain credibility of financial instrument business operators with the public and secure appropriate and sound business operations as a financial instrument business operator. CIM shall also maintain a firm stance to respond, as an organization, to any unjustified demands in cooperation with external organizations such as the police and lawyers. Regarding the above matters, CIM shall comply with the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." issued by the Financial Services Agency and the "Guideline for How Companies Prevent Damage from Anti-Social Forces" (agreed upon at the Ministerial Meeting Concerning Measures Against Crime on June 19, 2007). At the same time, we will internally stipulate actual procedures such as preventive measures and handling strategies in our "Compliance Rules" and "Handling Guidelines for Pre-confirmation of Business Partners/Clients (investigation of anti-social forces)" as well as educate and thoroughly inform officers, employees, etc. through compliance training and such.

\* As defined in the government's "Guideline for How Companies Prevent Damage from Anti-Social Forces," and "Outline of Measures against Organized Crime," a circular notice issued in the name of the Deputy Commissioner General of the National Police Agency.

## Initiatives Relating to Anti-Money Laundering and Countering the Financing of Terrorism

In recent years, the importance of countermeasures to anti-money laundering and financing of terrorism (hereinafter referred to as "money laundering, etc.") as an issue that needs to be addressed by both Japan and the global society has been growing. In collaboration with the relevant government ministries and agencies, financial institutions have been striving to maintain sound financial systems by enhancing their management systems for cutting off the flow of funds connected with criminals, terrorists, etc. (i.e., money laundering).

Recognizing the importance of measures against money laundering, etc., CIM has formulated the "Provisions Concerning the Act on Prevention of Transfer of Criminal Proceeds" and the "Business Manual Related to the Act on Prevention of Transfer of Criminal Proceeds" to comply with relevant laws and regulations, and to appropriately carry out prescribed procedures such as various confirmation procedures, as well as audits conducted by the supervising officer (compliance officer).

## Establishment of Whistleblower System

With an aim to contribute to strengthening compliance management, CIM has established a "Compliance Consultation Desk" which allows its officers and employees (including contract and temporary employees) to report or discuss fraudulent acts. The "Compliance Consultation Desk" targets inappropriate acts in terms of compliance as the subject for reports and consultation, and protects the whistleblowers in accordance with the Whistleblower Protection Act, (including prohibition of disadvantageous treatment, responding to anonymous reports and keeping the content confidential). The Compliance Consultation Desk detects and corrects reported fraudulent acts as well as provides feedback to the informant (excluding cases of anonymity) and if the Compliance Officer deems it necessary, the Compliance Committee will meet to discuss the response. In addition to an in-house contact point, an external attorney is appointed as the reporting contact point in order to secure effectiveness of the whistleblower system.

# Third Party Assessment / ESG Data

## GRESB Real Estate Assessment

GRESB is an annual benchmarking assessment to measure ESG (Environmental, Social, and Governance) integration of real estate companies and funds. It was founded in 2009 by a group of major European pension funds who played leading roles in launching Principles for Responsible Investment (PRI). The GRESB Real Estate Assessment is characterized by evaluating sustainability initiatives of real estate companies, REITs, and real estate funds, rather than targeting individual real estate.

In the 2023 GRESB Real Estate Assessment, INV received a "3-Star" GRESB Rating, which is based on overall GRESB scores and its quintile position among participants. INV was also awarded a "Green Star" designation for the third consecutive year by achieving high performance in both the "Management Component" that evaluates policies and organizational structure for ESG promotion, and the "Performance Component" that assesses environmental performance and tenant engagement of properties owned.

Further, INV was highly evaluated for its ESG information disclosure efforts and received an "A Level" the highest level for GRESB Public Disclosure for the third consecutive year, which assesses the breadth of ESG disclosure.



Please refer to the press release for details.

