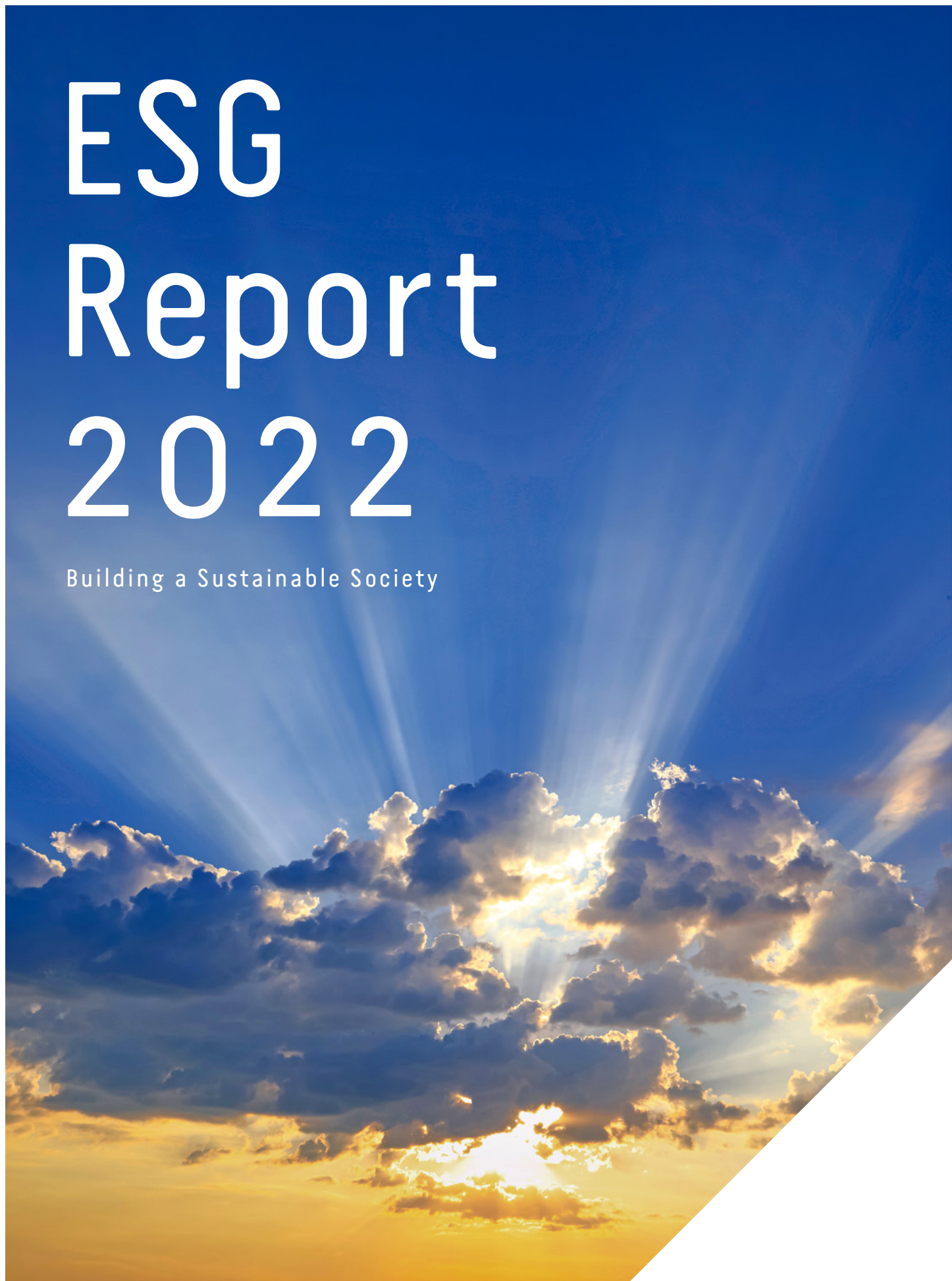


ESG Report 2022

Building a Sustainable Society



Mitsui Fudosan Group's ESG / Sustainability 2022



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Management's Commitment



1. Introduction

The world has become more chaotic due to events like the COVID-19 pandemic, economic disarray as we move into the post-COVID era, and the invasion of Ukraine by Russia. In this time of uncertainty, it is crucial to stay focused on corporate principles and universal values. We must return to the roots of Mitsui Fudosan, and recognize our DNA and principles. Only then can we clarify our reason for existence and our social mission, and decide what we must do for the global environment and the society we live in, and what corporate values are needed to achieve that.



2. The Roots and DNA of Mitsui Fudosan, and the Philosophy



(1) The Roots and DNA of Mitsui Fudosan

The father of the Mitsui Group, Takatoshi Mitsui, founded the Mitsui “Echigo-ya” clothing store in Nihonbashi, Edo in 1673. The shop grew dramatically due to his revolutionary new business method of selling goods for cash at inexpensive fixed prices. With his enterprising spirit, Takatoshi Mitsui was the first to implement “customer orientation” in the world of Edo, and this approach was passed down as the DNA of Mitsui Fudosan.


As the Japanese economy and society developed, we restructured the Group’s business and created new values in response to the needs of the times and customer input. I believe this customer orientation, sincerely addressing customer needs, and our enterprising spirit, resolutely tackling the challenge of value creation and innovating in our own business, have been passed down in the Group as an unbroken legacy from Takatoshi Mitsui, and permeated the Company up to the present day, as the DNA of each employee.

(2) The Philosophy

What symbolically encapsulates these elements of our DNA is our management vision: the  philosophy. The idea is not to choose between conflicting concepts by focusing on “or,” but rather to accept diversity, and even when there is a conflict of values in terms of common sense, to overcome that, and realize a sustainable society by coexisting through . This management vision was established in 1991, on the 50th anniversary of our founding, long before issues like sustainability and ESG came to the fore.


Thanks to the  philosophy, the Group has valued coexistence with the global environment and local communities. This is exemplified in the development concept for Nihonbashi, Tokyo, Mitsui’s base of operations: preserving and revitalizing heritage while creating the future. Here we achieved true neighborhood creation based on the  logo,

with coexistence of people and nature, and tradition and innovation—a perfect example of the Company's reason for existence.

I'm convinced the Group will play an increasingly important role as society and the economy develop and we strive to preserve the global environment, and we will continue to channel all our efforts as a group into action based on the  philosophy: coexisting in harmony with society, linking diverse values, and achieving a sustainable society.

3. Issues to be Addressed by Mitsui Fudosan

The previous era where companies were evaluated based only on their financial profile has passed, and going forward, investors will demand management objectives and actions aimed at boosting corporate value on both the financial and non-financial side. As we see when we look back at history, the demands on companies create social value as well as economic value. Naturally, these two sorts of values are compatible, and I believe that contributing to a sustainable society through value creation will be what leads, in the end, to sustained growth of the Company.

Based on the Group's roots, DNA, and the management philosophy of the  logo, we established our Group long-term vision, VISION 2025, in fiscal 2018. Our primary objective is to successfully establish a sustainable society through the creation of neighborhoods, and we also laid out the following six materiality goals, reflecting our commitment to further accelerate the Group's sustainability management.

Establish ultra-smart societies by creating neighborhoods

Achieve a society where a diverse workforce can thrive

Achieve health, safety and security in people's daily lives

Create new industries through open innovation

Reduce environmental impact and generate energy

Continuously improve compliance and governance

Environment: E

Responding to climate change is a social obligation of our Group as a builder and developer of social infrastructure, and we regard efforts to decarbonize as one of the Group's highest priorities. The Company endorses the agenda of the Task Force on Climate-related Financial Disclosures (TCFD) which encourages corporations and others to disclose information relating to climate change risks and opportunities, and we disclose information in line with their recommendations. In addition, we became a member of RE100, an international initiative to power business activities with 100% renewable energy, and are promoting related initiatives. In November 2021, we set a new target of reducing greenhouse gas emissions by 40% (from fiscal 2019 levels) by fiscal 2030, and to net zero by 2050. We also acquired certification as 1.5° C targets (consistent with keeping the rise in average global temperature less than 1.5° C over the level prior to the industrial revolution) by the Science Based Targets (SBT) initiative, which recommends setting reduction targets based on scientific evidence in order to achieve the international framework of the Paris Agreement. Beyond just setting targets, we've established a Group Action Plan to Realize a Decarbonized Society, as required of a leader in the real estate industry.

This action plan calls for not only improving the environmental performance of owned and operated properties, and greening electricity of common areas, but also measures to secure stable renewable energy sources, and service to supply green power to private areas at the request of tenant companies. These steps respond to our customers' efforts to decarbonize, and differentiate the Company's business, and thus develop our business through the social value of realizing decarbonization and the economic value of ensuring the Company's competitive advantage. In March 2022, we drew up a Manual for Calculating GHG Emissions Produced during Construction in collaboration with designers, and knowledgeable, experienced experts. In the future, we will strive to contribute to the industry as a whole by sharing this with a wide-range of stakeholders, including academic societies, industry associations, other companies in the industry (real estate companies, architectural design offices), construction companies, and construction material and equipment manufacturers.


In fiscal 2021, the first fiscal year of the action plan, we achieved an 8% reduction in greenhouse gas emissions in terms of the 3-year average from fiscal 2019 to fiscal 2021 (compared to the average for fiscal 2018–2020), and a 10% reduction

for a single fiscal year (compared to fiscal 2019). We were also recognized as a CDP2021 “A List” company, the highest ranking in the climate change category.

We are actively responding in all of our business areas, from office buildings and commercial facilities to residences and more, not only to the issue of climate change, but to all the diverse challenges facing the environment including biodiversity and water resource conservation, environmental pollution prevention, and reduction of resource consumption and waste generation.

Going forward, we will continue to create comfortable environments for customers and local communities, and engage in comprehensive activities to preserve the environment and respond to the challenge of climate change.

Society: S

One of the ideas contained in the  logo is linking diverse values, i.e., the diversity and inclusion (D&I) which has been emphasized in recent years for ensuring diversity in corporate management. This too is positioned as a top priority of the Group, just like responding to climate change. In November 2021, we drew up a Diversity & Inclusion Declaration and Initiative Policy, positioned female participation in particular as an important theme, and established quantitative and qualitative targets for the Group. In addition to creating environments where a diverse workforce of individuals can demonstrate their capabilities regardless of race, nationality, religion, sex, age, disability, gender identity, sexual orientation, or other attributes, we are promoting measures to support diverse workstyles to accommodate different life stages, including a work-at-home system, and a financial support system for those balancing work and child/nursing care. The biggest driver supporting value creation by companies is human assets, and with that in mind, we aim to improve diversity by employing more women and international talent than ever before, and by capitalizing on the diverse opinions and knowledge which arise from such diversity, we hope to create new business opportunities.

In terms of progress in fiscal 2021, the women in management positions ratio improved by 1.1% over the previous year to 6.8%, and we are moving steadily toward our goals of 10% in 2025 and 20% in 2030. We also achieved yearly quantitative goals for the ratio of hires of women, return rate from childcare leave, and paid leave days taken.

In addition, we believe that respect for individual human rights is of paramount importance in offering people settings for business and residential life through neighborhood creation. As well as supporting and respecting the principles embodied in the UN Guiding Principles on Business and Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, we promote respect for human rights throughout every aspect of our business. In fiscal 2021, we administered questionnaires to six construction companies representative of our business supply chains, and since May 2022, we have participated in a pilot project, launched by JP-MIRAI, to provide consultation and other support for foreign workers. Through steps like these, we are strengthening our efforts in the areas of supply chain management and human rights due diligence.

In the future, we will continue working to expand engagement with diverse stakeholders including our supply chain, customers, and local communities.

Governance: G

Because we rely on the trust of individuals, neighborhoods, and society, the Mitsui Fudosan Group regards risk management, compliance, and governance as extremely important themes that are fundamental to our business. In particular, with respect to our international business, which has expanded rapidly in recent years, we regard strict compliance and strengthened governance as pressing challenges. In addition to bolstering further the compliance and governance structures at the parent and at our international local corporations, we are working to manage business risk appropriately and practice thorough due diligence.

As part of our efforts to develop and organize optimal corporate governance, we are working to provide incentives that link managing directors' compensation with improvement of our corporate value. Also, in light of the fact that creating social value through ESG is the foundation of our management, we decided, starting in 2021, to have the Compensation Advisory Committee check and evaluate ESG efforts, and reflect this in calculation of performance-based compensation, i.e., bonuses and restricted stock compensation.

Going forward, and taking a broad view of global trends, changes in the structure of society, changes in stakeholder attitudes toward corporate management, and other factors in our operating environment, we will work to continuously

review and strengthen our corporate governance and reinforce the soundness, transparency, and efficiency of our management.


4. In Conclusion

I believe the social value created by the Group can be summed up in these terms: emotionally moving people, enriching their lives, and realizing a sustainable society.

Going forward, the Group will continue to promote sustainability management with a long-term perspective, focusing on two key pillars: creating social value and creating economic value. In April 2022, we established an organization for accelerating the group-wide effort to realize sustainability management—integrating the Sustainability Promotion Department, which oversees ESG efforts, and the Environment and Energy Service Department, which handles tasks such as company-wide energy management and renewable energy procurement, into a new Sustainability Promotion Division.

We are also actively working to disclose information on our ESG activities and respond to third-party assessment organizations, and starting in fiscal 2022 we will participate in GRESB Real Estate, an international benchmark for acquiring green building certification and conducting ESG assessment of the real estate sector.

In the future, we will continue dialogue with all our stakeholders, and contribute to the sustainability of society, while striving to share long-term values.




Group Action Plan to Realize Decarbonized Society

Toward Realization of Decarbonized Society

In recent years, natural disasters have become more severe and more common, and climate change is occurring on a global scale.

The Paris Agreement, an international framework for action against climate change, has accelerated international movement, and it has become increasingly important for companies to contribute to the sustainable growth of society through their business.

Based on the philosophy of the Mitsui Fudosan "  " logo, our Group has achieved corporate growth by enriching people's lives and constantly creating new value through the creation of neighborhoods that meets the needs of the era and coexists with society in harmony.

Under our " **&EARTH** " principle, we have also been proactively addressing climate change for some time.

In December 2020, our Group's greenhouse gas emission reduction targets for FY2030 and FY2050 were announced; however, we have this time raised the reduction target for FY2030 even higher, and formulated Action Plans as comprehensive and specific strategies to achieve the targets.

Background of the Group's Corporate Stance and Decarbonization Initiatives

New target setting

Mitsui Fudosan Group's New Targets

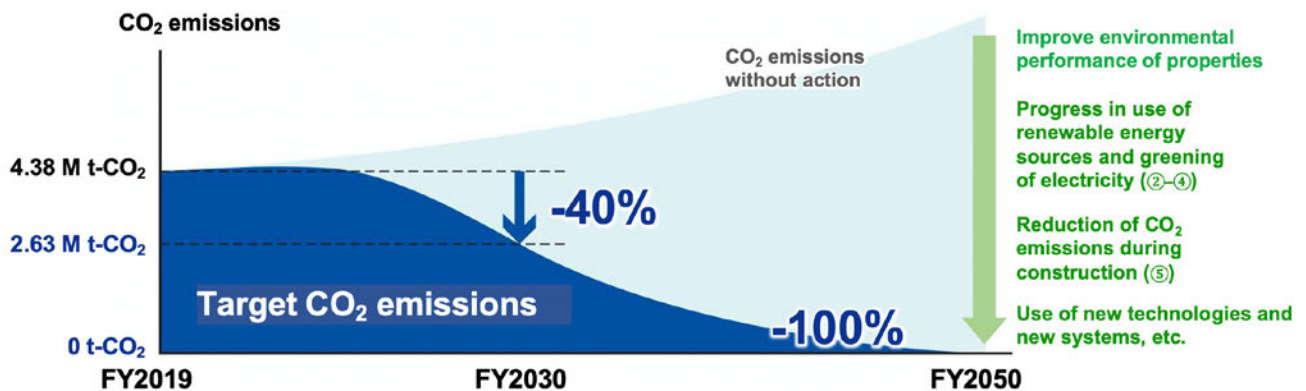
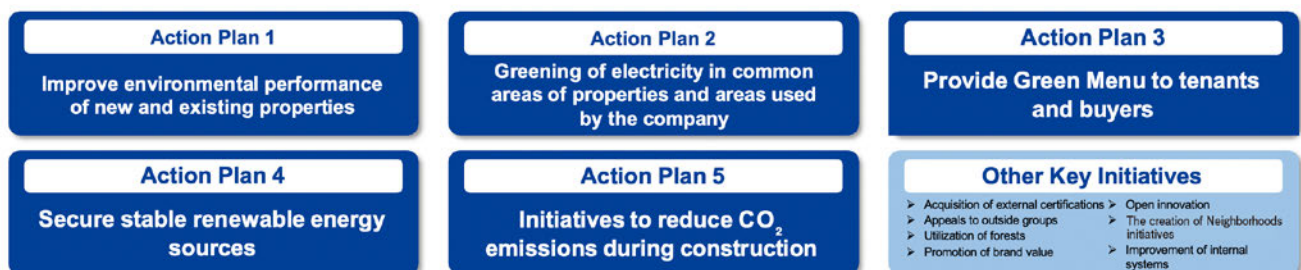
40% reduction in Group's GHG emissions by FY2030 (vs. FY2019)
Net Zero by FY2050

* SCOPE 1 + SCOPE 2: 46.2% reduction by FY2030 (vs. FY2019)
* "1.5°C" certification obtained from the SBT initiative

Former targets: 30% reduction by FY2030 (vs. FY2019), Net Zero by FY2050

Key Action Plans

Steadily implement initiatives for FY2030 with supply chain Further promote actions to realize a decarbonized society in FY2050



Refer to the ESG data page and environment-related data for CO₂(GHG) emissions.

Toward FY2030

Action Plan 1 Improve environmental performance of new and existing properties

New properties

Realize ZEB/ZEH level* environmental performance for all properties

* ZEB/ZEH level: BEI level with environmental performance equal to or higher than ZEB/ZEH Oriented, excluding some properties.

Key strategies for building business

- Optimization of air conditioning load
- Optimization of standard lighting illuminance
- Adoption of other energy saving items



Tamachi M-SQUARE Garden (to be certified as ZEB Ready)

In addition to the introduction of LED lighting and motion sensors, high-efficiency outdoor units have been installed and lighting intensity has been optimized in the private areas. An exterior design that contributes to reducing the load on the perimeter zone has also been adopted to achieve high environmental performance.

Key strategies for commercial facility business

- Optimization of air conditioning load
- Improve lighting efficiency
- Adoption of other energy-saving items
- Installation of solar power generator



“Kadoma-shi Matsuo-cho Commercial Facility Project” (tentative name)

A Building and Energy Management System (BEMS) and lighting and air conditioning control systems will be installed to achieve efficient energy operation and management. Other energy-saving features include the installation of solar panels on the rooftop space, cogeneration systems, highly insulated building materials, high-efficiency equipment, and LED lighting.

Key strategies for logistics business

- Installation of solar power generator
- Considering the adoption of LED lighting in warehouses with dimming



“Mitsui Fudosan Logistics Park Ebina I” (to be certified as ZEB)

The industry's first "Green energy warehouse" with virtually zero CO₂ emissions. Solar power generators are installed on the roof for on-site power generation and supply. We also provide green power supply services to support decarbonization of tenants.

Key strategies for hotel business

- Optimization of air conditioning load
- Improve lighting efficiency
- Installation of solar power generator

Mitsui Garden Hotel Jingugaien
(Improve air conditioning efficiency by adopting
balconies that block sunlight)

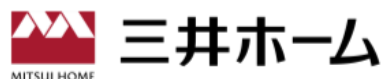


Achieve by FY2030:
ZEH-M in all mid- and high-rise units
ZEH in all detached units

Mita Garden Hills

(All units are ZEH-Oriented condominiums)

- Plans to acquire ZEH-Oriented certification for all 1,002 units, the largest scale in Japan.
- Service is introduced that virtually eliminates CO₂ emissions for both electricity and gas used.
- On-site power generation and MEMS further reduce the environmental impact of common areas
- Create a system that enables residents to enjoy and continuously work on energy conservation and CO₂ reduction, such as by visualizing the amount of electricity consumed in each condominium.



- Achieve by FY2030 for orders received:
100% ZEH in exclusive housing
50% ZEH/ZEB in rental
housing/business buildings

Custom built house
Proposal of environmental design including garden together
with ZEH



Existing properties

We will improve energy efficiency through strategic renovation of properties and actively promote the creation of on site renewable energy.

In office buildings, promote the use of LED lighting and the optimization of lighting intensity in all properties, while making efforts to reduce the air conditioning load in hotels and commercial facilities.



Improve the environmental performance of existing facilities through strategic renovation



Promote the use of LED lighting in all office buildings

In logistics and commercial facilities, maximize the installation of solar power generators on rooftops and other premises.

Realize on-site power generation and supply.



Mitsui Fudosan Logistics Park Hino



Mitsui Outlet Park Kisarazu



Mitsui Outlet Park Shiga Ryuo



Mitsui Outlet Park Kisarazu

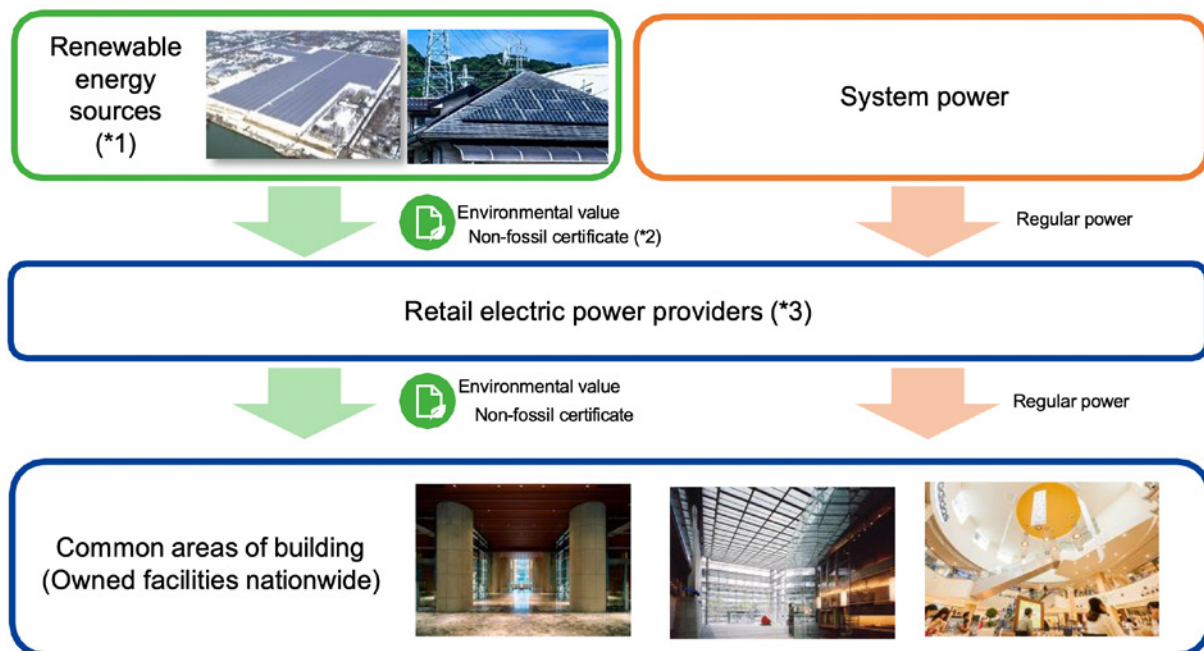
Promote continuous renewal to improve energy-saving performance in other businesses

Action Plan 2 Greening of power consumption in common areas of properties and areas used by the company

By FY2030, achieve greening of power consumption in common areas of properties owned and areas used by the Group nationwide*

*Electricity equivalent to our share of common areas (including partially owned, excluding electricity equivalent to in-house power generation within each facility). The term "greening" refers to the switching of electricity used to substantially renewable energy sources by using non-fossil certificates, etc.

- By FY2022, we will start with the greening of power consumption used in 25 buildings in the Tokyo metropolitan area, including mixed-use core buildings in Tokyo Midtown and Nihonbashi area.
- In March 2022, we started collaborating on the greening of power consumption in the Chubu and Kansai regions. The Chubu and Kansai regions have been added to Mitsui Fudosan's "Green Electricity" expansion in the Tokyo metropolitan area, making it possible to expand into the three major metropolitan areas.
- Development in the three major metropolitan areas largely completes the support system for customers to solve issues related to RE100 and ESG. The move will apply to approx.180 facilities and accelerate the rollout of power greening to all facilities owned in Japan by 2030.



*1: Solar power plants owned by Mitsui Fudosan, post-FIT power plants contracted by TEPCO Energy Partner, Inc., residential solar power generators, solar power owned by partner power producers, etc.

*2: For FIT power sources, acquired via Japan Wholesale Power Exchange (JPEX); for non-FIT power sources, acquired from electric power providers.

*3: Mitsui Fudosan TG Smart Energy Co., Ltd. in the specified electricity business areas; TEPCO Energy Partner, Inc., etc. in other areas.



Greening of electricity used in common areas of properties owned by Mitsui Fudosan, including Tokyo Dome

Action Plan 3 Provide Green Menu to tenants and buyers

Support tenant companies and buyers in their efforts to decarbonize by proposing Green Menu

Tenant companies

- Propose green power supply services to support corporate tenants' efforts toward RE100 and decarbonization.



BNP PARIBAS

Daiwa Securities Group



FUJITSU



JAPAN POST INSURANCE

NEC

NEC Solution Innovators, Ltd.

Nihon Unisys, Ltd.

Nihon Unisys, Ltd. provides its products and services in Japan only.



TOKAI TOKYO FINANCIAL HOLDINGS, INC.



(abc order)

In April 2021, we will start "green power supply services" for office building tenants.

Currently, about 100 companies are using or considering this service.

*(Some of companies using the system as of October 31, 2021)

Twenty companies have already introduced green power supply services

Institutional investors

- Support institutional investors in their RE100 and decarbonization efforts by proposing a green power menu at the time of property sale.

RE100 is led by The Climate Group in partnership with CDP, and also operates as part of the We Mean Business coalition. In Japan, the Japan Climate Leaders Partnership (JCLP) has been an official regional partner of RE100 since 2017, supporting the participation and activities of Japanese companies.



Home buyers

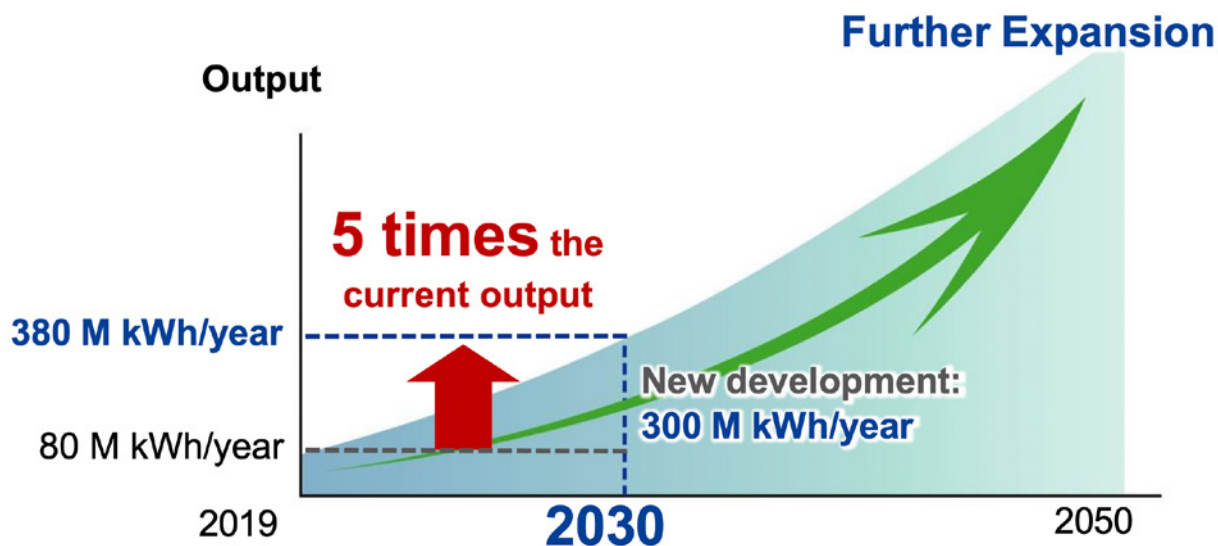
- Achieve a 40% reduction in CO₂ emissions (average for medium-and high-rise buildings and detached houses) by FY2030 by adopting methods such as the "bulk high-voltage power receiving × renewable energy" system and greening through the introduction of ENE-FARM in medium-and high-rise sales.

Action Plan 4 Secure stable renewable energy sources

Further promotion of mega-solar development

New mega-solar development

- In addition to the existing mega-solar project (80 million kWh/year), aim to develop mega-solar power plants with a total power generation capacity of 300 million kWh/year *(Total output: Approx. 175,000 kW) by FY2030. (Total: 380 million kWh/year)



*Power generation equivalent to our own power use in the Tokyo metropolitan area at present (equivalent to the use of approx. 30 buildings in the common area of Tokyo Midtown Hibiya)

Existing mega-solar business

- Expand mega-solar projects with a total area of 93.9 ha at five locations nationwide. Total output: Approx. 72,000 kW, generating approx. 80 million kWh per year.



Tomakomai Solar Power Station



Hachinohe Solar Power Station



Sanyo Onoda Solar Power Station



Oita Solar Power Station



Omuta Solar Power Station

Action Plan 5 Initiatives to reduce CO₂ emissions during construction

In addition to the development of tools to accurately grasp CO₂ emissions during construction, require submission of a reduction plan by construction companies, etc.

Promote reduction of CO₂ emissions in the entire supply chain

Accurate understanding of CO₂ emissions during construction

- In March 2022, Mitsui Fudosan and Nikken Sekkei formulated the "Manual for Calculating Greenhouse Gas (GHG) Emissions," an arrangement of the Architectural Institute of Japan's "LCA Guidelines for Buildings*1" making its use easier in practical terms.
- The new method is a simple method of multiplying the "total construction work amount" by a certain unit price, enables highly accurate GHG emissions calculation by using an upward stacking formula for each material.
- We will proceed with the trial of this manual, and widely share it with related parties such as academic societies, construction companies, and real estate companies in the future. We will contribute to the realization of a decarbonized society through open innovation in the construction and real estate industries

*1: LCA guidelines for buildings: Established in 2013 by the Architectural Institute of Japan (AIJ) and is the only academically established guideline in Japan for calculating the life cycle environmental impact (LCA*2) of buildings.

*2: LCA (Life Cycle Assessment): A method for quantitatively assessing the environmental impact of a product or service over its life cycle.

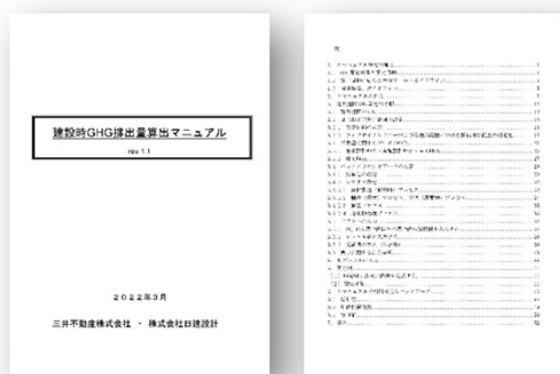
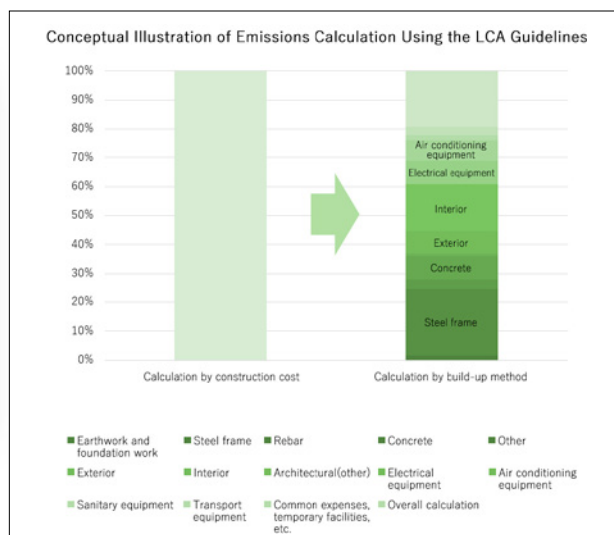


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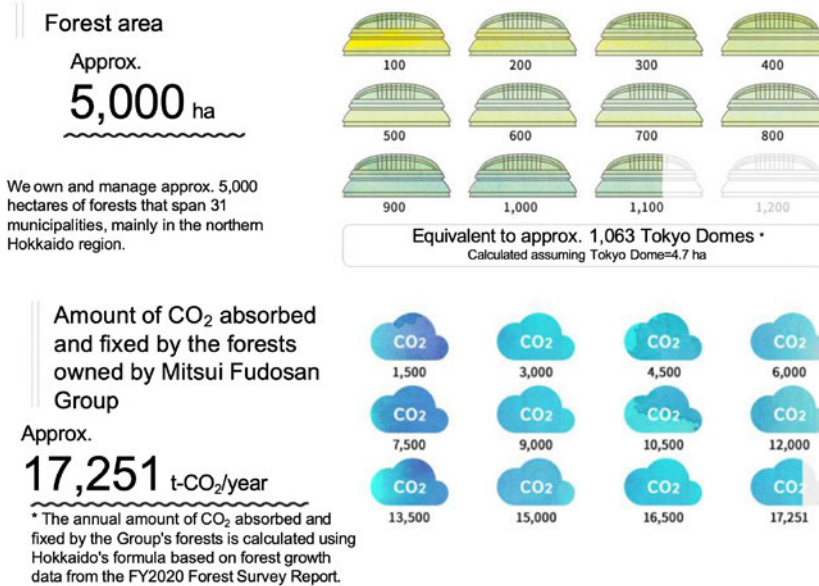
Reduction of emissions during construction

- Revision of design guidelines
 - Design to enhance environmental performance
 - Proper planning on the use of components and equipment without waste
 - Use of low-carbon materials and means
 - Submission of "CO₂ reduction plan during construction" including the above
- Revision of estimate guidelines
 - Calculation of emissions during construction using the tools on the left
 - Reduction of emissions at construction sites
 - Procurement strategy for materials
 - Submission of "CO₂ reduction plan during construction" including the above

Utilization of forests

- Actively utilize owned forests for high-rise wooden buildings and houses.
- Realize self-sufficiency in building materials and a sustainable virtuous cycle between forest resources and the local economy

Forest conservation activities of Mitsui Fudosan Group



Mitsui Home's Sustainable Wooden Condominium "MOCXION" for a Decarbonized Society

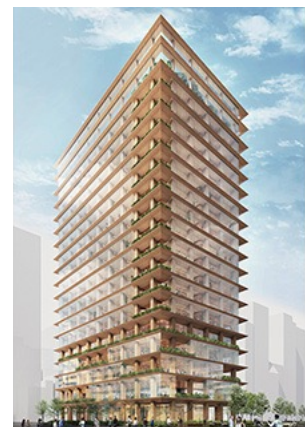
- Wood, a sustainable building material is used to construct the condominiums significantly reducing CO₂ emissions during construction and contributes to the global environment
- Sustainable condominiums with high thermal insulation, energy efficiency, durability, earthquake resistance, fire resistance and sound insulation



MOCXION INAGI has developed and adopted Japan's highest level of high-strength load-bearing wall "MOCXwall" (wall ratio over 30 times), which is composed of a combination of commonly available materials, centered on the two-by-four construction method.

Plans for the largest and tallest wooden rental office building in Japan in Nihonbashi, Tokyo

- The largest and tallest existing wooden high-rise building in Japan, with 17 floors above ground, a height of 70 m, and a total floor area of approx. 26,000m²
- Lumber volume used for structural materials is expected to exceed 1,000 m³, the largest in Japan
- Actively utilize timber from forests owned by the Mitsui Fudosan Group in Hokkaido. The goal is to achieve self-sufficiency in building materials and a sustainable virtuous cycle between forest resources and the local economy.



Acquisition of external certifications

- In addition to improving the environmental performance of all facilities, we will actively acquire external certifications in Japan and overseas to promote ESG, including decarbonization.

Examples of certified facilities

 <p>ZEB/ZEH(BELS)</p>  <p><u>Mitsui Fudosan Logistics Park Funabashi III</u> (ZEB-Ready)</p>  <p><u>Park Homes LaLa NAGOYA minato AQULS Garden Square</u> (ZEH-M Oriented)</p>	 <p>DBJ Green Building CASBEE</p>  <p><u>Tokyo Midtown Hibiya</u> (Simultaneous acquisition of DBJ Green Building Certification and CASBEE Wellness Office Certification)</p>	 <p>LEED</p>  <p><u>Kashiwa-no-ha Smart City</u> is the first city in Japan to receive the highest rank of platinum certification under LEED-ND (Leadership in Energy and Environmental Design for Neighborhoods Development), an international environmental certification system.</p>
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Refer to the ESG data page and environment-related data for the status of environmental real estate certifications

Examples of Specific Initiatives

The Creation of neighborhoods initiatives

Kashiwanoha Area Energy Management System (AEMS)

AEMS has been installed to centrally manage the energy of the entire area. Efficient use of energy has been achieved, and some energy savings have been achieved using solar panels.



Also promoting new initiatives that utilize area venues and communities

Demonstration fields for new technologies

Providing a demonstration field to venture companies with new decarbonization technologies, such as Girasol Energy Inc. and Exergy Power Systems Inc.



Solar panels on the roof of LaLaport Kashiwanoha

Environmental activities participated in by local residents

Develop a participatory environmental platform involving local residents and users in the area. Those who participate in the activities will be able to receive points and privileges.

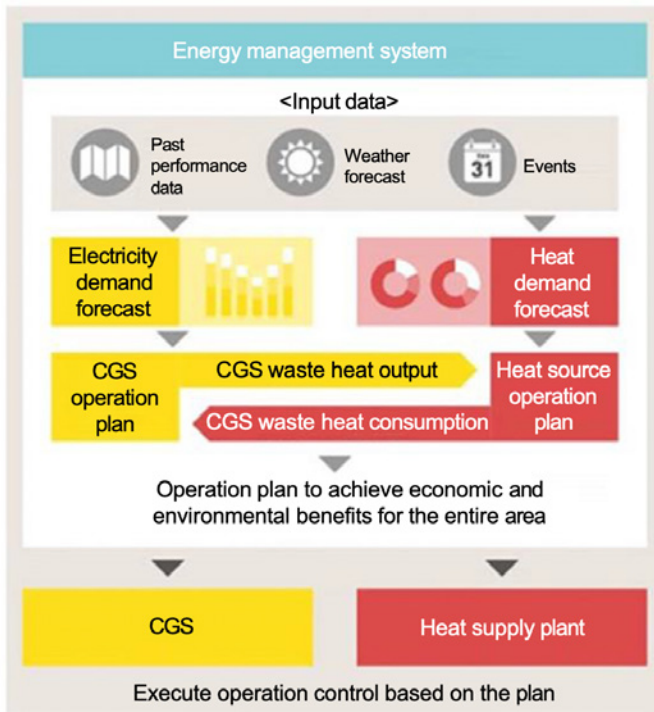


Expand environmental activities with local residents

Energy conservation promotion initiative in the area

Smart Energy Project (Nihonbashi/Toyosu/Yaesu)

Through the stable supply of electricity and heat to the surrounding area, including existing buildings, we have realized eco-friendly neighborhoods development that improves energy resilience* and achieved energy conservation and CO₂ reduction, even in times of emergency. Following Nihonbashi and Toyosu, energy supply is scheduled to start in Yaesu in September 2022.



Cogeneration system



Central monitoring room for area energy management

*Energy resilience Enhance resilience of energy supply networks. This is based on the concept that it is important to be prepared not only for emergencies, but also for a variety of situations during normal times.

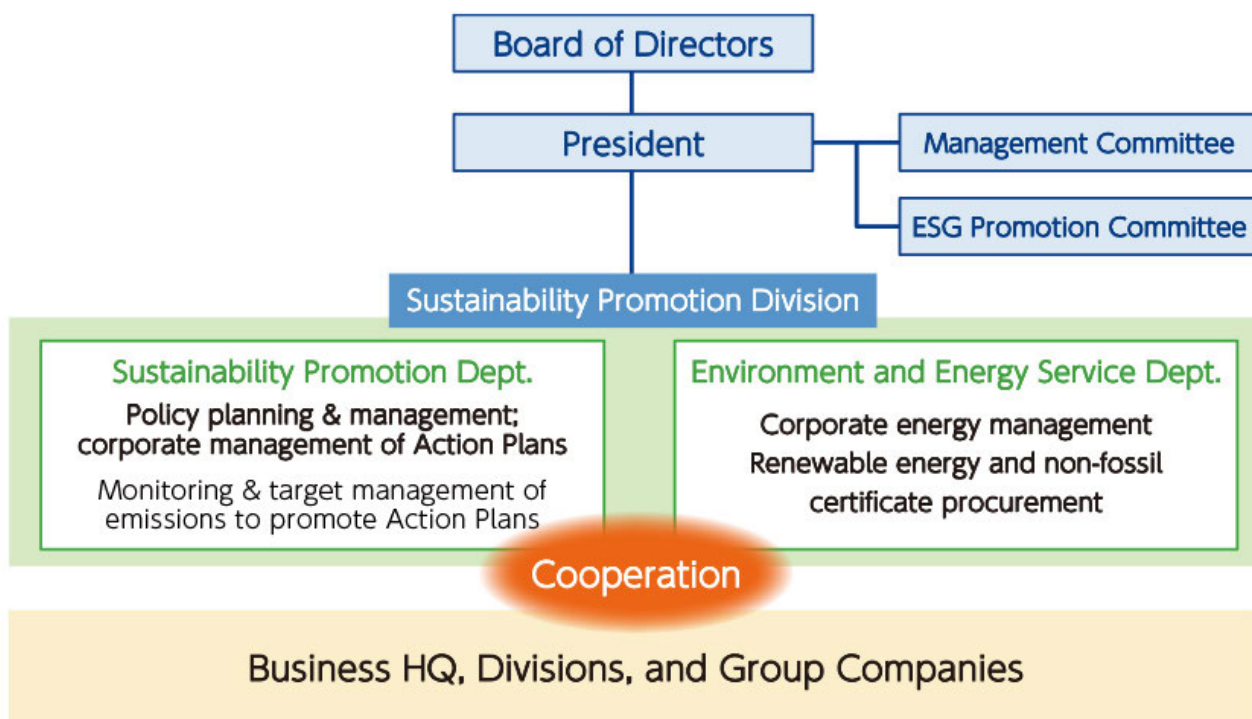
Internal Systems for Promoting Action Plans

Introduction of Internal Carbon Pricing (ICP) System

- From FY2022, we will introduce the Internal Carbon Pricing System, a mechanism to encourage decarbonization efforts by pricing CO₂ emissions in newly developed properties. Environmental impact is quantified and visualized to manage progress. Raising awareness within the company to reduce CO₂ emissions and accelerate efforts to decarbonize.

Structure for promoting Action Plans

- Newly established "Sustainability Promotion Division" to accelerate efforts related to ESG and SDGs. The "Sustainability Promotion Department" was established in October last year with responsibility for overall functions related to ESG and SDGs, including promotion of action plans, and the "Environment & Energy Business Department" responsible for green energy management and mega solar business, will promote initiatives in cooperation with company-wide divisions.



ESG at the Mitsui Fudosan Group



Statement, Vision, and Mission

The Mitsui Fudosan Group's Statement, Vision, and Mission embody management's basic philosophy and vision of bringing affluence and comfort to urban living. Since their formulation in 1999, they have guided the Mitsui Fudosan Group as an integrated management policy.

GROUP STATEMENT


The Mitsui Fudosan Group aims to bring affluence and comfort to urban living.

The Mitsui Fudosan Group's Statement, Vision, and Mission embody management's basic philosophy and vision. Since their formulation in 1999, they have guided the Mitsui Fudosan Group as an integrated management policy.

GROUP VISION

What we want to be

The Philosophy

Seeking to link diverse values and coexist in harmony with society, and achieve a sustainable society, as symbolized by the Mitsui Fudosan  logo, we will work to foster social and economic development as well as preservation of the global environment.

- Under **&EARTH**, we will aim for a society that enriches both people and the planet.

Evolution and value creation

By bringing knowledge and experience together in diverse ways, we seek to advance the real estate business and create new value, both at home and abroad, proactively responding to global changes in social environments and market structures.

A profitable and growing Mitsui Fudosan Group

We seek to create a profitable and growing Mitsui Fudosan Group, acting honestly and fairly to realize the capabilities of the entire organization.

GROUP MISSION

What is expected of us

Provide business and lifestyle-related solutions and services

- Maximize urban value creation by providing secure, safe, and attractive urban spaces and soft services that bring enrichment and comfort to urban living.
- Provide variable and innovative solutions that stimulate the real estate investment market.

Work in partnership with customers from a global perspective

- Treat customers as the business foundation on which to progress and develop the Company.
- Propose and provide products and services by deploying the collaborative strength of the Group with a multidisciplinary approach that meets the real needs of customers.
- Work in partnership with customers to raise brand value by continuously providing services that are highly valued by them.

Raise our corporate value

- Raise corporate value through sustainable profit growth and continual innovation.
- Optimize the allocation and use of available resources and pursue efficient operations.
- Conduct operations while closely monitoring and managing business risks.

Create a strong corporate group by building the capabilities of individuals

- Seek to maintain a creative and pioneering spirit by integrating various skills and values.
- Cultivate and institutionalize the professional capabilities of individuals to raise our creative ability for value-added products and services.
- Maintain high awareness of ethical, disciplinary, and compliance issues, and act accordingly.

The &EARTH Principle

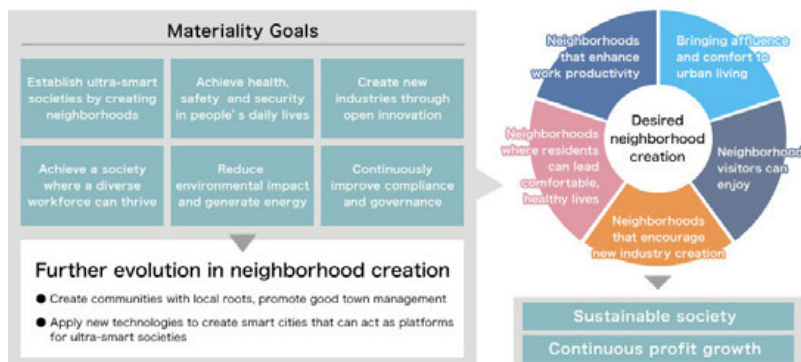


The Mitsui Fudosan Group is committed to social and economic development as well as global environmental preservation under the principles of coexisting in harmony with society, linking diverse values, and achieving a sustainable society represented by its corporate logo. Under our &EARTH principle, we recognize the need to create neighborhoods that remain in tune with environmental concerns. This principle therefore reflects our aim to help establish a society that enriches both people and the planet.

Policy for Addressing ESG Issues in VISION 2025

In VISION 2025, our objective is to achieve a sustainable society and drive continual profit growth by addressing ESG issues based on the philosophy of the Mitsui Fudosan logo.

1. Establish ultra-smart societies by creating neighborhoods.
2. Achieve a society where a diverse workforce can thrive.
3. Achieve health, safety and security in people's daily lives.
4. Create new industries through open innovation.
5. Reduce environmental impact and generate energy.
6. Continuously improve compliance and governance.



Efforts to realize SDGs and Society 5.0

In line with the basic philosophy of its Group Statement, "Bringing affluence and comfort to urban living," the Mitsui Fudosan Group has contributed to the realization of a sustainable society through its corporate activities and neighborhood creation. Going forward, we will keep contributing to the achievement of SDG goals through our Six Materiality Goals. In addition, in line with the 5th Science and Technology Basic Plan proclaimed by the Japanese government, we are aiming to realize ultra-smart societies.

This social revolution, which prioritizes innovation, is being called Society 5.0. By maximizing its use of technology and innovating the real estate industry itself, the Group will contribute to realizing ultra-smart societies.



Timeframe and Scope of the Report

The ESG Report 2022 profiles ESG-related efforts by the Mitsui Fudosan Group. The report mainly covers activities undertaken from April 1, 2021 to March 31, 2022. However, details are also provided for certain ongoing development projects both at the design and construction phase. In principle, quantitative data related to fiscal 2021, the fiscal year from April 1, 2021 to March 31, 2022. The period covered for quantitative data outside fiscal 2022 is identified in each instance.

The report indicates which policies, declarations, and commitments for each ESG activity were announced for the first time in fiscal 2021, which were revised, and which were continued.

Rence Guidelines

Environmental Reporting Guidelines (2018) issued by Japan's Ministry of the Environment

SASB Standard

SASB Content Index

TCFD Final Report

Infrastructure sector : Real Estate

1. Sustainability Disclosure Topics & Accounting Metrics

Topic	Accounting Metric	Unit of measure	Code	Reference
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property subsector	Percentage (%) by floor area	IF-RE-130a.1	ESG Data > Climate Change > Energy Consumption Trends, Scope of Aggregation (Energy Consumption), Greenhouse Gas Emissions (Scopes 1, 2 & 3)
	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity, and (3) percentage renewable, by property subsector	GJ	IF-RE-130a.2	ESG Data > Climate Change > Energy Consumption Trends, Scope of Aggregation (Energy Consumption), Greenhouse Gas Emissions (Scopes 1, 2 & 3)
	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property subsector	%	IF-RE-130a.3	ESG Data > Climate Change > Energy Consumption Trends, Scope of Aggregation (Energy Consumption), Greenhouse Gas Emissions (Scopes 1, 2 & 3)
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property subsector	Percentage (%) by floor area	IF-RE-130a.4	Environment > Climate Change > Major Initiatives
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	n/a	IF-RE-130a.5	Environment > Climate Change > Awareness of Climate Change, Policy
Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property subsector	Percentage (%) by floor area	IF-RE-140a.1	ESG Data > Water Usage > Water Usage Trends / Aggregation target range
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property subsector	Thousand cubic meters(m ³), %	IF-RE-140a.2	ESG Data > Water Usage > Water Usage Trends / Aggregation target range
	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property subsector	%	IF-RE-140a.3	ESG Data > Water Usage > Water Usage Trends / Aggregation target range
	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	IF-RE-140a.4	Environment > Water > Policy, Major Initiatives
Management of Tenant Sustainability Impacts	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property subsector	Percentage (%) by floor area	IF-RE-410a.1	—
	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property subsector	Percentage (%) by floor area	IF-RE-410a.2	—
	Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants	n/a	IF-RE-410a.3	Environment > Environmentally Friendly Supply Chain
Climate Change Adaptation	Area of properties located in 100-year flood zones, by property subsector	m ²	IF-RE-450a.1	—
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	n/a	IF-RE-450a.2	Environment > Climate Change > TCFD

2. Activity Metrics

Number of assets, by property subsector	Number	IF-RE-000.A	ESG Data > Climate Change > Energy Consumption Trends, Scope of Aggregation (Energy Consumption), Greenhouse Gas Emissions (Scopes 1, 2 & 3)
Leasable floor area, by property subsector	m ²	IF-RE-000.B	ESG Data > Climate Change > Energy Consumption Trends, Scope of Aggregation (Energy Consumption), Greenhouse Gas Emissions (Scopes 1, 2 & 3)
Percentage of indirectly managed assets, by property subsector	Percentage (%) by floor area	IF-RE-000.C	—
Average occupancy rate, by property subsector	%	IF-RE-000.D	—

Launch/Publication

Website: Primary launch in September 2022

*This website will be updated as required if there are any future additions or changes to information.

Published by & Inquiries: Sustainability Promotion Department, Mitsui Fudosan Co., Ltd. (Tel: +81-3-3246-3063)

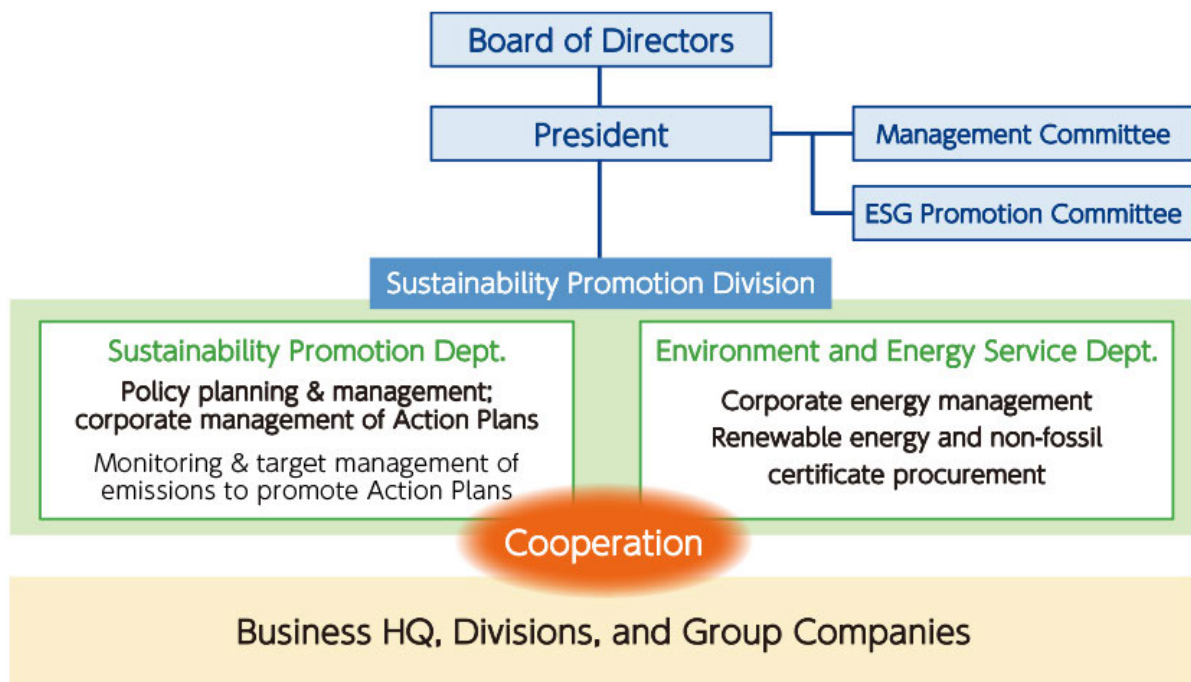
Sustainability Promotion Framework

Mitsui Fudosan has established an ESG Promotion Committee (headed by the President and Chief Executive Officer) to promote measures relating to the environment, including climate change. The company has also established ESG Management Committee, subordinate to the ESG Promotion Committee (headed by the Director in Charge of ESG). The ESG Promotion Committee manages environmental principles and policy formulation for environment-related activities, including climate change response. The committee also coordinates the goals and planning of environmental promotion activities for each business division, and oversees and evaluates the progress of those activities. To promote these efforts, the ESG Management Committee establishes fiscal year targets for each division in accordance with the Group Environmental Policy, and is carrying out tasks such as progress management. With respect to climate change risk, the ESG Management Committee gathers information through a variety of channels relating to domestic and international trends and demands. Information sources include the Japanese government; regional public organizations; the Japan Federation of Economic Organizations (Keidanren); and real estate associations. The ESG Management Committee, which is equipped with highly specialized expertise, identifies climate-related risk for each business division, while the ESG Promotion Committee evaluates potential adverse effects of that risk. Where there is significant risk, the Risk Management Special Committee considers the potential influence on the company's business and possible responses through the company's operations.

Reports on environmental issues including climate change are transmitted to the Board of Directors on a regular basis. Environmental goals and progress are monitored, and as needed, the Board considers whether action may be required. In addition, environmental goals, including those relating to climate change, are considered in determining management evaluation and compensation.

Moreover, environmental initiatives are carried out in a planned fashion alongside Group companies subject to environmental policies.

Organization of the ESG (Environmental) Management System of the Mitsui Fudosan Group (as of April 1, 2021)




Note: Mitsui Home, Mitsui Fudosan Facilities, Mitsui Fudosan Retail Management, Mitsui Fudosan Hotel Management, and Tokyo Midtown Management promote environmental conservation activities by establishing their own environmental policies based on the Group Environmental Policy. These companies also conduct their own social and environmental reporting.



ESG-related Objectives (KPI) of the Group and Progress in Achieving Them

The following is a summary of ESG-related targets and progress.

① – ⑥ : KPIs for Mitsui Fudosan (unconsolidated)

⑦ – ⑭ : KPIs for the entire Mitsui Fudosan Group

Unconsolidated KPIs			Progress status				Main results for FY2021	
Evaluation indicator	Period	Numerical target	FY2019	FY2020	FY2021	Change from previous fiscal year		
① Women in management positions ratio (D&I)* ¹	By 2025 By 2030	: 10% : 20%	4.5%	5.7%	6.8%	1.1%	Making steady progress toward target	<p>- Selected for the first time as a Nadeshiko Brand by the Ministry of Economy, Trade and Industry as a company that ably promotes active roles for women * (the only company in the real estate industry to be awarded)</p>  <p>Selected for inclusion in the MSCI Japan Empowering Women (WIN) Select Index for the fifth consecutive year 2021 CONSTITUENT MSCI日本株女性活躍指数 (WIN)</p>
② Ratio of hires of women (D&I)	Annual	40%	-	-	40.5%	-	Target met	
③ Return rate from childcare leave (D&I)	Annual	100%	100%	100%	100%	-	Target met	
④ Number of paid leave days availed (D&I) Annual	Annual	14 days annually	14.9 days	13.8 days	15.0 days	1.2 days	Target met	
⑤ Employment rate of people with disabilities (legally mandated rate* ²)	Annual	2.3% or more	2.07%	2.03%	2.50%	0.47%	Goal achieved.	
⑥ Health checkup and screening rate	Annual	100%	99.8%	99.5%	100%	0.5%	Goal achieved.	

Group-wide KPIs			Progress status				Main results for FY2021	
Evaluation indicator	Period	Numerical target	FY2019	FY2020	FY2021	Change from previous fiscal year		
⑦ CO ₂ and other emissions reductions (compared to FY2019) ⁻³	By FY2030 By FY2050	: 40% decrease : Virtually zero	4,383	4,690	4,199	10.5% decrease	More details can be found in the section 2. Progress Toward Greenhouse Gas Emission Reductions	<p>- Highest rating in CDP2021 Selected for the CDP2021 Climate A List and Supplier Engagement Leader</p>  
⑧ CO ₂ emissions reduction rate (energy-derived CO ₂ emissions by large offices designated to undertake measures with regards to global warming by a Tokyo Metropolitan Government ordinance) ⁻⁴	By FY2024	Rate exceeding that mandated under the ordinance (Plan 3: 27%)	28.4%	38.4%	37.3%	1.1% decrease	Target met	
⑨ Proportion of electric power used in business activities derived from renewable energy	By FY2050	100%	0.1%	0.1%	2.8%	2.7% increase	Improved through procurement of non-fossil fuel certificates	
⑩ Energy consumption per base unit ⁻⁵	Annual	1% reduction annually	0.041	0.035	0.039	12.1% increase	⁻⁹	
⑪ Clean/industrial water use per base unit ⁻⁶	Annual	Less than the previous fiscal year	0.851	0.708	0.671	5.2% decrease	Target met	
⑫ General waste emissions per base unit ⁻⁷	Annual		0.006	0.004	0.006	26.1% increase	Making progress toward target	
⑬ Industrial waste emissions per base unit ⁻⁷	Annual		0.0016	0.0010	0.0011	5.7% increase	⁻⁹	
⑭ Waste recycling ratio (at Mitsui Fudosan Co., Ltd. headquarters)	By FY2030	90%	80.3%	75.3%	72.4%	2.9% decrease	Due to the pandemic, total waste decreased and as such the recycling rate also decreased	

*1 Figures for each fiscal year are those for the beginning of the fiscal year starting April 1 of the following year

*2 The legally mandated rate rose from 2.2% to 2.3% in March 2021. Figures for each fiscal year are those for the beginning of the fiscal year starting April 1 of the following year

*3 The unit of measurement is 1,000 t-CO₂

*4 Plan 1 (FY2010-2014): 8% reduction; Plan 2 (FY2015-2019): 17% reduction; Plan 3 (FY2020-2024): 27% reduction. Progress is measured using a five-year average

*5 The unit of measurement is kℓ of oil equivalent/m² per year

*6 The unit of measurement is m³/m² per year

*7 The unit of measurement is t/m² per year

*8 Targets shaded green are those that have been met in FY2021

*9 Due to the pandemic, this metric increased slightly compared to the previous fiscal year, although it was still down on pre-pandemic 2019 levels

Participation in the United Nations Global Compact

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

In 2001, we established a Group Environmental Policy, and we have helped curb global warming by creating buildings and neighborhoods which conserve energy and have low greenhouse gas emissions, and we have also made efforts in areas such as prevention of environmental pollution, reduction of waste, and conservation of water and biodiversity. As a corporate group supporting office buildings, housing, and other infrastructure necessary for daily life, we will fulfill our social responsibility at an even higher level by making even greater efforts in the future in areas such as environmental conservation.

For details on the UN Global Compact, please see the following: ⇒ <https://www.unglobalcompact.org/>

Affiliation with RE100

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

For more detailed information about RE100, please refer to the following link.
⇒ <http://there100.org/companies>



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

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

For more detailed information about the TCFD, please refer to the following link.

⇒ <https://www.fsb-tcfid.org/tcfid-supporters/>



Acquired SBT initiative certification for greenhouse gas (GHG) emission reduction targets

Greenhouse gas (GHG) emission reduction targets for the whole group have been set to "1.5° C" based on the international Science Based Targets (SBT) initiative.

(For more detailed information about the SBT initiative, please refer to the following link.)

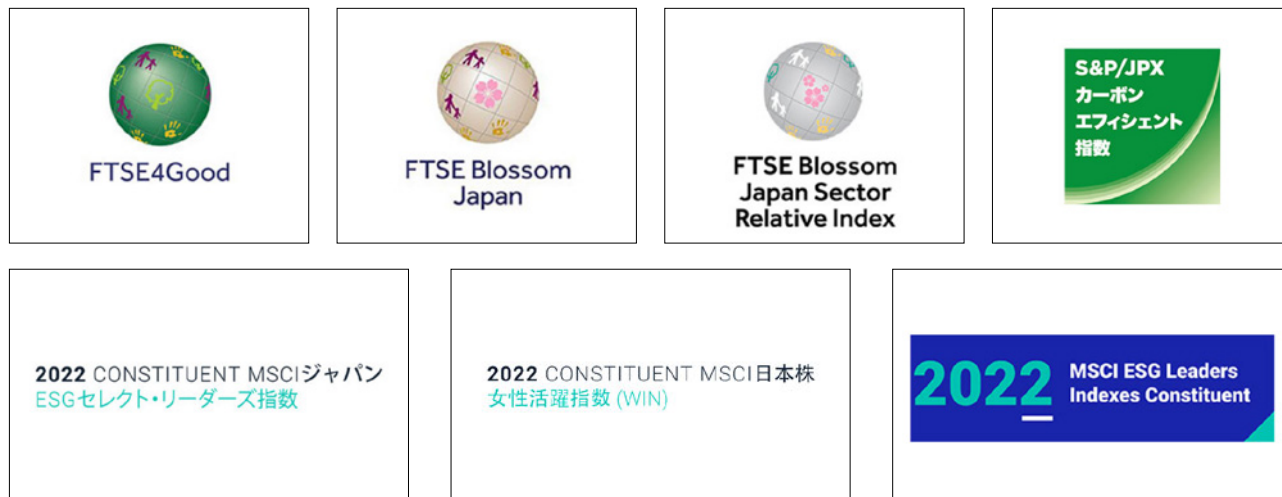
⇒ <https://sciencebasedtargets.org/companies-taking-action>





Inclusion in ESG indices

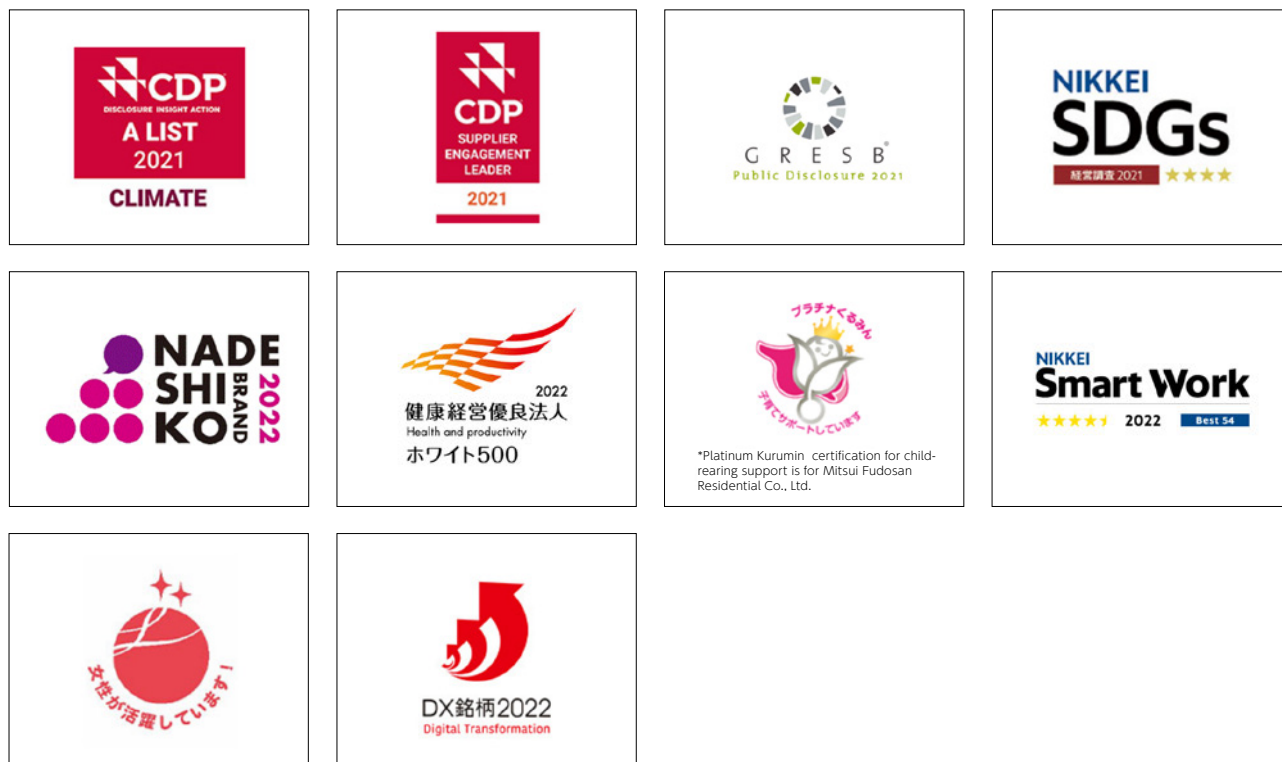
As of May 31, 2022




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Various evaluations and certifications on sustainability

As of May 31, 2022





Refer to the ESG data at the end of this report for the following environment-related data.

Climate Change

- Activity Indices and Goals, and Progress in Achieving Them
- Office Buildings in Tokyo Certified as Excellent Designated GHG Offices by the Tokyo Metropolitan Government
- List of Company Solar Power Stations
- Trends in the Amount of Energy Consumption
- Scope of Data Calculation for Energy Consumption
- Greenhouse Gas Emissions (Scopes 1, 2 & 3)
- External Certifications

Water

- Trends in Water Usage (Water intake, water recycling rate, and wastewater)
- Scope of Data Calculation for Water Usage

Environmental Pollution and Resources

- Recycled Food Waste
- Tile Carpeting Recycling
- Wastepaper Recycling
- Used Fluorescent Bulb and Battery Recycling
- Hazardous Waste (Specially Controlled Waste) Emissions
- Trends in the Amount of Disposed Non-Hazardous Waste (General Waste and Industrial Waste)
- Scope of Data Calculation for Waste Emissions
- Waste Recycling Ratio (Headquarters)
- Annual Cost for Fines and Penalties Relating to the Environment
- Violation of Laws, Regulations, and Ordinances Relating to Environmental Pollution

Environment





Environmental Initiatives Policy

Guided by its Group Environmental Policy, the Group engages in the three core environmental activities of load reduction (reducing the impact of its products and services on the environment), quality improvement (enhancing safety, security, and comfort while ensuring sustainability), and cooperation (collaborating and cooperating with various stakeholders) in an integrated manner.

The Group Environmental Policy (Established November 1, 2001; Revised April 1, 2018)

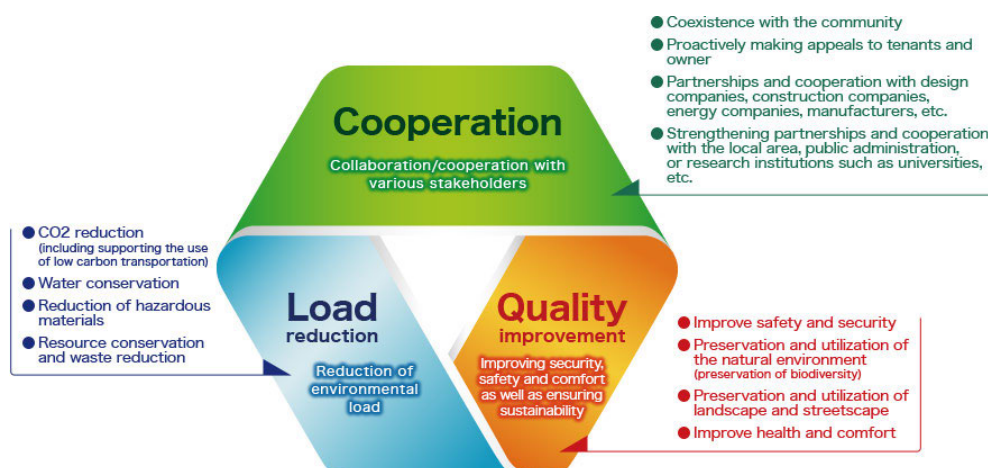
Environmental Principles

We at Mitsui Fudosan are committed to social and economic development as well as global environmental preservation under the principles of coexisting in harmony with society, linking diverse values, and achieving a sustainable society represented by our  corporate logo. Under the principles of the  logo, **&EARTH** represents our Group Vision. **&EARTH** symbolizes our recognition that urban development is interlinked with the planet and our aim of a society that enriches both people and the planet.

Contributing to the building of a society that realizes the sustainable development of human life is our corporate mission, and we consider this an important business challenge directly related to increasing corporate value. Positioning the promotion of business while addressing collaboration and cooperation with the community, reduction of environmental burden and improvement of security, safety, and comfort as vital to harmonious coexistence with the environment, we endeavor to create urban environments of enrichment and comfort and contribute to the global environment.

Environmental Policy

1. We aim to take countermeasures against global warming and create a recycling society by striving to improve environmental efficiency, reduce environmental burden, conserve energy/resources, reduce waste materials and prevent pollution.
2. We aim to both reduce environmental burden and improve security, safety, and comfort with widespread and comprehensive promotion of water and biodiversity conservation and introduction of diversified and independent energy sources, in addition to low carbon.
3. In collaboration and cooperation with all of society including our customers, local communities, and the government, we proactively address harmonious coexistence with the environment, build a society that realizes sustainable development, and implement highly effective environmental measures.
4. We will expand environment-conscious urban development such as smart cities both at home and abroad and aim to be an environmentally advanced company that plays a leading role in the future of urban development.
5. In addition to adhering to environment-related laws and regulations, we will establish our own standards as necessary and promote harmonious coexistence with the environment.
6. Through environmental training and awareness-enhancing activities, we ensure that all Mitsui Fudosan Group employees have a solid understanding of our Environmental Policy and increase their environmental awareness.
7. We provide full public disclosure of necessary information relating to such matters as our environmental initiatives, and promote open communication with society at large through promotional activities.



Awareness of Climate Change

Since the Industrial Revolution, an increase in energy consumption has heightened the concentrations of greenhouse gases, such as carbon dioxide (CO₂), in the atmosphere, and global warming is progressing. If warming continues without taking any effective countermeasures, there will be major changes in the earth's climate. This will cause phenomena such as rising sea levels and abnormal weather patterns, and have a great impact on the living environments of people and other organisms. Abnormal weather patterns will also increase the risk of damage to the business activities of the Group. To curb global warming, reduce the risk to the Group due to climate change, protect environments where people and other organisms can live, and build a sustainable, carbon-free society, the Group believes that one of its key social missions as a real estate developer is to create, supply, and operate buildings and neighborhoods which curb energy consumption, and have low emissions of greenhouse gases.

Policy

Based on our Group Environmental Policy, we create buildings and neighborhoods with low energy consumption and reduced emissions of greenhouse gases, and we aim to build a carbon-free society by taking steps together with our business partners, tenant companies and stores, and customers, to address global warming, such as conservation of energy.

In November 2021, we formulated Group action plans, and we will steadily implement initiatives for FY2030 with a unified supply chain and we will also further promote actions to realize a decarbonized society by FY2050.

Action Plan 1 Improve environmental performance of new and existing properties
Action Plan 2 Greening of electricity in common areas of properties and areas used by the company
Action Plan 3 Provide Green Menu to tenants and buyers
Action Plan 4 Secure stable renewable energy sources
Action Plan 5 Initiatives to reduce CO₂ emissions during construction
Other Key Initiatives Utilization of forests, Open innovation, Acquisition of external certifications, Neighborhood development initiatives, Improvement of internal systems, etc.

For more detailed information about Group Action Plan to Realize Decarbonized Society, please refer to the following :
⇒ https://www.mitsuifudosan.co.jp/english/esg_csr/carbon_neutral/

Major Initiatives

Energy Conservation, Creation, and Storage

In addition to energy conservation, the Group is actively engaged in energy creation using solar power and cogeneration systems, and energy storage using large-scale storage batteries. In this way, we create buildings and neighborhoods with low energy consumption and reduced emissions of greenhouse gases. We are also involved in energy-saving activities together with our business partners, tenant companies and stores, and customers.

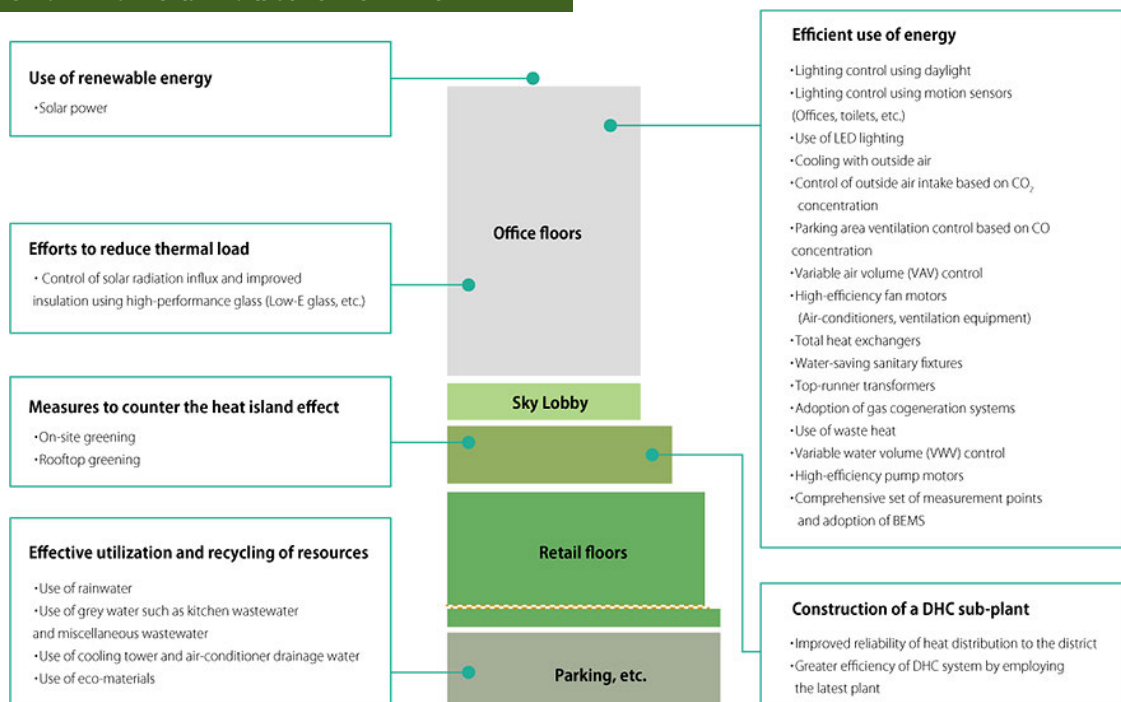
Energy Conservation, Creation, and Storage in Office Buildings

Efforts at TOKYO MIDTOWN HIBIYA

At TOKYO MIDTOWN HIBIYA (Chiyoda-ku, Tokyo), we employ an exterior covering and high-performance glass to reduce thermal load, use high-efficiency systems and energy-saving equipment such as lighting control systems that utilize daylight, and make use of waste heat from a gas cogeneration system. We also create energy through the installation of a solar power system (generation capacity approx. 20 kW). By using these energy conservation and creation systems, we have attained Level 3 for Perimeter Annual Load (PAL) and Energy Reduction Ratio (ERR) evaluation in the Tokyo Metropolitan Building Environmental Planning System, and the S Rank in self-assessment under the CASBEE (Comprehensive Assessment System for Built Environment Efficiency) scheme.

We have also installed a new sub-plant for district heating and cooling (DHC), and by linking it with an existing DHC plant in the Hibiya area, we have helped realize a high-efficiency energy supply for the entire district.

Overview of Environmental Efforts at TOKYO MIDTOWN HIBIYA



Efforts at the Nihonbashi Takashimaya Mitsui Building

The Nihonbashi Takashimaya Mitsui Building (Chuo-ku, Tokyo) has attained Level 3 for PAL/ERR evaluation in the Tokyo Metropolitan Building Environmental Planning System.

Office Buildings in Tokyo Certified Again as Excellent Designated GHG Offices by the Tokyo Metropolitan Government

Since fiscal 2010, we have been acquiring and renewing certification for office buildings in the Tokyo metropolitan area based on the standards established by the Tokyo Metropolitan Government for Excellent Designated GHG Offices*.

At these office buildings, we are switching to energy-saving equipment, holding meetings to promote CO₂ reduction, strengthening systems for collaboration with tenants, and promoting energy conservation activities.

As of April 1, 2022, the Company has five office complexes (five buildings) designated as Top Level Offices and five office complexes (seven buildings) as Semi-Top Level Offices under the Excellent Designated GHG Offices program.

*Kasumigaseki Building and Tokyo Club Building are two buildings considered to be one office complex. Muromachi Higashi Mitsui Building, Muromachi Furukawa Mitsui Building, and Muromachi Chibagin Mitsui Building are three buildings considered to be one office complex.

List of Tokyo Metropolitan Government's Excellent Designated GHG Offices Certifications (as of April 1, 2022)

Top Level Offices	Semi- Top Level Offices
<ul style="list-style-type: none">• Nihonbashi Mitsui Tower• Tokyo Midtown• Ginza Mitsui Building• Gran Tokyo North Tower• Sumitomo Mitsui Banking Corporation Building	<ul style="list-style-type: none">• Nihonbashi 1-chome Mitsui Building• Shiodome City Center• Muromachi Higashi Mitsui Building• Muromachi Furukawa Mitsui Building• *Muromachi Chibagin Mitsui Building• Iidabashi Grand Bloom• Kasumigaseki Building
5 office complexes (5 buildings)	5 office complexes (7 buildings)
Total: 10 office complexes (12 buildings)	

*Note: Muromachi Higashi Mitsui Building, Muromachi Furukawa Mitsui Building, and Muromachi Chibagin Mitsui Building are three buildings considered to be one office complex.

Energy Conservation at Large-Scale Logistics Facilities

At its large-scale logistics facilities, Mitsui Fudosan Logistics Parks (MFLP), the Company is installing LED lighting and solar power systems. MFLP is an urban development-type logistics facility that aims to coexist with the local community and create a lively surrounding area, and has reduced its environmental impact by introducing solar power generation facilities on the site and actively utilizing a "green power supply service".



MFLP
Funabashi III



MFLP Ichikawa
Shiohama II

Housing-related Initiatives

In April 2022, Mitsui Home released a new product, IZM, based on the concept of modern design for a decarbonized society. This product meets the ZEH (Net Zero Energy House) standard even in large spaces with large openings and large atrium, and can also be linked to energy generators such as solar power generation systems, energy storage systems, V2H, etc., thereby contributing not only to reduced running costs in daily life but also to improved resilience by securing emergency power sources during emergencies. The design features a linear, modern exterior composed of a newly developed "wing roof" and a symbolic exterior "privacy wall," as well as a "lanai," a semi-outdoor space that provides a borderless connection between the inside and outside of the building. The building offers a variety of spaces that allow customers, especially those with children, to enjoy a free and affluent lifestyle that is unique to them. The "privacy wall", which shields the building from outside view, is made of wood and integrated with the building. By maximizing the use of wood, a sustainable building resource that is friendly to people and the global environment, reduced construction period and high environmental performance is achieved.

Megasolar Projects

The Company is involved in megasolar power projects, and as of March 31, 2022, operates five megasolar power stations. The total generating capacity for the five stations is 72 MW, and in fiscal 2021 they generated a total of 84,125,862 kWh of power, which is equivalent to the annual power needs of approximately 20,000 homes.

Note: Based on the Ministry of the Environment's FY2021 Survey on the Actual Conditions of Carbon Dioxide Emissions from Residential Sector

Energy Management System

The Group is installing optimal energy management systems at each type of property: office buildings, retail properties, condominiums, and detached housing. We are also introducing area energy management systems to link the energy management systems of individual buildings, and manage energy over an entire block.

Examples of Energy Management System Adoption

Type of building	Type of energy management system	Buildings with Energy Management Systems Installed
Office buildings	BEMS	<ul style="list-style-type: none"> • TOKYO MIDTOWN HIBIYA • Nihonbashi Takashimaya Mitsui Building, etc.
Commercial facilities	BEMS	<ul style="list-style-type: none"> • LaLaport TOKYO-BAY • LaLaport KOSHIEEN • MITSUI OUTLET PARK KITAHIROSHIMA etc.
Built-for-sale condominiums	HEMS (each condominium), MEMS (communal areas, overall)	<ul style="list-style-type: none"> Mitsui Fudosan Residential's • HARUMI FLAG • Park City Kashiwa-no-ha Campus The Gate Tower • Oriented Park Homes Urawa Tokiwa 10-chome • Oriented Park Homes Nerima Fujimidai Station Gat etc.
Built-for-sale detached housing	HEMS	<ul style="list-style-type: none"> Mitsui Fudosan Residential's • Fine Court Eifuku 4-chome • Fine court Meguro Ookayama etc.
Custom-built detached residence	HEMS	<ul style="list-style-type: none"> Mitsui Home's • green's II Series • green's ZERO Series • Lucas • Lascene compatible with all above products etc.
Entire block	AEMS, TEMS, etc.	<ul style="list-style-type: none"> • Kashiwa-no-ha Smart City (Kashiwa-no-ha AEMS) • Nihonbashi Smart Energy Project • Yaesu Smart Energy Project • Park City Musashikosugi The Garden etc.

Note:

BEMS : Building Energy Management System
MEMS : Mansion Energy Management System
HEMS : Home Energy Management System

AEMS : Area Energy Management System
TEMS : Town Energy Management System

Curbing CO₂ Emissions from Automobiles

To restrict CO₂ emissions from automobiles, the Group installs electric vehicle recharging stations and provides services at its retail properties that encourage the use of public transportation. Mitsui Fudosan Realty Co., Ltd. is installing charging stations for electric vehicles (EVs) and plug-in hybrid vehicles (PHVs) at the Mitsui Car Park Leasing pay-by-the-hour parking lots. Charging stations for EVs and PHVs are also being installed in the parking lots of retail properties like LaLaport SHONAN HIRATSUKA (Hiratsuka City, Kanagawa) and built-for-sale condominiums like Park City Musashikosugi The Garden (Nakahara-ku, Kawasaki City).

EV and PHV charging station at the Mitsui Repark Henn na Hotel Maihama Tokyo Bay Parking Lot (Urayasu City, Chiba)



Climate-related Financial Disclosure in Accordance with TCFD

TCFD and Mitsui Fudosan's Position

The Mitsui Fudosan Group has announced its endorsement of the agenda of the Task Force on Climate-related Financial Disclosures (TCFD), which promotes corporations and others to disclose information relating to climate-related risks and opportunities. VISION 2025, our group Long-Term Vision, states as one of its aims the successful establishment of a sustainable society through the creation of neighborhoods, and we are deploying neighborhood creation and services that contribute to addressing challenges relating to people, neighborhoods, and society. To mitigate risk through our business activities, including risk of damage from abnormal weather patterns linked to climate change; preserve environments where people and other living creatures can flourish; and establish a sustainable decarbonized society, we are taking the TCFD recommendations as a point of departure to disclose our analysis and response to climate change-related business risks and opportunities, and other related information.

Scenario Analysis

Assumptions and Object of Analysis

Our analysis is based on the 1.5°C and 4°C Scenarios outlined in the Sixth Assessment Report issued by the United Nations Intergovernmental Panel on Climate Change. As the time axis for analysis, we considered the typical life cycle of real estate assets, and calculated the impact of climate change by approximately the year 2050. In this, the first year of our scenario analysis, we used our Housing, In this, the first year of our scenario analysis, we used our Housing, Office Buildings, and Retail Properties businesses as the object of analysis, since these three categories represent the principal focus of the commercial activities of the Mitsui Fudosan Group, and are also likely to be major recipients of climate change impact.

Analysis Process

In accordance with the TCFD final report issued in June 2017, we carried out our analysis in four steps.

(1) Assessment of significant risks and opportunities

Using a variety of relevant sources, we identified climate change-related risks and opportunities having a potentially significant impact on the business of the Mitsui Fudosan Group.

(2) Future world definition

For significant risks and opportunities defined in (1), we used projections from external entities such as scenarios from the Intergovernmental Panel on Climate Change (IPCC), SDS, NPS, and NZE2050 scenarios from the International Energy Agency (IEA), and a number of others to project changes in society, government, customers, and suppliers in 2050 for the 1.5°C Scenario and the 4°C Scenario.

(3) Estimate of business impact

Based on external information gathered in (2), we estimated the financial impact on the Mitsui Fudosan Group's businesses. For risks and opportunities where quantitative data was difficult to obtain, we performed a qualitative analysis.