"Notice concerning GRESB Real Estate Assessment Results" dated October 3, 2023  
<https://www.invincible-inv.co.jp/en/news/upd/140120231003562373.pdf>

## CASBEE Certification for Buildings and Certification for CASBEE for Real Estate

CASBEE is a method that comprehensively assesses the quality of a building, and evaluates features such as interior comfort and scenic aesthetics, in consideration of environment practices including use of materials and equipment that save energy or achieve smaller environmental loads.

CASBEE Certification for Buildings (Existing Buildings) scores buildings based on the environmental quality and the environmental load reduction of buildings that are at least one year old after completion. Assessment results by CASBEE are indicated on a scale with the following five ranks: Rank S "★★★★★", Rank A "★★★★", Rank B+ "★★★", Rank B- "★★", and Rank C "★".

Certification for CASBEE for Real Estate was developed with the aim of making use of the results of the environmental assessment of buildings by CASBEE in real estate evaluation. It scores buildings under each of the evaluation items in five categories, comprising "1. Energy & Greenhouse Gases", "2. Water", "3. Use of Resources & Safety", "4. Biodiversity & Site", and "5. Indoor Environment". Based on the scores, assessment results are given one of four ranks: Rank S "★★★★★", Rank A "★★★★", Rank B+ "★★★", and Rank B- "★★".

INV acquired CASBEE Certification for Buildings (Existing Buildings) for three hotels, and Certification for CASBEE for Real Estate for three residential properties.

### CASBEE Certification for Buildings (Existing Buildings)



### Certification for CASBEE for Real Estate



Please refer to the press release for details.

"Notice concerning Acquisition of CASBEE Certification for Buildings, Certification for CASBEE for Real Estate, and BELS Certification" dated March 31, 2023  
<https://www.invincible-inv.co.jp/en/news/upd/140120230331540312.pdf>











"Notice concerning Acquisition of CASBEE Certification for Buildings and Certification for CASBEE for Real Estate" dated March 25, 2024  
<https://www.invincible-inv.co.jp/en/news/upd/140120240325558773.pdf>

# BELS Certification

BELS is the third-party certification system that evaluates and certifies the energy-saving performance of a building that the operators are required to make efforts to display under the Act on Improving Energy Consumption Performance for Architectural Structures. Houses and buildings are evaluated based on the value of BEI (Building Energy Index) derived from the primary energy consumption based on the government-designated energy consumption performance standard of architectural structures. The evaluation result is rated on a five-star scale based on energy conservation performance (from one star "★" to five stars "★★★★★"), with five stars meaning the highest energy conservation performance. Also, two stars or more represent that the building meets the existing energy conservation standard.



INV acquired BELS certification for 19 hotels.

★★★★★	 Hotel MyStays Premier Akasaka	 Hotel MyStays Fukuoka Tenjin	 Hotel MyStays Yokohama Kannai	 Hotel MyStays Oita	 Hotel MyStays Haneda	 Hotel MyStays Matsuyama
★★★★	 Hotel MyStays Premier Kanazawa	 Hotel MyStays Sapporo Station	 Hotel MyStays Fuji Onsen Resort	 Hotel MyStays Kanda	 Hotel MyStays Aomori Station	
★★★	 MyStays Shin-Urayasu Conference Center	 Hotel MyStays Sakaisuji-Honmachi	 Hotel Epinard Nasu			
★★	 Hotel MyStays Kyoto-Shijo	 Hotel MyStays Fukuoka-Tenjin-Minami	 Hotel MyStays Hakodate-Goryokaku	 Hotel MyStays Hamamatsucho	 Hotel MyStays Midosuji Honmachi	

Please refer to the press releases for details.

"Notice concerning Acquisition of BELS Certification" dated November 15, 2022

<https://www.invincible-inv.co.jp/en/news/upd/140120221115567044.pdf>

"Notice concerning Acquisition of CASBEE Certification for Buildings, Certification for CASBEE for Real Estate, and BELS Certification" dated March 31, 2023

<https://www.invincible-inv.co.jp/en/news/upd/140120230331540312.pdf>

"Notice concerning Acquisition of BELS Certification" dated January 25, 2024

<https://www.invincible-inv.co.jp/en/news/upd/140120240125519286.pdf>

## JCR Green Finance Framework Evaluation

INV has obtained "Green1 (F)" rating, the highest rating in the "JCR Green Finance Framework Evaluation", from Japan Credit Rating Agency, Ltd. ("JCR").