(4) Review of response measures (planned)

We reviewed response measures to climate change-related risks and opportunities with specially significant potential impact. Further review is planned to identify specific measures for adoption.

Analysis Result 1. Principal Risks and Opportunities

Based on external information, we identified climate change-related risks and opportunities, and gathered future projections for each risk and opportunity. With reference to the TCFD final report as well as other reports and sources relating to climate change, we considered risks and opportunities accompanying the transition to a decarbonized society (measures/regulations, industries/markets, technology) as well as physical risks and opportunities caused by climate change (chronic, acute). The significant risks and opportunities we identified that may have an impact the Mitsui Fudosan Group's three core businesses between now and 2050 are shown in the table below.

Under the 1.5°C Scenario, our Housing Business could be affected by an increase in carbon taxes, which would push the price of raw materials prices and transport costs higher. While ZEH and energy conservation renovations would become more widespread, under the 4°C Scenario, an increase in the number of extremely hot days would have a variety of impacts, including reduced labor productivity, and the result could be higher new construction costs. Under the 1.5°C Scenario, our Office Buildings Business is also projected to see an increase in procurement costs. Costs may also rise due to higher GHG emissions taxes and expanded ZEB construction. At the same time, in terms of business opportunities, we would expect increased lease income from properties with superior environmental performance. Under the 4°C Scenario, office air conditioning costs and damage from high tides and flooding are a potential concern. Finally, in our Retail Properties Business, the 1.5°C Scenario indicates higher costs of the same type as in the other business areas. Lower lighting and heating costs can be expected, thanks to more efficient and renewable energy use by AI-equipped air conditioning and other systems, but under the 4°C Scenario, retail properties situated near the ocean may experience increased risk of damage from high tides and flooding.

Classification		Principal risks and opportunities	Projected future state
Transition	Measure	Major carbon tax increase	In addition to taxes on GHG emissions by the Group, we expect higher costs for raw materials (steel, cement, etc.) which are significant on a base unit basis, as well as for transport and air conditioning. At the same time, low-carbon structures and other properties with superior environmental performance will be better-positioned to compete.
		Energy conservation measures	Energy standards for new and renovated structures will be tightened, requiring additional capital investment. Furthermore, decarbonized energy sources and ZEH will become mandatory, more ZEB properties will be built, and more residential structures will be energy-efficient.
	Market	Customer conduct change	Products with superior environmental performance will be in greater demand and be more competitive.
	Technology	Propagation of technology for renewable energy and energy conservation	The propagation of energy conservation technology will lead to more renovations to enhance energy conservation.
Physical	Chronic	Average temperature increase	On-site operations will be hindered on extremely hot days, leading to higher operational costs and construction delays. In addition, increased use of air conditioning will push up facilities management costs, but these will be offset to some degree by enhanced air conditioning efficiency.
	Acute	Rising sea levels	Certain coastal structures will be damaged by typhoon-generated tidal surges accompanying sea level rise.
		Intensification of abnormal weather patterns	Frequent heavy precipitation and flooding within the confines of levees can result in suspension of on-site operations and construction delays. In addition, customer safety may be threatened, and facilities assets may be damaged.

Analysis Result 2. Estimate of Business Impact

We reviewed available quantitative data and the significance of risks and opportunities. For selected principal risks and opportunities, we estimated the financial impact on the Mitsui Fudosan Group's business in the year 2050. Under the 1.5°C Scenario, we projected a comparatively large negative impact on costs associated with higher carbon taxes, and the cost of meeting tightened energy conservation standards. At the same time, we estimated that these impacts would be fully offset by opportunities to construct more buildings with superior environmental performance, an area where the Mitsui Fudosan Group maintains a competitive advantage, and by reductions in heating and lighting costs made possible by advanced energy conservation technology. Under the 4°C Scenario, we projected only limited actual losses from high tides and flooding, and overall, relative to the 1.5°C Scenario we estimated there would be fewer factors with a major financial impact.

Type		Principal risks and opportunities	Factors with possible business impact	Results of financial impact estimate	
				4° C Scenario	1.5° C Scenario
Risk	Transition	Major carbon tax increase	Tax applicable to company emissions	Minor	Moderate
			Major increase in raw materials costs	Minor	Moderate
		Energy conservation measures	Increase in energy conservation renovation costs due to strengthened energy conservation requirements for buildings	Moderate	Large
			Increase in ZEH construction costs	Minor	Moderate
	Physical	Average temperature increase	Revenue reduction from construction delays due to greater number of extremely hot days	Moderate	Moderate
			Increase in air conditioning load	Moderate	Moderate
		Rising sea levels/ intensification of abnormal weather patterns	Flood damage due to high tides and heavy precipitation accompanying sea level rise	Moderate	Minor
Opportunity	Transition	Major carbon tax increase	Cost control through introduction of low-carbon materials	Minor	Moderate
		Energy conservation measures	Share expansion as a result of ZEH becoming requirement	Minor	Moderate
			Creation and sales of carbon credits as a result of ZEH construction	Minor	Minor
		Customer conduct change	Shift to buildings with superior environmental performance	Minor	Moderate
		Propagation of technology for renewable energy and energy conservation	Expansion of energy conservation renovation business	Moderate	Moderate
	Physical	Average temperature increase	Reduced air conditioning costs through AI	Moderate	Moderate
			Reduced lighting and heating costs due to increased energy conservation performance	Moderate	Moderate
Results Derived from Analysis				Moderate	Moderate

Results Derived from Analysis

We conclude from the results of our scenario analysis that regardless of whether actual global climate change reflects the 1.5°C Scenario or the 4°C Scenario, the businesses of the Mitsui Fudosan Group are sustainable and display a consistent resilience during the period through to 2050. Through reduction of GHG base units, promotion of energy conservation, and other efforts, the Mitsui Fudosan Group is promoting mitigation of the risk of higher carbon taxes, tightened regulations, and other climate-related risk. In addition, by reinforcing our superior market position, for example by deploying environment-conscious urban development in and outside Japan, such as smart cities in collaboration with everyone in our supply chain, including general contractors with construction technology for superior environmental performance, we will expand the business opportunities resulting from transition to the decarbonized society. Our scenario analysis enabled us to once again confirm the direction of our environmental efforts to date. Going forward, Mitsui Fudosan Group will work to enhance its resilience and maximize its opportunities through even more detailed and extensive scenario analysis and promotion of a wide range of response efforts.

Recommended disclosure items	Disclosure in ESG Report 2020
Governance: Disclose the organization's governance around climate-related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities	Sustainability Promotion Framework
b) Describe management's role in assessing and managing climate-related risks and opportunities	Sustainability Promotion Framework
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Environment > Climate Change > Climate-related Financial Disclosure in Accordance with TCFD
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Environment > Climate Change > Climate-related Financial Disclosure in Accordance with TCFD
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 1.5°C or lower scenario	Environment > Climate Change > Climate-related Financial Disclosure in Accordance with TCFD
Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks	
a) Describe the organization's processes for identifying and assessing climate-related risks	Governance > Compliance > Risk Management System Environment > Climate Change > Climate-related Financial Disclosure in Accordance with TCFD
b) Describe the organization's processes for managing climate-related risks	Governance > Compliance > Risk Management System Environment > Climate Change > Climate-related Financial Disclosure in Accordance with TCFD
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Environment > Climate Change > Climate-related Financial Disclosure in Accordance with TCFD
Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Sustainability Promotion Framework ESG Data > Climate Change > Activity Indices and Goals, and Progress in Achieving Them
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Environment > Climate Change > Climate-related Financial Disclosure in Accordance with TCFD ESG Data > Climate Change > Activity Indices and Goals, and Progress in Achieving Them
c) Describe the targets used by the organization to manage climate-related risks and opportunities, and performance against targets	ESG Data > Climate Change > Activity Indices and Goals, and Progress in Achieving Them

Other Environmental data

Environmental Data by Prefectural/Municipal Ordinance

The Group wholeheartedly endorses all local government policies relating to climate change, including those of the Tokyo Metropolitan Government, and actively provides environmental data in accordance with prefectural/municipal ordinance.

Environmental Data Based on Ordinances of the Tokyo Metropolitan Government (Bureau of Environment, Tokyo Metropolitan Government Report on Measures against Global Warming)

⇒ <https://www8.kankyo.metro.tokyo.lg.jp/ondanka/ad135gcce/index.php?ac=establishment&type=ent&code=01049&sys=13>
(Japanese version only)

⇒ <https://www8.kankyo.metro.tokyo.lg.jp/ondanka/ad135gcce/>
(Japanese version only)

Environmental Data Based on Ordinances of the Yokohama Municipal Government

⇒ https://www.mitsui-fudosan.co.jp/corporate/esg_csr/pdf/2021/env_yokohama_2021.pdf
(Japanese version only)

Environmental Data Based on Ordinances of the Saitama Prefectural Government

⇒ https://www.mitsui-fudosan.co.jp/corporate/esg_csr/pdf/2021/env_saitama_2021.pdf
(Japanese version only)

Environmental Data Based on Ordinances of the Hiroshima Municipal Government

⇒ https://www.mitsui-fudosan.co.jp/corporate/esg_csr/pdf/2021/env_hiroshima_2021.pdf
(Japanese version only)

Policy

Based on our Group Environmental Policy, we develop buildings and create neighborhoods that help preserve the water environment through measures like effective utilization of water and replenishment of subterranean aquifers. We also preserve water resources through water conservation and effective use of water resources together with our business partners, tenant companies and stores, and customers.

Goals and Progress in Achieving Them

We shall strive to reduce clean water and industrial water usage per base unit (of floor area) from the previous fiscal year through measures such as installing water-saving equipment in our newly constructed buildings or switching to such equipment when renovating existing buildings.

Major Initiatives

Water Conservation

The Group installs water-saving equipment in newly constructed office buildings and retail facilities. We have also been switching to water-saving equipment in existing buildings when they are renovated, and are making efforts to conserve water during routine building management and operations together with our business partners, tenants, stores, and customers.

Adoption of Water-Saving Equipment

At Tokyo Midtown (Minato-ku, Tokyo), we are saving water by installing water-saving sanitary equipment, automatic faucets and similar facilities. Large-scale renovation took place at MITSUI OUTLET PARK JAZZ DREAM NAGASHIMA (Kuwana City, Mie), and in the extended area we installed 49 ultra- water-saving toilets (flush volume 5.5 liters). LaLaport Toyosu, LaLa Garden Kawaguchi, and Treage Shirahata are also upgrading to super water-saving equipment as they become due for renewal. At MIYASHITA PARK, a commercial facility integrated with a park, WOSH, a water circulation type hand washing stand, was installed as part of hygiene measures. The built-for-sale and rental condominiums and built-for-sale detached housing which Mitsui Fudosan Residential sell use water-saving toilets and bathing room shower heads with a water stop button.

Use of Well Water for Irrigation

To reduce the use of clean water, well water (ground water) is used to irrigate the greenery areas of Park City Kashiwa-no-ha Campus The Gate Tower (Kashiwa City, Chiba). Water used in this way returns to subterranean aquifers, helping to reduce the impact of water usage.

Use of Rainwater and Grey Water

Mitsui Fudosan aims to effectively use water resources by taking advantage of rainwater and grey water (processed wastewater) at its office buildings, retail properties and built-for-sale condominium buildings.

At TOKYO MIDTOWN HIBIYA (Chiyoda-ku, Tokyo), we collect rainwater and drainage water* from air-conditioners in a rainwater utilization tank (water storage capacity approximately 400m³), and after treatment use it as general service water for toilet flushing and similar purposes. We also use grey water, obtained by treating kitchen wastewater, miscellaneous wastewater, and cooling tower blowdown water, as general service water in the same way.

*Drainage water: Excess wastewater from humidifiers of air-conditioners, and water cooled and condensed on cooling pipes.

Letting Rainfall Reach the Ground and Preventing Rainfall Runoff

In our office buildings and retail facilities, we direct rainwater underground by utilizing water-permeable paving for parking lots, walkways, on-site roads, and external sections of the building. We also aim to preserve the water environment and prevent flooding with temporary storage tanks and flow adjustment ponds to prevent rainwater runoff in large volumes.

Policy

Based on its Group Environmental Policy, the Group prevents environmental pollution by observing laws, regulations, and ordinances relating to air pollution, water pollution, soil contamination, and hazardous materials, and we work hard to curb emissions of pollutants and contaminants that are not subject to regulation by laws, regulations, and ordinances. We also ensure appropriate management and disposal of hazardous materials when acquiring land as well as in the building design stage, thereby preventing hazardous materials impacts on the environment or building users. Based on our Group Environmental Policy, we aim to create a recycling society by working, together with our business partners, tenant companies and stores, and customers, to conserve resources and reduce waste. At the same time, we will prevent impacts on the environment due to waste through appropriate disposal of any waste that cannot be reused or recycled.

Goals and Progress in Achieving Them

Resources and Waste

We shall promote the 3Rs (reduce, reuse, recycle) and work to reduce general and industrial waste emissions per base unit, and we shall appropriately dispose of wastes in accordance with laws, regulations, and ordinances relating to waste disposal. In addition, our goal is to raise the waste recycling ratio at our headquarters office to 90% by 2030.

Major Environmental Pollution Initiatives

Prevention of Air Pollution

Measures to Address Exhaust Gas at Facilities Producing Soot and Smoke

Boilers, cogeneration systems, and other soot and smoke producing facilities larger than a certain size and installed at office buildings, retail properties, hotels, large-scale logistics facilities, and other properties managed and operated by the Group, are subject to regulation under laws, regulations, and ordinances relating to air pollution. At these regulated soot and smoke producing facilities, we have installed exhaust gas treatment equipment, and we are working to prevent air pollution by curbing emission of air pollutants such as nitrogen oxides and sulfur oxides.

Prevention of Water Pollution

Wastewater Treatment at Office Buildings, Retail Facilities, and Hotels/Resorts

Restaurants above a certain size in office buildings and retail properties, as well as hotels and resort facilities managed and operated by the Group are subject to regulation under laws, regulations, and ordinances relating to water pollution. At these regulated facilities, we install wastewater treatment equipment, and discharge wastewater into sewage systems, rivers, the ocean, or other public waters only after treatment that ensures it meets regulatory standards.

Lowering Environmental Impact of Cleaning Solutions

Mitsui Fudosan Facilities Co., Ltd. has been using eco-chemicals with low environmental impact based on its own standards, with the exception of chemicals designated by its customers, for cleaning solutions (toilet cleaner, floor and general-purpose cleaner, wax, and removers). As of the end of March 2021, the usage rate of eco-chemicals has risen to more than 90%. Mitsui Fudosan Residential Service Co., Ltd. in principle uses cleaning solutions with low environmental impact based on its own standards for cleaning condominiums, with the exception of some managed properties.

Mitsui Fudosan Residential Service Co., Ltd.'s Standards for Cleaning Solutions with Low Environmental Impact

Cleaning solutions that satisfy the following conditions:

- ◎ More than 60% biodegradable (after 28 days)
- ◎ Chemically neutral
- ◎ Low biochemical oxygen demand (BOD) and chemical oxygen demand (COD)

Responding Appropriately to Soil Contamination

The Mitsui Fudosan Group complies with relevant laws and regulations for surveying soil history. We also implement soil contamination surveys and take measures to remedy contaminated soil as needed.

Reduction of Hazardous Substances

Appropriate Disposal of Chlorofluorocarbons and Asbestos

When equipment containing chlorofluorocarbons is disposed of at our office buildings, retail properties and hotels, it is handled in an appropriate manner in accordance with relevant laws and regulations. In addition, in demolition and repair of buildings, retail facilities, condominiums and other structures, we observe laws and regulations relating to asbestos, and take proper measures such as notifying government agencies, and preventing the dispersion of asbestos.

Sick Building Countermeasures

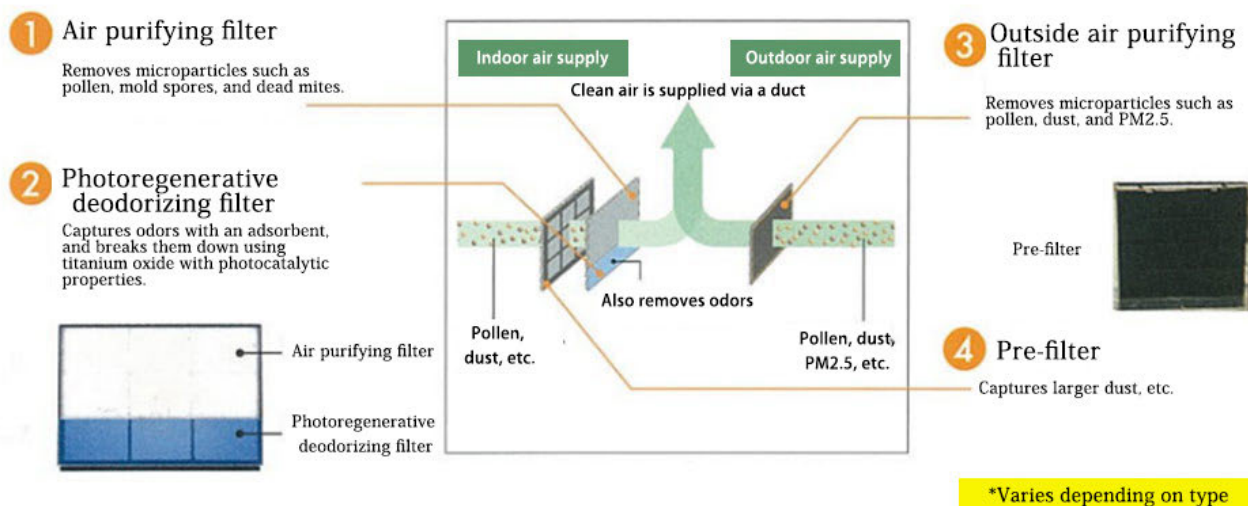
For our office buildings and retail facilities, we have added guidelines for combating sick building symptoms to our eco-specifications (design request form, etc.). We make concerted efforts to prevent formaldehyde and other volatile organic compounds (VOCs) from entering our buildings, because they are a cause of sick building syndrome. Mitsui Garden Hotels uses low-formaldehyde building materials* including building components, adhesives, and paints. The housing business promotes the use of low-formaldehyde building materials to limit substances that cause sick building syndrome, such as formaldehyde.

*Low-formaldehyde building materials: Building materials rated by Japanese Industrial Standards (JIS) and Japanese Agricultural Standards (JAS) as having the minimal or second-lowest level of formaldehyde emissions.

Measures to Address Indoor PM2.5 Pollutants

Mitsui Home Co., Ltd. offers Smart Breeze, a healthy air-conditioning system for its custom-built detached residences. Smart Breeze is a 24-hour ventilation system, equipped with a high-performance filter that captures particulate matter of around 2.5 μm in size. This prevents infiltration not only of pollen and dust, but also of PM2.5, an air pollutant thought to have effects on health.

Overview of High-Performance Filter



Principal Resource- and Waste-related Efforts

Initiatives for Sustainable Forest Resource Procurement

To ensure sustainable procurement of forest resources, Mitsui Home Co., Ltd. as a company using such resources has formulated the Mitsui Home Group Resource Procurement Guidelines. The guidelines outline Mitsui Home's procurement policies and their scope of applicability, and are aimed at maintaining abundant ecosystems, sustaining local communities, practicing strictly sustainable procurement of forest resources, and contributing to reducing our global environmental load.

The Mitsui Home Group Resource Procurement Guidelines (Overview)

< Procurement Philosophy >

As a company that draws on trees and forests in the conduct of its business activities, Mitsui Homes adheres strictly to a policy of sustainable forest resource procurement to ensure an abundant ecosystem and to maintain regional society. Moving forward, the company will work diligently to reduce its global environmental load.

< Procurement Policy >

1 Confirm the legality of timber and lumber products

When procuring from countries and regions where the possibility of illegal harvesting exists, the legality of timber and lumber procured are confirmed in advance.

2 Procure sustainable forest resources

We promote procurement of forest resources from sources that practice sustainable harvesting, to protect precious forests, their environments and biodiversity.

3 Protect precious species

We work to protect valuable and endangered tree species.

4 Manage and maintain the supply chain

We work with partners to manage and promote legal, sustainable supply chains.

Extending the Useful Life of Buildings and Revitalizing Structures Built to Outdated Earthquake Resistance Standards

The Group aims to extend the useful life of buildings, including office buildings, condominium buildings (built-for-sale, rental units) as well as detached houses (for-sale and customized), by enhancing their ability to withstand earthquakes, overall durability, and fire resistance, while also designing them so that maintenance and upgrading of plumbing and other equipment can be carried out easily. Mitsui Fudosan Residential Co., Ltd. expects to revise the cycle of large-scale repair work from 12 to 18 years by adopting highly durable part materials in condominiums for sale. This is expected to reduce the number of large-scale repair works and the accompanying labor and burden on the condominium management association, as well as reduce life-cycle CO₂ emissions at the operational stage by reducing the amount of waste materials processed and the number of vehicles used for transportation, etc. In addition, we engage in appropriate maintenance and renovations after buildings go into service. For example, Mitsui Home Co., Ltd. offers the Keep Well long-term building support system to maintain quality and performance over the long-term, through a combination of inspection and upkeep every 10 years after building delivery.



3Rs Initiatives

The Group is working, together with business partners, tenant companies and stores, and customers, to conserve resources and reduce waste through the 3Rs (reduce, reuse, and recycle), while striving to prolong the useful life of its buildings. We also appropriately dispose of wastes.

Reduce

To reduce the generation of waste, we make every effort to restrict the use of disposable products, and have introduced a metering system. In an attempt to reduce waste from stores, our retail facilities feature a metering system that charges for the volume of waste generated.

Reuse

The Group aims to reuse materials instead of throwing them away to conserve resources and reduce waste. Every year since 2008, we have held the &EARTH Clothing Support Project — Bring a Smile to the World with Your Clothes — at retail properties operated by the Mitsui Fudosan Group. In this project, unneeded clothing is collected, and then donated to refugees and disaster victims in countries all over the world through the NPO Japan Relief Clothing Center. By promoting reuse of clothing, we contribute to the reduction of waste, and by working collaboratively with NPOs active on the international stage, we also help support people who need assistance due to poverty, natural disasters brought on by climate change, and conflicts. (Further details can be found at the following URL.)

⇒ <https://and-earth.mitsuifudosan.co.jp/clothes/> (Japanese version only)



Volunteers

Recycle

Recycling Food Waste

At our office buildings and retail properties, working together with restaurants, food waste from restaurants is recycled into fertilizer and feedstock for livestock, or converted into biomass energy (electricity and gas).

At the resort hotel HAIMURUBUSHI (Taketomi Town, Yaeyama District, Okinawa Prefecture), we make compost out of coffee grounds from our restaurants, and use this compost to cultivate herbs and vegetables in the hotel gardens. In turn, the herbs and vegetables are served in our restaurants. Other food waste is processed on the premises with a food waste processor that uses microbes. In addition, at TOBA HOTEL INTERNATIONAL (Toba City, Mie), used cooking oil is collected and handed over to an industrial waste disposal company for recycling as fuel. Similarly, NEMU RESORT (Shima City, Mie) has been recycling used cooking oil since fiscal 2005.

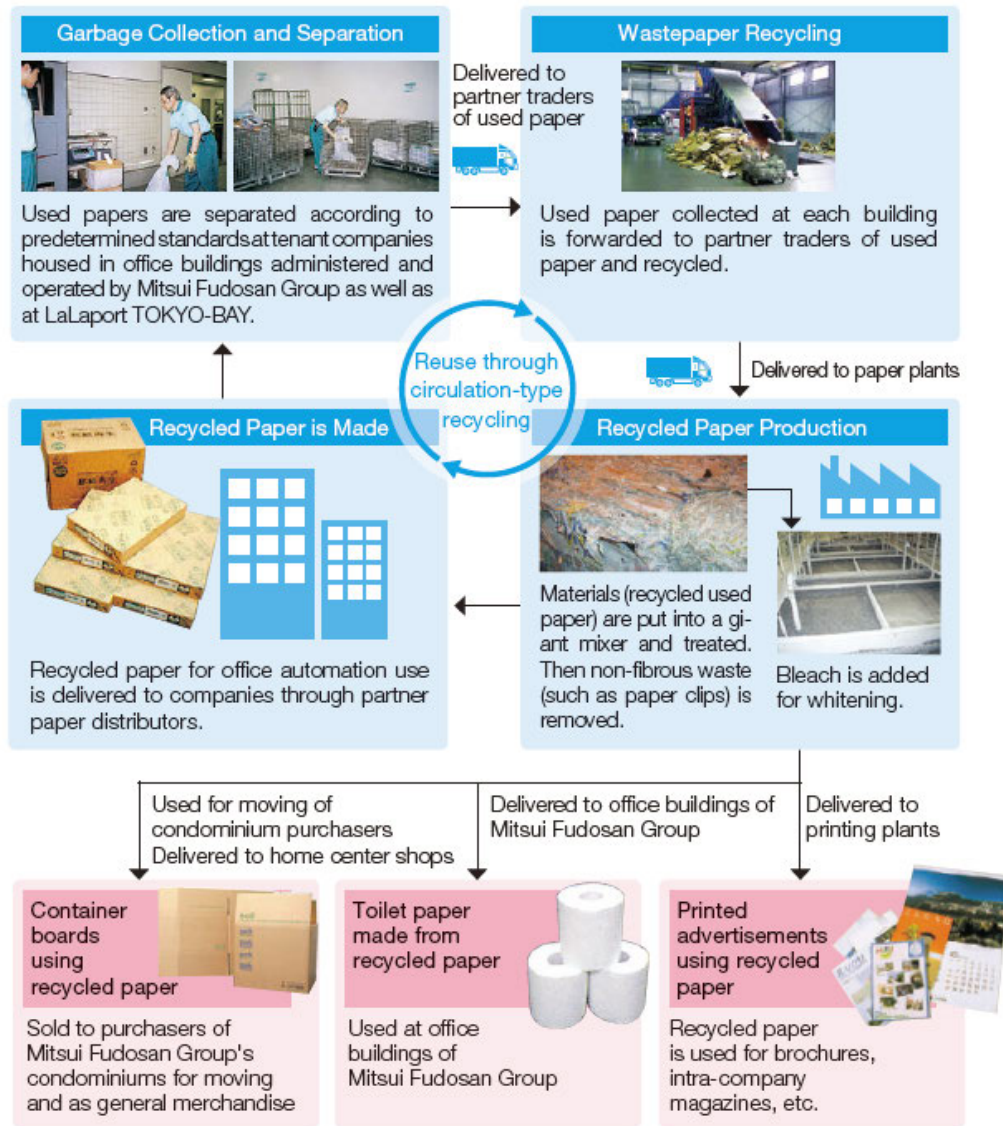
At TOKYO MIDTOWN (Minato-ku, Tokyo), we classify wastes into 21 types, and we are working together with shops and tenants to recycle and appropriately dispose of waste. We have a total of 10 separated garbage storage spaces, by building and application, and appropriately store and manage waste until it is carried away from the site. In addition, we are working to ensure proper separation and recycling by installing garbage stations with easy-to-understand separation instructions in the office buildings of Tokyo Midtown Management Co., Ltd.

Recycling of Environmentally Friendly Tile Carpeting

Used tile carpeting from office buildings managed by the Group is collected and recycled into environmentally friendly tile carpeting, which is then reused in office buildings in the Tokyo metropolitan area. This recycling system uses environmentally friendly tile carpeting to conserve resources and reduce incineration waste, which in turn helps reduce CO₂ emissions.

Wastepaper Recycling Loop System

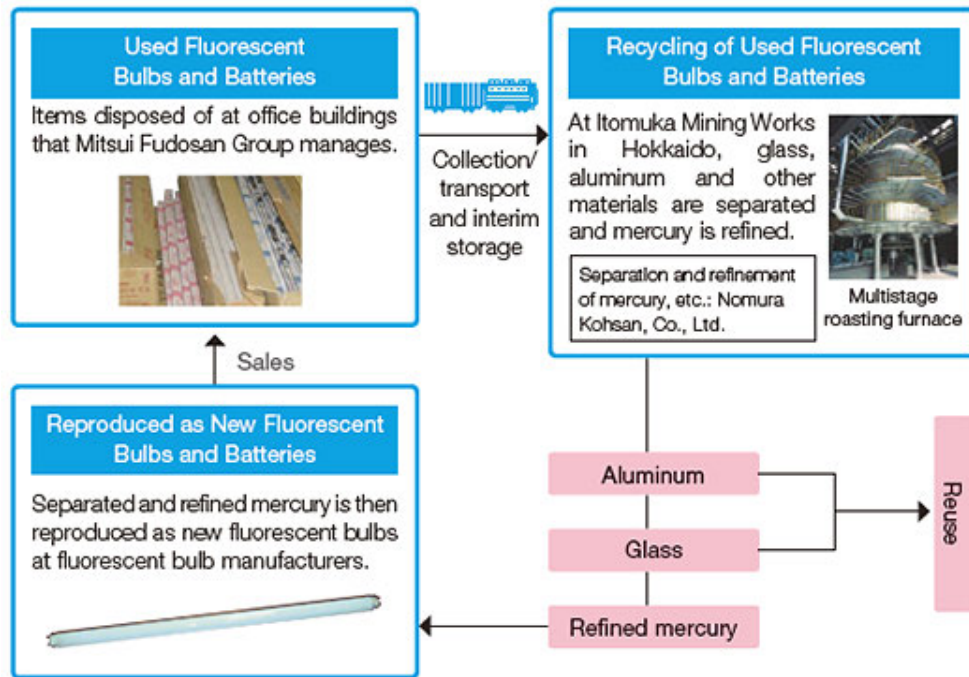
In collaboration with traders of used paper, paper manufacturers, and paper distributors, the Group has created a unique recycling loop system for wastepaper, which is collected from office buildings managed by the Group in Tokyo, and from LaLaport TOKYOBAY (Funabashi City, Chiba). The wastepaper is recycled into original recycled office paper and is reused as toilet paper.



Used Fluorescent Bulb and Battery Recycling System

The Company has established a recycling system for used fluorescent bulbs and batteries in cooperation with four subcontractors including a recycling company and a transport company. Used fluorescent bulbs and batteries at office buildings managed by the Group are recycled through this system. Mercury extracted from the collected used fluorescent bulbs and batteries is reused as a raw material for new fluorescent bulbs. Separated aluminum and glass are also reprocessed into recycled aluminum and glass to recycle everything that can be recycled.

Schematic diagram of used fluorescent bulb and battery recycling



Efforts to Appropriately Dispose of Waste

The Group promotes the 3Rs, and appropriately disposes of wastes that cannot be reused or recycled based on laws, regulations, and ordinances relating to appropriate disposal of wastes. The Commercial Facilities Division completed the optimization of contracts with waste disposal companies. Since then, to maintain proper disposal, annual waste checks at all facilities and on-site inspections at one randomly selected property have been conducted. In addition, waste checks are always conducted when engaging new business partners or changing business partners.

Appropriate Storage, Management, and Disposal of PCB Waste

Appropriately stores, manages, and disposes of PCB waste at its office buildings, retail facilities, and hotels based on the Law Concerning Special Measures Against PCB Waste.



Policy

Based on our Group Environmental Policy, we strive to protect the precious natural environment in urban areas and preserve the trees and forests that pass on the memories and history of the land. We also work to create new green spaces in urban areas. Recognizing the maturity that comes with age, we are also working to create and restore greenery and biotopes that are in harmony with the surrounding environment and preserve biodiversity.

Major Initiatives

Member of the Keidanren Committee on Nature Conservation

The Company joined the Keidanren Committee on Nature Conservation. The committee administers a fund that supports nature preservation activities in developing countries as well as Japan. It also encourages such activities on the part of enterprises, and engages in a wide range of related activities. In April 2022, the Group joined "30 by 30," a coalition of volunteers aiming to conserve and protect at least 30% of Japan's terrestrial and marine areas with the goal of halting and restoring biodiversity loss by 2030 (Nature Positive). We will protect healthy forests and practice sustainable use of trees in the forests owned by our group in Hokkaido by creating a "never-ending forest" cycle (planting, cultivating and using). In the future, we plan to formulate an action plan for biodiversity in the forests owned by the Group to obtain OECM (Other Effective area-based Conservation Measures) certification.



Biodiverse Regions

Business Activities in National Parks

Among the regions where the Group is engaged in business activities, the resort hotel HAIMURUBUSHI (Yaeyama District, Okinawa) is located in an ordinary zone of Iriomote-Ishigaki National Park, the TOBA HOTEL INTERNATIONAL (Toba City, Mie) in an ordinary zone of Ise-Shima National Park, and the NEMU RESORT and AMANEMU (both in Shima City, Mie) are located in an ordinary zone and a special zone in Ise-Shima National Park. In the regions inside national parks where these four resort hotel facilities are located, we are working to create and restore wildlife habitats lost due to development, and to minimize the impact of business activities on wildlife habitats in these regions. Using these rich natural surroundings, we also strive to provide venues and opportunities for activities in touch with nature.

Group-Managed Forests

The Group owns roughly 5,000 hectares of forest (equivalent to 1,063 Tokyo Domes*) in 31 cities, towns and villages in Hokkaido. Less than 40% is natural forest of trees such as Mongolian oak, and management is kept to a minimum so they can be preserved in their natural state. More than 60% is hand-planted Sakhalin fir and other varieties, and we conduct planned tree-planting and provide appropriate management and care. By using timber from our group-managed forests as building materials, we create "never-ending forests."

Please see below for details on group-managed forests.

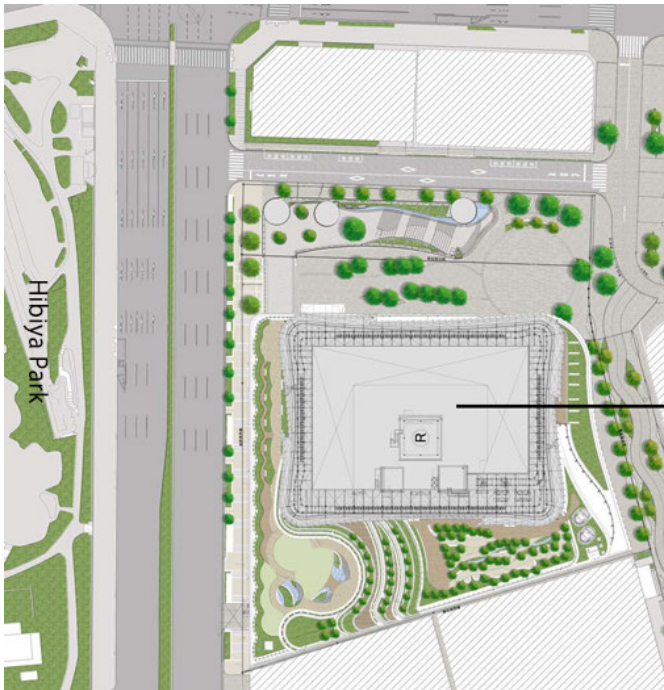
⇒ The Mitsui Fudosan Group's Forest Preservation Activities (https://www.mitsui-fudosan.co.jp/and_forest/)

*Calculation based on Tokyo Dome covering 4.7 hectares.

Preserving and Creating Greenery in Urban Settings

At TOKYO MIDTOWN HIBIYA (Chiyoda-ku, Tokyo), the planted foliage incorporates the same local varieties of trees as the adjacent Hibiya Park located across the road, to ensure harmony with the park's lush greenery. The Parkview Garden (sixth floor), Sky Garden (ninth floor) and other amenities provide approximately 2,000 m² of green space (greening rate* 40%).

*Greening rate: Green area is calculated based on the method outlined in the greenery program of the Tokyo Nature Conservation Ordinance.
Greening rate (%) = (Rooftop green area + Ground green area) / (Site area - Building area + Usable rooftop area) x 100



Greenery plan for TOKYO MIDTOWN HIBIYA



Parkview Garden

TOKYO MIDTOWN HIBIYA



Sky Garden

Preserving and Creating Wildlife Habitats

The neighborhood of Tokyo Midtown (Minato-ku, Tokyo) is a redevelopment of a former Japan Defense Agency (JDA) site in Roppongi. Approximately 140 trees remaining on the former JDA site were preserved and transplanted, and in combination with the adjacent Hinokicho Park (Minato-ku) approximately 40% of the development area (roughly 4 hectares) forms a richly green open space, for a green area about 2.7 times that during the JDA era. In Tokyo Midtown, birds of 6 orders, 18 families and 25 species, which are listed on the Red



Wild Bird Handbook for Tokyo Midtown

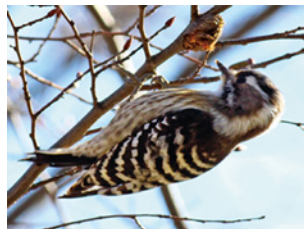


Green space in Tokyo Midtown (Midtown Garden)

List of Important Wildlife Species for Protection by the Tokyo Metropolitan Government, have been confirmed. Moreover, within the premises, a handbook introducing the wild birds discovered in the survey is available for visitors to look at.



Japanese Pied Wagtail (lawn)



Japanese Pygmy Woodpecker (tree)



Barn Swallow (sky)



Eastern Spot-Billed Duck (water)

Wild birds living in Tokyo Midtown

Restoring Wildlife Habitats

The resort hotel NEMU RESORT (Shima City, Mie) is located in Ise-Shima National Park, which overlooks Ago Bay. Large parts of the tidal wetlands and seaweed beds in Ago Bay have been lost, and efforts to restore the tidal wetlands and seaweed beds, and thereby rejuvenate a flourishing ocean, are moving forward through a joint project by industry, government, academia, and the local community. At the NEMU RESORT, a project has been underway since fiscal 2012 to restore a roughly two-hectare coastal plot of open land in the park (abandoned agricultural land) as a tidal wetland, and after restoration we are checking habitation by wildlife such as Flathead Grey Mullet, Japanese Black Seabream, and Japanese Intertidal Crab. At AMANEMU (Shima City, Mie) which opened in March 2016, a pre on-site vegetation survey was carried out based on the REFOREST development concept (reclaiming nature on land damaged in the past by repeated development and deforestation). Based on the results, we selected the principal trees of existing forests on the site, and carried out priority planting starting from locations artificially developed with no trees, such as lawns. In this way, we worked to restore the forest in harmony with the natural environment of the region.

River and Waterside Regeneration

In Nihonbashi, which the Mitsui Fudosan Group has positioned as an important redevelopment area, we are planning five redevelopment projects with a total area of 6.7 hectares (approx. 20,000 tsubo) and total floor space of approx. 370,000 tsubo along the Nihonbashi River. River and waterside regeneration is one of the priority initiatives of this plan. We will create a water area and pedestrian network as well as contribute to viable biodiversity.



Provision of Venues and Opportunities for Activities in Touch with Nature

At the resort hotel NEMU RESORT (Shima City, Mie), we offer programs to experience nature such as Bird Watching Strolls and Satoyama Nature Tours, led by dedicated nature specialists and guides. We also offer programs to experience nature at HAIMURUBUSHI (Yaeyama District, Okinawa) such as Nighttime Park Tours, scuba diving, and snorkeling.

Certification System for Biodiversity

Harumi 5-chome West District Type 1 Urban Redevelopment Project (HARUMI FLAG, one of the largest comprehensive development projects in Tokyo) has acquired four environmental certifications including ABINC, a certification related to biodiversity.

⇒ <https://www.mitsufudosan.co.jp/corporate/news/2018/1129/download/sumami/20181129.pdf>

(Japanese version only)

*About the ABINC certification

The ABINC certification system aims to promote coexistence between nature and people in corporate activities. Based on guidelines created by Japan Business Initiative for Biodiversity, ABINC (Association for Business Innovation in harmony with Nature and Community) evaluates and certifies corporate initiatives to preserve biodiversity, such as the creation, management, and use of green spaces.

⇒ <https://www3.abinc.or.jp/>

(Japanese version only)

⇒ <http://jbib.org/english/>

Implementation of Biodiversity Risk Assessments

When carrying out a new development project, the Group confirms the presence of trees, forests, and other elements of the natural environment that should be preserved on development sites, and we preserve, transplant, or conserve trees, forests and other natural features when needed. In developing regions with many natural areas, we assess environmental impact on plants, animals, and ecosystems based on laws, regulations, and ordinances relating to environmental impact assessments and protection of the natural environment.

Policy

As a corporate group supporting office buildings, housing, and other infrastructure necessary for daily life, the Group recognizes its social responsibility to reduce its environmental impact and conserve the environment to an even higher standard. To accomplish this, we believe efforts should be made throughout the entire supply chain to promote environmentally friendly, sustainable procurement. We have formulated Sustainable Procurement Standards summarizing basic guidelines in this area. We disclosed these standards and have notified our main business partners. Our Sustainable Procurement Standards specify environmental guidelines, as well as basic guidelines on nine items—including compliance with laws and regulations and respect for human rights relating to labor—as standards to be complied with or actively promoted by both the Group and its suppliers. These also take into account the areas in which we request cooperation to implement the Sustainable Procurement Standards. The idea is to share these standards within the Group, build and operate an ordering and contract process in line with the nature of its business, and also notify and request the understanding of its business partners. To realize a sustainable society, we will work to promote environmentally friendly sustainable procurement throughout our supply chain.

Procurement Standards for Environmental Awareness

(Excerpt from the Mitsui Fudosan Group's Sustainable Procurement Standards)

7. Consideration for the Environment

Companies shall proactively address global environmental issues such as resource depletion, climate change, and environmental pollution, while also considering local environmental issues to ensure the health and safety of the people in the communities involved.

7.1 Addressing climate change

Companies shall work continuously to reduce their energy consumption and greenhouse gas emissions by striving to improve energy efficiency and introduce renewable energy.

7.2 Efficient use of resources and waste management and reduction

Companies shall comply with laws and regulations and engage in appropriate waste management. They shall also pursue reduction, reuse, and recycling in order to ensure resources are efficiently used and minimize the generation of waste.

7.3 Prevention of pollution and management of chemical substances

Companies shall comply with relevant laws and regulations and implement appropriate measures to reduce the release of hazardous substances into the air, water, soil, etc.

In addition, companies shall manage hazardous chemical substances in order to ensure that they are identified, labeled, handled safely, transported, stored, used, recycled or reused, and disposed of in compliance with laws and regulations.

7.4 Reduction of water usage

Companies shall comply with laws and regulations, monitor the sources, uses, and discharge of the water used, and conserve water.

7.5 Conservation of biodiversity

In order to conserve the natural environment and ecosystems where diverse organisms live, companies shall work to reduce negative impacts of their business activities on them.

7.6 Provision of environmentally-friendly products and services

Companies shall be proactive in providing environmentally-friendly products and services. They shall also comply with all laws and regulations and customer requirements regarding chemical substances contained in products.

For details on the Group's Sustainable Procurement Standards, see Policy under Supply Chain Management.

Policy

As the international movement on environmental and social issues accelerates, further substantial efforts are required to achieve a decarbonized society. Sustainable finance to support the realization of such a society is becoming increasingly important. By proactively engaging in sustainable finance, we intend to raise more awareness of the Group's policy among a wide range of stakeholders and promote the diversification of financing and the realization of a decarbonized society.

Establishment of Framework

Sustainability Linked Loan Framework

Features of the Framework

The Sustainability Linked Loan (SLL) Framework is a comprehensive SLL framework that uniformly defines SLL requirements such as sustainability performance targets (SPTs), applicable interest rates, and reporting. This will allow us to universally apply the framework to each financial institution's standard loan agreements in individual transactions, making it easier for both us and financial institutions to engage in SLL.