For details, please refer to followings:

INV's Green Finance Framework (Established in August 2023 and amended in June 2024)

[https://www.invincible-inv.co.jp/en/upd/framework\\_202406\\_ENG.pdf](https://www.invincible-inv.co.jp/en/upd/framework_202406_ENG.pdf)

JCR Green Finance Framework Evaluation:

<https://www.jcr.co.jp/en/greenfinance/>

## The List of Certified Properties

The following is a list of INV's Certified Properties that will meet the eligibility criteria under the Green Finance Framework. (as of March 2024)

Property No.	Property Name	Acquisition Price (JPY million)	BELS	CASBEE
D01	Hotel MyStays Kanda	2,851	★★★★★	
D04	MyStays Shin-Urayasu Conference Center	4,930	★★★	
D08	Hotel MyStays Sakaisuji-Honmachi	2,514	★★★	
D24	Hotel MyStays Haneda	7,801	★★★★★	
D44	Hotel Epinard Nasu	21,002	★★★★★	B+
D45	Hotel MyStays Fukuoka Tenjin	8,059	★★★★★	
D47	Hotel MyStays Premier Kanazawa	13,761	★★★★★	B+
D53	Hotel MyStays Sapporo Station	7,880	★★★★★	
D54	Hotel MyStays Yokohama Kannai	5,326	★★★★★	
D57	Hotel MyStays Oita	1,604	★★★★★	
D60	Hotel MyStays Premier Akasaka	20,691	★★★★★	A
D66	Hotel MyStays Fuji Onsen Resort	9,405	★★★★★	
D74	Hotel MyStays Matsuyama	3,098	★★★★★	
D87	Hotel MyStays Aomori Station	2,445	★★★★★	
A103	Royal Parks Momozaka	2,910		A
A104	Royal Parks Shinden	5,024		A
A106	Royal Parks Seasir Minami-Senju	2,683		A

# GRI Standards Content Index

**Statement of use** INV has reported the information cited in this GRI content index for the period from April 1, 2023 to March 31, 2024 with reference to the GRI Standards.

**GRI 1 used** GRI 1: Foundation 2021

GRI 2: General Disclosures 2021			
	DISCLOSURE	Web	ESG report
<b>The organization and its reporting practices</b>	2-1	Organizational details	<a href="#">Profile &gt; Profile &amp; History</a> Profile & History (P4)
	2-2	Entities included in the organization's sustainability reporting	<a href="#">Profile &gt; Profile &amp; History</a> Profile & History (P4)
	2-3	Reporting period, frequency and contact point	Editorial Policy (P2)
	2-4	Restatements of information	No revisions or corrections
	2-5	External assurance	Third-Party Guarantee (P42)
<b>Activities and workers</b>	2-6	Activities, value chain and other business relationships	<a href="#">Profile &gt; Organizational Structure</a> Policy & Strategy (P5)
	2-7	Employees	<a href="#">Initiatives for Society &gt; Asset Management Company Initiatives for Employees</a> Asset Management Company Initiatives for Employees (P25)
<b>Governance</b>	2-9	Governance structure and composition	<a href="#">Initiatives for Governance &gt; Compliance Initiatives and System</a> Compliance Initiatives and System (P32)
	2-10	Nomination and selection of the highest governance body	<a href="#">Initiatives for Governance &gt; Compliance Initiatives and System</a> Compliance Initiatives and System (P32)
	2-11	Chair of the highest governance body	<a href="#">Initiatives for Governance &gt; Compliance Initiatives and System</a> Compliance Initiatives and System (P32)
	2-12	Role of the highest governance body in overseeing the management of impacts	<a href="#">Sustainability Policy and Promotion Structure Initiatives for Governance</a> Sustainability Policy (P8) Promotion Structure of Sustainability (P9) Initiatives for Governance (P31-34)
	2-13	Delegation of responsibility for managing impacts	<a href="#">Sustainability Policy and Promotion Structure Initiatives for Governance</a> Sustainability Policy (P8) Promotion Structure of Sustainability (P9) Initiatives for Governance (P31-34)
	2-14	Role of the highest governance body in sustainability reporting	<a href="#">Sustainability Policy and Promotion Structure</a> Sustainability Policy (P8) Promotion Structure of Sustainability (P9)
	2-15	Conflicts of interest	<a href="#">Initiatives for Governance &gt; Appropriate Management of Conflicts of Interest</a> Appropriate Management of Conflicts of Interest (P33)
	2-16	Communication of critical concerns	<a href="#">Initiatives for Governance &gt; Compliance Initiatives and System</a> Compliance Initiatives and System (P32)
	2-17	Collective knowledge of the highest governance body	<a href="#">Sustainability Policy and Promotion Structure Initiatives for Governance</a> Sustainability Policy (P8) Promotion Structure of Sustainability (P9) Initiatives for Governance (P31-34)
	2-19	Remuneration policies	<a href="#">Initiatives for Governance &gt; About Directors</a> About Directors (P33)
2-20	Process to determine remuneration	<a href="#">Articles of Incorporation Initiatives for Governance &gt; About Directors</a> About Directors (P33)	
<b>Strategy, policies and practices</b>	2-22	Statement on sustainable development strategy	Message from Management (P4)
	2-23	Policy commitments	<a href="#">Sustainability Policy and Promotion Structure Initiatives for Governance</a> Sustainability Policy (P8) Promotion Structure of Sustainability (P9) Initiatives for Governance (P31-34)
	2-24	Embedding policy commitments	<a href="#">Sustainability Policy and Promotion Structure</a> Sustainability Policy (P8) Promotion Structure of Sustainability (P9)
	2-25	Processes to remediate negative impacts	<a href="#">Complaint Resolution System</a> (Japanese only)
	2-26	Mechanisms for seeking advice and raising concerns	<a href="#">Initiatives for Governance &gt; Establishment of Whistleblower System</a> Establishment of Whistleblower System (P34)
	2-27	Compliance with laws and regulations	<a href="#">Initiatives for Governance &gt; Compliance Initiatives and System</a> Compliance Initiatives and System (P32)
	2-28	Membership associations	<a href="#">Initiatives to Address Climate Change &gt; Support for the TCFD Recommendations</a> Support for the TCFD Recommendations (P18)
<b>Stakeholder engagement</b>	2-29	Approach to stakeholder engagement	<a href="#">Initiatives for Society</a> Initiatives for Society (P23-26) Initiatives by Hotel Operator - Society (P30)

Economic performance				
		DISCLOSURE	Web	ESG report
<b>GRI 201: Economic Performance 2016</b>	201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Initiatives to Address Climate Change</a>	Initiatives to Address Climate Change (P17-22)
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1	Infrastructure investments and services supported	<a href="#">Initiatives for Society &gt; Contribution to Disaster Prevention</a>	Contribution to Disaster Prevention (P24)
<b>GRI 205: Anti-corruption 2016</b>	205-2	Communication and training about anti-corruption policies and procedures	<a href="#">Initiatives for Governance &gt; Anti-Corruption Initiatives</a>	Anti-Corruption Initiatives (P33)
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	During the reporting period, there were no legal actions received concerning anti-competitive behavior, anti-trust, or monopolistic practices.	