We compiled our SLL Framework, with the assistance of Sumitomo Mitsui Banking Corporation, our sustainability coordinator, in line with the Sustainability Linked Loan Principles (May 2021 edition)-jointly published by international financial organizations the Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA)-and Japan's Ministry of the Environment's Sustainability Linked Loan Guidelines (2020 edition). To verify conformity with these, we acquired a second opinion from a third-party body, Rating and Investment Information, Inc. (R&I).

Second Opinion (Japanese only)

⇒ https://www.r-i.co.jp/news_release_suf/2022/01/news_release_suf_20220114_jpn_01.pdf

Green Finance Framework

Features of the Framework

We have formulated the Green Finance Framework as we look to issue green bonds and execute green loan flexibly.

The framework has set both domestic and global environmental certifications as eligibility criteria, allowing for investment in both domestic and global projects.

We have established our Green Finance Framework in line with the Green Bond Principles 2021 administered by the ICMA (International Capital Market Association) Green Bond Guidelines 2020 established by Japan's Ministry of the Environment, four core components of the Green Loan Principles 2021 jointly administered by LMA (Loan Markets Association) and APLMA (Asia Pacific Loan Market Association) and the Green Loan and Sustainability Linked Loan Guidelines 2020 established by Japan's Ministry of the Environment. We obtained a second-party opinion (SPO) from Sustainalytics as an external reviewer.

Green Finance Framework

⇒ https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/pdf/2021/greenbond_eng.pdf

Second-party opinion

⇒ https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/pdf/2021/greenbond_spo_eng.pdf

Sustainability Linked Loan

As SPTs, we have set ourselves the target of reducing greenhouse gas emissions (in Scopes 1 and 2) for the entire Group by 46.2% compared to FY2019 levels by FY2030, which we announced in the Group Action Plan to Realize a Decarbonized Society we formulated in November 2021.

To see our Group Action Plan to Realize a Decarbonized Society, please click the link below.

⇒ https://www.mitsuifudosan.co.jp/english/esg_csr/carbon_neutral/

FY2022 Achievements

Total number of executions	Total Execution amount
2	¥15 billion

As of September 30, 2022

FY2021 Achievements

Total number of executions	Total Execution amount
12	¥69 billion

Green Finance

We proactively engage in green loan and green bond by utilizing green projects that meet the eligibility criteria set forth in the Green Finance Framework.

Allocation Report

Green Loan

Name of project	Time and Amount financed		Time and Amount allocated		Amount unallocated
Tokyo Midtown Yaesu	2022/9	¥8 billion	2022/9	¥8 billion	¥- billion
	2022/8	¥30 billion	2022/8	¥30 billion	
Tokyo Midtown Hibiya	2022/9	¥8 billion	2022/9	¥8 billion	¥- billion

Green Bond

Name of project	Time and Amount financed		Time and Amount allocated		Amount unallocated
Tokyo Midtown Yaesu	2022/7	¥80 billion	2022/9	¥80 billion	¥0 billion
50 Hudson Yards	2022/1	\$ 300 million	2022/1	\$ 300 million	\$- million
Nihonbashi Muromachi Mitsui Tower	2019/9	¥50 billion	2019/9	¥50 billion	¥0 billion

Allocation Review

We obtained an Allocation Review from Sustainalytics, an external reviewer, on our compliance with the eligibility criteria set forth in the framework for each use of funds and on the status of proceeds' appropriation.

Tokyo Midtown Yaesu

⇒ https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/pdf/2022/greenbond2022_greenloans2022_annualreview2022_yaesu_eng.pdf

50 Hudson Yards

⇒ https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/pdf/2022/greenbond2022_annualreview2022_50hudsonyards_eng.pdf

Nihonbashi Muromachi Mitsui Tower

⇒ https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/pdf/2022/greenbond2019_annualreview2022_nihonbashi_eng.pdf

Tokyo Midtown Hibiya

⇒ https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/pdf/2022/greenloan2022_annualreview2022_hibiya_eng.pdf

For more information on management assertion, please see the link below.

Tokyo Midtown Yaesu

⇒ https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/pdf/2022/assertion_on_allocation_of_proceeds_yaesu_eng.pdf

50 Hudson Yards

⇒ https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/pdf/2021/assertion_on_allocation_of_proceeds_eng.pdf

Impact Report

To be published from FY2023 onward

Introduction to Green Projects

Tokyo Midtown Yaesu

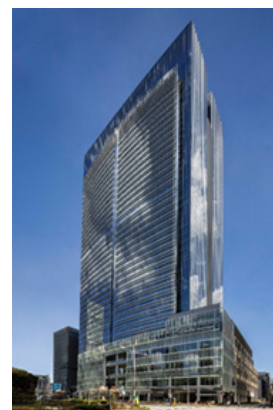
Tokyo Midtown Yaesu is the first of the large scale, mixed-use redevelopment projects under way in three areas around Tokyo Station. As for environmental certification, Tokyo Midtown Yaesu has received Highest (S) Rating under Japan's CASBEE-architecture certification for new buildings, and plans to obtain either the Highest (Five-Star) or the Second-Highest (Four-Star) Ratings in DBJ Green Building Certification. A-1 block. Based on the 2016 self-evaluation. In addition, as a way to utilize green energy to realize a carbon-free society, Mitsui Fudosan will launch the "Green Energy Supply Service" in respond to the needs of tenants. The service provides tenants with green energy with environmental value of "Non-fossil Fuel Energy Certificates with Tracking" that is derived from the five solar power generation facilities owned and developed by Mitsui Fudosan.

< Property >

Location	Yaesu 2-Chome, Chuo-ku, Tokyo, others
Structure	45 floors above ground, 4 floors below ground
Total Floor Area	Approx. 283,900 m ²
Purpose	Offices, retail facilities, hotel, elementary school, bus terminal, parking spaces, etc.
Schedule	Construction completed in August 2022

A profile of Tokyo Midtown Yaesu is available at:

⇒ https://www.mitsuifudosan.co.jp/english/corporate/news/2022/0915_01/



50 Hudson Yards

50 Hudson Yards is an office building development project in Manhattan, New York, which Mitsui Fudosan Co., Ltd. is participating in through its U.S. subsidiary Mitsui Fudosan America, Inc. The building is well-situated with direct access to 7 Train from the 34th Street Hudson Yards subway station, with a park in front of the entrance. This state-of-the-art office building will feature the large floor plates preferred by a wide range of tenants, several dedicated lobby areas envisaged to address the needs of large-scale tenants using the building for their headquarters, as well as other appealing features including a porte cochere, rare for Manhattan, and a parking garage. It also has leading-edge environmental performance, and is seeking LEED GOLD certification.

< Property >

Location	50 Hudson Yards, New York, NY
Structure	58 above ground and 3 below
Total Floor Area	Approx. 2,842,000ft ² (Approx. 264,000m ²)
Purpose	Offices and commercial facilities
Schedule	Construction completed in August 2022

A profile of 50 Hudson Yards is available at:

⇒ https://www.mitsuifudosan.co.jp/english/corporate/news/2019/1115_01/#outline



Nihonbashi Muromachi Mitsui Tower

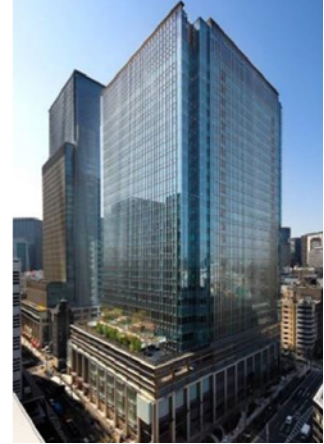
Nihonbashi Muromachi Mitsui Tower is a flagship project of Stage 2 of the Nihonbashi Revitalization Plan; it is a large-sale, mixed-use facility with the key concepts of industry creation, neighborhood creation, community cohesion, and renewal of an aqua metropolis. The Nihonbashi Smart Energy Project will supply power and heat to the Nihonbashi Muromachi Mitsui Tower, saving energy and reducing CO₂ emissions by effective utilization of energy, as well as providing disaster resilience.

< Property >

Location	3-2-1 Nihonbashi Muromachi, Chuo-ku, Tokyo
Structure	26 above ground and 3 below
Total Floor Area	Approx. 168,000 m ²
Purpose	Offices, commercial facilities, parking spaces, etc.
Schedule	Construction completed in March 2019

A profile of Nihonbashi Muromachi Mitsui Tower is available at:

⇒ https://www.mitsuifudosan.co.jp/english/corporate/news/2019/0730_01/#outline



Tokyo Midtown Hibiya

Tokyo Midtown Hibiya is a large-scale complex consisting of offices, commercial facilities, and business collaboration centers. As a project that will play a central role in the "international business/arts and culture urban development" of the Hibiya area, it was developed to support the creation of new industries and to disseminate arts and culture in cooperation with Hibiya Park and other theaters and cinemas in the area. Aiming at the further evolution of its mixed-use facilities, Tokyo Midtown Hibiya has been proactively introduced new technologies and services since its completion and opening to help solve social issues related to health management, the environment and energy, and other areas, continuing the challenge of urban development for the future. As these progressive initiatives were highly rated, It was awarded a five-star rating, the highest given, from the DBJ Green Building certification program.

< Property >

Location	Yurakucho 1-Chome, Chiyoda-ku, Tokyo
Structure	35 above ground and 4 below
Total Floor Area	Approx. 189,000 m ²
Purpose	Offices, shops, cultural exchange facilities, industrial support facilities, parking lots, etc.
Schedule	Construction completed in February 2018

A profile of Tokyo Midtown Hibiya is available at:

⇒ https://www.mitsuifudosan.co.jp/english/corporate/news/2021/0511_02/



News Release of Sustainable Finance

July 8th, 2022

Mitsui Fudosan Issues ¥80 Billion in Biggest Green Bond Deal in Japan's Real Estate Industry

The Net Proceeds will be Allocated to Invest in Tokyo Midtown Yaesu,

Promoting Sustainable Finance towards Decarbonized Society

⇒ https://www.mitsuifudosan.co.jp/english/corporate/news/2022/0708_01/download/20220708_01.pdf

January 14th, 2022

– The Promotion of Sustainable Finance –

Mitsui Fudosan establishes Green Bond Framework and Sustainability-Linked Loan Framework

⇒ <https://www.mitsuifudosan.co.jp/english/corporate/news/2022/0114/download/20220114.pdf>

September 6th, 2019

– A Measure to Accelerate the Mitsui Fudosan Group's Promotion of ESG Management –

Conditions Determined for Mitsui Fudosan's Green Bond

⇒ <https://www.mitsuifudosan.co.jp/english/corporate/news/2019/0906>

Refer to the ESG data at the end of this report for the following social-related data.

Health and Safety

- Health Checkup and Screening Rate
- No. of Employees Attending Seminars on Health and Safety Standards
- Number of Office Buildings with OHSAS 18001 Certification
- Average Annual Salary Paid by the Company

Labor Standards and Practices

- Group Employment Situation (Number of Employees by Business Segment)
- Employment Situation at Mitsui Fudosan (Employee Composition/ Employee Composition by Age/ Trends in Number and Percentage of Male and Female Regular Employees/ Trends in New and Departing of Regular Employees)

Diversity & Inclusion

- Quantitative Goals and achievement status
- Number of Paid Leave Days Taken
- Number of Employees Taking Childcare Leave and Childrearing-Father Training Leave (men's childcare leave)
- Return Rate of Employees Taking Childcare Leave
- Employees Taking Family Care Leave
- Return Rate of Employees Taking Family Care Leave
- Employment of People with Disabilities

Human Resources Management

- Time Spent Developing Employee Abilities
- Environmental Education Activities
- Cumulative Total of Employees Who Have Taken and Passed the Eco Test

Community

- Record of Social Contribution Activities

Society

Policy

The Company regards the health and safety of its employees as an important management issue that is essential for diverse members of the workforce to realize their full potential, to continue to improve the Company's competitiveness and to achieve sustained growth. We are working actively to maintain and promote employee health while striving to establish a workplace environment where employees can work energetically in accordance with their respective lifestyles.

Health and Productivity Management Declaration

1. Our progressive spirit and attitude of flexibly tackling tough challenges forms the basis for our approach of supporting individual employees' efforts to create new value from the sidelines via health and productivity management, and we will tie that in to the Company's sustainable growth.
2. We will actively invest in our employees' physical and mental well-being, and promote the creation of workplaces where diverse personnel are excited to work.
3. Through urban development, we will work to maintain and promote health in the region and in wider society. Equally, we will use health and productivity to resolve the issues that society is facing, to contribute to a healthier, richer future.

Management System

The Company is making progress with efforts relating to employee health and safety, which are overseen by the Director in Charge of Personnel. We regularly report to management regarding employee health issues or matters such as working hours, create proposals for how to make improvements and, through discussions with health insurance associations, we check and analyze employees' health issues and periodically hold consultations concerning improvement measures. We have established a specialized organization responsible for maintaining and promoting employee health: the Health Management Center. We are also working to achieve goals such as improving the rate at which employees undergo periodic health or stress checkups. We have also set up a Health Consultation Service where employees can discuss health issues freely, and in partnership with the Personnel Department, industrial physicians, public health nurses, and licensed psychologists, we are striving to improve the working environment and the physical and mental health of employees.

In meetings with our labor unions, we exchange and coordinate views based on a shared understanding that employee health and safety are important issues.

Board of Director Oversight

Activities relating to employee health and safety, and occurrences of accidents or occupational injuries, are reported to the Board of Directors, and the Director in Charge of Personnel provides management and oversight.

Procurement Standards to Ensure the Health and Safety of Employees and Outside Suppliers(excerpt from the Group's Sustainable Procurement Standards)

2. Respect for Human Rights Related to Labor

- Respect for basic human rights, freedom of association and collective bargaining rights
- Pay at least minimum wage and ensure health and safety
- Do not engage in child labor or forced labor
- Reduce excessive overtime work and prevent overwork
- Ban discrimination and ensure equal opportunity for workers
- Comply with countries' laws and regulations and standards in relation to the aforementioned items when conducting business

For details on the Group's Sustainable Procurement Standards, see Policy under Supply Chain Management.

Goals and Progress

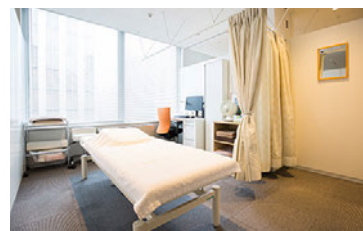
The Company has set health checkup and screening rate goals to help maintain employee health, and we are steadily expanding efforts to improve this rate.

Major Initiatives

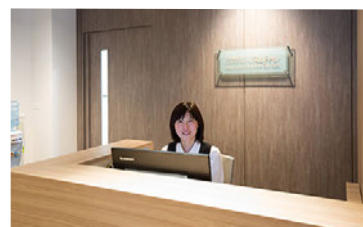
Stress Check

Through stress check tests by MS&AD InterRisk Research & Consulting, Inc., an outside specialist organization, the Company periodically monitors the mental health of employees, linking these results with efforts to realize improvements.

- In addition to carrying out yearly health checkups, we also offer thorough health screening for all employees over 35 and their spouses, gynecological exams for female employees and the spouses of male employees, and leave to undergo thorough health screening.
- We are also working to ascertain employees' working situation, and physical and mental health status, through annual personal interviews between Personnel Department staff and all employees, as well as through stress checks, interviews with an industrial physician for overworked employees, and other programs.
- To help employees recover from fatigue and maintain physical/psychological balance, we have established Refre, a facility where a massage specialist is always on duty and they can refresh themselves with a massage or a nap.



Refreshment Room



Refre reception desk

Excellent Enterprise of Health and Productivity Management

The Company affirms the principles of the Excellent Enterprise in Health and Productivity Management Certification System promoted by the Ministry of Economy, Trade and Industry, and we obtained certification as an outstanding enterprise in 2017 in recognition of our efforts to maintain and promote the health of our employees. This system recognizes small, medium and large enterprises and other organizations that practice health management with particular excellence, based on efforts to respond to local health issues, and to improve health promoted by Nippon Kenko Kaigi. In recognition of our active engagement in health management, the Company was certified as an Excellent Enterprise of Health and Productivity Management 2022 (ranking among the top 500 enterprises, known as the White 500) in the large enterprise category.



Excellent Enterprise in Health and Productivity Management System

This system is for commending large firms, small and medium-sized enterprises, and other corporations which practice health management with particular excellence, based on efforts responding to local health issues, and efforts to improve health promoted by the Nippon Kenko Kaigi. (Excerpt from home page of the Ministry of Economy, Trade and Industry)

Seminars on Health and Safety Standards

The Company provides training every year on health and safety for new employees and newly appointed executive managers.

Policy

The Group respects basic human rights, as well as worker's rights in countries and regions where we do business, and complies with the laws and regulations in each country and region where we conduct business. Also, we support and respect the basic rights for workers set out in the ILO Declaration on Fundamental Principles and Rights at Work. The following labor principles are set forth in this declaration.

- Freedom of association and the effective recognition of the right to collective bargaining
- Elimination of all forms of forced or compulsory labor
- Effective abolition of child labour
- Elimination of discrimination in respect of employment and occupation

Furthermore, we pursue methods to ensure that basic human rights are respected in countries and regions that do not adhere to internationally-recognized basic human rights.

Communication of Corporate Policy on Labor Standards

Our Group translates basic policy on labor management into English, and strives to ensure a common framework with employees and local staff working at business locations overseas.

Internships and Employment of People with Disabilities

The Company provides internships for students as an opportunity to improve the quality of their career options. We make a public appeal to undergraduate and graduate students, and accept more than 150 students annually. First Facilities Challenged Co., Ltd. is a special subsidiary of Mitsui Fudosan Facilities Co., Ltd., established in 2006 based on the Act on Employment Promotion etc. of Persons with Disabilities. The Company promotes employment of persons with disabilities and provides them with work experience opportunities. In addition, the Company aims to raise the employment rate of people with disabilities to 2.3%, and has established a Challenged Center in its Personnel Department, composed of employees with intellectual disabilities as well as full-time advisors, that promotes employment for people with disabilities.

Our Efforts Relating to Equality of Opportunity to Work and to Harassment

The Company has established a Code of Employee Conduct with regard to human rights, and we fulfill our social responsibility regarding human rights problems actively and voluntarily. As an organization for promoting correct understanding and recognition of human rights problems among all employees, we have established the Fair Employment Screening and Human Rights Awareness Raising Committee.

The primary role of the committee is education and guidance, formulating and implementing training plans, investigative research, and supervision, communication, and coordination of issues relating to human rights problems. Specifically, we are implementing educational activities continuously to promote awareness of sexual harassment, abuse of power, other types of harassment, and discrimination. We have also established harassment consultation services inside and outside the company that are available by telephone 24 hours a day. Moreover, each Group company organizes a Fair Employment Screening and Human Rights Awareness Raising Liaison Conference to raise awareness of human rights issues across the Group, and we are actively hiring people with disabilities, local people overseas, and non-Japanese in Japan. In addition, we are continuously working to improve understanding and awareness regarding human rights through initiatives such as holding human rights awareness training for all Company employees.

Our Efforts for Labor Issues

Support for a Living Wage

We conduct labor management while abiding by the labor laws and regulations of each country. In terms of wages, we have adopted a basic policy of not only following rules on minimum wages in each country, but also paying wages that exceed those requirements.

System Enabling Dialogue between Labor and Management

The Company works to ensure unity between labor and management by maintaining a framework for dialogue between employee representatives and Company management in which they meet several times a year to discuss the appropriateness of work environments and work conditions. We also exchange views and coordinate based on the shared understanding that employee health and safety is an important issue.

Preventing Child Labor and Forced Labor

The Group has never used child or forced labor. Also, to guarantee that none is used in the future, we ensure that each business location thoroughly complies with the laws and regulations of its host country, and conduct regular monitoring. In the unlikely event that such a violation is suspected to have occurred, we have also established a whistle-blower contact point that employees can report to.

Reducing Excessive Working Hours and Overtime

The Company has formulated a clear policy and is working to reduce excessive working hours and overtime, as follows.

- Monitoring working hours and conducting interviews with employees
- Notifying both employees and their direct supervisors when they are in danger of overwork
- Utilizing a computer-usage time control system

Sexual Orientation


To prevent discrimination against LGBTQ (sexual minorities), the Company is making the following efforts.

- We have established Internal regulations to enable employees with same-sex partners to apply for and use various company programs that cover spouses, family members, etc.
- We have stated clearly in the Mitsui Fudosan Group Compliance Policies that discrimination on the grounds of sexual orientation is prohibited and inform all employees of this.
- Our harassment consultation services provide consultation on harassment relating to LGBTQ.
- We have formulated a set of Universal Design Guidelines which conform to relevant ordinances, etc.



Diversity & Inclusion Declaration and Initiative Policy

Diversity & Inclusion Declaration

The  logo adopted by the Group as a management philosophy represents the principles of coexisting in harmony with society, linking diverse values, and achieving a sustainable society.

As a real estate developer, the driver of our efforts to continuously provide new value is a major asset of ours—our people. Therefore, we have positioned the promotion of diversity and inclusion as one of our most vital management strategies, and the Group is coming together as one to create an organization in which personnel with diverse values, capabilities, and lifestyles can demonstrate each to the best of their abilities.

Diversity & Inclusion Initiative Policy

Our passionate, capable employees have a diverse range of skills, experiences, and values; as such, we are working to ensure an environment where they can demonstrate their individual abilities to the upmost, and recognize one another as individuals, evaluated fairly regardless of their race, nationality, religion, sex, age, presence or not of disability, gender identity, sexual orientation, or other characteristics. To this end, we are promoting workstyle reforms and enhancing our human resources system so as to raise organizational productivity and our employees' work-life balances. We have made promoting female participation a key theme, and set ourselves groupwide quantitative goals and qualitative action plans, and we will formulate various measures to promote this as a united Group.

Diversity & Inclusion Promotion Framework

Under our Management' s Commitment, the Director in Charge of Personnel bears ultimate responsibility for ensuring diversity- and inclusion-related initiatives are pushed forward with the Personnel Department' s D&I Promotion Office at their heart, with knowledge input from inside and outside the Group. Diversity and inclusion is a major theme in ESG activities. Reports of our activities, policies for each fiscal year, and other matters are discussed and formulated by the Board of Directors. Furthermore, we are promoting this topic as a united Group, and share policies at meetings at which group company presidents are present, as well as periodically convening the Diversity & Inclusion Promotion Council .

Promoting Active Roles for Women

We have set ourselves groupwide quantitative goals and qualitative action plans, and we will formulate various measures to promote female participation as a united Group.

Our efforts will be focused on the following two points:

1. We will create an environment where people want to work long-term, where everyone can respect each other's values and lifestyles, including whether they care for children or others, regardless of gender
2. By promoting female participation, we will change awareness within the organization and raise those female employees' motivation and support their career development

To achieve these, we have formulated the following eight measures, and the Group will work as one to put them into practice.

1. We will create an environment where people want to work long-term, where everyone can respect each other's values and lifestyles, including whether they care for children or others, regardless of gender

- (1) Changing awareness throughout the organization and among managers (unconscious bias training, etc.)
- (2) Supporting childcare and leave to care for others (system enhancement , training, paternity leave promotion, etc.)
- (3) Developing a return entry system
- (4) Forming flexible workstyles that cater to individual positions and fields

2. By promoting female participation, we will change awareness within the organization and raise those female employees' motivation and support their career development

- (5) Changing awareness throughout the organization and among managers (diversity and inclusion training, etc.)
- (6) Developing mentor/sponsor systems for female employees
- (7) Forming a working group to promote female participation
- (8) Holding in-house events to encourage interaction

As well as the measures detailed above, we will launch a Network and Grow Project as a joint group program for training and networking, and further accelerate groupwide initiatives.

An Environment Where People Want to Work Long-Term

To develop an environment where diverse personnel, whether male or female, can play an active role, we are working to change awareness throughout the organization and among our managers. To do this, we are implementing unconscious bias training and other measures for all our employees. Through efforts by members of the Personnel Department, such as discussions and individual interviews with all employees, we will grasp the circumstances that employees face and their hopes, and develop an environment and various systems, including those that support childcare and caring for others, accordingly.

Raising motivation and supporting career development

By conducting diversity and inclusion training, and other measures, for organization heads, we will promote female participation and change awareness throughout the organization as we offer female managers career development support via a mentor system and other initiatives. Moreover, the working group we set up to promote female participation provides proposals and exchanges, cross-meetings that allow young females in general positions to interact, and seminars by women in active roles, and is raising female employees' motivation and supporting their career development.



Diversity and inclusion training for organization heads (Mitsui Fudosan, with opening speech by the President)



Information exchange put on by the Diversity Management Promotion Project Team for employees on childcare leave (Mitsui Fudosan Retail Management)



Lecture and seminar (speakers included our former director and advisor on our female participation, Masako Egawa, and her introducer)

As a listed company that excels in the promotion of women's participation, we were jointly selected by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) for the "Nadeshiko Brand". The "Nadeshiko Brand" program aims to promote investment in and accelerate the efforts of listed companies that excel in "promoting women's participation" by showcasing them as attractive issues for investors who place importance on "improving corporate value over the medium to long term". The Company was selected in recognition of our various initiatives, including efforts to change the conduct and awareness of management, and development of a promotion system.


Selected as a constituent brand for the MSCI Japan Empowering Women (WIN) Select Index for five consecutive years
2022 CONSTITUENT MSCI Japan Empowering Women (WIN) Select Index

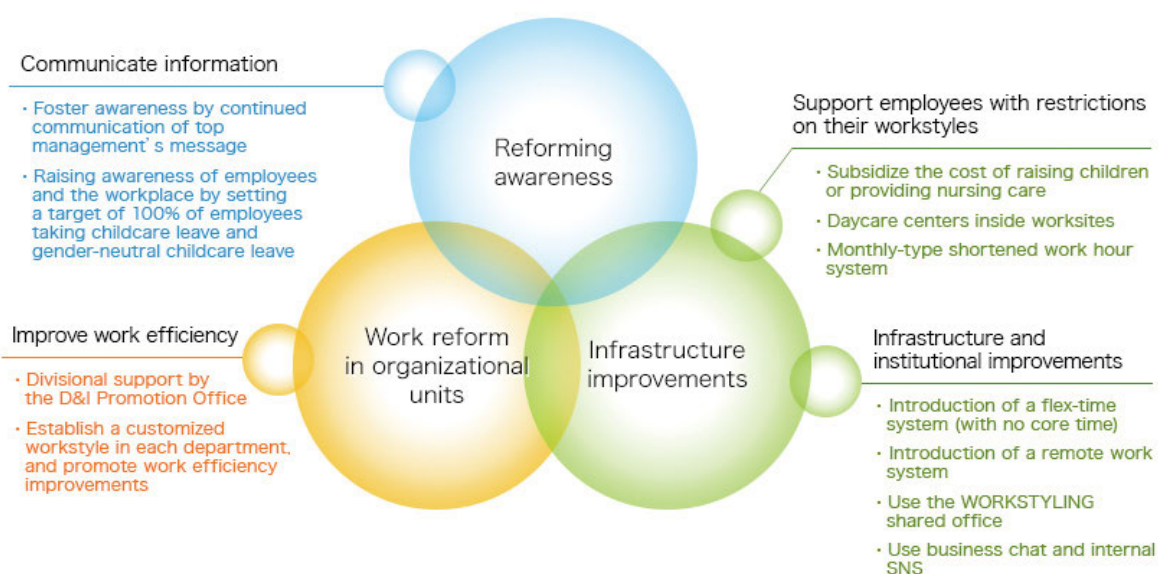
For more details, please follow the link below.

⇒ <https://www.mitsuifudosan.co.jp/corporate/hrm/women/>



Initiative Policy to Introduce Diverse Workstyles

The  logo adopted by the Group as a management philosophy represents the principles of coexisting in harmony with society, linking diverse values, and achieving a sustainable society. The Company takes workstyle reform as a key initiative, and is building an organization that allows personnel with diverse values, skills, and lifestyles to fully realize their individual capabilities. This will enable us to respond to dramatically changing social needs and create new value. In addition, Mitsui Fudosan is improving work efficiency in all business divisions, thereby reducing employee working hours, and promoting an optimal balance between life and work. We believe appropriate work-life balance ensures a more fulfilling private life for employees, and is very effective for encouraging self-improvement and balancing work with child or family care. As a result, a workplace environment is established enabling diverse employees to fully realize their individual abilities, and this helps us create superior value and achieve sustained growth for our Group.



Major Initiatives

Our Efforts to Support Work-Life Balance

Reforming Awareness

Utilize internal publicity/broadcasting and a D&I portal site to conduct educational activities and share expertise, including messages from top management.

Infrastructure Improvements

- Remote work system (no time limits, can work in shared office or at home)
- Utilize the WORKSTYLING Shared Offices provided by the Company
- Utilize a computer-usage time control system
- Flex-time system with no core time
- Return Entry System (system for re-employment after resignation)
- Refreshment Leave (5-10 days, and commemorative prize travel tickets award in recognition of a certain number of years worked)
- Cafeteria Plan (a benefit program that can be used by selecting from a variety of options such as self-development or leisure/travel)
- Family Day (a Company event held every year with family participation to help deepen ties between employees and their families)



Family Day

Work Reform in Organizational Units

The D&I Promotion Office supports each department's initiatives, establishes customized workstyles, and promotes work efficiency improvements.

Our Efforts to Support Childcare

- Childcare leave at birth (male employees)
- In-office nurseries
- Childcare leave system (for both male and female employees)
- Spouse maternity leave
- Subsidy system for babysitter and after-school childcare expenses
- Flex-time system for reduced working hours during childcare
- Childcare leave that can be used for up to three years, longer than the legally mandated period
- Childbirth and childcare interview system

Kurumin Certification

To support work balance for employees involved in childcare, we go beyond legally mandated programs, and provide programs such as in-office nurseries, childcare leave longer than the legally mandated period, and subsidies for the costs of raising children. In these and other ways, we are working to put in place an environment where it is easier to work, and employees can more fully realize their capabilities with peace of mind.



We acquired Kurumin certification from the Ministry of Health, Labour and Welfare in fiscal 2014

Our Efforts to Support Family Care

To support work-life balance of employees engaged in family care, we are developing an environment that includes a remote work system and a system for subsidizing the costs of family care. In addition, our Care Design Department, which supports lifestyles in later life, collaborates with the Personnel Department to hold Care Seminars for employees and their families, and offer care consulting courtesy of a qualified specialist in family care.

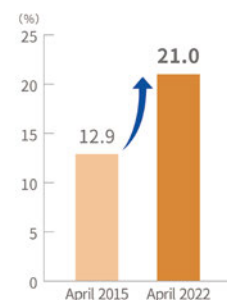
Recruiting Personnel from Diverse Backgrounds

To innovate the real estate business in the way we outline in our Group long-term vision, VISION 2025, there are a wide range of knowledge sets that we will need to bring together. As such, we are proactively recruiting mid-career human resources who have no experience in our industry or who were previously working in different fields.

We have put in place various training and mentoring systems that enable greater activity for diverse personnel with varied career histories and standpoint to demonstrate individuality based on their respective experiences and abilities.

Our aim is for these diverse personnel to work together and collaborate autonomously to produce new value and innovation.

Percentage of mid-career hires among regular employees



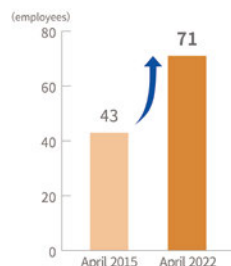
Recruiting and Training Global and IT Personnel

Two of the main aspects of our initiative policy in VISION 2025 are to innovate business models by harnessing real estate tech and dramatically grow the overseas business. Our focus now is on recruiting and training global and IT personnel that can support those goals.

As globalization continues, we aim to have overseas profit constitute 30% of our consolidated operating income in or around the year 2025. To that end, we have been actively recruiting foreign nationals and Japanese new graduates or mid-career employees with global experience. Further, we are striving to create global-oriented staff through measures such as mandating language learning over several months for younger employees, conducting specific language training for mid-level employees, introducing a one-year overseas internship program, and stints working overseas through job rotations.

We are also aware that digital transformation (DX) has had a major impact on conventional business, and to raise its real, applicable value, we are accelerating efforts to apply digital and real estate technologies. To do this, we are actively hunting down highly specialized mid-career individuals that will be an immediate asset to our ICT. We are also applying their capabilities to each of our business domains to spur innovation. In our existing businesses, we are conducting various types of training under the belief that all employees are needed to promote even further DX. We were also selected as a DX Stock 2022 by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

No. of employees stationed overseas



No. of strategic technical (IT) staff hired

As of April 2022

Cumulative total: 63



DX銘柄2022
Digital Transformation

Employment of Seniors

The mandatory retirement age of the Company is 65 years. We are working actively to provide employment and settings where older workers can continue to demonstrate their wealth of knowledge and experience.

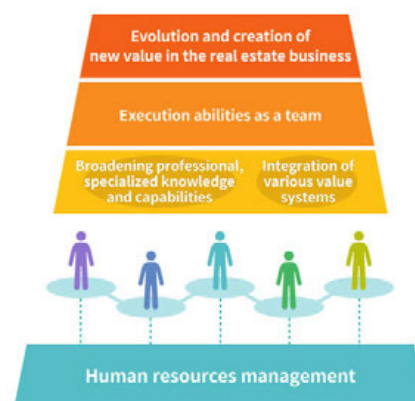
Employment of People with Disabilities

⇒ Please see the Labor Standards and Practices page

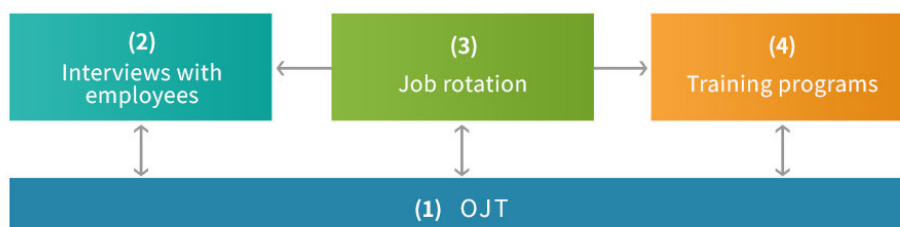
Policy

Under its Group Statement, the Company aims to bring affluence and comfort to urban living. Moreover, since its founding, the Company has inherited and nurtured a progressive spirit together with a free and open corporate culture, and used these as a driver for providing diverse, innovative solutions and services in connection with business and living. We see our people as an asset and the most important drivers in creating new value as a real estate developer. Our basic approach to human resource management is to treat each employee as an individual and create a stage on which they can hone their professional knowledge and abilities, increase their ability to create added-value, and transform team performance through the integration of diverse values and skills.

The Company aims to be a business and lifestyle solutions partner. To do so, Mitsui Fudosan is targeting the development of a diverse group of employees, who are able to make full use of their individual attributes, with both specialized and advanced business knowledge, and a broader perspective. To achieve this goal, we have adopted a basic policy on personnel development that broadens the capabilities of each individual by combining four opportunities for personnel development in accordance with the person's career.



Management System



(1) OJT

We provide On the Job Training through work on-site as the basis for personnel development. Through specific jobs in the workplace and communication between employees, we develop the capabilities necessary for job performance in a planned, continuous fashion.

(2) Interviews with employees

We emphasize face-to-face communication with each individual. As part of our system, we provide employees with numerous opportunities to consult/discuss their career and capability development with the Personnel Department or their department manager. Every year, the Personnel Department conducts individual interviews with each employee, and ascertains information on their problems, development environment, work situation, worries, and other issues. In this way we develop and support capabilities in accordance with the hopes and vision of each employee.

(3) Job rotation

We develop professionals with a wide range of specialties. We conduct job rotation every few years. Our aim is to develop employees and an organization which can adapt to an ever-changing environment, and this is achieved by further deepening the experience and knowledge of each employee through work experience in multiple areas, while bolstering expertise through focus on work the employee is in charge of.

(4) Training programs

Between level-based training and training that can be selected to cater to individual employees' personal roles, skills, or capabilities, and other measures, we have more than 100 diverse programs underway. So that everyone can voluntarily work to improve their own abilities, we are preparing application-based training that incorporates interaction between employees from different industries.

Examples of Training/Education for Employees' Personal Development

Training programs that involve the sharing of management awareness and corporate culture	MEET21 Training, Cross Expert Training, Diversity and Inclusion training, Career Entry Onboarding Training
Broadening/growth of capabilities and perspectives	Long-term Temporary Assignment Training Outside the Company, Cross Expert Training, MEET21 Training, Company-wide DX Training, IT Passport Examination Support
Improving work execution capability and specialization	Registered real estate broker training and various types of e-Learning and other distance learning courses
Broadening basic abilities as global personnel	Overseas trainee programs (English-speaking countries, Chinese-speaking countries), overseas management training, global training for young and midlevel employees
Fostering the mindset needed as a working adult	Sustainability training (which covers compliance, human rights awareness, harassment, the SDGs, etc.)
Deepening understanding as a member of an organization	New employee training, new employee development instructor training, follow-up training in 1st and 2nd years after joining the company, and training for newly appointed executives

In addition to the above, to support career visions based on employees' diverse values, we are putting in place a number of systems, including a personal statement system related to changing official duties or wishes to change department, and a system to allow contract employees to become regular employees.

Going further, to deepen understanding of our businesses, one of our initiatives aimed at expanding experience in business domains separate from our existing businesses, we are looking to establish systems that include a business proposal system, a side-job system to help create innovation and make a social contribution, a leave system whereby employees can take time to study at graduate school, and a graduate school tuition fee subsidy system. In these ways, we will promote the fostering of issue-resolution capabilities and the ability to create added-value in this very changeable business environment.

Development of Global Personnel

Rapid growth in our overseas business is a key element of our management strategy, and the market in Japan is becoming more and more globalized. We are therefore working to enhance overseas assignment training and language programs to develop human resources who can act on the global stage.



Training/Education

- Assignment for International Language Training (Global Training for Young and Mid-Level Employees): To build language skills, the ability to cope with different cultures, and international connections, we assign young employees (as a rule, all employees) and mid-level employees to overseas training for periods of 2-8 weeks.
- Trainee System: We have an international trainee system for internships and language training in Europe, the USA, and Asia, for periods of 6 months to one year. Different employees are assigned to this program every year.
- Compliance Training: Compliance training covering issues such as preventing corruption is held regularly at international locations for employees of local subsidiaries and local staff.



Overseas Language Training



Trainee System

Environmental Training and Education

As a part of its environmental efforts, the Company trains and educates its employees about the environment while also providing eco tours (tours of environmentally advanced facilities, etc.) and other activities to increase their interest in the environment.

Environmental Training and Education

Each year, the Company conducts afforestation training for employees at forests owned by the Group in Hokkaido. We also continue to carry out forest conservation work in collaboration with the staff of the Tokyo Metropolitan Government Bureau of Waterworks at Mitsui Fudosan &EARTH FOREST TOKYO, a forest for water resource conservation in Tokyo.

Group companies are also carrying out their own environmental training and education. Mitsui Fudosan Facilities Co., Ltd. provides environmental training for new employees and offer existing employees environmental training via e-Learning, as well as eco tours and other training. Mitsui Fudosan Residential Lease Co., Ltd. and Tokyo Midtown Management Co., Ltd. provide environmental education.



Afforestation training
(Mitsui Fudosan)



Eco Tour
(Mitsui Fudosan Facilities Co., Ltd.)

Eco Test

The Group encourages its employees to take the Certification Test for Environmental Specialists (Eco Test) administered by the Tokyo Chamber of Commerce and Industry. Mitsui Fudosan Facilities Co., Ltd. and Tokyo Midtown Management Co., Ltd. have made the Eco Test a required certification.

In addition, Mitsui Fudosan Co., Ltd., Mitsui Fudosan Facilities Co., Ltd. and Mitsui Fudosan Residential Lease Co., Ltd. are identified as companies that promote the Eco Test on the Eco Test information site of the Tokyo Chamber of Commerce and Industry.

Policy

The Group respects basic human rights and complies with the laws and regulations concerning worker's rights in each country where we conduct business. We also support and respect the basic rights for workers set out in the ILO Declaration on Fundamental Principles and Rights at Work. The Group complies with applicable laws and regulations in each country and region where we conduct business.

1. Policy Prohibiting Discrimination

We will eliminate all discrimination on the grounds of race, nationality, religion, sex, age, disability, or sexual orientation.

2. Policy Prohibiting Harassment

We will not tolerate any form of harassment, including sexual harassment or abuse of power.

3. Policy to Prevent Child Labor or Forced Labor

We will not permit child labor or forced labor. The Group has never used child or forced labor. To ensure that none is used in the future, we ensure that each business location complies thoroughly with the laws and regulations of its host country and conduct regular monitoring. In the unlikely event that such a violation is suspected to have occurred, we have also established a whistle-blower contact point that employees can report to.

4. Policy to Support Freedom of Association and the Right to Collective Bargaining

We respect freedom of association and the right to collective bargaining.

5. Policy Supporting Rights to a Minimum Wage and Living Wage

The Group conducts labor management while abiding by the labor laws and regulations of each country. In terms of wages, we have adopted a basic policy of not only following rules on minimum wages in each country, but also paying wages that exceed those requirements.


6. Principles and Procedures for Community Investment


The Group carries out business activities that do not infringe on human rights, either inside or outside Japan, by ensuring respect for the human rights of all stakeholders, including local residents and children. Through neighborhood creation, we are striving to form communities and create opportunities for interaction between diverse human resources, ultimately leading to new markets and employment. In this way, we offer various forms of value to the communities where we conduct business. By participating in and funding area management organizations, we invest in local communities, and work to increase the value of real estate.

Furthermore, we pursue methods to ensure that basic human rights are respected in countries and regions that do not adhere to internationally-recognized basic human rights.

The Group has established the Mitsui Fudosan Group Human Rights Policy as detailed below, and is promoting human rights-related initiatives. In addition to this policy being publicly disclosed in our ESG Report, it can also be found via our internal portal and as well as raising awareness within the Group through training and other measures, we have established our Sustainable Procurement Standards based on this policy. We are also promoting human rights due diligence for the supply chain in accordance with the UN's Guiding Principles on Business and Human Rights.

Mitsui Fudosan Group Human Rights Policy

Seeking to coexist in harmony with society, link diverse values, and help build a sustainable society, as symbolized by its "  " corporate logo, the Mitsui Fudosan Group strives to help build a society of abundance for both people and the planet.


In order to live up to the philosophy symbolized by our "  " corporate logo, we believe that it is of the utmost importance to ensure that our business always gives due consideration to human rights, so we have established the Mitsui Fudosan Group Human Rights Policy (hereinafter this Policy).

This Policy is based on the Guiding Principles for Business and Human Rights advocated by the United Nations.

1. Respect for international human rights standards

The Mitsui Fudosan Group supports and respects international human rights norms including the Universal Declaration of Human Rights, the International Covenants on Human Rights, and the core labor standards established by the International Labour Organization (ILO) in the ILO Declaration on Fundamental Principles and Rights at Work, which are: freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced or compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.

2. Position of this policy

This policy details initiatives based on the conviction that we must be thorough about ensuring that our business always gives due consideration to human rights in order to achieve the philosophy symbolized by our "  " corporate logo-coexistence in harmony with society, linking of diverse values, and helping build a sustainable society.

3. Scope

This policy applies to all of the Mitsui Fudosan Group's officers and employees (all employees directly employed, including temporary employees, part-time workers, etc.). In addition, we ask our business partners to take human rights into consideration in their corporate activities based on this policy and the Mitsui Fudosan Group Sustainable Procurement Standards.

4. Education and training

The Mitsui Fudosan Group provides appropriate education and training to ensure that this policy is taken into account and effectively executed in all its business activities.

5. Human rights due diligence

The Mitsui Fudosan Group assesses in advance any negative impacts on human rights that could affect the various people with a relationship to its business activities (stakeholders) and takes both preventive and improvement initiatives. In addition, we appraise the performance and effectiveness of these initiatives and disclose relevant information.

6. Corrections and remedies

If it becomes clear that the Mitsui Fudosan Group has had a negative impact on human rights due to its business activities, or that it has been complicit in such impact, it works to correct and remedy the situation using appropriate internal procedures. In addition, the Mitsui Fudosan Group maintains a system for reporting and consulting about any acts that have a negative impact on human rights.

7. Dialogue with stakeholders

The Mitsui Fudosan Group continues to improve its human rights initiatives based on this policy, by engaging in dialogue with various stakeholders.

8. Salient issues related to human rights initiatives

Salient issues related to human rights initiatives are listed in an appendix to this policy. As these salient issues may change in response to evolving business and social conditions, we revise them as needed.

Established December, 2020
Masanobu Komoda
President & Chief Executive Officer
Mitsui Fudosan Co., Ltd.

Salient issues related to human rights initiatives

Prohibition of discrimination, harassment, or other unfair treatment in the workplace

We prohibit discrimination and unfair treatment on grounds not related to business performance, including race, nationality, origin, religion, beliefs, sex, age, disability, sexual orientation, gender identity, educational background, marital status, and employment type. We also do not allow any harassment in the workplace, such as sexual harassment or power harassment.

Ensuring a safe and healthy working environment

In addition to complying with laws and regulations related to working hours and occupational health and safety, we create a working environment in which all employees can work enthusiastically without feeling health or safety concerns when working.

Consideration for safety, security, and health in urban development

We conduct thorough quality control to ensure that the safety and health of our clients and the other people who use our facilities and services are not impaired. We also consider the safety and health of the people near the areas where we conduct business.

Consideration of minorities and prohibition of unfair discrimination toward them in business activities

In our business activities, we provide facilities and services that take minorities (social minorities; e.g., people with disabilities or foreigners, etc.) into consideration. In addition, we prohibit unfair discrimination or the promotion of discrimination when providing facilities and services.

Sufficient communication with clients and other stakeholders in business activities

In conducting our business activities, we strive to ensure that information provision and communication are sufficient to gain the understanding of our clients and other stakeholders.

Framework

Under the Executive Management Committee, which supervises overall risk management for the Group, the Strategy Planning Special Committee and the Risk Management Special Committee manage business risk and administrative risk respectively.

The Managing Director acts as the person in charge of legal affairs and compliance, the Chief Risk Officer, the Chief Legal Affairs Officer, and the Chief Officer for Compliance, and he belongs to the Board of Directors and Risk Management Special Committee, and periodically reports on risk management to the Board of Directors.

At present, alongside expanding human rights due diligence, we are investigating how to put in place mechanisms to deal with complaints, including through cooperation with our internal consultation service.

Establishment of an Internal Consultation Service

The Company has established internal contact points for consultation. These can be used by regular employees, and anyone engaged in work for our company based on an individual labor contract (contract employee), temporary transfer agreement, worker dispatch contract, part-time contract, or other agreement. Two contact points, internal and external, have been established, and workers can consult with either. The external contact point is provided at a law office, and it accepts consultations from a neutral standpoint, *1 notifies the Company of the consultation content, and encourages a response. Topics for consultation include: wrongful conduct violating laws, regulations, internal rules, general social norms, or corporate ethics, sexual harassment, abuse of power, other forms of harassment, employment problems, and issues with the workplace environment. *2 The privacy of those who engage in consultation is protected, and there is never any retaliatory action or disadvantageous treatment due to such consultations in terms of personnel decisions. Consultations can be conducted under a real name, or anonymously. *3

* 1: Representatives of the law office cannot provide legal opinions as lawyers, or take a stance protecting the consulting person.

* 2: Simple expressions of opinion, dissatisfaction with personnel decisions, defamation of others, and similar issues cannot be the subject of consultation.

* 3: To achieve early discovery and response to compliance problems-the original purpose of the system-the consulting employee's standpoint and other information are confirmed even in the case of an anonymous consultation.

Major Initiatives (Human rights due diligence)

When formulating our Human Rights Policy, in order to narrow down major issues related to human rights, we designated and evaluated human rights risks. In each business segment, we select issues related to our activities or business dealings that would infringe human rights of any of the stakeholders. We refine issues down to major human rights issues (human rights risks) specific to our Group, based on their severity according to the UN Guiding Principles and the likelihood of their occurrence. We also determined four levels of priority for initiatives informed by the scope of the relevant organization and the ease ^{*1} with which we could minimize human rights risks. In fiscal 2021, we held a questionnaire for six construction companies representative of our supply chain and conducted on-site surveys at two in-operation construction worksites. As well as confirming the status of initiatives, we have been able to study ways of reducing risk and making improvements to our efforts.

* 1: Considering, among other factors, the importance of dealings with the Mitsui Fudosan Group to the companies we work with from the standpoint of business transactions. For instance, for business partners whose main business is contract work for the Group, it would be relatively easy for us to affect the human rights measures being undertaken for employees of the business partner.

Human rights impact evaluation

Human Rights Due Diligence

In 2020, we started human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights. As a supplement to the Human Rights Policy, we designated major issues related to human rights.

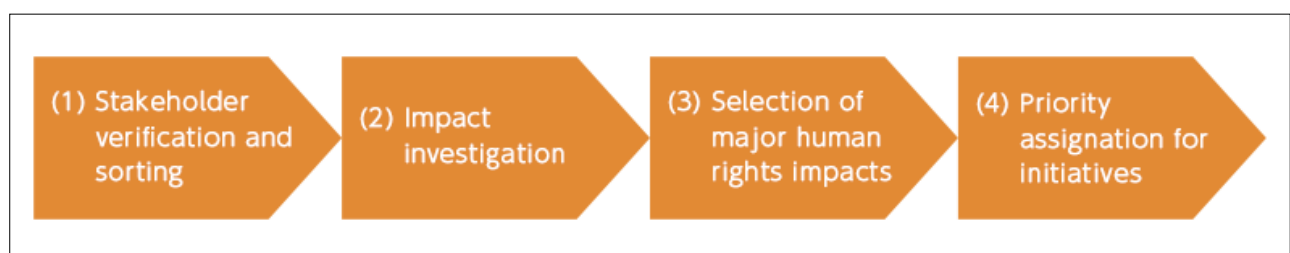
We are continuously evaluating their impact on human rights, and putting in place initiatives to prevent or minimize their impact, and will continue monitoring.

For more detailed information about the Salient issues related to human rights initiatives, please refer to the following link.

⇒ https://www.mitsuifudosan.co.jp/english/esg_csr/society/03.html#p01outline

Human rights impact evaluation

Human rights impact evaluation is carried out for new and existing groupwide business (predominantly in Japan) in the manner detailed below. This evaluation also covers human rights issues that relate to labor problems or health and safety. When evaluating impact, we also took advice from Akiko Sato, an attorney who is a deputy secretary general at Human Rights Now, an international human rights NGO. We will ensure that in the future, too, we will continue to have such opportunities to gather feedback periodically.



To select major human rights impacts, we investigated the impact of issues related to our activities or business dealings that would infringe human rights of any of our stakeholders in each business segment (from a total of 202 issues). In line with their severity according to the UN Guiding Principles, and other factors, we narrowed the list down to a total of 42 important human rights issues (human rights impacts) unique to our business.

Sample of impact on stakeholders and human rights

		Business segment				
		Rental	Built-for-sale	Management	Agency	Contracting, etc.
Stakeholders	Group employees	Total for all segments (regular/non-regular)				
	Supplier employees	Total for all segments (regular/non-regular)				
	Tenants' employees, etc.	○	—	○	—	—
	Buyers, orderers, etc.	—	○ (incl. investors)	○	○	○
	Building users, visitors, etc.	○	—	○	—	—
	Local residents, businesses, etc.	○	○	○	—	○

Refining by severity and probability

Probability		Low (less than once a decade)	Medium (more than once a decade, less than once every three years)	High (once or more every three years)
Severity: High	Direct		We selected issues in this area as important human rights issues (human rights impacts)	
	Indirect			
Severity: Medium	Direct			
	Indirect			
Severity: Low	Direct			
	Indirect			

In 2021, we carried out a questionnaire with six construction companies on overall ESG initiatives, including those connected to human rights, in order to properly grasp the impact on suppliers of important issues that relate to human rights and to investigate measures to prevent or minimize the impact. Of these companies, we conducted an on-site survey at two.

For more detailed information about the Social Supply Chain, please refer to the following link.

⇒ https://www.mitsui-fudosan.co.jp/esg_csr/society/04.html

The results of the questionnaire and survey allowed us to deepen understanding of human rights issues. With regard to those issues, in the future we will maintain lines of communication with suppliers and work to make improvements. We will also carry out future surveys that look at human rights impacts at suppliers besides construction companies.

Stakeholder engagement to designate issues that impact on human rights

(Conducted on October 26, 2020, and August 2, 2021)

To designate issues that impact on human rights, we engaged with Akiko Sato, an attorney who acts as a deputy secretary general at Human Rights Now, an international human rights NGO. Her feedback is given below. We have reflected Ms. Sato's opinions as much as possible in the formulation of our Human Rights Policy, amendments to our Sustainable Procurement Standards, and in the implementation of our human rights due diligence. In the future, we hope to have Ms. Sato give feedback on how best to promote initiatives on the theme of business and human rights.

Expectations for the Mitsui Fudosan Group's initiatives for business and human rights

Attorney at Kotonoha Law. Deputy Secretary General at Human Rights Now, an international human rights NGO, and Business and Human Rights Liaison Officer, United Nations Development Program (UNDP)
Currently, Ms. Sato works to enhance awareness and understanding of business and human rights by providing advice on topics such as human rights policy and human rights due diligence; coordinating stakeholder engagement; and proposing policy to the government.



Akiko Sato

Feedback:

- The Group needs to reconsider existing tasks from the framework of human rights, and embed human rights perspectives into decision-making as part of daily work.
- With respect to information disclosure for human rights due diligence, when relaying information on the priority ranking process externally, the Group should make it clear that its investigations are based on the perspective of rights holders, and explain that to external stakeholders in line with ideas contained within the UN Guiding Principles.
- Many companies comply with human-rights-related laws and regulations, or enact initiatives to that end, but the Group must investigate whether merely complying with domestic law is sufficient in addressing the theme of business and human rights. Actually, many measures show some of Japan's laws including the law on eliminating discrimination against persons with disabilities are not up to international human rights standards. In the future, I would like the Group to recognize the gap between those international standards and Japanese domestic law, and respond to those international standards in line with the UN Guiding Principles.
- For issues related to supply chain initiatives where it is unclear where to start, one consideration should be first whether the issue has surfaced in the current situation in Japan or overseas, and whether it is a topic of international debate. For example, real estate companies should also focus on and evaluate the use of illegally harvested materials used at construction sites to make frames for concrete, something that is pointed out and debated by NGOs looking to eradicate the practice.
- The Black Lives Matter movement and other questions of racial discrimination are debated as international human rights issues, and so from an international perspective I think the Group would do well to publicize its own commitment to the cause. Japanese companies tend to do poorly in this regard. In light of corporate social responsibility, this may be evaluated by the international community as a lack of commitment to human rights and social issues.
- The level of demand to respond to human rights problems internationally can be considered from the perspective of the UN Guiding Principles on Business and Human Rights and its concept of eliminating adverse impacts. I feel it is also vital that the Group also focus on whatever positive impact their initiatives can make.
- Japanese businesses, when promoting diversity and inclusion, present the positive side-increased participation-but must also be earnest in efforts to tackle the root of the issue as a human rights risk, i.e., by banning discrimination. This will allow them to clarify policy and gain the understanding of stakeholders.
- Japanese companies don't feel comfortable to announce it when their initiatives don't make progress, but even making it clear that the company is aware of problems even if they are unable to effectively deal with it is itself important. If this kind of information is not disclosed externally, the transparency and accountability for stakeholders must be considered lacking. In such cases, there is a risk that a business may be shut out of the capital market.

Relief Mechanism Initiatives

We are also working to establish a redress mechanism for supply chain workers as part of our consideration of remedying "negative impacts" as stipulated in the UN Guiding Principles on Business and Human Rights.

JP-MIRAI (Platform for Responsible Recruitment of Foreign Workers) to handle foreign worker relief

In April 2022, we joined JP-MIRAI (Platform for Responsible Recruitment of Foreign Workers) * which addresses relief for foreign workers.

* JP-MIRAI is a voluntary organization established in January 2020, which brings together a diverse group of stakeholders including private companies, local governments, NPOs, experts, and lawyers to work together toward a "Japan of choice" by solving issues related to foreign workers in Japan. As of May 2022, there are 443 participating members. Private companies and JICA (Japan International Cooperation Agency) serve as the joint secretariat.

Main activities include: 1) providing information and listening to the voices of foreign workers, 2) consultation services and relief mechanisms, 3) multi-stakeholder study groups and workshops, 4) collaborative projects (efforts to secure human resources, emergency support), and 5) dissemination to the domestic and international community. (For details, see: <https://jp-mirai.org/jp/>)



Japan Platform for Migrant Workers
towards Responsible and Inclusive Society

Participation in Foreign Workers Consultation and Relief Pilot Project

As part of our initiatives to establish a relief mechanism, we are participating in the "Foreign Worker Consultation and Relief Pilot Project" launched by JP-MIRAI in May 2022. This project is the first of its kind in Japan to package an integrated mechanism from provision of information to foreign workers, a multilingual consultation service, and independent and neutral dispute resolution, as well as feedback of human rights risks to companies. The following are some of the benefits of the program for foreign workers of participating companies and related companies in the supply chain: (1) information through a portal site for foreign workers, (2) a low-hurdle consultation service in nine languages, (3) support for problems that are difficult for foreign workers to solve on their own, and (4) use of an out-of-court Alternative Dispute Resolution (ADR) mechanism in the event of a dispute. This is a project to analyze issues faced by foreign workers based on data collected in the provision of services. Our company is working to strengthen its supply chain management and human rights due diligence by utilizing the human rights violation risk information regarding foreign workers provided by JP-MIRAI. We will begin using the system for foreign technical intern trainees from our main group companies, and plan to expand the scope of use of the system in the future through discussions with each supply chain company.

Other Initiatives

Our Efforts for Children's Rights

The Group supports the abolition of child labor inside and outside Japan, and respects the rights of children, namely: (1) The Right to Live, (2) The Right to Be Protected, (3) The Right to Be Nurtured, (4) The Right to Participate. We believe that ensuring healthy development of the children who will be the next generation-through neighborhood creation and operation of facilities-is essential for an affluent future, and based on that idea, we are making various efforts to support the human rights of children in our business activities and projects.

Business Activities and Projects Relating to Children's Rights

Business activities/projects	Summary
KidZania	KidZania is a social education oriented theme park for children, and here we support the growth and independence of children by encouraging them to have fun while experiencing work, and learn about the structure of society.
Mirai Kodomo Gakko	Mirai Kodomo Gakko (future children's school) is a platform for providing the city's original experiential learning content through regional collaboration at the Kashiwa-no-ha Campus (Kashiwa City, Chiba Prefecture) for children from infants to high school students. With the support of Kashiwa City, the Kashiwa City Board of Education, the Kashiwa Campus of the University of Tokyo, and Chiba University, a diverse range of people, including teachers from elementary schools and universities in the area, students, artists, residents, and workers, will serve as instructors, a variety of curriculums is implemented, providing a place for community-wide learning that transcends the traditional framework of "schools".

Personnel training

Companywide compliance training (e-learning) twice a year, in addition to human rights training that uses videos once year, includes internal training (explanations of our Human Rights Policy, etc.) related to our Human Rights Policy and our Sustainable Procurement Standards.



Policy

The Group strives to coexist and collaborate with local communities and build new communities in accordance with the distinctive characteristics of each area and other factors based on our philosophy of coexisting in harmony with society, linking diverse values, and achieving a sustainable society. Furthermore, we have put in place a Policy for Social Contribution Initiatives to ensure that each Group company and department follows a common and uniform direction. Based on this policy, each and every member of the Group looks to contribute to society in four core areas: the global environment, local communities, culture and education, and international exchange.

The Mitsui Fudosan Group' s Policy for Social Contribution Initiatives (Formulated March 27, 2013)

In line with our Group Statement that focuses on efforts to bring affluence and comfort to urban living, we actively contribute to society by revitalizing and creating urban areas while engaging in various activities from a global perspective, to provide affluence and comfort with the aim of achieving the sustained development of society and the economy.

1. We are primarily involved in four areas: the global environment, local communities, culture and education, and international exchange.
2. We strive to achieve harmony with local communities, and
3. We proactively make use of our own resources, including properties, networks, and personnel.

Management System

The ESG Management Committee under the ESG Promotion Committee, which is headed by the President and Chief Executive Officer, was established to promote social contributions throughout the Group. The ESG Management Committee formulates the principles and policies that define the social contribution activities of the Group. It also keeps up to date the social contribution targets, objectives and plans of each division and Group company while monitoring and evaluating progress toward targets and plans. The Social Contribution Activity Policy was created in March 2013 to serve as common ground for various activities to realize abundance and affluence in society from a global perspective.

Record of Social Contribution Activities

The Company actively supports a wide range of social contribution activities. Specifically, these include activities for culture and education, local communities, international exchange, and the global environment. We also promote a multitude of employee-led initiatives that support community creation.

Culture, Education, and Sports	Mitsui Memorial Museum
	Sumida River Fireworks Festival
	Shiki Theatre Company-Kokoro Theater Project
	Promoting, Restoring and Preserving the Beauty of Japan's Art-Tsumugu Project
	Support for TEAM JAPAN as Real Estate Development Partner
	Support for Sport (Japanese Women's National Basketball Team, Japan Sport Climbing Representative, Japanese Wheelchair Rugby Team, Kawasaki Frontale, Kashiwa Reysol, etc.)
	International Multi-Sport Festival-Corporate Games
	Center for iPS Cell Research and Application
Local Support	Mitsui Memorial Hospital
	Sakura Fes Nihonbashi
	ECO EDO Nihonbashi
	Nihonbashi Sustainable Weeks 2021
	Theater Festival-Hibiya Festival
	Disaster Reconstruction Efforts
International Exchange	&EARTH Clothing Support Project-Bring a Smile to the World with Your Clothes
	&EARTH x SOLTILO FAMILIA SOCCER SCHOOL Soccer Support Project
	Public-Private Cooperative Study Abroad Promotion Campaign-Tobitate! (Leap for Tomorrow) Study Abroad Initiative
	JEES-Mitsui Fudosan Scholarship established
Global Environment	&EARTH DAY (Environmental Education Event)
	&EARTH Classroom (Environmental Education at schools and other facilities)
	Let's Learn! Let's Play! Cool Choice Plaza (Environmental Education Event)

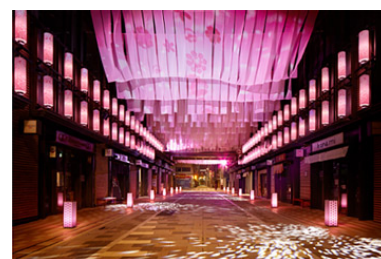
Regional Revitalization and Community Creation

The Company plans and hosts a diverse range of events that promote community creation and regional revitalization. We also carry out activities that help to strengthen family ties, as well as hold various events that educate communities on future society and environmental issues.

Our Efforts in the Nihonbashi Area

Nihonbashi Cherry Blossom Festival

Every year across March and April, Mitsui Fudosan holds the Nihonbashi Cherry Blossom Festival in the Nihonbashi area. The event is highly regarded for its economic ripple effects, its ability to increase customers and non-residents to the region, its effectiveness in disseminating information overseas, and the techniques and creativity that will influence events held in the future.



Nihonbashi Cherry Blossom Festival

ECO EDO Nihonbashi

Every year between July and September, Mitsui Fudosan holds ECO EDO Nihonbashi, an event showcasing traditional ideas for staying cool, cultivated in Nihonbashi during the Edo period, but arranged in a modern style. The focal point is strolling through town rather than staying in one place, so visitors can experience the classic Japanese summer while maintaining social distance.



ECO EDO Nihonbashi 2017, giant goldfish lanterns, scene on Naka Dori Street

Our Efforts in the Kashiwa-no-ha Area

Minna no Machizukuri Studio is a project that started in Kashiwanoha in December 2020. It was born as a platform for co-creation by companies, governments, and academic institutions centered on the residents who are the users of the town, to promote Kashiwa-no-ha Smart City, a town that creates a "future image of the world". We operate with several experimental methods to create new services, products, and projects from the perspective of consumers.

Our Efforts at Tokyo Midtown

In Tokyo Midtown (Minato-ku, Tokyo), we participate as volunteers in events organized by the Azabu District General Branch Office of the Minato Ward Office, Tokyo Metropolitan Government. These events are held as part of the Minna De Ecotto Project for fostering concern for nature and living things among children in the area.

Our Efforts at Commercial Facilities

In cooperation with local government, companies, NPOs, and other organizations, the Group holds an experiential learning event for children called "Let's Learn! Let's Play! Cool Choice Plaza" at its commercial facilities, where participants can learn about energy and environmental issues.



Let's Learn! Let's Play! Cool Choice Plaza

Supporting Community Creation through Sport

Real Estate Development Partner

We have been involved in a variety of real estate development projects that incorporate sports elements under the slogan, "BE THE CHANGE: Cities Start World Changes".

We are proud of the Japanese athletic team "TEAM JAPAN" for bringing dreams and inspiration to the people of Tokyo 2020 and Beijing 2022 Olympic and Paralympic Winter Games, and for connecting the bonds between the people of Japan. We will continue to support "TEAM JAPAN" in their challenge for the Paris 2024 Olympic and Paralympic Games through urban development. We will actively support local community building through the power of sports and the enjoyment of events.

&EARTH x SOLTILO FAMILIA SOCCER SCHOOL

This event is hosted in collaboration with the SOLTILO FAMILIA SOCCER SCHOOL—a project designed by professional soccer player Keisuke Honda—and has been held at LaLaport FUJIMI, Urban Dock LaLaport TOYOSU, LaLaport EXPOCITY, and other Group commercial facilities since 2017. During the event, soccer gear no longer in use is collected and donated to children overseas through the NPO Japan Relief Clothing Center. Through their activities, the staff of SOLTILO also contribute to local communities by providing soccer instruction to children inside and outside Japan.



Pre-event



Soccer training held in Cambodia

Social Contribution through Volunteer Activities

&EARTH Clothing Support Project-Bring a Smile to the World with Your Clothes

The Company and Mitsui Fudosan Retail Management Co., Ltd. hold the &EARTH Clothing Support Project-Bring a Smile to the World with Your Clothes project at commercial facilities run by the Mitsui Fudosan Group. Unneeded clothing is collected, and then donated to refugees and disaster victims in countries all over the world through the NPO Japan Relief Clothing Center.

Together with its customers in each region, the Group seeks to alleviate disparities and poverty, and realize a more affluent society, and as such has held since 2008.

For further details, see(Japanese version only)

⇒ <https://and-earth.mitsuifudosan.co.jp/clothes/>



Volunteers

Held Happy Smile Festival

We regularly hold events organized by the NPO Group Happy Smile to sell products handmade by people with disabilities from various welfare facilities, with proceeds returned to the creators as wages. The Company and Mitsui Fudosan Building Management Co., Ltd. provide a venue gratis and participate as volunteers. Volunteers from tenant companies also participate, and everyone involved with the building works as a team to make a social contribution.



Happy Smile Festival venue

Participation as Volunteers in Kokoro Theater

In full support of its mission, Group employees participate as volunteers in the Kokoro Theater Project, an initiative organized by the Butai Geijutsu Center and the Shiki Theatre Company, held to enable children to enjoy the emotionally moving experience of theater.



A scene from the musical

Participation in Cleaning the Famous Nihonbashi Bridge

Every year in July, Company employees and their families voluntarily take part in activities to clean the famous Nihonbashi bridge, the starting point of the Five Routes of the Edo period and one of Japan's most renowned bridges. The Meikyo Nihonbashi Preservation Council is an organization that aims to restore the view of Nihonbashi, whose beauty was lost when it was covered by the Shuto Expressway, and pass the bridge on in good condition to future generations. In accordance with this purpose, this event is a summer tradition in the Nihonbashi area that has continued since 1959, with the participation of local residents and company employees.



Bridge cleaning



Participating employees

Communicating with Local Communities Following the Great East Japan Earthquake

Watsu Nihonbashi: A Center for Exchange with Earthquake Affected Regions

Watsu Nihonbashi (Chuo-ku, Tokyo) was opened in March 2015 as a result of encounters with the people of Minamisanriku Town following the Great East Japan Earthquake. The center plays a role as an intermediary linking Tohoku and Nihonbashi, and includes the Watsu Dining & Bar featuring ingredients from Minamisanriku and other parts of Tohoku, and the Watsu Room interaction space for online exchange with junior high school students from the local area, events and workshops relating to reconstruction, and other programs.



Junior high school students from Minamisanriku Town visiting Watsu Nihonbashi

Sustainability Training

CSR training has been conducted continuously since 2013 to improve awareness of disaster preparedness through experience of the situation in earthquake affected regions, and create opportunities for voluntary efforts and contribution to social issues. Employees visit Minamisanriku Town and regions within Fukushima Prefecture, both areas affected by the Great East Japan Earthquake.



Training in Minamisanriku Town
(on the former site of the disaster management government building)

Policy

As a corporate group supporting offices, housing, and other infrastructure necessary for daily life, we recognize that it is our duty to fulfill our social responsibilities at an even higher level. To accomplish this, we believe efforts should be made throughout the entire supply chain to promote sustainable procurement and thereby help resolve ESG issues. We have formulated Sustainable Procurement Standards summarizing basic guidelines in this area. We published these standards on our website in December 2018, and have notified our main business partners. In February 2022, as part of our human rights due diligence, we amended and added to the standards. As items to be complied with or actively promoted by both the Group and its suppliers, with basic guidelines on (1) Compliance with Laws and Regulations; (2) Respect for Human Rights in Business Activities; (3) Respect for Human Rights Related to Labor; (4) Safe and Healthy Working Environment; (5) Establishment of Business Ethics; (6) Ensuring Quality; (7) Consideration for the Environment; (8) Information Security; and (9) Crisis Management and Business Continuity Plan. To ensure sustainable procurement, we have included corrective measures and cooperation with monitoring and applying pressure to suppliers and contractors, by providing suppliers with cooperation requests alongside the standards. To ensure sustainable procurement, we have included corrective measures and cooperation with monitoring and applying pressure to suppliers and contractors, by providing suppliers with cooperation requests alongside the standards. We have also produced separate explanatory notes that go into more details on the standards so as to raise awareness internally and within the Group, as well as at suppliers, and we have once again notified key partners. The idea is to share these standards within the Group, build and operate an ordering and contract process in line with the nature of our business, and better inform and request the understanding of our business partners. To realize a sustainable society, we are working to promote sustainable procurement throughout our supply chain.

Mitsui Fudosan Group, Sustainable Procurement Standards

Established: December 5, 2018

Revised: February 4, 2022

1. Compliance with Laws and Regulations

Companies doing business with the Mitsui Fudosan Group (hereinafter, “companies”) shall not only comply with the applicable laws and regulations in their home countries and the countries and regions where they conduct business, but shall also respect internationally recognized standards of conduct.

2. Respect for Human Rights in Business Activities

In order to ensure the implementation of business activities with consideration for human rights, companies shall identify in advance the potential adverse impact of their business activities on the human rights of various people, including foreign populations and indigenous peoples, and take preventive measures and/or remediation measures, making reference to international human rights norms such as the Universal Declaration of Human Rights.

2.1 Prohibition of unjust discrimination and human rights violations in business activities

Companies shall not engage in acts of unjust discrimination or be complicit in it in their business activities. In addition, companies shall ensure that their business activities do not cause nor are complicit in human rights violations.

2.2 Respect for the rights of socially vulnerable and minority groups

In the provision of products and services, companies shall ensure that the basic needs of socially vulnerable and minority groups are met.

2.3 Universal design

In the provision of products and services, companies shall strive to offer universal design and services that are considerate of diverse situations, in order to ensure the convenience and comfort of all people.

3. Respect for Human Rights Related to Labor

Companies shall respect the human rights of workers, in line with international human rights standards, including the core labor standards established by the International Labour Organization (ILO), while also complying with relevant laws and regulations.

3.1 Freedom of association and right to collective bargaining

In compliance with local laws and regulations, companies shall respect the rights of employees to organize and bargain collectively as a means of participating in labor-management negotiations on working environment and wage conditions.

3.2 Prohibition of forced labor

Companies shall not use forced labor obtained through coercion, bondage, inhumane prison labor, slavery, human trafficking, or other such means. In addition, companies shall not force employees to work against their will and shall protect the right of employees to leave or terminate their employment of their own accord.

3.3 Prohibition of child labor and consideration for young workers

Companies shall not allow children under the minimum working age to work. In addition, companies shall not allow young workers under the age of 18 to engage in hazardous work that may jeopardize their health and safety, such as night shifts and overtime work.

3.4 Prohibition of discrimination in employment

Companies shall not engage in any form of unfair discrimination, including unfair discriminatory treatments based on grounds such as race, nationality, ethnicity, skin color, age, gender, sexual orientation, gender identity, religion, beliefs, disability, marital status, pregnancy, political affiliation, or union membership, in any employment practice, including wages, promotion, compensation, and retirement.

3.5 Prohibition of abuse and harassment

Companies shall respect the human rights of workers and shall not subject workers to inhumane treatment, including psychological or physical abuse, coercion, harassment, or any other potentially inhumane acts.

3.6 Adequate wages and allowances

Companies shall comply with all applicable laws and regulations regarding compensation paid to employees (including minimum wages, overtime pay, and legally mandated allowances and deductions) and social security. Furthermore, companies shall strive to pay wages at a level that allows workers to support their basic needs (a living wage).

3.7 Appropriate working hours, holidays, and leave

Companies shall not allow workers to work in excess of the maximum working hours set by local laws and regulations, shall appropriately manage working hours and days off in consideration of internationally recognized standards, and shall grant annual paid leave in compliance with local laws and regulations.

4. Safe and Healthy Working Environment

In addition to complying with the relevant laws and regulations, companies shall also pay due attention to domestic and international guidelines on worker safety and health, and make efforts to provide a safe and healthy working environment that minimizes work-related injuries and physical and mental illness.

4.1 Management of employee health

Companies shall provide appropriate health management for all employees.

4.2 Occupational health and safety

Companies shall identify and assess risks to occupational safety and ensure safety through appropriate design, engineering and administrative controls.

Companies shall also identify and assess the risk of worker exposure to biological, chemical, and physical hazards in the workplace, and implement appropriate management.

4.3 Consideration for physically demanding work

Companies shall identify and evaluate physically demanding work and implement appropriate management to prevent occupational accidents and illnesses.

4.4 Safety measures for machinery and equipment

Companies shall evaluate the machinery and equipment used by workers in their work for safety risks and implement appropriate safeguarding measures.

4.5 Healthy, safe facilities

Companies shall ensure that the facilities provided for workers' lives (dormitories, cafeterias, toilets, rest areas, etc.) support adequate health and safety.

In addition, dormitories shall have appropriate emergency exits for emergencies.

4.6 Response in the event of occupational accidents or diseases

Companies shall record and report occupational accidents and diseases, and take appropriate measures and corrective actions.

4.7 Promotion of communication

Companies shall provide education and training on the appropriate health and safety information for the various occupational hazards that workers may be exposed to on the job, in the workers' native language or in a language and manners that workers can understand.

In addition, companies shall operate a system for workers to provide feedback on safety-related issues.

5. Establishment of Business Ethics

Companies shall conduct business activities based on high ethical standards in addition to compliance with the law.

5.1 Prevention of bribery and other forms of corruption

Companies shall not engage in bribery, corruption, extortion, or embezzlement of any kind. In addition, companies shall not offer or condone promises, offers or permits as a means of obtaining bribes or other illicit or inappropriate benefits.

5.2 Avoiding interactions with organized criminal groups

Companies shall avoid all interaction with organized criminal groups and other "antisocial forces" that threaten the order and safety of civil society.

5.3 Promotion of fair business activities

Companies shall promote fair business activities and refrain from acts that impede fair and free competition and acts of unfair competition.

5.4 Prohibition of abuse of dominant position

Companies shall not use their dominant position to unilaterally determine transactions in their own favor or to the detriment of their business partners.

5.5 Protection of intellectual property rights

Companies shall respect intellectual property rights, and the transfer of technology and know-how shall be done in a way that protects intellectual property. Companies shall also protect the intellectual property of third parties, such as customers and business partners.

5.6 Appropriate disclosure of information

Companies shall appropriately disclose their financial and non-financial information in accordance with applicable laws and regulations as well as social norms and guidelines of industry associations. Falsification of records or disclosure of false information shall not be tolerated.

5.7 Establishment of grievance mechanism and protection of whistleblowers

Companies shall operate a grievance mechanism to investigate and respond to problems and allow employees and other whistleblowers to report them. Companies shall also protect the confidentiality of information and the anonymity of whistleblowers, and shall not retaliate in any way against whistleblowers.

5.8 Responsible procurement of raw materials

For raw materials used in business activities, companies shall avoid those produced by unlawful means (including illegally logged timber and conflict minerals) and strive to utilize those produced with consideration for the environment and society, such as recycled timber and certified timber.

6. Ensuring Quality

Companies shall ensure and strive to enhance the safety and quality of the products and services they provide.

6.1 Consideration for security, safety, and health in urban development

In designing, manufacturing, and selling products, companies shall fulfill their responsibilities as suppliers by ensuring sufficient product safety, such as by meeting the safety standards stipulated by the laws and regulations of each country.

In addition, when providing services, companies shall strive to engage in business activities with consideration for the safety and health of the people who use the services and other related parties.

6.2 Quality management and quality assurance

Companies shall comply with all applicable laws and regulations, their own quality standards, and customer requirements regarding the quality of products and services. In addition, companies shall have a system in place to receive and appropriately handle customer complaints and grievances.

6.3 Provision of accurate information on products and services

Companies shall provide accurate and non-misleading information about products and services to customers and consumers. They shall not provide false or falsified information.

7. Consideration for the Environment

Companies shall proactively address global environmental issues such as resource depletion, climate change, and environmental pollution, while also considering local environmental issues to ensure the health and safety of the people in the communities involved.

7.1 Addressing climate change

Companies shall work continuously to reduce their energy consumption and greenhouse gas emissions by striving to improve energy efficiency and introduce renewable energy.

7.2 Efficient use of resources and waste management and reduction

Companies shall comply with laws and regulations and engage in appropriate waste management. They shall also pursue reduction, reuse, and recycling in order to ensure resources are efficiently used and minimize the generation of waste.

7.3 Prevention of pollution and management of chemical substances

Companies shall comply with relevant laws and regulations and implement appropriate measures to reduce the release of hazardous substances into the air, water, soil, etc.

In addition, companies shall manage hazardous chemical substances in order to ensure that they are identified, labeled, handled safely, transported, stored, used, recycled or reused, and disposed of in compliance with laws and regulations.

7.4 Reduction of water usage

Companies shall comply with laws and regulations, monitor the sources, uses, and discharge of the water used, and conserve water.

7.5 Conservation of biodiversity

In order to conserve the natural environment and ecosystems where diverse organisms live, companies shall work to reduce negative impacts of their business activities on them.

7.6 Provision of environmentally-friendly products and services

Companies shall be proactive in providing environmentally-friendly products and services. They shall also comply with all laws and regulations and customer requirements regarding chemical substances contained in products.

8. Information Security

Companies shall prevent leaks of confidential information and personal information and work to strengthen information security.

8.1 Information security and cyber security

Companies shall not only appropriately manage and protect their own confidential information but also the confidential information received from customers and third parties. In addition, they shall take defensive measures against cyber-attacks and other threats to prevent damage to themselves and others.

8.2 Protection of personal information

Companies shall comply with all relevant laws and regulations and appropriately manage and protect the personal information of all business partners, customers, employees, and others.

9. Crisis Management and Business Continuity Plan

Companies shall take appropriate measures to ensure the safety of their employees and other stakeholders, and to resume business activities as soon as possible, in the event of a natural disaster or accident.

9.1 Crisis management

In order to minimize the damage to workers and assets caused by natural disasters, accidents, and other emergencies, as well as indirect damage to related parties and the public resulting from such damage, Companies shall establish action procedures for emergency measures, install the necessary equipment, and provide education and training to enable employees to take such action in the event of a disaster.

9.2 Business continuity plan (BCP)

Companies shall identify and assess risk factors that could impede business continuity, and formulate a business continuity plan (BCP) that includes a close examination of the impact on business, the necessary medium- and long-term measures, and the status of initiatives.

Click the link below to see the Japanese version of the Mitsui Fudosan Group Sustainable Procurement Standards.

⇒ https://www.mitsuifudosan.co.jp/esg_csr/society/04.html

Supplier ESG Due Diligence

Supplier questionnaires

As a result of appraisals into human rights risks, we selected six major suppliers from the construction industry—which has a great deal of overlap with and influence from ESG topics—and carried out a supplier questionnaire in line with our Sustainability Procurement Policy to promote and raise awareness of the following important themes.

Questionnaire topics

- Compliance with Laws and Regulations
- Respect for Human Rights Related to Labor
- Establishment of Business Ethics
- Consideration for the Environment
- Crisis Management and Business Continuity Plan
- Respect for Human Rights in Business Activities
- Safe and Healthy Working Environment
- Ensuring Quality
- Information Security

The results of the questionnaire revealed that some efforts in the areas of Respect for Human Rights in Business Activities, Respect for Human Rights Related to Labor, Establishment of Business Ethics, Ensuring Quality, and Consideration for the Environment were lacking. Taking these results into account, in the future we will promote a further levelling up of ESG initiatives—including for human rights—aimed at suppliers.

Supplier on-site surveys (worksite monitoring)

For two of the six construction companies who answered the supplier questionnaire, we carried out an on-site survey that involved monitoring a worksite in operation. Alongside an external surveying company, we visited each worksite for one day and interviewed construction company staff, in particular confirming the specific initiatives mentioned in their answers to the questionnaire. We discovered no major problems, including any human rights or compliance infractions.

Results of the supplier questionnaire and on-site survey and response to issues

While there were no major problems identified in either the questionnaire or the survey, the following areas do require improvement.

Overview of risk evaluation, taking into account the results of the questionnaire and on-site survey

Risk evaluation for each area (based on questionnaire and survey results)		Areas with issues	
Priority level ↑ Major ↓ Minor	2.2 Respect for the rights of socially vulnerable and minority groups 4.2 Occupational health and safety 4.3 Consideration for physically demanding work 4.4 Safety measures for machinery and equipment 4.5 Healthy, safe facilities 4.6 Response in the event of occupational accidents or diseases 5.1 Prevention of bribery and other forms of corruption 5.7 Establishment of grievance mechanism and protection of whistleblowers 6.2 Quality management and quality assurance 6.3 Provision of accurate information on products and services 7.1 Addressing climate change 7.2 Efficient use of resources and waste management and reduction 7.3 Prevention of pollution and management of chemical substances 7.6 Provision of environmentally-friendly products and services 8.1 Information security and cyber security 8.2 Protection of personal information 9.1 Crisis management 9.2 Business Continuity Plan (BCP)	4.7 Promotion of communication 5.3 Promotion of fair business activities	3.2 Prohibition of forced labor 4.1 Management of employee health 5.8 Responsible procurement of raw materials 6.1 Consideration for security, safety, and health in urban development 7.5 Conservation of biodiversity
	2.1 Prohibition of unjust discrimination and human rights violations in business activities 3.1 Freedom of association and right to collective bargaining 3.3 Prohibition of child labor and consideration for young workers 3.4 Prohibition of discrimination in employment 3.5 Prohibition of abuse and harassment 3.6 Adequate wages and allowances 3.7 Appropriate working hours, holidays, and leave 5.2 Avoiding interactions with organized criminal groups 5.4 Prohibition of abuse of dominant position 5.6 Appropriate disclosure of information	5.5 Protection of intellectual property rights	2.3 Universal design 7.4 Reduction of water usage

Average score: 100% (no problems at any of the six companies) 90%+ (problems at one company) Less than 90% (problems at two or more companies)

Results of the questionnaire (overview)

- ▶ Six general contractor companies were asked about their initiatives related to the areas identified in the Sustainable Procurement Standards (explanatory notes)
- ▶ All six companies were implementing initiatives in the areas of Compliance with Laws and Regulations, Information Security, Crisis Management and Business Continuity Plan
- ▶ All six companies had essentially no issues in the area of Safe and Healthy Working Environment
- ▶ However, in the areas detailed below, there were instances where initiatives were not being implemented and where improvement is needed
 - Respect for Human Rights in Business Activities
 - Respect for Human Rights Related to Labor
 - Establishment of Business Ethics
 - Ensuring Quality
 - Consideration for the Environment

- With regard to those initiatives found to be lacking, we will discuss improvement measures and work to make improvements with construction companies.
- This questionnaire was aimed at construction companies, but in the future, we will expand this to other industries to better grasp their respective situations.

Major Initiatives

Promoting sustainable procurement

The ESG Management Committee under the ESG Promotion Committee, which is headed by the President and Chief Executive Officer, was established to tackle human rights issues throughout the Group. The ESG Management Committee formulates the principles and policies that define the human rights-related issues of the Group. It also works to promote human rights due diligence based on the Sustainable Procurement Standards and evaluates the results and investigates our response, among other roles. It also promotes a variety of activities that share vital commonalities with the Mitsui Fudosan Human Rights Policy, which was formulated in December 2020, from a global perspective. better grasp their respective situations.

Internal training

Groupwide compliance training is carried out twice a year (via e-learning), which includes internal training (explanations of the Human Rights Policy, etc.) on the Human Rights Policy and Sustainable Procurement Standards. In addition, in FY2022, we will conduct training to thoroughly familiarize employees with the latest trends, focusing on "business and human rights," as well as the Group's initiatives, such as revisions to the "Sustainable Procurement Standards."

Diverse Collaborative Efforts

As part of our Environmental Initiatives Policy, we have set cooperation (collaborating and cooperating with various stakeholders) as one of our key activities. In collaboration and cooperation with customers, business partners, regional society, and the authorities, we will ensure we respect human rights in our business activities.

We are also a participating party in the Declaration of Partnership Building project, established by the Japanese Cabinet Office and other entities. The project aims to help large corporations and small and medium-sized enterprises form sustainable relationships that will help both to grow. By participating, companies declare that they will promote co-prosperity throughout entire supply chains and form new partnerships that go beyond the current scale, groups and borders, etc., as well as complying with positive trading practices with main operators and subcontractors.