Environment				
		DISCLOSURE	Web	ESG report
<b>GRI 301: Materials 2016</b>	301-2	Recycled input materials used	<a href="#">Initiatives for Environment &gt; Environmental Performance</a>	Environmental Performance (P14-15)
<b>GRI 302: Energy 2016</b>	302-1	Energy consumption within the organization	<a href="#">Initiatives for Environment &gt; Environmental Performance</a>	Environmental Performance (P14-15)
	302-3	Energy intensity	<a href="#">Initiatives for Environment &gt; Environmental Performance</a>	Environmental Performance (P14-15)
	302-4	Reduction of energy consumption	<a href="#">Initiatives for Environment &gt; Environmental Performance</a>	Environmental Performance (P14-15)
	302-5	Reductions in energy requirements of products and services	<a href="#">Initiatives for Environment &gt; Initiatives for Green Buildings</a>	Initiatives for Green Buildings (P16)
	<b>GRI 303: Water and Effluents 2018</b>	303-2	Management of water discharge-related impacts	<a href="#">Initiatives for Environment &gt; Environmental Targets</a>
	303-4	Water discharge	<a href="#">Initiatives for Environment &gt; Initiatives for Green Buildings</a>	Initiatives for Green Buildings (P16)
	303-5	Water consumption	<a href="#">Initiatives for Environment &gt; Environmental Performance</a>	Environmental Performance (P14-15)
<b>GRI 304: Biodiversity 2016</b>	304-3	Habitats protected or restored	<a href="#">Initiatives for Environment &gt; Initiatives by Hotel Operator</a>	Biodiversity Initiative (P29)
<b>GRI 305: Emissions 2016</b>	305-1	Direct (Scope 1) GHG emissions	<a href="#">Initiatives for Environment &gt; Greenhouse Gas Emission and Intensity</a>	Environmental Targets (P11-12)
	305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Initiatives for Environment &gt; Greenhouse Gas Emission and Intensity</a>	Environmental Targets (P11-12)
	305-3	Other indirect (Scope 3) GHG emissions	<a href="#">Initiatives for Environment &gt; Greenhouse Gas Emission and Intensity</a>	Environmental Targets (P11-12)
	305-4	GHG emissions intensity	<a href="#">Initiatives for Environment &gt; Greenhouse Gas Emission and Intensity</a>	Environmental Targets (P11-12)
	305-5	Reduction of GHG emissions	<a href="#">Initiatives for Environment &gt; Environmental Targets</a>	Environmental Targets (P11-12)
<b>GRI 306: Waste 2020</b>	306-3	Waste generated	<a href="#">Initiatives for Environment &gt; Environmental Performance</a>	Environmental Performance (P14-15)
	306-4	Waste diverted from disposal	<a href="#">Initiatives for Environment &gt; Environmental Performance</a>	Environmental Performance (P14-15)
	306-5	Waste directed to disposal	<a href="#">Initiatives for Environment &gt; Environmental Performance</a>	Environmental Performance (P14-15)
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1	New suppliers that were screened using environmental criteria	<a href="#">Sustainability Policy and Promotion Structure &gt; Sustainable Procurement Policy</a>	Sustainable Procurement Policy (P9)


Social				
		DISCLOSURE	Web	ESG report
<b>GRI 401: Employment 2016</b>	401-1	New employee hires and employee turnover	<a href="#">Initiatives for Society &gt; Asset Management Company Initiatives for Employees</a>	Asset Management Company Initiatives for Employees (P25)
	401-3	Parental leave	<a href="#">Initiatives for Society &gt; Initiatives for health and well-being of each employee</a>	Initiatives for Health and Well-being of each Employee (P26)
<b>GRI 403: Occupational Health and Safety 2018</b>	403-6	Promotion of worker health	<a href="#">Initiatives for Society &gt; Asset Management Company Initiatives for Employees</a>	Asset Management Company Initiatives for Employees (P25-26)
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1	Diversity of governance bodies and employees	<a href="#">Initiatives for Society &gt; Asset Management Company Initiatives for Employees</a>	Asset Management Company Initiatives for Employees (P25-26)
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1	New suppliers that were screened using social criteria	<a href="#">Sustainability Policy and Promotion Structure &gt; Sustainable Procurement Policy</a>	Sustainable Procurement Policy (P9)
<b>GRI 416: Customer Health and Safety 2016</b>	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	During the reporting period, there were no incidents of non-compliance concerning the health and safety impacts of products and services	
<b>GRI 417: Marketing and Labeling 2016</b>	417-2	Incidents of non-compliance concerning product and service information and labeling	During the reporting period, there were no incidents of non-compliance concerning product and service information and labeling	
	417-3	Incidents of non-compliance concerning marketing communications	During the reporting period, there were no incidents of non-compliance concerning marketing communications	
<b>GRI 418: Customer Privacy 2016</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no substantiated complaints concerning breaches of customer privacy or loss of customer data	