Declaration of Partnership Building

In order to form a new partnership that will help us cooperate, and aiming for mutual prosperity, with the business partners that form our supply chain and companies that help us create value, we declare our intent to focus our energies on the following:

1. Promoting co-prosperity throughout the entire supply chain and forming new partnerships that go beyond the current scale, groups and borders, etc.

Through our direct business partners, we have put pressure on partners further down the supply chain (moving them from Tier N to Tier N+1 business partners) to work on improving added value throughout the chain. Also, through existing business partnerships and cross-company collaboration, etc., we are aiming to develop a framework that brings prosperity for both us and our partners. We have also supported our partners by offering advice on introducing teleworking or formulating business continuity plans (BCPs) from the perspective of responding to disasters or reforming the way people work.

Individual initiatives:

a. Cooperation between companies

Based on the ideal of coexisting in harmony with society symbolized by our アンド logo, we will promote our business hand in hand with our business partners. Equally, we are working with those same partners to create new industries through open innovation.

b. Environmental efforts

In addition to formulating a Group action plan to realize a decarbonized society, the whole supply chain is working together to implement five initiatives: (1) improving the environmental friendliness of new construction projects and existing properties; (2) using environmentally friendly electricity in shared areas and areas that our businesses use in buildings; (3) providing environmentally friendly options to business tenants and buyers; (4) securing a stable supply of renewable energy; and (5) reducing CO2 emissions produced during construction.

2. Complying with promotion standards

For positive trading practices with new main operators and subcontractors, we comply with promotion standards based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises and are actively working to combat trading and business practices that interfere with our efforts to build partnerships with our business partners.

(1) Pricing methods

We do not make demands for unreasonably low cost prices. When determining costs associated with business dealings, where subcontractors wish to discuss prices, we debate the matter appropriately, with due consideration to how the subcontractor can achieve a suitable level of profit, with regard to the effect of rising labor costs and similar. The main operator specifies and issues contract terms and conditions, including decisions on prices, in writing and other formats.

(2) Bills and other payment criteria

We pay subcontractors' fees in cash.

(3) Intellectual property and expertise

During our dealings, we do not ask partners to disclose their expertise or transfer intellectual property rights without monetary compensation where inappropriate.

(4) Negative effects of changes to working styles

To allow business partners to also adapt to new working styles, we do not make inappropriate demands for unreasonably short deadlines or suddenly change specifications, which would result in a greater burden on the partner. In the event of a disaster, we would not force a subcontractor to take the entire burden of dealings, and where possible will consider how to resume our partnership when work can begin again.

3. Other

Based on the ideals of coexisting in harmony with society, linking diverse values, and achieving a sustainable society, the Mitsui Fudosan Group is working to build societies that enrich people's lives and our planet. We pursue ESG management and conduct business with awareness of our responsibilities with respect to the Environment, Society, and Governance. Reflecting our commitment to further accelerate the Group's ESG management, we can contribute in a significant way to the Japanese government's Society 5.0 vision and to the attainment of the UN's SDGs. In November 2021, we formulated policies for the Group regarding how to help bring about a decarbonized society and how to promote diversity and inclusion. In the future, we will continue to work to address social challenges through neighborhood creation.

February 28, 2022
Mitsui Fudosan Co., Ltd.
Masanobu Komoda
President and CEO

For more details on the Declaration of Partnership Building, refer to the site below (Japanese only)

⇒ <https://www.biz-partnership.jp/index.html>

Our Efforts to Improve Customer Satisfaction (CS)

The Group emphasizes communication with customers, and we address customer feedback and requests with great seriousness. By working to resolve and address various consumer issues, we will promote neighborhood creation from the customer's perspective, and improve the quality of services provided to customers.

Major Initiatives

Listening to Customers

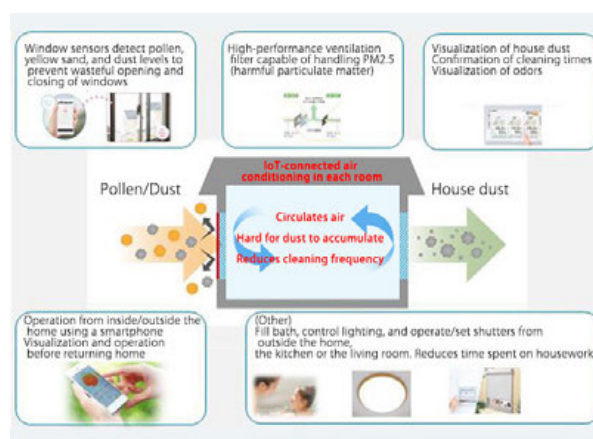
The Group undertakes a variety of activities as a part of efforts to listen to customers' comments. CS surveys are conducted encompassing a wide area including office building tenant companies and residents of condominiums and detached housing as well as hotel guests. The feedback gained through these surveys is extremely helpful in improving the Group's initiatives. We carefully monitor customer feedback received through boxes placed for this purpose at some of our retail properties. These opinions and comments are used to improve operations in facilities and other areas, including store planning and design.

Facility name	Examples of improvements
Office Buildings	<ul style="list-style-type: none"> • Crime prevention, smoking area separation • Improvements to common-use areas • Improvements to elevator operating programs • Improvements to restroom facilities • Meetings to observe elevator rescue drills • Tours to observe building facilities
Retail Facilities	<ul style="list-style-type: none"> • Installation of additional coin lockers and larger coin lockers • Refurbishments/enlargements made to kids' spaces • Installation of air purifiers in baby rooms • Installation of microwave ovens • Installation of curtains in diaper changing rooms • Replacement of flooring materials and wallpaper in nursing rooms • Refurbishments to women's restrooms • Increase in number of stroller pick-up locations (increase number of strollers) • Increase in stroller drop-off locations • Increase in cart drop-off locations, improvements to parking lot signs • Installation of additional benches and signs within each property, improvements to smoking room doors • Changes to rules on pets (reassess areas where pets are allowed)
Logistics Facilities	<ul style="list-style-type: none"> • Improvements to smoking areas in common areas, increase in vehicle/bicycle parking areas • Enhancement of shared amenities (setting up of Christmas trees, Kadomatsu Japanese New Year's decorations, message cards, etc.)

Barrier-Free and Universal Design

For all aspects of life, whether it be work, home life, recreation, or relaxation, the Group promotes the creation of urban environments and buildings that are easy for everyone to use, regardless of their cultural background, language, nationality, age, sex, or disability. Moreover, in our office buildings and other development projects, we examine ease of access using public transport, and evaluate accessibility for people with disabilities. We ensure our measures are within the scope stipulated by laws and regulations, and in some cases make additional efforts. Mitsui Home's endeavor to make temperature and humidity equipment barrier-free was selected as a fiscal 2017 Leading Project for Sustainable Homes by the Ministry of Land,

Infrastructure, Transport and Tourism. Seeking to make home life more healthy, secure, and convenient, the system combines duct-type air conditioning systems and IoT technology to suppress indoor dust and thereby reduce cleaning frequency. The project also enables users to do such things as remotely fill their bathtubs. In this way, the burden of housework and time spent are lessened.



All-Japan Customer Service Role-Playing Contest

Mitsui Fudosan Retail Management Co., Ltd. holds an annual national customer service role-playing contest for representatives who qualify through preliminary competitions at nationwide commercial facilities. The aim is to improve the value of visits by enhancing the quality of customer service.



Contest participants

11th All-Out CS Contest

In 2019, Mitsui Fudosan Hotel Management Co., Ltd. held its 11th All-Out CS (Customer Satisfaction) Contest. A total of 20 participants took to the stage and demonstrated the customer service skills they have refined through their daily work in the form of roleplay, and reaffirmed the pleasure and importance of greeting the customer with a smile.



Contest participants

CASBEE-WO Certification

INihonbashi Muromachi Mitsui Tower, Tokyo Midtown Hibiya, and the Nihonbashi Takashimaya Mitsui Building were awarded the S rank, the highest rank in the CASBEE-WO (Wellness Office) certification system in May 2020, March 2021 and January 2022, respectively. The Nihonbashi Takashimaya Mitsui Building received a score of 96.6, the highest score among all rental office buildings certified to date (as of the end of January 2022). All of the properties have registered for self-assessment under CASBEE-Building, and have been certified as "CASBEE Smart Wellness Office Certified"* based on their high overall environmental performance evaluation.

* A system administered by the Institute for Building Environment and Energy Conservation (IBEC) to certify office initiatives in both tangible and intangible aspects. The system evaluates not only factors with a direct influence on worker health and comfort, but also those contributing to enhanced intellectual productivity as well as features relating to safety and reliability.

&well

Since FY 2019, we have been offering the health management support service "&well" to support health management and wellbeing by capturing the diversification of work styles and the growing health awareness and changing needs of companies and employees. Looking ahead to the "way of working" following the Corona pandemic, we will continue to support corporate health management and employee wellbeing and contribute to solving health issues through a combination of real and digital health management measures, such as holding health events at actual "places" using our buildings nationwide, predicting user disease risk by combining health checkup data with app usage data, and optimizing content display. We will continue to support the health management of more companies and the wellbeing of their employees, and contribute to solving health issues.



&Well Festa health promotion event at the Roofed Outdoor Plaza (July 2019)

Tools for Communication with Our Customers

The Group offers a variety of communication tools to help build relationships with customers. In terms of content, these tools actively disseminate and exchange information primarily in areas such as housing, and support for improved customer safety, security and environmental awareness.

Company name	Communication tools
Mitsui Fudosan Residential Lease Co., Ltd.	Guide Book for Residential Life A guidebook for customers issued by Mitsui Fudosan Residential Lease summarizes the key points of life in rental housing.(Japanese version only) ⇒ http://mfhl.mitsui-chintai.co.jp/nyukyo/guide/
Mitsui Fudosan Residential Co., Ltd.	31sumai (Mitsui' s residence) A comprehensive information website for housing operated by Mitsui Fudosan Residential.(Japanese version only) ⇒ https://www.31sumai.com/
	Everyone' s Home A communication forum where everyone talks about homes.(Japanese version only) ⇒ https://www.mfr.co.jp/kurashi/idea_top/
Mitsui Fudosan Group Co., Ltd.	Healthy Forests and the Secrets of Trees This family-oriented pamphlet showcases the Mitsui Fudosan Group's forest conservation activities.(Japanese version only) ⇒ https://www.mitsuifudosan.co.jp/and_forest/ebook/
Mitsui Home Co., Ltd.	Environmental and Social Activities(Japanese version only) ⇒ http://www.mitsuihome.co.jp/company/kankyo/
Tokyo Midtown Management Co., Ltd.	Environmental Initiatives (Japanese version only) ⇒ https://www.tokyo-midtown.com/jp/about/csr/

Efforts to Improve Employee Satisfaction (ES)

We strive to improve the functionality of the facilities used by our employees and create a comfortable working environment based on the idea that employees working at facilities are valued partners and that providing a comfortable working environment to increase employee satisfaction (ES) leads to better service to customers and enhances customer satisfaction (CS).

Major Initiatives

The Mitsui Shopping Park Staff Circle is an initiative to create a comfortable working environment and an enriching community for store staff working at commercial facilities. This is achieved by introducing Hata Luck®, a store management application offered by Knowledge Merchant Works Co., Ltd.

We are also providing corporate-led childcare services at four childcare facilities attached to commercial facilities: Mitsui Outlet Park Kurashiki, Mitsui Shopping Park LaLaport Nagoya Minato Acres, Mitsui Outlet Park Kisarazu, and Mitsui Outlet Park Sendai Port.

To improve the ES of employees working at commercial facilities, we are remodeling employee lounges. These cheerful, spacious lounges with a café atmosphere are decorated in a highly individualized style for each facility, and are restful spaces where employees can spend some relaxing time. Convenience has been enhanced by installing vending machines for food and convenience store products.



LaLaport TOYOSU



LAZONA Kawasaki plaza

Creating New Value and Markets through Neighborhood Creation

The Group seeks to create new value and markets through the creation of neighborhoods with outstanding function and quality, while in constant pursuit of cutting-edge approaches. As such, we summarize our basic stance toward neighborhood creation with the following three points. The first is to integrate diverse functions and features, which involves promoting mixed use (combining applications and functions) and integrating the tangible and intangible aspects of the Group's operations. The second is to create communities, which entails connecting people who reside or gather in, or visit a particular area within that region, and the third is to work beyond the simple creation of neighborhoods to address specific needs as neighborhoods mature with age year after year through town management. By establishing a virtuous cycle that comprises these three activity goals, we strive to create new value.

Major Initiatives

Our Efforts at TOKYO MIDTOWN HIBIYA

For further details, see

⇒ https://www.mitsufudosan.co.jp/english/business/development/tokyo_midtown_hibiya/

Our Efforts at Mitsui Fudosan Logistics Park (MFLP)

Connecting Values Together with Customers and Creating New Values Together with Customers—based on this logistics business statement formulated in 2016, Mitsui Fudosan Logistics Parks (MFLP) are committed to creating value unbounded by existing categories. To that end, the Company is pursuing a wide range of measures.



MFLP Funabashi III



MFLP locations are advanced logistics facilities delivering not only enhanced efficiency, but also diverse benefits to the surrounding community. They create job opportunities at tenant enterprises, provide consulting support for recruiting and retaining personnel, create jobs for local construction firms, and generate economic activity for businesses located near the parks and their workforce. These logistics parks are attracting attention as mixed-use facilities offering added value that suits conditions in surrounding communities. As mixed-use facilities offering added value that suits conditions in surrounding communities, these logistics parks are implementing the following initiatives.

- Verification of specifications and inspection methods to prevent water leakage and formulation of measures to prevent recurrence
- Construction of non-contact ELV buttons is planned for Funabashi I and II to prevent infection and create facilities that accommodate new ways of working
- Provide workplaces for people with disabilities (art exhibits in restrooms, kitchen cars, and plant management in exterior areas)
- Planning of products that take women and LGBTQ into consideration (multipurpose restrooms, universal design, multilingual support, etc.)
- Touring, training, and hosting local elementary and junior high schools
(In FY2021, MFLP Tachikawa-Tachihi started to host social studies tours)
- Holding community contribution events at MFLP Funabashi and Green Space (direct sales of vegetables directly delivered from Ota Market, and other events are being considered)

Our Efforts in the Nihonbashi Area

For further details, see

⇒ <https://www.mitsufudosan.co.jp/english/business/development/nihonbashi/>

Our Efforts to Eliminate Redeliveries

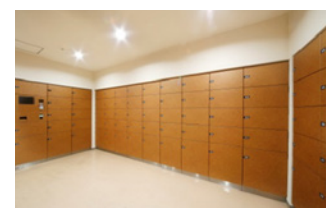
In response to the sharp increase in package delivery volume, which is becoming a social challenge, Mitsui Fudosan Residential Co., Ltd. and Fulltime System Co., Ltd. have formulated a project to improve efficiency of delivery lockers at condominiums. The measures are outlined below:

1. Expand the number of delivery lockers to meet current needs through redesign
2. Raise the turnover rate of packages being placed in and removed from lockers
3. Reduce the number of deliveries made to lockers
4. Offer a locker status check service

These four measures will be progressively introduced at selected Mitsui Fudosan Residential Co., Ltd. properties to enhance delivery locker efficiency, beginning with Park Tower Harumi, a large-scale residence completed in 2019.



Park Tower Harumi is introducing measures to enhance efficiency



Delivery lockers (concept)

Safe and Secure Neighborhood Creation

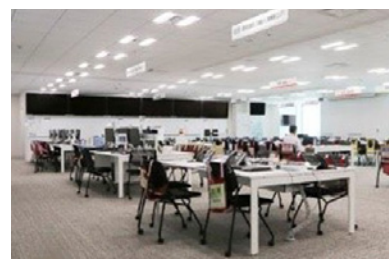
The Group aims to ensure safety and security by creating disaster-resilient neighborhoods, while working to raise awareness of disaster countermeasures through routine training, inspection, and education. We go beyond simply protecting the safety of employees, tenants, and customers, and strive to expand and improve measures for disaster preparedness in collaboration with local communities.

Disaster Countermeasures System

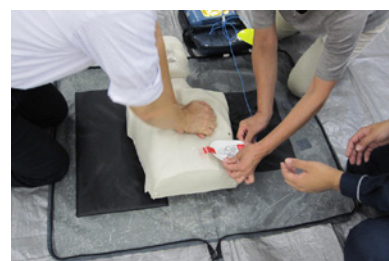
To ensure safety and security for the employees, tenant companies, and visitors to buildings and facilities managed by the Group, Mitsui Fudosan is promoting disaster countermeasure drills and lectures, and business continuity planning (BCP). To ensure the safety of our employees and tenants, we implement training based on disaster countermeasure manuals and BCPs as part of our disaster countermeasures.

The Company maintains a dedicated Disaster Countermeasure Headquarters at the Nihonbashi Muromachi Mitsui Tower (Chuo-ku, Tokyo). Power is generated with gas from a medium-pressure line, which is highly reliable in disasters. This supplies the power required by the building's BCP, even in emergencies.

In the event of a major earthquake, we have in place measures to set up an emergency headquarters that reports directly to the president. To ensure that we are better prepared to respond to any disaster, employees in the disaster center take shifts and remain on duty during weekday nights and holidays. Our disaster response system coordinates with Group companies to ascertain the safety of employees and the status of damage to properties. Employees train in lifesaving procedures using automated external defibrillators (AED). By ensuring that there are certified employees at each worksite, we are working to raise the resuscitation rate for cardiac arrest.



Disaster Countermeasure Headquarters



AED training

Disaster Preparedness and BCP

Smart Energy Project

We are working to solve various social issues such as energy, environmental issues, and disaster prevention through urban development.

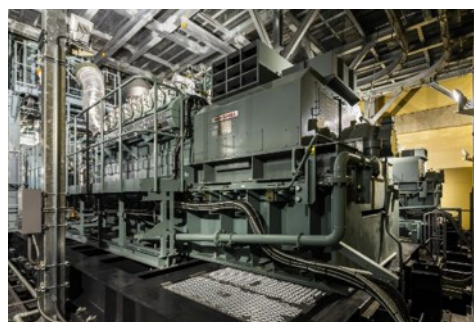
The "Smart Energy Project" has been launched in 2019 starting in Nihonbashi. Through Mitsui Fudosan TG Smart Energy Co., Ltd., which was jointly established with Tokyo Gas Co., Ltd., an "energy center" centered on a large-scale cogeneration system fueled by city gas will be installed in a large-scale redevelopment building. This is an initiative to supply the generated electricity and air conditioning using the heat generated during the generation to the redevelopment and its surroundings.

In normal times, by effectively utilizing the heat generated during power generation, energy efficiency is improved, contributing to energy conservation and CO₂ reduction in the city. In the event of a disaster (wide-area power outage), power is generated using gas drawn from highly earthquake-resistant pipes, and the supply of electricity and heating and cooling to the area is continued, improving the BCP performance of the supply building. Contribute to improving the disaster resistance of the city.

Smart energy projects have started operations in Toyosu in 2020 and Yaesu in August 2022, and we aim to realize a sustainable society by reducing the environmental burden and ensuring the safety and security of the city.

Smart Energy Projects by Mitsui Fudosan TG Smart Energy Co., Ltd.

- Nihonbashi Smart Energy Project (supply to start in April 2019)
- Toyosu Smart Energy Project (supply to start in April 2020)
- Yaesu Smart Energy Project (supply to start in September 2022)



Large gas cogeneration system

Disaster Countermeasures and BCP at Our Buildings

Since the Great East Japan Earthquake, tenant needs have increased for safety, security and business continuity planning (BCP). In response, Mitsui Fudosan is implementing disaster countermeasures and BCP measures in its existing and newly built buildings to improve preparedness during normal times and responsiveness during emergencies.

Main Initiatives at Mitsui Offices

1 Securing electric power to maintain key functions for 72 hours after infrastructure shut-down

- (1) Emergency power generation equipment that can operate for 72 hours made standard in key buildings (also enabling exclusive power supply for specific areas)
- (2) Ability to maintain and quickly restore key functions (elevators, toilets, and ventilation systems, etc.) strengthened
- (3) The introduction of building damage evaluation systems expanded

2 Strengthening capacity to aid people unable to return home after a disaster

- (1) Deployment of disaster stockpiles enhanced
 - ・ Provision of a set amount of food and water for people unable to return home
 - ・ Provision of one days' rations of food and water per employee to tenants free of charge
- (2) Information dissemination enhanced (digital information signage installed)
- (3) Development of a manual for receiving people unable to return home in a disaster at receiving buildings
- (4) Conducting receiving drills for people unable to return home in a disaster

3 Establishing a permanent Crisis Management Center to act as a control center during disasters

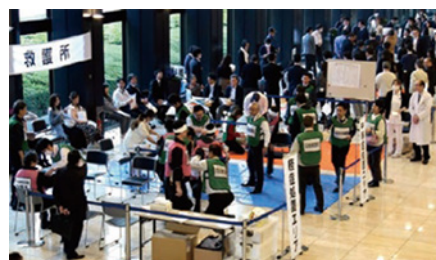
- (1) A permanent Crisis Management Center that enables unified information management during disasters has been established
- (2) Fully equipped with multiple emergency communication devices, including new video communication systems with dedicated channels
- (3) On-duty monitoring 24 hours a day, 365 days a year
- (4) Conduct company-wide collaborative training 3 times/year

4 Disaster prevention initiatives for tenant companies

- (1) Published "Disaster Preparedness Handbook" and "Guide to Preventing Office Fixtures from Falling or Overturning" to communicate the Company's disaster preparedness initiatives and the importance of measures for preventing falling and overturning of office fixtures
- (2) Develop a website to disseminate disaster prevention information (31 Disaster Prevention Web)

Mitsui Fudosan General Disaster Countermeasure Training

The Group carries out disaster countermeasure training based on its disaster countermeasure manuals and business continuity plan (BCP). In coordination with Group companies and tenants, Company-wide disaster countermeasure training for a large-scale earthquake is carried out twice a year, mainly on September 1 (Disaster Prevention Day) and March 11.



Joint general disaster countermeasures drill for tenants of Shinjuku Mitsui Building (Shinjuku-ku, Tokyo)

Disaster Countermeasures and BCP at Our Retail Facilities

At retail facilities operated by the Group, we have enhanced practical measures—such as preparing disaster manuals compatible with all facilities and publicizing customers' guided evacuation procedures as part of our initial disaster responses—and we pursue disaster countermeasure initiatives at our facilities.

Earthquake Drill Disaster Countermeasure Training: Assembly on Foot

The Company and Mitsui Fudosan Retail Management Co., Ltd. carry out company-wide disaster countermeasure training and assembly on foot training to verify coordination between facilities in the event of a disaster.

Disaster Preparedness Program

At Tokyo Midtown Management Co., Ltd., all employees take part in practical simulation training at the Disaster Preparedness Training Center located in Tokyo Midtown (Minato-ku, Tokyo). Through the three-day, eight-hour program, the goal is to develop disaster countermeasure skills including combatting fires, administering first aid, and carrying out rescue operations.



Disaster preparedness lecture



Disaster preparedness training

Quizzes and Workshops to Promote Disaster Awareness Among Local Residents

In cooperation with local governments, fire departments, and other entities, the Company and Mitsui Fudosan Retail Management Co., Ltd. hold a series of disaster-related informational events, dubbed &EARTH Learn About Disaster Prevention!—BOSAI Stamp Rally, at retail facilities around the Tokyo metropolitan area, including LaLaports.



Survival kitchen



AED lecture

Disaster Countermeasures and BCP (MFLP, Logistics Facilities)

At Mitsui Fudosan Logistics Parks (MFLP), which are large-scale logistics facilities managed by the Company, we are engaged in the following efforts to bolster our BCP measures.

- Seismic Isolation Structure

Placing a layer of special rubber in a building's foundations insulates them from the ground and, in turn, minimizes damage to buildings during large earthquakes.

- Emergency Power Generators

We have installed emergency power generators as a backup electricity supply for lighting in common areas and office sections not only during blackouts but in cases of earthquakes and fires.

- Vending Machines During Disasters

We have installed vending machines set to provide free drinks during disasters.

- Disaster Stockpiles

We maintain disaster stockpiles at multi-tenant warehouses (sufficient for one to three days depending on the property).

- Remote Monitoring Using Surveillance Cameras

We have installed a surveillance camera system that enables disaster countermeasure headquarters to determine the situation on the ground.

- Examination of BCP assuming eruption of Mt. Fuji

- Conducting disaster drills twice a year and standardizing 72-hour power supply in the event of power outage in new buildings (common areas)



MFLP Funabashi III



MFLP Ichikawa Shiohama II

Disaster Countermeasures and BCP (Hotels)

To help ensure business continuity in our hotels, we have ensured that all of the elevators we operate are seismically resistant. All hotels are equipped with emergency backup generators capable of operating for approximately 24 hours, and a surveillance system connected with headquarters to monitor conditions at each site.

Disaster Countermeasures Together with the Community and Society

In addition to bolstering disaster preparedness in its buildings and facilities, the Group is working to strengthen preparedness in surrounding communities and neighborhoods. We are engaged in a wide range of activities to raise awareness of disaster preparedness among residents and those working in the area.

The Community Comes Together to Participate in Nihonbashi Hands-on Disaster Preparedness Training

With help from Tokyo's Chuo City government, the Company and Nihonbashi Muromachi Area Management carry out disaster preparedness training in the Nihonbashi Area every March in conjunction with Fire Prevention Campaign Week in the spring.



Nihonbashi Hands-on Disaster Preparedness Training

Kumamoto Earthquakes Research Report Distributed to Related Government Ministries and Agencies as Well as Universities

Since the Great Hanshin Earthquake of 1995, Mitsui Home Co., Ltd. has carried out inspections of all of its residences exposed to shaking of intensity 7 or greater. After the Kumamoto earthquakes of 2016, we sent over 1,600 people to investigate 1,263 Mitsui Home residences in the affected area, and published the findings in a research report. Of the buildings investigated, none were completely destroyed, and only 10 were slightly damaged. This result demonstrates the outstanding seismic resistance of Mitsui Home Co., Ltd.'s 2x4 design and construction methods. We distributed the report, published in February 2017, to related government ministries and agencies as well as universities, to share this earthquake-related data.

Improving the Quality of Urban Development

The Group works diligently to ensure the quality management of its buildings as well as every other facet of its business operations, including products and services, as the foundation for providing safety, security, and comfort to its customers. We are convinced that the delivery of quality-based security, safety, and comfort is a prerequisite for realizing customer satisfaction (CS).

Each business draws up its own design guidelines, manuals, etc. on quality management and puts them into practice to ensure that quality is managed thoroughly. The guidelines, manuals, etc. are also reviewed and revised as needed to reflect customer feedback, problems that have taken place, etc. Reviews of safety-related matters are carried out from time to time as well as following a disaster.

Principal Guidelines, etc. of Each Business Area

Division	Guidelines, etc.
Office Buildings Business	<ul style="list-style-type: none"> • Office Building Design Manual (including BCP design manuals) Provides direction for planning and design by organizing and combining know-how on product planning and operational management. • Office Building Business Standard Operation Flowchart • Office Building Sign Planning Guidelines • Office Building Backyard Standards • Various Construction Quality Management Forms • CO2 Reduction Measure Explanation Sheet
Retail Properties Business	<ul style="list-style-type: none"> • Retail Properties Design Request Form Provides direction for planning and design by organizing and combining know-how on product planning and operational management. • LaLaport Sign Planning Guidelines • Tenant Interior Design Manual • Design Criteria
Housing Business (High-rise Residences, Custom-Built Detached Residence)	<ul style="list-style-type: none"> • Housing Design Guidelines, Specification Documents, Product Specifications, etc.
Hotel Business	<ul style="list-style-type: none"> • Design Guidelines, Specification Documents Manual concerning the design and construction of Mitsui Garden Hotels.
Logistics Business	<ul style="list-style-type: none"> • Logistics Facilities Design Request Form • Mitsui Fudosan Logistics Parks Sign Planning Guidelines • Mitsui Fudosan Logistics Parks Facility Design Guidelines

Performance Evaluations by Evaluation Bodies

With the exception of certain properties, Housing Performance Indication System evaluation reports are obtained at both the design and construction stages for built-for-sale condominiums from a third party organization registered with Japan's Minister of Land, Infrastructure, Transport and Tourism as an objective evaluation of quality management. In addition, the custom-built detached residences of Mitsui Home are also constructed to perform to the high standards of the Housing Performance Indication System.

Basic Urban Development Design

The Group realizes outstanding function and quality in basic designs for neighborhood creation, while always pursuing innovation. Our aim is to create new value for the future of the people who live in these neighborhoods.

Our Efforts at Kashiwa-no-ha Smart City

The Group has positioned Kashiwa-no-ha Smart City (Kashiwa City, Chiba) as a cutting-edge model city to respond to a wide range of social challenges, including environmental challenges, a super-aging society, and economic stagnation. We are promoting the development of next-generation neighborhoods with participation from the public, private, and academic sectors.

Urban Design Center Kashiwa-no-ha (UDCK) Received Minister of Land, Infrastructure, Transport and Tourism Award

UDCK received the 6th Minister of Land, Infrastructure, Transport and Tourism Award for Urban Design Corporations (Urban Design Leader Support Category). Through public-private-academic collaboration, UDCK formulated project plans, coordinated designs, conducted post-project space management, and deployed organizations to implement these and relevant management methods to other regions. In this way, UDCK contributed to energizing projects as a whole by supporting leaders of neighborhood creation. The award recognized these contributions.



Urban Design and Management through Public-Private-Academic Collaboration Received the Ishikawa Award

The Urban Design Center Kashiwa-no-ha (UDCK) is a public-private-academic cooperative effort between Kashiwa City, Mitsui Fudosan, the University of Tokyo, and Chiba University. The center's urban design and management work was awarded the fiscal 2016 Ishikawa Award bestowed by the City Planning Institute of Japan.



Award recipients

Our Efforts at Mitsui Fudosan Residential

Mitsui Fudosan Residential Co., Ltd.'s built-for-sale condominiums—Park Homes Nakameguro, Park Homes Nakano Honcho The Residence, and one other property—received the Japan Institute of Design Promotion's Good Design award in FY2021. This was the 22nd consecutive year that Mitsui Fudosan Residential Co., Ltd. has received this award.

Our Efforts at Nihonbashi

The Nihonbashi Revitalization Plan for Preserving and Revitalizing Heritage while Creating the Future

Nihonbashi (Chuo-ku, Tokyo) has flourished as a center of commerce and culture since the Edo period. The Group's over three-hundred year history is closely associated with this area. To express our love and appreciation for Nihonbashi, we have begun the Nihonbashi Revitalization Plan with the concept of creating while retaining and reviving, to stimulate the area and make it even more attractive. We are collaborating with government, private enterprise, and local residents to create a new neighborhood that combines tradition and renewal.

Fukutoku Garden was established as a spacious plaza covering more than a thousand square meters among the buildings of Nihonbashi that are undergoing redevelopment. It is a restful spot which utilizes the nature of Japan to reproduce the history and tradition the area has fostered. The greenery surrounding the adjacent Fukutoku Shrine and its approach enables visitors to enjoy the beauty of the four seasons.



Fukutoku Garden

Creating Neighborhoods by Creating Roads in Nihonbashi

Nihonbashi in Tokyo flourished as the starting point of the five major highways leading to other parts of Japan. The Company is following a policy of Building Neighborhoods by Building Roads to avoid unplanned redevelopment in this area and ensure coexistence with the culture and tradition that is a product of Nihonbashi, with its historic buildings. As a first step, we are preserving the appearance of the area by unifying the height of the lower floors of buildings along Nihonbashi's iconic main street at 31 meters. Furthermore, by developing facilities and creating green spaces suited to the characteristics of the streets that have been loved in the area from the distant past, we are creating spaces for people to gather and enjoy themselves. Edo was known for its extensive network of canals, and by restoring some of this network as well, we are using the creation of roads as a point of departure to create the Nihonbashi of the future.

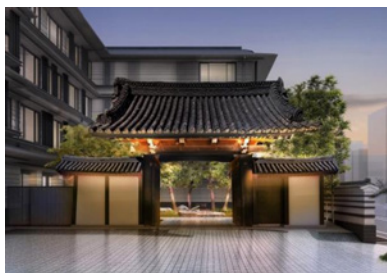


Nihonbashi, Chuo-dori (main street)

Hotel-related Initiatives

HOTEL THE MITSUI KYOTO (Nakagyo-ku, Kyoto), under the brand concept of "EMBRACING JAPAN'S BEAUTY," offers a space to stay blending traditional Japanese unique beauty found in traditional culture, architecture, craftsmanship, and food with contemporary design, harmonizing historical and progressive elements. The guestrooms are designed to resemble a traditional tea ceremony room, and has been created using natural materials and craftsmanship. In addition, the courtyard has a landscape design that respects the spirit of "Niwaya Ichijo".

The Mitsui Garden Hotel Kyoto Kawaramachi Jokyoji (Shimogyo-ku, Kyoto) will be a unique building complex in collaboration with a temple that preserves Kyoto's history and culture. Kyoto is dotted with numerous temples that are not only tourist attractions but also serve as spiritual places for the people living there. However, some temples have been forced to close due to aging buildings, lack of successors, and a decline in the number of priests. As one solution to these social issues, this project is a new model case of temple revitalization, in which a hotel and a temple development are integrated.



Entrance to HOTEL THE MITSUI KYOTO

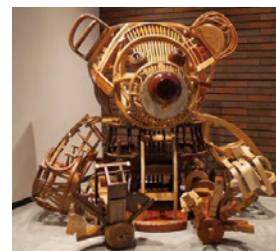


Entrance of Mitsui Garden Hotel Kyoto Kawaramachi Jokyoji



Mitsui Garden Hotel Sapporo West

"WOODY BEAR", an objet d'art created with the theme of carved wooden bears, a traditional craft of Hokkaido, is used for the interior design of the Mitsui Garden Hotel Sapporo West. Based on the concept of creating new values that interpret tradition in an innovative way, everyday wooden furniture such as chairs and tables are dismantled and precisely layered to create new contours.



WOODY BEAR

Housing-related Initiatives

Wooden condominium MOCXION

In July 2021, Mitsui Home launched "MOCXION," a new brand of wooden condominiums using "wood" which is a sustainable construction resource that is friendly to people and the environment, as a structural material.

The first property, MOCXION INAGI, was recognized as a large-scale medium-rise wooden construction project that is highly popular, and was selected as the Ministry of Land, Infrastructure, Transport and Tourism's FY2020 Sustainable Building Leading Project (Leading Type of Wooden Construction). In addition, in 2021, MOCXION received the Good Design Award for its environmental friendliness.



Mute 45-50: Mitsui Home's High Sound-Insulating Floor System

Mitsui Home's highly sound-insulating floor system Mute 45-50 received an award in the Designs Contributing to the Safety and Security of Children category at the 11th Kids Design Awards. The system boasts excellent floor sound insulation and shock absorbing performance—at the highest level in the housing industry—which allows families rearing children to live freely, without worrying about sounds being transmitted to lower floors. Due to its outstanding shock absorbing performance, Mute 45-50 can also be used outside homes in nurseries, kindergartens, and medical facilities to reduce impact on the body and improve safety in case of falls.



Housing complex incorporating Mute 45-50



City Redevelopment Projects

The Group aims to realize the principles of coexisting in harmony with society, linking diverse values, and achieving a sustainable society. Furthermore, our stance toward neighborhood creation encompasses the following three activity goals.

- Integration of diverse functions and features by promoting mixed use (combining applications and functions) and integrating the tangible and intangible aspects of the Group's operations.
- Creation of communities by connecting regions with the people who reside, gather in, or visit the area.
- Working beyond the simple creation of neighborhoods to address, through town management, specific needs as neighborhoods mature with age year after year.

In office buildings and all other developments, we take into account access to public transport. With locations near transport hubs, we offer convenience and safety, and also promote environmentally friendly use of public transportation at retail facilities, hotels, and other places where many people gather, to contribute to the reduction of CO₂ emissions. Moreover, in all development, we evaluate accessibility for people with disabilities, take measures within the scope stipulated by laws and regulations, and in some cases make additional efforts.

Main Redevelopment Projects

Tokyo Nihonbashi Area

In collaboration with the local community, the Group strives to energize the Nihonbashi area by strengthening its function as a life science hub, while making use of the history and culture passed down from the Edo period in neighborhood creation and events.

Further details can be found at the following URL.

⇒ <https://www.mitsufudosan.co.jp/english/business/development/nihonbashi/>

Kashiwa-no-ha Smart City

The Group has positioned Kashiwa-no-ha Smart City (Kashiwa City, Chiba) as a cutting-edge model city to respond to a wide range of social challenges, including environmental challenges, a super-aging society, and economic stagnation. We are promoting the development of next-generation neighborhoods with participation from the public, private, industrial, and academic sectors.

Further details can be found at the following URL.

⇒ <https://www.mitsufudosan.co.jp/english/business/development/kashiwanoha/>

TOKYO MIDTOWN HIBIYA

TOKYO MIDTOWN HIBIYA (Minato-ku, Tokyo), which opened on March 29, 2018, aims to create new future-oriented experiences and value while carrying on the history and tradition of Hibiya, which first developed as a setting for social interaction and relaxation in the Meiji era, and played a major role in the modernization of Japan.

Further details can be found at the following URL.

⇒ https://www.mitsufudosan.co.jp/english/business/development/tokyo_midtown_hibiya/

Create New Industries Through Open Innovation



Policy

In order to resolve social issues and create new value, the Group is working to promote innovation and create new industries by collaborating and cooperating with a variety of government bodies and companies inside and outside the Group.

Creating New Value and Markets

Innovation Hubs: Organizations and Structures to Promote Business Innovation

Against the backdrop of rapid changes in the business environment, companies face a need to transform their management and their business models through IT technology and digital transformation. Mitsui Fudosan is working to create new industries under a structure to create innovation within and outside the Group, through collaboration that leverages the strengths of five organizations: the Industry-Academia Collaboration Department (established in 2020), DX Division (established in 2020), Business Innovation Planning Department (established in 2020), Venture Co-creation Department (established in 2015), and Life Science Innovation Department (established in 2017).

In-House Hub Organizations That Support Innovation

DX Division

We strengthened the IT Innovation Division and are promoting digital transformation, including transformation of existing businesses, system enhancement, new business support, and better use of data, through the latest digital technology and support from digital experts. Because of our active efforts to promote DX, in 2022 we were designated as a DX Stock 2022 by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.



Industry-Academia Collaboration Department

On the 4th floor of Tokyo Midtown Yaesu, which is being promoted as a member of the Yaesu 2-chome North District Urban Redevelopment Association in collaboration with the University of Tokyo, the UTokyo Yaesu Academic Commons, a satellite base in the city center will open in October 2022.

The University of Tokyo Yaesu Academic Commons will offer various programs for a wide range of students and human resource development programs for working adults, providing a new venue for educational research and information dissemination. In addition, the University of Tokyo and Mitsui Fudosan signed an industry-academia collaborative creation agreement, and at the Mitsui Fudosan University of Tokyo Lab, which launched in 2020, efforts are focused on practical research and human resource development using the knowledge of the University of Tokyo and the fields created by Mitsui Fudosan. The University of Tokyo Yaesu Academic Commons was born out of this initiative.

Business Innovation Planning Department

This department engages in new business development with a focus on the real estate tech domain. It also promotes the creation of new businesses through its MAG!C business proposal system, which solicits a wide range of business ideas from throughout the company.

Life Science Innovation Department

This department constructs ecosystems in the field of life science by building communities, developing opportunities, and providing funds to support the creation of innovation. The Life Science Innovation Business Division is also building LINK-J, a platform for bringing together humans and sharing information for professionals in the field of life science.



Venture Co-creation Department

This department engages in startup investment, promotion of collaboration, ecosystem restoration, and support for intrapreneur training in large companies, with the aim of creating new industries through open innovation. The Venture Co-creation Department is deploying 31VENTURES, which provides comprehensive backing for startup growth centered on community, support, and funding, by utilizing the Group's wide-ranging domestic and international business domains. We also launched BASE Q, a nexus for business creation, in TOKYO MIDTOWN HIBIYA. As a place where people seeking to create new value and address social challenges can gather to create new businesses, BASE Q offers a diverse range of facilities and events where advanced technologies and innovative ideas intersect.



A Framework for Using Digital to Promote the Creation of New Industries The MAG!C Business Proposal System

To activate Mitsui's spirit of entrepreneurship and its DNA of sparking innovation while promoting the creation of new businesses by drawing out the ideas of individual employees, we enhanced our business proposal system in terms of budget, personnel, and incentives to create MAG!C. This system launched in FY 2018.

Business Incubation Training Program


Under mentoring by multiple outside partners, this incubation program provides powerful support for the development and commercialization of business seeds that have passed the final screening of the MAG!C business proposal system.

WARP Studio Open Innovation Hub

In the Yaesu area of Chuo-ku, Tokyo, we established the WARP Studio open laboratory under the concept of accelerating creative ideas by getting away from the head office. The studio is used by several different project teams, including those of new business projects created under the MAG!C business proposal system and DX projects that combine Group companies and partner venture companies. Here we work to create an open and creative atmosphere and to accelerate innovation, allowing mixed internal and external teams to function effectively.



WARP Studio open innovation hub



Refer to the ESG Data at the end of this report for the following governance-related data.

Compliance

- Number of Compliance Violations Handled by the Risk Management Special Committee
- Tax Payments by Country/Region

Corruption Prevention

- Corruption-related Fines, Surcharges, and Arbitrations

Corporate Governance

- Number of Directors and Auditors
- Reason for Selection as Outside Directors and Corporate Auditors
- Compensation by Title, Amount of Compensation by Type and Number of Applicable Executives
- Compensation of Executives Exceeding ¥100 Million

Governance

Compliance

Basic Policy

In accordance with the Mitsui Fudosan Group Compliance Policies, we regard the practice of compliance as one of our highest priorities for Group management, and implement fair and highly transparent corporate activities in accordance with corporate ethics, in addition to observing laws and regulations as well as social norms.

Mitsui Fudosan Group Compliance Policy (established April 28, 2005; revised August 1, 2018)

Introduction

We have engaged in fair business activities based on the highest corporate ethics and worked diligently to garner trust and build a robust brand.

However, these tireless efforts to build a robust brand strength can be lost in an instant by the erroneous actions of a single individual. As a result, proper decision-making and behavior will continue to increase in importance.

To accomplish this, we regard the practice of compliance as one of our highest priorities for Group management and implement fair and highly transparent corporate activities in accordance with corporate ethics, in addition to observing laws and regulations as well as social norms.

Definition of Compliance

Ensuring legitimate and fair corporate activities by observing laws, regulations, and internal rules, and giving proper consideration to norms of ordinary society, and corporate ethics.

Aims for Compliance

Honest Conduct

1. We shall aim not simply to comply with laws and regulations, but rather recognize our company's social responsibility and be a good corporate citizen.
2. We shall ensure mutual respect of human rights, personalities, and values.
3. Even if news is bad, it shall be promptly reported to top management, and we shall strive to respond properly.
4. In carrying out work, the top priority shall be placed on the safety of customers and the workplace environment.

Fair Conduct

1. We shall carry out corporate activities with fairness and a high degree of transparency, in accordance with corporate ethics.
2. We shall properly disclose information to society and ensure the transparency and soundness of our management.
3. We shall take an uncompromising stance toward antisocial organizations and reject any relationship whatsoever.
4. We shall not engage in wrongful discrimination based on nationality, social status, race, creed, gender, age, disability, sexual orientation, or gender identity (i.e., LGBT).

Abiding by Rules

1. We shall abide by all relevant laws, regulations, and internal rules, and give proper consideration to social norms and corporate ethics
2. We shall carefully protect and manage personal information and other information requiring confidentiality.
3. We shall not exchange gifts or provide entertainment to obtain illegitimate advantages.
4. We shall not pursue personal gain by using undisclosed or internal information.
5. We shall avoid conduct that may negatively affect our company's reputation or operations even outside of working hours.

When Unable to Decide, Ask Yourself the Following...

1. Is my conduct honest?
2. Is my conduct fair?
3. Is it conduct you can explain to your family, friends, and the society at large without being ashamed?

Compliance Structure

The officer in charge of general administration assumes overall responsibility for compliance, receiving reports from the Compliance Management Department and others. Matters deemed to be of particular importance are reported to or submitted for review by the Board of Directors or the Executive Management Committee. Said officer is also responsible for formulating a compliance-related action plan each fiscal year, including the enactment, revision or repeal of company rules; training in such areas as laws and regulations as well as company rules; and the monitoring of, and issuance of reports regarding, compliance with same. Said officer is also responsible for overseeing compliance activities based on this plan. Group companies are required to formulate and implement compliance promotion plans, and these are reported upon by the officer in charge of general administration and verified by the Company at fiscal year end.

Compliance Training

Mitsui Fudosan provides compliance training to new employees, newly appointed executive managers and directors, including officers, with the aim of improving compliance awareness. It also implements e-learning-based training for all corporate officers.

Main Training and Awareness-Raising Initiatives (Company)

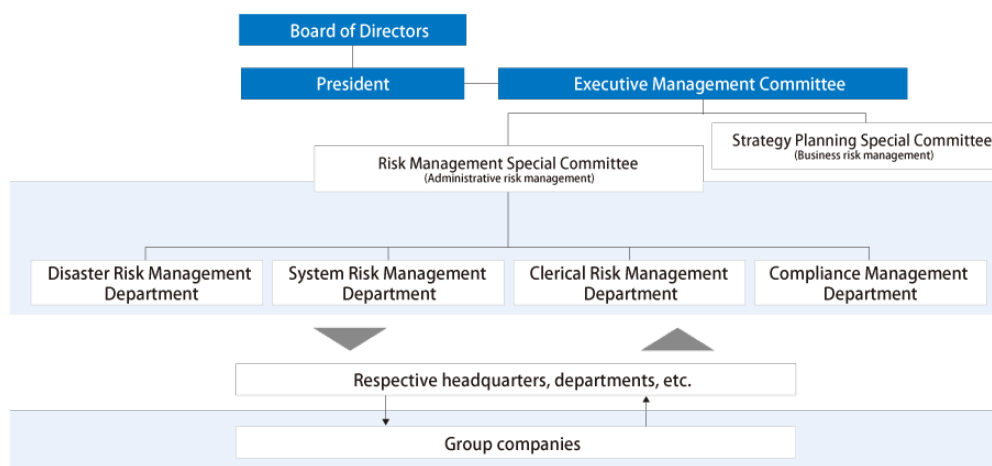
Initiative		Target	Content
Internal training	New employee training	New employees	(April) *Implemented at the beginning of every month for dispatch and contract employees
	Newly appointed executive manager training	Newly appointed executive managers	Study sessions on preventing bribery, restrictions on dealing with Antisocial Forces, information security, preventing insider trading, etc. (March)
	Officer compliance training	Directors, executive managing officers, full-time corporate auditors, etc.	(September)
	Overseas compliance training	Overseas Business Division, employees assigned to overseas subsidiaries	Explanation of compliance violation case studies including cases involving overseas companies, education regarding the importance of preventing bribery, etc. (December)
	Training for local staff at overseas subsidiaries	Local staff at overseas subsidiaries	Training on bribery prevention, personal information protection, and on the internal whistle-blower system, etc. (October, February)
	Companywide compliance training (e-learning)	All staff, including managing officers	(June, November)
Awareness-Raising Initiatives	Internal bulletins	All directors and employees	Mitsui Fudosan Group Compliance Policies shared through internal bulletins and handbooks
	Compliance news	All employees	Information issued on such topics as eliminating contacts with Antisocial Forces, awareness of the dangers posed by ransomware, and others requiring the exercise of caution during the course of business (April, July, October, February)

Risk Management

Risk Management System

Under the Executive Management Committee, which supervises overall risk management for the Group, the Strategy Planning Special Committee and the Risk Management Special Committee manage business risk and administrative risk respectively.

The Managing Director acts as the person in charge of legal affairs and compliance, the Chief Risk Officer, the Chief Legal Affairs Officer, and the Chief Officer for Compliance, and he belongs to the Board of Directors and Risk Management Special Committee, and periodically reports on risk management to the Board of Directors and the president.



Major Risks

Business risk

- Economic environment risk
- Interest rate risk
- Funds procurement risk
- Real estate business competition risk
- Real estate development risk
- Lease income risk
- International business risk
- Competitor risk
- Asset valuation risk
- Cost of revenue from operations risk
- Climate change transition and physical risk
- Natural and man-made disaster risk
- Environmental risk
- Pandemic risk

Administrative risk

- Legal compliance risk
- Legal and policy change risk
- Litigation and conflict risk
- Conflict of interest risk
- Internal controls and accounting risk
- Cybersecurity risk

Supervision on Code of Conduct and ESG Risks

The Board of Directors also monitors the conduct of the Company's business activities as well as environmental, social, and governance (ESG) risk.

Response to climate-related issues

The Company examines, annually in principle; whenever there are significant changes in regulations, the legal system, technology, or market trends; and whether or not there have been significant changes to risks specified in business plans, or any short-term risks that must be dealt with. As an example relating to an existing regulation, we have determined that the possibility of the scope of greenhouse gases set forth in the Tokyo Metropolitan Environmental Security Ordinance being expanded, and/or of rules relating to permitted emission levels being tightened, represent an important risk. Also, buildings including medium-scale structures with a floor area of 300 m² or more were required to meet the energy efficiency standards set forth in the Building Energy Efficiency Act starting from April 2021.

In yet another example, we have considered the degree of impact that climate change may have on our overall business activities, and we recognize that the amount of CO₂ emissions we generate in the course of our activities is a priority issue. Since electric power-related emissions account for the largest proportion of total CO₂ emissions, we are a member of the RE100 initiative, among other efforts.

Strategy Planning Special Committee

The goal of the Strategy Planning Special Committee is to manage business risk by reviewing management plans and specific management issues, and managing the execution of responses to such issues.

The Strategy Planning Special Committee provides the following functions for Mitsui Fudosan and the Mitsui Fudosan Group.

1. Formulation and review of Group strategies
2. Medium- to long-term business planning and fiscal-year planning, prior review, and coordination
3. Review of policy responses to specific management issues, and promotion and management of such policies
4. Planning, proposal formulation, and review of organizational structures, staffing, etc.
5. Supervision of business risk management for Mitsui Fudosan and the Mitsui Fudosan Group
6. Review of other important matters

Risk Management Special Committee

To manage business risk, the Risk Management Special Committee formulates risk management policies and plans, identifies and assesses risks, formulates response measures, and issues instructions.

The Risk Management Special Committee implements a PDCA cycle to comprehensively manage administrative risk, and it also precisely engages in preventative risk management while standing at the ready to respond in a crisis. When a compliance violation occurs, the Compliance Committee orders an investigation and response, and monitors the situation.

The Risk Management Special Committee fulfills the following functions for Mitsui Fudosan and its Group companies.

1. Formulating risk management policies and plans
2. Improving risk management-related organizations, and clarifying roles and responsibilities
3. Understanding and assessing risks that require management, formulating response measures, and issuing instruction
4. Understanding and assessing the status of risk management, formulating improvement measures, and issuing instruction
5. Deliberating response measures and issuing instruction in cases of business risk arising from emergency incidents, accidents, etc.

The Risk Management Special Committee meets, as a rule, on a once-a-month basis, to identify and understand risk issues, and then review and propose preventative and response measures. The committee conveys information to the entire company and the Mitsui Fudosan Group as necessary.

Main Agenda Items of the Risk Management Special Committee

Report on condition of risk (incidents, accidents, etc.)

Report on legal issues and compliance

Plan and report on J-SOX compliance

Plan and report on protection of personal information

Inspect and report on information systems security

Response to Compliance Violations

When the Compliance Management Department determines that a particular matter involves a compliance problem, it conducts an investigation in collaboration with the relevant Company department. If necessary, appropriate action is taken with respect to the individuals who are out of compliance, as well as those individuals' departments, after deliberation by the Risk Management Special Committee.

Establishment of an Internal Consultation Service

The Company has established internal contact points for consultation. These can be used by regular employees, and anyone engaged in work for our company based on an individual labor contract (contract employee), temporary transfer agreement, worker dispatch contract, part-time contract, or other agreement. Two contact points, internal and external, have been established, and workers can consult with either. The external contact point is provided at a law office, and it accepts consultations from a neutral standpoint,*¹ notifies the Company of the consultation content, and encourages a response.

Topics for consultation include: wrongful conduct violating laws, regulations, internal rules, general social norms, or corporate ethics, sexual harassment, abuse of power, other forms of harassment, employment problems, and issues with the workplace environment.*² The privacy of those who engage in consultation is protected, and there is never any retaliatory action or disadvantageous treatment due to such consultations in terms of personnel decisions. Consultations can be conducted under a real name, or anonymously.*³

*1: Representatives of the law office cannot provide legal opinions as lawyers, or take a stance protecting the consulting person.

*2: Simple expressions of opinion, dissatisfaction with personnel decisions, defamation of others, and similar issues cannot be the subject of consultation.

*3: To achieve early discovery and response to compliance problems—the original purpose of the system—the consulting employee's standpoint and other information are confirmed even in the case of an anonymous consultation.

Our Commitment to Auditors

Mitsui Fudosan has established the Compensation Advisory Committee and the Nomination Advisory Committee to enhance transparency of the nomination process for corporate auditors. In addition, we have adopted a corporate officer system to enhance the soundness and efficiency of management by separating and strengthening management and executive functions.

Auditors conduct audits of business execution by directors while coordinating with the Audit Department, which serves as the internal audit department of the Company, as well as certified public accountants. To ensure proper operation of the auditing function, we rotate our auditors in an appropriate way. The Audit Department periodically conducts audits to review observance of the Code of Conduct and Code of Ethics, and identify any compliance violations.

Complying with the Antimonopoly Act

The Group closely monitors its purchases from vendors for conformance with its Group Compliance Policies, and makes efforts to strictly comply with the Antimonopoly Act.

The Company will comply with all relevant laws, such as the Antimonopoly Act, and will avoid any conduct that could result in unfair transactions or unjust competition. We will engage with business connections sincerely as an equal partner and handle the procurement of goods and services based on fair standards.

Responding to Antisocial Forces

The Mitsui Fudosan Group maintains a steadfast position of strictly avoiding any and all relationships with anti-social forces that threaten the order and safety of civil society. Having formulated internal regulations including The Mitsui Fudosan Group Compliance Policy, Compliance Rules and Compliance Procedures, the Company strives to clarify basic views and procedures related to the elimination of antisocial forces while raising internal awareness.

Each division of the Company also investigates and confirms that a transaction partner is not involved in organized crime before the transaction begins. The Company regularly cooperates with the police, the National Center for Removal of Criminal Organizations, lawyers, and other outside expert organizations, and in the unlikely event the Company faces unwarranted demands or violent behavior from such organizations, the necessary action will be taken, including contacting the relevant police department and taking legal measures.

Information Security Management System

The Company appoints the chairperson of the Risk Management Special Committee as a general director of information security management. Under the general director's supervision, a chief administrator, manager, group leader and other leadership are assigned at each organizational level to manage information security risk.

Personal Information Protection Initiatives

To appropriately utilize and manage personal information, in line with the Information Security Management System, the Group implements and manages its Personal Information Protection Policy in accordance with applicable laws and regulations.

Moreover, we strive to reinforce the system and cultivate awareness through the following efforts.

- Formulation and application of Guidelines for Personal Information Protection
- Training through e-learning
- Formulation of personal information protection plan
- Thorough management of subcontractors
- Enhancing personal information protection by Group companies

Business Continuity Plan (BCP)

In addition to creating disaster-resilient neighborhoods, the Group aims to ensure the safety and security of employees, tenants, and customers at facilities it operates by working on business continuity plan initiatives, such as by running disaster countermeasure training and first-aid training.

In principle, we hold Groupwide disaster countermeasure training three times a year, which imagines different scenarios where a large-scale earthquake has occurred. We carry out these drills to make sure we can respond smoothly to a variety of situations.

(Theoretical scenarios)

- An earthquake occurs directly below Tokyo during working hours
- An earthquake occurs directly below Tokyo outside working hours
- A major earthquake occurs outside Tokyo near branch offices

Scale of, and degree of damage caused by, hypothetical earthquake under Tokyo for the drills

(In line with Central Disaster Management Council expectations)

1. Scale

Maximum 7 on the JMA Seismic Intensity Scale in some areas, centered on the southern part of the city

2. Damage

- (1) Infrastructure: blackouts, water cuts, gas supplies can only be supplied through intermediate-pressure pipes
- (2) Public transport: all lines closed in the metropolitan area
- (3) Communications: general lines down, the internet still usable

(For more details, please see the Safe and Secure Neighborhood Creation page)

⇒ https://www.mitsufudosan.co.jp/esg_csr/society/04.html#p06

Tax Transparency

Policy

Based on its compliance policies, the Group pays an appropriate level of tax and through its fair and highly transparent corporate activities, contributes to co-prosperity in harmony with society and the realization of a sustainable society. As a global entity, the Group pays attention to international organizations and trends—such as the OECD and the BEPS Project—and has constructed a suitable tax affairs framework for the Group. Maintaining this system, the Group will fulfill its social obligation in regard to taxation.

Compliance with Tax Laws

The Group conducts its corporate activities in strict compliance with all applicable tax laws and in the spirit of taxation, as well as guidelines from international organizations such as the OECD, the EU, the UN, etc., and takes into consideration legislative intent. Furthermore, it pays all prescribed taxes by their designated due dates in accordance with their country of origin.

Transfer Pricing

With regard to dealings among its international partners, the Group will take into consideration the arm's length price and appropriately distribute earnings based on the degree to which each party contributed, as well as on analysis of the functions, assets, and risks of the relevant subsidiary and country.

Eliminating Double Taxation

In order to avoid tax on the same economic gains being applied across numerous countries, the Group will implement measures, including adhering to the tax treaties of those countries in which it is conducting its business.

Securing Transparency

The Group will disclose its policies regarding taxes, and take care to provide easy-to-understand explanations and maintain a high level of transparency for each respective country's taxation authorities.

Relationships with Taxation Authorities

The Group will obey each respective country's tax administration and tax collection procedures. Further, it will maintain healthy and normal relations with relevant taxation authorities, and will not offer any inappropriate benefits or provisions. Should the Group and taxation authorities come into conflict, we will proactively discuss the matter with the authorities to find a resolution and prevent reoccurrences through appropriate improvement measures concerning the issue.

Tax Planning

In order to maximize value for shareholders, the Group will implement appropriate and fair tax minimization measures. It will not, however, conduct any inappropriate tax planning, including measures such as applying beneficial taxation systems that disregard the legislative intent behind laws and regulations. Nor will it deliberately avoid taxes in ways that are not in line with its business goals or actual conditions, or by utilizing tax havens.

Governance System

Under the Executive Management Committee, which supervises overall risk management for the Group, the Risk Management Special Committee manages business risk, including tax affairs.

The director who acts as the person in charge of legal affairs and compliance, the Chief Risk Officer, the Chief Legal Affairs Officer, and the Chief Officer for Compliance belongs to the Risk Management Special Committee, and periodically reports on risk management to the Board of Directors. As part of our risk management, the Audit Department periodically conducts audits to review observance with the Code of Conduct and Code of Ethics, and identify any compliance violations. For more details on the specific framework and other aspects of the system, please see the Risk Management section.

Policy to Prevent Bribery and Corruption

The Group positions compliance as a management issue of the highest priority, and makes concerted efforts to maintain and improve its compliance structure. The Mitsui Fudosan Group Compliance Policies sets forth the relevant compliance definitions and conduct guidelines, and the detailed rules in the Compliance Manual outline conduct guidelines in areas such as eliminating organized crime, preventing money laundering, eliminating unfair transactions, preventing insider trading, prohibiting gifts and entertainment, and forbidding contributions to politicians and political organizations. In this way, we make consistent efforts to ensure compliance and prevent bribery and corruption. Through our Sustainable Procurement Standards, we are working to completely eliminate bribery and other forms of corruption at suppliers and contractors.

Mitsui Fudosan Group Compliance Policy (Excerpt)

We have engaged in fair business activities based on the highest corporate ethics and worked diligently to garner trust and build a robust brand.

However, these tireless efforts to build a robust brand strength can be lost in an instant by the erroneous actions of a single individual. As a result, proper decision-making and behavior will continue to increase in importance.

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⇒ For the full text of the Mitsui Fudosan Group Compliance Policy, see Compliance.

Mitsui Fudosan Group Sustainable Procurement Standards (Excerpt)

5.1 Prevention of bribery and other forms of corruption

Companies shall not engage in bribery, corruption, extortion, or embezzlement of any kind. In addition, companies shall not offer or condone promises, offers or permits as a means of obtaining bribes or other illicit or inappropriate benefits.

⇒ For the full text of the Mitsui Fudosan Group Sustainable Procurement Standards, see Policy under Supply Chain Management.

Enhanced Compliance

The employee handbook includes a clear description of Group Compliance Policies. We also strengthen compliance and ensure broad dissemination of information by issuing Compliance news to all employees when appropriate. This news covers topics specified in the Compliance Manual (based on the Mitsui Fudosan Group Compliance Policy) such as eliminating organized crime, preventing money laundering, eliminating unfair transactions (abuse of superior bargaining position), preventing insider trading, prohibiting gifts and entertainment, and duty of confidentiality regarding company information.



Group Compliance Policies recorded in an employee handbook

Prohibiting Bribery and Handling of Gifts and Entertainment

Mitsui Fudosan has prohibited the illicit provision of benefits to public officials and other individuals in similar positions. Also, in dealings with business connections and affiliates, etc., a rule has been established preventing the giving or receiving of excessive gifts, entertainment, and the like. Also, the Company has established a structure and rules to be followed to prevent bribery and has formulated and is implementing Regulations for Preventing Bribery with the aim of preventing such conduct before it occurs.

Our Efforts at Preventing Corruption

- The Company uses e-learning to train employees in corruption prevention and other issues. This training covers issues set forth in our Compliance Manual such as eliminating organized crime, preventing money laundering, eliminating unfair transactions (abuse of superior bargaining position), preventing insider trading, and prohibiting gifts and entertainment.
- We work to prevent corruption by providing the internal whistleblower system.
- We comprehensively assess corruption risk and endeavor to control it when selecting new domestic and international business partners and entering new regions and business areas. We ask our prospective business partners to fill out a basic check sheet and a compliance check sheet, and also have our legal compliance-related departments confirm the absence of any violations. In this way, we carry out a comprehensive examination in areas designated or assessed to be high risk, such as preventing bribery, eliminating organized crime, preventing money laundering, eliminating unfair transactions, preventing insider trading, and forbidding contribution to politicians and political organizations.
- In 2021, to assess the risk of corruption, we began conducting surveys based on the Sustainable Procurement Standards for suppliers and contractors to ascertain the situation at each company, asking about designated high-risk issues such as preventing bribery and other forms of corruption, avoiding interactions with organized criminal groups, and promoting fair business activities.
- Businesses deemed to be at high risk of corruption are monitored closely by the Executive Management Committee and the Strategy Planning Special Committee, and they decide on an appropriate response in each case.
- The Board of Directors closely monitors the Corruption Prevention Policy. The Risk Management Special Committee supervises such areas as eliminating organized crime, preventing money laundering, eliminating unfair transactions, preventing insider trading, prohibiting gifts and entertainment, and forbidding contribution to politicians and political organizations, and regularly reports to the Board of Directors.

Political Donations

Mitsui Fudosan does not provide donations for political activities to any parties other than official political parties and political fund-raising organizations. Furthermore, support for activities by political organizations is conducted appropriately in accordance with the Political Funds Control Law, laws and regulations connected to the Public Offices Election Law, and other relevant laws and regulations.

Fiscal 2015–2021

- One donation each year, to The People's Political Association. Amount: ¥20 million

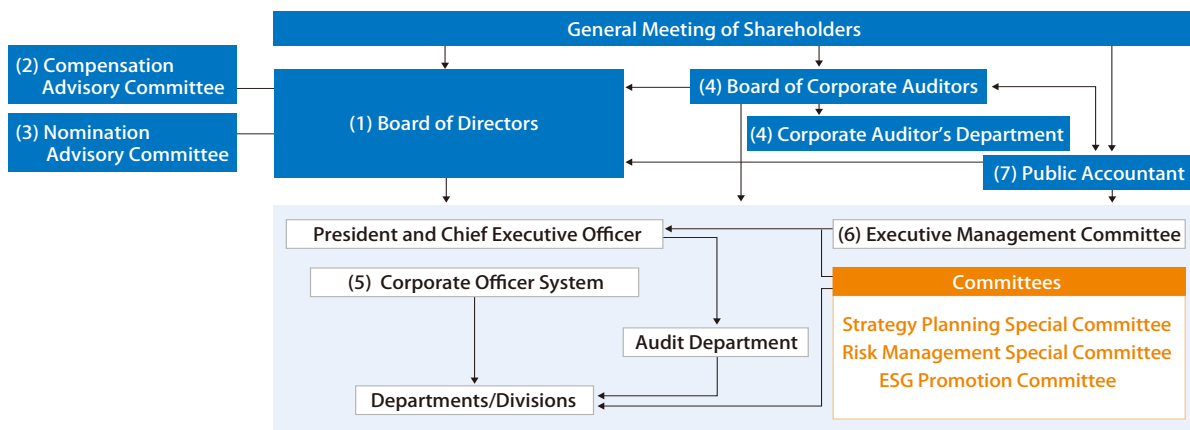
Corporate Governance System

The Group aims to create and maintain optimal corporate governance from the standpoint of improving the soundness, transparency and efficiency of management in order to gain the trust of its stakeholders.

Mitsui Fudosan has both a Board of Directors and a Board of Corporate Auditors. To ensure transparency with respect to director compensation and appointments of directors and auditors, we maintain a Compensation Advisory Committee and a Nomination Advisory Committee. In addition, we have adopted a corporate officer system to enhance the soundness and efficiency of management by separating and strengthening management and executive functions. Mitsui Fudosan also invites and appoints outside directors in order to strengthen the oversight functions of the directors and enhance management transparency.

In addition, auditors conduct audits in a bid to evaluate the status of business execution by directors while coordinating with the Corporate Auditor's Department, which serves as the internal audit department of the Company, as well as certified public accountants. Moreover, steps have been taken to put in place the Mitsui Fudosan Group Compliance Policy as well as a structure that will ensure that Group directors and employees engage in business activities in an appropriate manner.

Corporate Governance Structure



Board of Directors	Board of Directors
Reporting ↑ Supervision ↓	Reporting ↑ Supervision ↓
Risk Management Special Committee	ESG Promotion Committee
<p>Offers unified business risk management, including formulating risk management policy at a Company and Group level The committee reports on its activities to the Board of Directors twice a year (and on important issues as necessary) The Board of Directors verifies these reports, and directs the committee to ensure effective risk management processes.</p> <p>Chair : Executive Vice President (Chief Risk Officer) Vice-chairs: Executive vice presidents Director of the Planning and Research Department Director of the Corporate Planning Department Director of the Accounting and Finance Department</p> <p>Members : Head of the Internal Audit Department Head of the General Administration Department Head of the Corporate Communications Department Head of the Personnel Department Head of the Accounting and Finance Department Head of the DX Department (I)</p> <p>Depending on the issue, representatives from departments responsible for Japanese or international businesses, Group companies, regional entities, and other bodies can join the committee</p>	<p>Promotes action at a Company and Group level that contributes to ESG activities and the achievement of the SDGs, and initiatives aimed at decarbonization</p> <p>Chair : President and Chief Executive Officer (Chief Sustainability Officer) Members: Executive vice presidents Executive managing officers Senior executive managing officers Departmental heads</p>

(1) Board of Directors

The Board of Directors, headed by Chairman Hiromichi Iwasa and comprising twelve members, including eight internal directors (Hiromichi Iwasa, Masanobu Komoda, Kiyotaka Fujibayashi, Yasuo Onozawa, Takashi Yamamoto, Takashi Ueda, Takayuki Miki, and Wataru Hamamoto) and four outside directors (Masafumi Nogimori, Tsunehiro Nakayama, Shinichiro Ito, and Eriko Kawai), decides on issues material to Mitsui Fudosan and monitors the execution of business by managing directors.

1. Role of the Board of Directors

The Board of Directors shall determine matters deemed vital to the Company, and oversee execution of duties by the directors.

2. Composition

The Board of Directors shall comprise no more than 15 directors.

3. Term of office for directors

The term of office for directors shall be from selection until the close of the General Shareholders' Meeting for the fiscal year ending within two years of selection.

4. Chairperson

The Board of Directors shall be chaired by the Chairman of the Board.

5. Decision-making process

Decisions made at the Board of Directors will require more than half of the directors to be in attendance, and will need the support of more than half of those in attendance.

6. Matters to be determined

The following matters shall be decided and reported.

(1) Matters related to shareholders' meetings

(2) Matters related to directors

- Preliminary selection of director candidates
- The appointment and dismissal of representative directors
- The appointment and dismissal of executive directors
- Compensation and bonuses for directors
- Other important matters

(3) Matters related to the Company's structure

(4) Important matters related to compliance, etc.

- Formulating a compliance promotion plan for the fiscal year
- Reporting on the results of compliance promotion activities implemented during the fiscal year
- Formulating an audit plan for the fiscal year
- Reporting on audit activities implemented during the fiscal year
- Evaluating internal controls concerning financial reporting during the fiscal year and formulating audit-related policy (J-SOX activities)

(5) Important matters related to personnel

- The appointment and dismissal of corporate officers and executive corporate officers
- The appointment and dismissal of key employees
- Compensation and bonuses for corporate officers, etc.

(6) Important matters related to finance and assets

(7) Other matters that are especially important in regard to managing the Company or executing duties

Director nomination policy

Taking into account Company and Group management philosophies and strategies, candidates deemed suitable to be directors are nominated, after overall consideration of diversity-including personal qualifications, capabilities, views, and gender. At present, two of the seventeen directors and auditors are women (11.8%), and in the future we will work to ensure diversity for the Board of Directors, including mandating that one or more of the directors must be a woman.

Managing Directors' Expertise, Experience (skills matrix) , and Attendance at Board of Directors Meetings *1

	Attendance at Board of Directors Meetings (FY2021)	Areas of expertise and experience						
		Corporate management	Treasury, accounting and finance	Compliance and risk management	Global	Technology and innovation	ESG and sustainability	Urban development (real estate development, etc.)
Hiromichi Iwasa Chairman of the Board	12/12	●	●	●		●	●	●
Masanobu Komoda President and Chief Executive Officer	12/12	●	●	●	●	●	●	●
Kiyotaka Fujibayashi Managing Director and Executive Vice President	12/12	●		●			●	●
Yasuo Onozawa Managing Director and Executive Vice President	12/12			●			●	●
Takashi Yamamoto Managing Director	12/12	●		●	●			●
Takashi Ueda Managing Director	12/12		●			●		●
Takayuki Miki Managing Director	Newly appointed		●			●		●
Wataru Hamamoto Managing Director	12/12		●			●	●	●
Masafumi Nogimori Outside Director	12/12	●		●	●	●	●	
Tsunehiro Nakayama Outside Director	12/12	●	●	●	●		●	
Shinichiro Ito Outside Director	11/12	●		●	●	●	●	
Eriko Kawai Outside Director	10/12 *2		●	●	●	●	●	

*1 The above list does not contain all of the areas of expertise and experience of each managing director.

*2 New appointment effective June 29, 2021.

(2) Compensation Advisory Committee

The Compensation Advisory Committee, headed by independent outside director Masafumi Nogimori as Chairman and comprising six members, including four independent outside directors (Masafumi Nogimori, Tsunehiro Nakayama, Shinichiro Ito, and Eriko Kawai), President and Chief Executive Officer Masanobu Komoda, and one internal director (Yasuo Onozawa), meets on matters pertaining to the compensation of managing directors.

(3) Nomination Advisory Committee

The Nomination Advisory Committee, headed by independent outside director Masafumi Nogimori as Chairman and comprising six members, including four independent outside directors (Masafumi Nogimori, Tsunehiro Nakayama, Shinichiro Ito, and Eriko Kawai), President and Chief Executive Officer Masanobu Komoda, and one internal director (Yasuo Onozawa), meets on matters pertaining to the nomination of managing directors and corporate auditors, as well as the appointment and dismissal of managers.

(4) Board of Corporate Auditors/Corporate Auditor's Department

The Board of Corporate Auditors, headed by senior corporate auditor Masatoshi Sato, comprises two internal auditors (Masatoshi Sato and Hiroyuki Ishigami) and three outside auditors (Yoshitaka Kato, Yasushi Manago, and Yukimi Ozeki), for a total of five auditors, and formulates auditing policies and determines assignments. It also receives reports and discusses material items on audits conducted according to these policies and assignments. Note that the Corporate Auditor's Department has been established specifically to assist the corporate auditors with their work, and there are two dedicated employees.

(5) Corporate Officer System

Mitsui Fudosan has introduced a corporate officer system with the aim of creating a business execution framework that best suits its operating environment and activities. By promoting the separation and reinforcement of the management and executive functions, a role that was previously undertaken by company directors, the system enhances management soundness and efficiency. In addition, seeking to further reinforce the management of the Mitsui Fudosan Group, we have expanded the range of managers across the Group and introduced a Group corporate officer system, under which executives at Group companies have been given a status and mission similar to those of the corporate officers.

(6) Executive Management Committee

The Executive Management Committee, consisting of executive corporate officers, has been formed to deliberate and report on important matters related to business execution and supervises internal control and risk management. Full-time corporate auditors also attend meetings to stay informed of important decision-making processes and the status of business execution, and provide opinions as necessary.

(7) Financial Auditing

Mitsui Fudosan has concluded an auditing contract with KPMG AZSA LLC as its certified public accountant, which conducts audits. There is no shared interest between the auditor and the Company, nor between employees conducting operations for the auditor and the Company. The continuous auditing period of the auditor, the names and years of continuous auditing of the certified public accountants engaged in auditing in this fiscal year, and the composition of the assistants involved in auditing duties are as follows.

Continuous auditing period: 53 years

* This is the number of years since the Asahi Accounting Company, the predecessor of KPMG AZSA LLC, became an audit corporation.

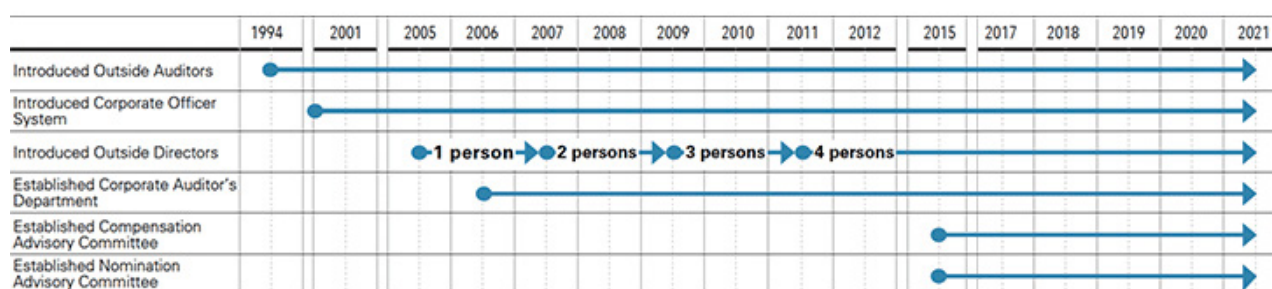
Name of certified public accountants who have executed audits

Designated limited liability employee business executives: Hiroyuki Yamada (7 years); Hiroyuki Ito (6 years); Hironori Hashizume (4 years)

* Number of years of continuous auditing are shown in parentheses.

Breakdown of assistants involved in financial auditing duties

Certified Public Accountants: 18; Passed CPA exam: 8; Others: 18



Strategy Planning Special Committee

Formulates and deliberates Group strategy and management plans and supervises risk management, with the goal of discussing and managing the execution of those plans and other specific management issues.

Risk Management Special Committee

Formulates risk management policies and plans; tracks, evaluates and formulates responses and recurrence prevention measures for risk issues; and shares information as necessary throughout the Company and the Group for the purpose of comprehensively managing operational risks (disaster risk, system risk, administrative risk and compliance, etc.) in the conduct of operations throughout the Company and the Group.

ESG Promotion Committee

Formulates ideas and policies, sets goals, creates activity plans, manages progress and evaluates results in order to promote action that contributes to ESG activities and the achievement of the SDGs.

Internal control

The Group has set up and manages an internal control system that conforms to the Companies Act. Mitsui Fudosan endeavors to put in place systems to ensure that the execution of business by directors and employees complies with laws and regulations and the Company's Articles of Incorporation. With this in mind, the Board of Directors formulated the following basic policy and maintains its proper operation.

Basic Policy to Put in Place an Internal Control System That Will Ensure the Proper Execution of Business Activities by a Company Limited by Shares

1. System to ensure that execution of business by directors conforms to laws and regulations and the Company's Articles of Incorporation

The Company is working to ensure compliance through formulation and implementation of a compliance promotion plan, based on its Compliance Rules and other internal rules. The Company has also established a Risk Management Special Committee and put in place a compliance structure to prevent violations of laws and regulations and its Articles of Incorporation.

2. System related to storage and management of information concerning the execution of business by directors

All information is appropriately stored and managed according to internal rules, including the Document Rules, the Information Management Rules and the Information System Management Rules.

3. Regulations and other frameworks related to prevention of losses

Based on Risk Management Regulations and other internal rules, the Executive Management Committee supervises and controls risk management items concerning the Company or the Mitsui Fudosan Group. It heads two committees charged with uncovering and comprehending risk issues and devising solutions for them—the Strategy Planning Special Committee, which handles business risk management, and the Risk Management Special Committee, which is responsible for management of administrative risk.

4. Framework for ensuring that the business of directors is executed efficiently

To promote the separation and strengthening of the management and executive functions for which directors are responsible, the Company has adopted a corporate officer system, part of a framework intended to ensure that the business of directors is executed efficiently.

Concerning the execution of business based on decisions of the Board of Directors, internal rules, including organizational rules and rules governing administrative authority, set forth who is in charge and their responsibilities and promote efficient business by also setting forth procedures for execution.

5. A system to ensure that the execution of business by employees conforms to laws and regulations and the Company's Articles of Incorporation

The Company is working to ensure compliance through formulation and implementation of a compliance promotion plan, based on its Compliance Rules and other internal rules. The Company also maintains a Risk Management Special Committee and a compliance structure to prevent violations of laws and regulations and its Articles of Incorporation. In addition, based on its Internal Control System Rules, the Company has established a point of contact for consultation regarding compliance problems inside and outside the Company.

Further, based on Internal Audit Rules, the Internal Audit Department monitors the operation of the compliance framework as well as compliance with laws and regulations, and reports to the Board of Directors and the Board of Corporate Auditors.

6. Framework for ensuring appropriate business practices by the corporate group comprising the Company and its subsidiaries

Through appropriate management of its Subsidiaries and Affiliates Administration Rules and Overseas Affiliates Administration Rules, the Company seeks to ensure the efficient execution of business by directors of its subsidiaries, while management is based on approval and monitoring by Mitsui Fudosan.

Each Group company also has in place a compliance framework and Internal Control System based on the Mitsui Fudosan Group Compliance Policy. The Internal Audit Department conducts audits of the subsidiaries' compliance frameworks and their compliance with laws and regulations, and reports to the Board of Directors and the Board of Corporate Auditors.

7. A system for employees to assist auditors with their duties and matters concerning the assurance of independence of these employees from directors and the effectiveness of instructions given to these employees

The Corporate Auditor's Department has been established specifically to assist the corporate auditors with their work, and each corporate auditor has been assigned a dedicated employee.

Said employee shall be under the chain of command of the corporate auditor, who shall also evaluate the employee's performance. Transfer of said employee shall take place only upon prior discussion with the corporate auditor.

Internal Auditing System

The Audit Department verifies the effectiveness of risk management and internal control systems from the perspective of the entire Group. At the same time, the Department puts in place audit activity plans in order to evaluate and improve risk management and internal control systems, and undertakes internal audits following authorization by the Board of Directors. Results of the internal audits are reported to the officers in charge with feedback directed to the appropriate departments. Thereafter, follow-up activities are undertaken to assess the status of improvement progress. Moreover, details of audit activities are reported every six months to the Executive Management Committee, Board of Directors, and Board of Corporate Auditors. Every effort is made to share information and coordinate with auditors.

Based on Japan's Financial Instruments and Exchange Law, Mitsui Fudosan evaluates the status of internal control relating to the current Group financial report at the end of each period. An Internal Control Report is then submitted and disclosed publicly. Results of the most recent Internal Control Report have been audited by KPMG AZSA LLC and deemed as appropriate.

Reasons for Selecting Outside Directors and Their Attendance

Mitsui Fudosan appoints its outside directors with the expectation that they will contribute their extensive experience and broad knowledge to the Company's management, and that they will play an appropriate role in strengthening the audit function of the Board of Directors and ensuring transparency. The Company also appoints its outside auditors with the expectation that they will bring an objective stance to auditing the directors in the performance of their duties, based on their expert knowledge and extensive experience. Note that, in line with Tokyo Stock Exchange requirements for judging the independence of independent officers, the Company uses the following standards for judging said independence: whether there is a risk of conflicts of interest with any of the Company's general shareholders; whether any special interests exist with the Company; and whether in working to enhance the soundness and transparency of the Company's management, the individual is capable of making objective, fair and impartial judgments.

Executive Compensation

Managing directors' compensation consists of basic compensation in an amount within the scope set and approved by resolution of the 106th Ordinary General Shareholders' Meeting, bonuses paid as short-term incentives that comprehensively take into consideration such things as business results achieved in each fiscal year which must be approved by resolution at the Ordinary General Shareholders' Meeting, and restricted stock compensation paid as medium- to long-term incentives in an amount within the scope set and approved by resolution of the 108th Ordinary General Shareholders' Meeting for the purpose of sustainably increasing the corporate value of the Group and further sharing shareholder value with shareholders. Compensation paid to managing directors (outside directors) is solely basic compensation. Compensation paid to corporate auditors will be within the scope of the total amount approved by a resolution at the 106th Ordinary General Shareholders' Meeting. The Company has established the Compensation Advisory Committee, comprised of the following 6 members: 4 independent outside directors who make up the majority and 2 internal directors, with one of these independent outside directors serving as chairman. The amount of compensation for directors is determined by the Board of Directors following consultation with the Compensation Advisory Committee. Corporate Auditor' compensation is determined based on discussions among corporate auditors.

The Board of Directors determines the details of compensation, etc. for individual managing directors for the fiscal 2020 under review pursuant to the above policy after consultations with the Compensation Advisory Committee. As a result, the details of compensation are deemed to follow the policy.

【Restricted stock compensation system】

At the 108th Ordinary General Shareholders' Meeting held on June 26, 2020, the introduction of a restricted stock compensation system for managing directors of the Company, other than outside directors, in place of stock options was approved. The purpose of this was to provide an incentive for continual improvement of the corporate value of the Group, and to share greater shareholder value with shareholders. Stock acquisition rights which have already been granted as stock options but have not yet been exercised will continue to exist. However, no new stock options will be granted. Furthermore, we have also introduced a restricted stock compensation system to managing officers and Group officers who do not concurrently serve as managing directors.

【Policies relating to the determination of payment ratios for performance-based compensation and other forms of compensation】

Compensation for directors consists of a bonus and restricted stock compensation, which are performance-based compensation, and basic compensation, which is compensation other than performance-based compensation. The payment ratio for performance-based compensation is around 45% - 50%, and around 50% - 55% for other forms of compensation.

【Indexes relating to performance-based compensation, reasons for selecting indexes for performance-based compensation, and method used to determine the amount of performance-based compensation】

In regard to the bonus and restricted stock compensation – i.e. performance-based compensation – comprehensive consideration is given to factors such as performance for the current term, status of ESG-related initiatives, redistribution of profits among shareholders based on our returns policies, progress of "VISION 2025," our Group' s long-term management policies, the economic climate, and the business environment. In regard to the reasons for selecting these indexes, this is to increase the interrelationship between director compensation and performance and stockholder value. The amount of performance-based compensation is determined by the Board of Directors following consultations with the Compensation Advisory Committee, instead of leaving determination to the sole discretion of the President.

Analysis and Evaluation of Board of Director Effectiveness

Each year, the Company analyzes and evaluates the efficacy of the Board of Directors, continually aiming to further enhance its functions. As for the method of analysis and evaluation, we used a third-party body for the development of a questionnaire and the analysis of the result.

An overview and results of our evaluation of the Board of Directors' efficacy are provided below.

(1) Evaluation method

The Company conducted the questionnaire to all directors and corporate auditors regarding the Board of Directors' efficacy and interviews based on the issues recognized through the questionnaire. The results were then analyzed and evaluated at a meeting of the Board of Directors held on May 20, 2022.

(2) Evaluation items

- Board of Directors structure (number of members, ratio of executive to non-executive members, diversity, etc.)
- Status of operation of the Board of Directors (number of meetings held, attendance rates, time spent for deliberation, number of items deliberated, provision of information, questions and answers, etc.)
- Other (issues raised in the previous evaluation of Board of Directors' efficacy; Compensation Advisory Committee; Nomination Advisory Committee; meetings of outside directors and outside auditors; etc.)

(3) Evaluation results

Each evaluation item in the questionnaire received a high evaluation in general. According to the evaluation on the questionnaire and interviews, it was confirmed that the Board of Directors' efficacy was properly maintained because the improvement initiatives are being implemented on the basis of the previous efficacy evaluation as listed below to achieve sustained increases in the Group's corporate value.

[Major Initiatives Based on the Previous Efficacy Evaluation]

i) Discussion, report, and sharing of important issues

When developing the Group Action Plan to Realize Decarbonized Society, a meeting of outside directors and outside auditors was held at the examination stage and the Board of Directors received the report at the formulating stage to discuss the issues, direction, and concrete efforts for realizing decarbonization within the Group.

ii) Improvement of governance and enhancement of supervisory functions of overseas subsidiaries

A meeting of outside directors and outside auditors was held on the theme Organizational Structure and Risk Management of Overseas Subsidiaries to discuss the improvement of governance and the enhancement of supervisory functions of overseas subsidiaries.

iii) Deepening the understanding of the Company's project by outside directors and auditors

A site tour to the Nihonbashi and Kashiwanoha areas, where we are promoting urban/town development, for outside directors and outside auditors to help them deepen their understanding of the Company's project.

(4) Issues and future initiatives

For further improvement of the efficacy of the Board of Directors, the following initiatives will be implemented to solve the issues identified through the questionnaire and interviews:

i) Share the status of dialog with stakeholders

An opportunity will be arranged to share the whole idea about the status of dialogs with stakeholders in addition to the currently conducted explanation of each agenda item.

ii) Deepening the discussions at meetings of the Board of Directors

Questions and opinions discussed by the executives will be shared when explaining each agenda item to further deepen the discussion of the Board of Directors.