# Third-Party Guarantee / Disclaimer

# Third-Party Guarantee

To ensure the reliability of the reported figures, INV has obtained third-party guarantee for environmental performance data from an independent third-party organization, Sustainability Accounting Office, Inc.



**SUSA**  
Sustainability Accounting Co., Ltd.

Independent Assurance Statement June 20, 2024

Mr. Naoki Fukuda  
Executive Director  
Invincible Investment Corporation


**1. Purpose**  
We, Sustainability Accounting Co., Ltd., have been engaged by Invincible Investment Corporation (“the Investment Corporation”) to provide limited assurance on the Investment Corporation’s following data of all properties owned during April, 2023 to March, 2024. 1.48GWh of energy consumption, 12.5t-CO<sub>2</sub> (Scope 1), 627t-CO<sub>2</sub> (Scope 2, location-based), 78.9kt-CO<sub>2</sub> (Scope 3, Category 13), 4.53 thousand m<sup>3</sup> of water withdrawal, 6.24kt of waste emissions (collectively, “the Environmental performance data”). The purpose of this process is to express our conclusion on whether the Environmental performance data were calculated in accordance with the Investment Corporation’s standards. The Investment Corporation’s management is responsible for calculating the Environmental performance data. Our responsibility is to independently carry out a limited assurance engagement and to express our assurance conclusion.

**2. Procedures Performed**  
We conducted our assurance engagement in accordance with International Standard on Assurance Engagement 3000 (ISAE 3000) and International Standard on Assurance Engagement 3410 (ISAE 3410). The key procedures we carried out include:

- Interviewing the Investment Corporation’s responsible personnel to understand the Investment Corporation’s standards and reviewing the Investment Corporation’s standards.
- Performing cross-checks on a sample basis and performing a recalculation to determine whether the Environmental performance data were calculated in accordance with the Investment Corporation’s standards.

**3. Conclusion**  
Based on the procedures performed, nothing has come to our attention that causes us to believe that the Environmental performance data have not been calculated in all material respects in accordance with the Investment Corporation’s standards.

We have no conflict of interest relationships with the Investment Corporation.



Takashi Fukushima  
Representative Director  
Sustainability Accounting Co., Ltd.

## Disclaimer

This material is for informational purposes only and not for solicitation to invest in, or recommendation to buy, certain products of INV. You should consult with securities firms if you intend to purchase investment units of INV.

This material does not constitute or form a part of any disclosure document or an asset management report required by the Financial Instruments and Exchange Act of Japan or regulations thereunder, the Investment Trust and Investment Corporation Act of Japan or regulations thereunder, or the listing rules of the Financial Instruments Exchanges or other related rules and regulations.

This material contains forward-looking statements and these statements are based on certain assumptions and premises in consideration of the available information as of the date of this material; therefore there may be currently unknown risks and uncertainties in such statements. The contents of forward-looking statements are subject to such risks, uncertainties, assumptions and other factors. Accordingly, there is no assurance as to actual business performance, results of operations or financial conditions.

INV has given its attention that the information provided herein does not contain mistakes or omissions. However, there is no assurance given as to the accuracy, certainty or completeness, validity or fairness of any such information and such information is subject to revision or retraction without prior notice.