Evaluation results and other information will be used, while recognizing the following issues, to further improve the functions of the Board of Directors.

- For necessary agenda items, give greater consideration to sharing the discussion content on the executive side in order to deepen discussions at the Board of Directors.
- Continue to discuss themes such as SDGs and materialities of the Company.

Shareholder Voting Rights

- The principle of one vote per share of stock shall be applied to all corporate voting matters
- Disclosure of voting results
- Shareholder appointment and dismissal of directors

ESG Data



Environment-related Data

Social-related Data

Governance-related Data



Environment -related Data

Climate Change

- Activity Indices and Goals, and Progress in Achieving Them
- Office Buildings in Tokyo Certified as Excellent Designated GHG Offices by the Tokyo Metropolitan Government
- List of Company Solar Power Stations
- Trends in the Amount of Energy Consumption
- Scope of Data Calculation for Energy Consumption
- Greenhouse Gas Emissions (Scopes 1, 2 & 3)
- External Certifications

Water

- Trends in Water Usage (Water intake, water recycling rate, and wastewater)
- Scope of Data Calculation for Water Usage

Environmental Pollution and Resources

- Recycled Food Waste
- Tile Carpeting Recycling
- Wastepaper Recycling
- Used Fluorescent Bulb and Battery Recycling
- Hazardous Waste (Specially Controlled Waste) Emissions
- Trends in the Amount of Disposed Non-Hazardous Waste (General Waste and Industrial Waste)
- Scope of Data Calculation for Waste Emissions
- Waste Recycling Ratio (Headquarters)
- Annual Cost for Fines and Penalties Relating to the Environment
- Violation of Laws, Regulations, and Ordinances Relating to Environmental Pollution

■ Climate Change

Activity Indices and Goals, and Progress in Achieving Them

The Group's indices and goals with respect to climate change as well as progress toward achieving them are as follows.

Item	Objectives (KPI)	Fiscal 2020 Level of Progress	FY2019	FY2020	FY2021	Change from previous fiscal year
CO ₂ emission reduction rate <Compared to FY2019> * ₁	2030 2050	: 40% decrease : Virtually zero	4,383	4,690	4,199	▲ 10.5%
Energy-derived CO ₂ emissions by large offices designated to undertake measures with regards to global warming by a Tokyo Metropolitan Government ordinance.* ₂	FY2024	Reduction rate exceeding Tokyo Metropolitan Government ordinance target (Plan 3: 27%)	28.40%	38.40%	37.30%	▲ 1.1%
Proportion of electric power used in business activities derived from renewable energy	FY2050	100%	0.10%	0.10%	2.80%	2.70%
Energy consumption per base unit.* ₃	Every year	Annual 1% reduction	0.041	0.035	0.039	12.10%

*1 Unit is thousand tCO₂

*2 Plan 1: 8% decrease (FY2010-2014), Plan 2: 17% decrease (FY2015-2019), Plan 3: 27% decrease (FY2020-2024). Achievement is determined by the average of the five-year period.

*3 Unit is crude oil equivalent kℓ /m²/year

Office Buildings in Tokyo Certified as Excellent Designated GHG Offices by the Tokyo Metropolitan Government

Item	FY2018	FY2019	FY2020	FY2021
Top level offices	6 office complexes (6buildings)	6 office complexes (6buildings)	6 office complexes (6buildings)	5 office complexes (5buildings)
Semi top level offices	8 office complexes (11buildings)	8 office complexes (11buildings)	5 office complexes (7buildings)	5 office complexes (7buildings)

List of Company Solar Power Stations

Facility name	Location	Date operations started	Planned generation capacity
Mitsui Fudosan Oita Solar Power Plant	Oita, Oita Prefecture	1 December 2013	Approx. 21 MW (including 4 MW expansion)
Mitsui Fudosan Sanyo-Onoda Solar Power Plant	Sanyo-Onoda, Yamaguchi Prefecture	1 December 2013	Approx. 13 MW
Mitsui Fudosan Tomakomai Solar Power Plant	Tomakomai, Hokkaido	1 April 2014	Approx. 24 MW
Mitsui Fudosan Hachinohe Solar Power Plant	Hachinohe, Aomori Prefecture	1 October 2014	Approx. 8 MW
Mitsui Fudosan Omuta Solar Power Plant	Omuta, Fukuoka Prefecture	1 December 2014	Approx. 6 MW
			Total: Approx. 72 MW

Trends in the Amount of Energy Consumption

	FY2018	FY2019	FY2020	FY2021
Energy Consumption (MWh)	1,454,755	1,488,256	1,433,237	3,653,327

Note:

1. For the fiscal year 2018 to 2020, facilities for which disclosure is required under the Act on the Rational Use of Energy are included. However, some facilities are excluded.
2. For the fiscal year 2021, facilities of Mitsui Fudosan and consolidated subsidiaries that either own buildings or have 100 or more employees are included.

Scope of Data Calculation for Energy Consumption

	2018	2019	2020	2021
No. of target facilities (facilities)	157	210	277	789
Total floor area (m ²)	6,400,710	6,770,958	7,628,160	18,027,066

Note:

1. For the fiscal year 2018 to 2020, facilities for which disclosure is required under the Act on the Rational Use of Energy are included. However, some facilities are excluded.
2. For the fiscal year 2021, facilities of Mitsui Fudosan and consolidated subsidiaries that either own buildings or have 100 or more employees are included.

The Group's emissions for Scope 1, Scope 2, and Scope 3 are as follows.

*For Mitsui Fudosan and consolidated subsidiaries that either own buildings or have 100 or more employees.

Scope	2018FY	2019FY	2020FY	2021FY
	1000t-CO ₂	1000t-CO ₂	1000t-CO ₂	1000t-CO ₂
Scope1	90	104	115	140
Scope2	395	413	363	438
Subtotal (Scope1,2)	485	518	479	579
Scope3-1 Products and services purchased	1,152	1,199	1,788	1,209
Scope3-2 Capital goods	1,290	974	515	835
Scope3-3 Fuel- and energy-related activities that are not included in Scope 1 and 2	85	98	92	125
Scope3-4 Transportation and delivery (upstream)	-	-	-	-
Scope3-5 Waste generated by businesses	194	126	170	146
Scope3-6 Business trips	2	3	3	3
Scope3-7 Employers' commuting	4	5	5	6
Scope3-8 Lease assets (upstream)	-	-	-	-
Scope3-9 Transportation and delivery (downstream)	-	-	-	-
Scope3-10 Processing of products sold	-	-	-	-
Scope3-11 Use of products sold	1,165	831	1,029	696
Scope3-12 Disposal of products sold	10	10	16	13
Scope3-13 Lease assets (downstream)	688	621	594	589
Scope3-14 Franchise	-	-	-	-
Scope3-15 Investments	-	-	-	-
Subtotal (Scope 3):	4,591	3,865	4,211	3,621
Total (Scopes 1, 2 & 3):	5,076	4,383	4,690	4,199

*Scope 1 and Scope 2 are calculated using emissions coefficients and other methods in line with the Act on Promotion of Global Warming Countermeasures, based on the amount of energy used (whether actual figures or estimates) in the relevant fiscal year. Some figures are estimates calculated by considering a base unit (of floor area) for each business division.

*Scope 3-1 is calculated from the sales cost price part and services provided part of real estate for sale that was sold in the relevant fiscal year. The sales cost price part of real estate for sale that was sold in the relevant fiscal year (excl. land) is calculated by multiplying figures given in the emissions unit value database (ver. 3.2), which details Ministry of the Environment emissions coefficients used to estimate an organization's greenhouse gas or other emissions through its supply chain.

The services provided part during the relevant fiscal year is calculated by multiplying accounts that exceeded 1% of the total monetary amount covered in Scope 3-1 by an emissions coefficient determined by the Ministry of the Environment.

*Scope 3-2 is calculated by multiplying the amount of increase in Property, plant and equipment excluding land and construction in progress by an emissions coefficient determined by the Ministry of the Environment.

*Scope 3-3 is calculated by multiplying the amount of energy used in Scope 1 and Scope 2 by an emissions coefficient determined by the Ministry of the Environment.

*Scope 3-5 is calculated by multiplying emissions produced by general and industrial waste (estimated figures are partly included) by an emissions coefficient determined by the Ministry of the Environment.

*Scope 3-6 is calculated by multiplying the number of employees of the Mitsui Fudosan Group by an emissions coefficient determined by the Ministry of the Environment.

*Scope 3-7 is calculated by multiplying the number of employees of the Mitsui Fudosan Group by the number of working days for the Group and an emissions coefficient determined by the Ministry of the Environment.

*Scope 3-11 is calculated by multiplying real estate sold in the relevant fiscal year by the annual emissions unit value and a legally established service life.

*Scope 3-12 is calculated by multiplying real estate sold in the relevant fiscal year by an emissions coefficient determined by the Ministry of the Environment.

*Scope 3-13 is calculated using emissions coefficients and other methods in line with the Act on Promotion of Global Warming Countermeasures, based on the amount of energy used (whether actual figures or estimates) in the relevant fiscal year. Some figures are estimates calculated by considering a base unit (of floor area) for each business division.

External Certifications

	FY2021
DBJ GREEN BUILDING Certification	4
CASBEE	8
LEED	14
BREEAM	3
Green Building	2

Water Usage

Trends in Water Usage

Water intake

(thousand m³)

	FY2018	2019 ^{*1}	FY2020 ^{*1,2}	FY2021
Clean water	5,318	5,619	4,070	9,483
Industrial water	89	107	85	236
Purchased reclaimed water	-	-	63	251
Well water	-	-	922	1,292
Hot spring water	-	-	78	204
Pond water	-	-	57	37
Rainwater	-	-	74	250
Spring water	-	-	17	96
Total water intake	5,407	5,726	5,365	11,849
Water intake per base unit (m ³ /m ²)	0.848	0.851	0.708	0.671

water recycling rate

	FY2018	FY2019	FY2020	FY2021
Water recycling rate (%) ^{*3}	10.2	15.1	9.2	9.5

wastewater

(thousand m³)

	FY2018	FY2019	FY2020	FY2021
Sewage water ^{*4}	5,595	5,539	4,441	10,181
Seawater	-	-	270	264

*1 Since fiscal year 2020, we have improved the accuracy of reporting data received from each facility relating to usage of purchased clean and industrial water.

*2 Since fiscal year 2020, we have reviewed water usage categories and added some usage categories to the overall totals.

*3 Water recycling rate: For the fiscal year 2018 and 2019, percentages show the proportion of grey water in total water intake (FY2018: 615 thousand m³, FY 2019: 1,016 thousand m³). From the fiscal year 2020, the percentage shows the proportion of water (FY2020: 495 thousand m³, FY 2021: 1,121 thousand m³) reused after being put in grey water containers after its initial use.

*4 Amount of wastewater transported to a water treatment plant via underground sewers. Wastewater put into the sea, the ground, underground, or elsewhere is not included in this total.

Scope of Data Calculation for Water Usage

	FY2018	FY2019	FY2020	FY2021
No. of target facilities (facilities)	139	146	187	477
Total floor area (m ²)	6,379,120	6,723,556	7,574,935	17,667,267

Note:

1. For the fiscal year 2018 to 2020, facilities for which disclosure is required under the Act on the Rational Use of Energy are included. However, some facilities are excluded.
2. For the fiscal year 2021, facilities of Mitsui Fudosan and consolidated subsidiaries that either own buildings or have 100 or more employees are included.

■ Environmental Pollution and Resources

Recycled Food Waste (FY2021)

Category		Office buildings (69)	Retail facilities (28)
Food waste	Waste volume	2,419.9 tons/year	4,263.1 tons/year
	Recycled volume	1,621.5 tons/year	4,189.9 tons/year
	Recycling ratio	67.0%	98.29%
Recycling applications		Feedstock, power generation	Fertilizer, feedstock, gasification, incineration power generation, carbonization

Tile Carpeting Recycling

(Unit: m²)

Item	FY2018	FY2019	FY2020	FY2021
Volume of used tile carpeting collected	14,294	93,759	119,466	172,153
Volume of environmentally friendly tile carpeting supplied	42,637	224,614	106,501	124,838
Cumulative volume supplied since fiscal 2002	Approx. 1,130,000	Approx. 1,350,000	Approx. 1,460,000	Approx. 1,580,000

Wastepaper Recycling

		FY2018		FY2019		FY2020		FY2021	
Volume of wastepaper collected	Office buildings in Tokyo	68 Buildings	approx. 7,983tons	85 Buildings	approx. 6,833tons	93 Buildings	approx. 4,773tons	83 Buildings	approx. 2,396tons
	LaLaport TOKYO-BAY	approx. 3,387tons		approx. 3,179tons		approx. 37tons		approx. 28tons	
Recycled paper purchased (Group's purchase volume) Recycled office paper * ₁		approx. 196tons		approx. 172tons		approx. 112tons		approx. 111tons	
Recycled paper order ratio (in the Company's offices)* ₂		0		93.0%		86.7%		93.8%	

*1 Recycled office paper is a recycled paper independently made from used paper of the Mitsui Fudosan Group.

*2 Percentage of recycled paper used in FY2019, FY2020

Used Fluorescent Bulb and Battery Recycling

		FY2018	FY2019	FY2020	FY2021
Number of buildings covered for collections	Fluorescent Bulbs	53	51	94	93
	Batteries	52	40	81	75
Collection volume	Fluorescent Bulbs	33.1	31	22	18
	Batteries	10.1	11.6	8	9

Hazardous Waste (Specially Controlled Waste) Emissions

	FY2018	FY2019	FY2020	FY2021
Hazardous waste (specially controlled waste) emissions	0	0	0	0

Trends in the Amount of Disposed Non-Hazardous Waste (General Waste and Industrial Waste)

	FY2018	FY2019	FY2020	FY2021
General waste (t)	37,320	36,546	30,217	95,433
Per base unit (t/m ²)	0.0060	0.0055	0.0044	0.0055
Industrial waste (t)	9,951	10,642	7,863	16,942
Per base unit (t/m ²)	0.0016	0.0016	0.0010	0.0011
Total (t)	47,271	47,188	38,080	112,375

Note: The amount of disposed industrial waste is in accordance with the Waste Management and Public Cleansing Act.

Scope of Data Calculation for Waste Emissions

	FY2018FY	FY2019	FY2020	FY2021	
				General waste	Industrial waste
No. of target facilities (facilities)	121	132	166	380	334
Total floor area (m ²)	6,247,209	6,665,965	7,576,226	17,205,772	15,441,872

Note:

1. For the fiscal year 2018 to 2020, facilities for which disclosure is required under the Act on the Rational Use of Energy are included. However, some facilities are excluded.
2. For the fiscal year 2021, facilities of Mitsui Fudosan and consolidated subsidiaries that either own buildings or have 100 or more employees are included.

Waste Recycling Ratio (Headquarters)

Period	Numerical target	FY2019	FY2020	FY2021
FY2030	90%	80.30%	75.30%	72.40%

Annual cost for fines and penalties relating to the environment

	FY2018	FY2019	FY2020	FY2021
Annual cost for fines and penalties relating to the environment	0	0	0	0

Violation of Laws, Regulations, and Ordinances Relating to Environmental Pollution

	FY2018	FY2019	FY2020	FY2021
Violation of Laws, Regulations, and Ordinances Relating to Air and Water Pollution	0	0	0	0
Violation of Laws, Regulations, and Ordinances Relating to Soil Pollution	0	0	0	0
Violation of Laws, Regulations, and Ordinances Relating to CFCs and Asbestos	0	0	0	0
Violation of Laws, Regulations, and Ordinances Relating to Waste Disposal	0	0	0	0



Social -related Data

Refer to the ESG data at the end of this report for the following social-related data.

Health and Safety

- Health Checkup and Screening Rate
- No. of Employees Attending Seminars on Health and Safety Standards
- Number of Office Buildings with OHSAS 18001 Certification
- Average Annual Salary Paid by the Company

Labor Standards and Practices

- Group Employment Situation (Number of Employees by Business Segment)
- Employment Situation at Mitsui Fudosan (Employee Composition/ Employee Composition by Age/ Trends in Number and Percentage of Male and Female Regular Employees/ Trends in New and Departing of Regular Employees)

Diversity & Inclusion

- Quantitative Goals and Achievement Status
- Number of Paid Leave Days Taken
- Number of Employees Taking Childcare Leave and Childrearing-Father Training Leave (men's childcare leave)
- Return Rate of Employees Taking Childcare Leave
- Employees Taking Family Care Leave
- Return Rate of Employees Taking Family Care Leave
- Employment of People with Disabilities

Human Resources Management

- Time Spent Developing Employee Abilities
- Environmental Education Activities
- Cumulative Total of Employees Who Have Taken and Passed the Eco Test

Community

- Record of Social Contribution Activities

■ Health and Safety

Health Checkup and Screening Rate

	FY2018	FY2019	FY2020	FY2021
Health checkup and screening rate	99.5%	99.8%	99.5%	100%

Note: The health checkup and screening rate is the percentage of all steady-basis employees undergoing health checkups or health screening. The total of all steady-basis employees consists of regular and part-time steady-basis employees as of the end of the fiscal year, excluding those necessarily prevented from undergoing screening (due to international postings, childcare leave, health conditions, etc.).

No. of Employees Attending Seminars on Health and Safety Standards

	FY2018	FY2019	FY2020	FY2021
No. of new employees	42	63	63	62
No. of newly appointed executive managers	18	22	27	30

Number of Office Buildings with OHSAS 18001 Certification

	FY2018	FY2019	FY2020	FY2021
Number of office buildings with OHSAS 18001 certification	0	0	0	0

Average Annual Salary Paid by the Company

	FY2018	FY2019	FY2020	FY2021
Company average salary (Million yen)	12.63	12.73	12.74	12.74

■ Labor Standards and Practices

Group Employment Situation (Number of Employees by Business Segment)(As of March 31 of each fiscal year)

Business segment	FY2018		FY2019		FY2020		FY2021	
	Number of employees	Percentage	Number of employees	Percentage	Number of employees	Percentage	Number of employees	Percentage
Rental	1,153	6.0%	1,188	5.7%	1,418	5.9%	1,556	6.4%
Built-for-sale	1,273	6.7%	1,296	6.2%	1,344	5.6%	1,394	5.7%
Management	10,365	54.3%	11,328	54.3%	11,689	48.7%	11,920	48.8%
Other	5,937	31.1%	6,654	31.9%	9,108	38.0%	9,033	37.0%
Administration*	353	1.9%	398	1.9%	433	1.8%	505	2.1%
Total	19,081	100.0%	20,864	100.0%	23,992	100.0%	24,408	100.0%

* As of March 31, Employees belonging to administration departments who cannot be classified under a specific segment

Employment Situation at Mitsui Fudosan

Employee Composition (As of April 1 of each fiscal year)

		FY2019	FY2020	FY2021	FY2022
Male	Regular employees	734	793	838	873
	Irregular employees	215	246	253	242
	Total	949	1,039	1,091	1,115
Female	Regular employees	294	342	384	432
	Irregular employees	334	347	362	380
	Total	628	689	746	812
Total		1,577	1,728	1,837	1,927

* Excluding dispatched employees

Employee Composition by Age (As of April 1 of each fiscal year)

		FY2019	FY2020	FY2021	FY2022
10s	Male	-	1	2	3
	Female	-	0	2	2
20s	Male	147	159	229	214
	Female	156	169	202	227
30s	Male	233	258	289	330
	Female	272	280	299	324
40s	Male	220	201	200	190
	Female	136	146	142	147
50s	Male	272	292	287	291
	Female	61	68	89	95
60s	Male	77	93	84	86
	Female	2	11	12	15
70s	Male	-	-	-	1
	Female	-	-	-	0

* Excluding dispatched employees

Trends in Number and Percentage of Male and Female Regular Employees (As of April 1 of each fiscal year)

		FY2019		FY2020		FY2021		FY2022	
		No. of Employees	%	No. of Employees	%	No. of Employees	%	No. of Employees	%
General positions	Male	1,067	89.9%	1,094	87.5%	1,098	85.7%	1,094	83.5%
	Female	120	10.1%	156	12.5%	183	14.3%	216	16.5%
	Total	1,187	100.0%	1,250	100.0%	1,281	100.0%	1,310	100.0%
Technical positions	Male	36	90.0%	54	91.5%	68	91.9%	82	93.2%
	Female	4	10.0%	5	8.5%	6	8.1%	6	6.8%
	Total	40	100.0%	59	100.0%	74	100.0%	88	100.0%
Operational positions	Male	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	Female	194	100.0%	203	100.0%	212	100.0%	222	100.0%
	Total	194	100.0%	203	100.0%	212	100.0%	222	100.0%

* Including dispatched employees

Trends in New and Departing of Regular Employees

	FY2019	FY2020	FY2021
Number of new employees	51	63	62
Number of midcareer hires	35	49	49
Number of departing regular employees (Voluntary)	8	8	13
Full time staff voluntary turnover ratas	0.53%	0.51%	0.81%

Diversity & Inclusion

Quantitative Goals and Achievement Status

		Quantitative Goals	FY2019	FY2020	FY2021
Sunlife Creation	Women in management positions ratio*	-	-	71%	69%
	Ratio of hires of women	-	-	82%	69%
	Return rate from childcare leave	100%	-	-	75%
	Rate of paid leave taken	70%	-	-	71%
Mitsui Fudosan Retail Management	Women in management positions ratio*	FY2025 20%	-	-	17%
		FY2030 25%	-	-	
	Ratio of hires of women	-	-	58%	60%
	Return rate from childcare leave	100%	-	-	94%
	Rate of paid leave taken	80%	-	-	82%
Mitsui Fudosan Hotel Management	Women in management positions ratio*	FY2025 15%	-	-	14%
		FY2030 20%	-	-	
	Ratio of hires of women	-	-	60%	72%
	Return rate from childcare leave	100%	-	-	77%
	Rate of paid leave taken	70%	-	-	77%

* The women in management positions ratio is for April 1 of the following year

Number of Paid Leave Days Taken

(Units: Days)

	Fiscal	FY2018	FY2019	FY2020	FY2021
Paid leave days taken	14 days a year	14.1	14.9	13.8	15.0

For regular and contract employees (those registered for the full year)

Number of Employees Taking Childcare Leave and Childrearing-Father Training Leave (men's childcare leave)

(Unit: People)

	FY019	FY2020	FY2021
Men	25(61.0%)	28(70.0%)	38(79.2%)
Women	10(100.0%)	13(100.0%)	20(95.2%)

Return Rate of Employees Taking Childcare Leave

	Fiscal	FY2019	FY2020	FY2021
Regular employees	100.0%	100.0%	100.0%	100.0%

Note: Excludes those departing due to use of the return entry system (system for re-employment of those who have resigned due to transfer of a spouse)

Employees Taking Family Care Leave

(Unit: People)

	FY2019	FY2020	FY2021
Men	-	-	-
Women	-	-	-

Return Rate of Employees Taking Family Care Leave

	FY2019	FY2020	FY2021
Return rate	-	-	-

For regular and contract employees (those registered for the full year)

Employment of People with Disabilities

	Numerical target	FY2019	FY2020	FY2021
Employment rate of people with disabilities	2.3% or more	2.07%	2.03%	2.50%

* The legally mandated rate rose from 2.2% to 2.3% in March 2021. Figures for each fiscal year are those for the beginning of the fiscal year starting April 1 of the following year.

Human Resources Management

Time Spent Developing Employee Abilities

(Unit: Time)

	FY2018	FY2019	FY2020	FY2021
Total time for capability development training	24,036	29,772	31,425	36,378
Training time per employee	16.9	20.0	19.8	21.8

Environmental Education Activities

Type of Training		Number of Participants			
		FY2018	FY2019	FY2020	FY2021
Mitsui Fudosan Co., Ltd.	SDGs training (online)	13	18	1,601	1,386
	Sustainability foundational course training	-	-	447	-
	Afforestation training for forests in Hokkaido (online)	24	20	115	-
Mitsui Fudosan Facilities Co., Ltd.	Environmental training in new employee training	-	186	20	84
	Environmental training through e-learning	-	1,535	1,529	1,529
	Eco Tours (Tour of waste treatment facility)	-	26	-	-
Tokyo Midtown Management Co., Ltd.	Bird watching event for employees and tenant staff	-	16	-	50
Mitsui Fudosan Residential Service Co., Ltd.	Environmental training through e-learning	-	-	-	2,876

Cumulative Total of Employees Who Have Taken and Passed the Eco Test (As of the end of March 2021)

Company name	Positioning of Eco Test	Total number of employees who have passed the test	Pass ratio
Mitsui Fudosan Co., Ltd.	Qualifications for recommendation	411	Approx. 19.8% of all employees
Mitsui Fudosan Facilities Co., Ltd.	Required	1,564	Approx. 92.2% of fulltime and fixed-term employees, excluding junior employees
Mitsui Fudosan Building Management Co., Ltd.	Qualifications for recommendation	261	Approx. 13.9% of all employees
Mitsui Fudosan Engineering Co., Ltd.	Qualifications for recommendation	32	Approx. 27.5% of all employees, excluding dispatched employees
Mitsui Fudosan Residential Lease Co., Ltd.	Qualifications for recommendation	96	Approx. 12.2% of all employees
Tokyo Midtown Management Co., Ltd.	Required	82	Approx. 75.9% of all employees
Mitsui Fudosan Residential Service Co., Ltd.	Qualifications for recommendation	51	1.7% of all employees

Community

Record of Social Contribution Activities

	FY2018	FY2019	FY2020	FY2021
Expenditures on social contribution activities (million yen)	6,082	6,735	5,544	8,719
Percentage of ordinary income (%)	-	2.61	3.28	3.88



Governance -related Data

Refer to the ESG Data at the end of this report for the following governance-related data.

Compliance

- Number of Compliance Violations Handled by the Risk Management Special Committee
- Tax Payments by Country/Region

Corruption Prevention

- Corruption-related Fines, Surcharges, and Arbitrations

Corporate Governance

- Number of Directors and Auditors
- Reason for Selection as Outside Directors and Corporate Auditors
- Compensation by Title, Amount of Compensation by Type and Number of Applicable Executives
- Compensation of Executives Exceeding ¥100 Million

■ Compliance

Number of Compliance Violations Handled by the Risk Management Special Committee

	FY2018	FY2019	FY2020	FY2021
Cases handled by Risk Management Special Committee	12	14	7	15
Number of cases involving human rights risks	0	0	0	0

Tax Payments by Country/Region (As of March 31 of each fiscal year)

Tax payments of the Group by country/region are as follows:

Country	FY2019	FY2020
Japan	32,647	36,581
UK	768	569
US	932	-
Singapore	56	369
Malaysia	193	187
Luxembourg	860	53
China	43	49
Thailand	551	6
Taiwan	189	1
Others	148	-
Total	36,387	37,815

■ Corruption Prevention

Corruption-related Fines, Surcharges, and Arbitrations

(Unit: Yen)

	FY2018	FY2019	FY2020	FY2021
Corruption-related Fines, Surcharges, and Arbitrations	0	0	0	0

■ Corporate Governance

Number of Directors and Auditors

	Number of Directors and Auditors(as of June 30, 2022)
Directors	12
Independent outside directors	4
Female directors	1
Auditors	5
Independent outside auditors	3
Female auditors	1

Reason for Selection as Outside Directors and Corporate Auditors

Name	Reason for Appointment	FY2021 Attendance at Board of Directors Meetings and Board of Corporate Auditors Meetings
Managing Director Masafumi Nogimori	Masafumi Nogimori has amassed a wealth of experience and broad insight having served for many years in top management positions. During meetings of the Board of Directors, he has provided many recommendations and findings regarding compliance, global business and other matters from an objective and professional viewpoint based on his broad insight concerning management. He has contributed greatly to invigorating discussions of the Board of Directors and improving its effectiveness. In addition, he plays an important role as the head of the Nomination Advisory Committee and Compensation Advisory Committee, contributing to transparency in the selection process for managing directors and corporate auditors and in the decision-making process for compensation of managing directors. As the Company's outside director, he has played an appropriate role aimed at reinforcing the supervision functions of the Board of Directors and ensuring transparency. He is expected to make further contributions going forward, and because there is no possibility of conflicts of interest with general shareholders, he has been appointed as an outside director and independent officer.	12/12
Managing Director Tsunehiro Nakayama	Tsunehiro Nakayama has amassed a wealth of experience and broad insight having served for many years in top management positions. During meetings of the Board of Directors, he has provided many recommendations and findings regarding finance, risk management and other matters from an objective and specialist viewpoint based on his broad insight concerning management. He has contributed greatly to invigorating discussions of the Board of Directors and improving its effectiveness. In addition, as a member of the Nomination Advisory Committee and Compensation Advisory Committee, he has participated in discussions from an objective standpoint, contributing to ensuring transparency in the selection process for managing directors and corporate auditors and in the decision process for compensation of managing directors. As the Company's outside director, he has played an appropriate role aimed at reinforcing the supervision functions of the Board of Directors and ensuring transparency. He is expected to make further contributions going forward, and because there is no possibility of conflicts of interest with general shareholders, he has been appointed as an outside director and independent officer.	12/12
Managing Director Shinichiro Ito	Shinichiro Ito has amassed a wealth of experience and broad insight having served for many years in top management positions. During meetings of the Board of Directors, he has provided many recommendations and findings regarding branding, innovation and other matters from an objective and specialist viewpoint based on his broad insight concerning management. He has contributed greatly to invigorating discussions of the Board of Directors and improving its effectiveness. In addition, as a member of the Nomination Advisory Committee and Compensation Advisory Committee, he has participated in discussions from an objective standpoint, contributing to ensuring transparency in the selection process for managing directors and corporate auditors and in the decision process for compensation of managing directors. As the Company's outside director, he has played an appropriate role aimed at reinforcing the supervision functions of the Board of Directors and ensuring transparency. He is expected to make further contributions going forward, and because there is no possibility of conflicts of interest with general shareholders, he has been appointed as an outside director and independent officer.	11/12
Managing Director Eriko Kawai	Eriko Kawai has served for many years overseas where she amassed a wealth of experience and broad insight as a management consultant while working for international organizations and universities. During meetings of the Board of Directors, she has provided many recommendations and findings regarding the promotion of women's activities, ESGs, sustainability, and other matters from an objective and professional viewpoint based on her broad insight concerning management. She has contributed greatly to invigorating discussions by the Board of Directors and improving its effectiveness. In addition, as a member of the Nomination Advisory Committee and Compensation Advisory Committee, she has participated in discussions from an objective standpoint, contributing to ensuring transparency in the selection process for managing directors and in the decision process for compensation of managing directors. As the Company's outside director, she has played an appropriate role aimed at reinforcing the supervision functions of the Board of Directors and ensuring transparency. She is expected to make further contributions going forward, and because there is no possibility of conflicts of interest with general shareholders, she has been appointed as an outside director and independent officer.	10/10
Corporate Auditor Yoshitaka Kato	Yoshitaka Kato is currently fulfilling appropriate roles as an outside auditor of the Company towards sufficiently realizing his function of monitoring the execution of duties by the managing directors through the use of his professional knowledge and broad experience concerning accounting and tax and expressing his opinions on the agendas as necessary. Going forward, Yoshitaka Kato is expected to make further contributions, and because there is no possibility of conflicts of interest with general shareholders, he has been appointed an outside auditor and independent officer.	Board of Director Meetings: 12/12 meetings Board of Corporate Auditors Meetings: 12/12 meetings
Corporate Auditor Yasushi Manago	Yasushi Manago is currently fulfilling appropriate roles as an outside auditor, sufficiently realizing his function of monitoring the execution of duties by the managing directors through the use of his professional knowledge and broad experience concerning finance and legislation and expressing his opinions on the agendas as necessary. Going forward, Yasushi Manago is expected to make further contributions, and because there is no possibility of conflicts of interest with general shareholders, he has been appointed an outside auditor and independent officer.	Board of Director Meetings: 11/12 meetings Board of Corporate Auditors Meetings: 11/12 meetings
Corporate Auditor Yukimi Ozeki	Yukimi Ozeki is currently fulfilling appropriate roles as an outside auditor, sufficiently realizing her function of monitoring the execution of duties by the managing directors through the use of her professional knowledge and broad experience concerning the Companies Act and expressing her opinions on the agendas as necessary. Going forward, Yukimi Ozeki is expected to make further contributions, and because there is no possibility of conflicts of interest with general shareholders, she has been appointed an outside auditor and independent officer.	Board of Director Meetings: 11/12 meetings Board of Corporate Auditors Meetings: 11/12 meetings

Compensation by Title, Amount of Compensation by Type and Number of Applicable Executives (FY2021)

Title	Total Compensation (Millions of Yen)	Amount of Compensation by Type (Millions of Yen)			Number of Applicable Executives
		Basic Compensation	Bonus	Restricted stock compensation	
Internal directors	1,266	638	464	163	8
Internal corporate auditors	106	106	-	-	2
Outside directors and corporate auditors	122	122	-	-	8

Compensation of Executives Exceeding ¥100 Million (FY2021)

Name	Title	Amount of Compensation by Type (Millions of Yen)			Total Compensation (Millions of Yen)
		Basic Compensation	Bonus	Restricted stock compensation	
Hiromichi Iwasa	Chairman of the Board and Chief Executive Officer (Representative)	120	93	30	244
Masanobu Komoda	President and Chief Executive Officer (Representative)	120	93	30	244
Yoshikazu Kitahara	Managing Director (Representative)	75	52	19	147
Kiyotaka Fujibayashi	Managing Director	73	52	19	145
Yasuo Onozawa	Managing Director	68	52	19	140
Takashi Yamamoto	Managing Director	52	39	14	118
	President and Chief Executive Officer (Representative) of Mitsui Fudosan Residential Co., Ltd.	10	-	-	
Takashi Ueda	Managing Director	63	39	14	117
Wataru Hamamoto	Managing Director	63	39	14	117



Third-party Verification

Independent Third-party Verification Report

〈Environmental Data〉

Energy Consumption

Water Usage

Waste Emissions

Greenhouse Gas Emissions

〈Social data〉

Health Checkup and Screening Rate

Third-party Verification

Independent Third-party Verification Report

To enhance the reliability of the ESG data disclosed in the 2022 ESG Report, selected data has undergone third-party verification by Deloitte Tohmatsu Sustainability Co., Ltd.

In the information given below, the ☒ mark indicates fiscal year 2021 data that has undergone third-party verification.

- Energy Consumption
- Water Usage
- Waste Emissions
- Greenhouse Gas Emissions
- Health Checkup and Screening Rate

Deloitte.

デロイトトーマツ

(TRANSLATION)

Independent Practitioner's Assurance Report

February 20, 2023

Mr. Masanobu Komoda,
President and CEO
Mitsui Fudosan Co., Ltd.

Masahiko Sugiyama
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2-3, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the data indicated with ☒ for the year ended March 31, 2022 on the Third-party Verification section (the "Sustainability Information") included in the "ESG Report 2022 (the "Report") of Mitsui Fudosan Co., Ltd. (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the Sustainability Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the Sustainability Information included in the Report). Greenhouse gas quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and numerical data needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.

Member of
Deloitte Touche Tohmatsu Limited

List of annual data

Environmental Data

Energy Consumption

Trends in the Amount of Energy Consumption

	FY2018	FY2019	FY2020	FY2021
Energy Consumption (MWh)	1,454,755	1,488,256	1,433,237	3,653,327 <input checked="" type="checkbox"/>

Data with the third-party verification mark ☒ has been independently verified.

Scope of Data Calculation for Energy Consumption

	FY2018	FY2019	FY2020	FY2021
No. of target facilities (facilities)	157	210	277	789
Total floor area (㎡)	6,400,710	6,770,958	7,628,160	18,027,066

Note:

1. For the fiscal year 2018 to 2020, facilities for which disclosure is required under the Act on the Rational Use of Energy are included. However, some facilities are excluded.
2. For the fiscal year 2021, facilities of Mitsui Fudosan and consolidated subsidiaries that either own buildings or have 100 or more employees are included.

Water Usage

Trends in Water Usage

Water intake

(thousand m³)

	FY2018	FY2019 ^{*1}	FY2020 ^{*1・2}	FY2021
Clean water	5,318	5,619	4,070	9,483
Industrial water	89	107	85	236
Purchased reclaimed water	-	-	63	251
Well water	-	-	922	1,292
Hot spring water	-	-	78	204
Pond water	-	-	57	37
Rainwater	-	-	74	250
Spring water	-	-	17	96
Total water intake	5,407	5,726	5,365	11,849 <input checked="" type="checkbox"/>
Water intake per base unit (m ³ /m ²)	0.848	0.851	0.708	0.671

Data with the third-party verification mark ☒ has been independently verified.

Water recycling rate

	FY2018	FY2019	FY2020	FY2021
Water recycling rate (%) ^{*3}	10.2	15.1	9.2	9.5

Wastewater

(thousand m³)

	FY2018	FY2019	FY2020	FY2021
Sewage water ^{*4}	5,595	5,539	4,441	10,181
Seawater ^{*4}	-	-	270	264

^{*1} Since fiscal year 2020, we have improved the accuracy of reporting data received from each facility relating to usage of purchased clean and industrial water.

^{*2} Since fiscal year 2020, we have reviewed water usage categories and added some usage categories to the overall totals.

^{*3} Water recycling rate: For the fiscal year 2018 and 2019, percentages show the proportion of grey water in total water intake (FY2018: 615 thousand m³, FY 2019: 1,016 thousand m³). From the fiscal year 2020, the percentage shows the proportion of water (FY2020: 495 thousand m³, FY 2021: 1121 thousand m³) reused after being put in grey water containers after its initial use.

^{*4} Amount of wastewater transported to a water treatment plant via underground sewers. Wastewater put into the sea, the ground, underground, or elsewhere is not included in this total.

Scope of Data Calculation for Water Usage

	FY2018	FY2019	FY2020	FY2021
No. of target facilities (facilities)	139	146	187	477
Total floor area (m ²)	6,379,120	6,723,556	7,574,935	17,667,267

Note:

1. For the fiscal year 2018 to 2020, facilities for which disclosure is required under the Act on the Rational Use of Energy are included. However, some facilities are excluded.
2. For the fiscal year 2021, facilities of Mitsui Fudosan and consolidated subsidiaries that either own buildings or have 100 or more employees are included.

Waste Emissions

Trends in the Amount of Disposed Non-Hazardous Waste (General Waste and Industrial Waste)

	FY2018	FY2019	FY2020	FY2021
General waste (t)	37,320	36,546	30,217	95,433
Per base unit (t/m ²)	0.0060	0.0055	0.0044	0.0055
Industrial waste (t)	9,951	10,642	7,863	16,942 <input checked="" type="checkbox"/>
Per base unit (t/m ²)	0.0016	0.0016	0.0010	0.0011
Total (t)	47,271	47,188	38,080	112,375

Data with the third-party verification mark ☒ has been independently verified.

Note: The amount of disposed industrial waste is in accordance with the Waste Management and Public Cleansing Act.

Scope of Data Calculation for Waste Emissions

	FY2018	FY2019	FY2020	FY2021	
				General waste	Industrial waste
No. of target facilities (facilities)	121	132	166	380	334
Total floor area (m ²)	6,247,209	6,665,965	7,576,226	17,205,772	15,441,872

Note:

1. For the fiscal year 2018 to 2020, facilities for which disclosure is required under the Act on the Rational Use of Energy are included. However, some facilities are excluded.
2. For the fiscal year 2021, facilities of Mitsui Fudosan and consolidated subsidiaries that either own buildings or have 100 or more employees are included.

Greenhouse Gas Emissions

Greenhouse Gas Emissions (Scopes 1, 2 & 3)



The Group's emissions for Scope 1, Scope 2, and Scope 3 are as follows.

*For Mitsui Fudosan and consolidated subsidiaries that either own buildings or have 100 or more employees.

Scope	FY2018	FY2019	FY2020	FY2021
	1000t-CO ₂	1000t-CO ₂	1000t-CO ₂	1000t-CO ₂
Scope1	90	104	115	140
Scope2	395	413	363	438
Subtotal (Scopes 1 & 2):	485	518	479	579 <input checked="" type="checkbox"/>
Scope3-1 Products and services purchased	1,152	1,199	1,788	1,209
Scope3-2 Capital goods	1,290	974	515	835
Scope3-3 Fuel- and energy-related activities that are not included in Scope 1 and 2	85	98	92	125
Scope3-4 Transportation and delivery (upstream)	-	-	-	-
Scope3-5 Waste generated by businesses	194	126	170	146
Scope3-6 Business trips	2	3	3	3
Scope3-7 Employers' commuting	4	5	5	6
Scope3-8 Lease assets (upstream)	-	-	-	-
Scope3-9 Transportation and delivery (downstream)	-	-	-	-
Scope3-10 Processing of products sold	-	-	-	-
Scope3-11 Use of products sold	1,165	831	1,029	696
Scope3-12 Disposal of products sold	10	10	16	13
Scope3-13 Lease assets (downstream)	688	621	594	589
Scope3-14 Franchise	-	-	-	-
Scope3-15 Investments	-	-	-	-
Subtotal (Scope3):	4,591	3,865	4,211	3,621 <input checked="" type="checkbox"/>
Total (Scopes 1, 2 & 3):	5,076	4,383	4,690	4,199

Data with the third-party verification mark ☒ has been independently verified.

*Scope 1 and Scope 2 are calculated using emissions coefficients and other methods in line with the Act on Promotion of Global Warming Countermeasures, based on the amount of energy used (whether actual figures or estimates) in the relevant fiscal year. Some figures are estimates calculated by considering a base unit (of floor area) for each business division.

*Scope 3-1 is calculated from the sales cost price part and services provided part of real estate for sale that was sold in the relevant fiscal year. The sales cost price part of real estate for sale that was sold in the relevant fiscal year (excl. land) is calculated by multiplying figures given in the emissions unit value database (ver. 3.2), which details Ministry of the Environment emissions coefficients used to estimate an organization's greenhouse gas or other emissions through its supply chain.

The services provided part during the relevant fiscal year is calculated by multiplying accounts that exceeded 1% of the total monetary amount covered in Scope 3-1 by an emissions coefficient determined by the Ministry of the Environment.

*Scope3-2 is calculated by multiplying the amount of increase in Property, plant and equipment excluding land and construction in progress by an emissions coefficient determined by the Ministry of the Environment.

*Scope 3-3 is calculated by multiplying the amount of energy used in Scope 1 and Scope 2 by an emissions coefficient determined by the Ministry of the Environment.

*Scope 3-5 is calculated by multiplying emissions produced by general and industrial waste (estimated figures are partly included) by an emissions coefficient determined by the Ministry of the Environment.

*Scope 3-6 is calculated by multiplying the number of employees of the Mitsui Fudosan Group by an emissions coefficient determined by the Ministry of the Environment.

*Scope 3-7 is calculated by multiplying the number of employees of the Mitsui Fudosan Group by the number of working days for the Group and an emissions coefficient determined by the Ministry of the Environment.

*Scope 3-11 is calculated by multiplying real estate sold in the relevant fiscal year by the annual emissions unit value and a legally established service life.

*Scope 3-12 is calculated by multiplying real estate sold in the relevant fiscal year by an emissions coefficient determined by the Ministry of the Environment.

*Scope 3-13 is calculated using emissions coefficients and other methods in line with the Act on Promotion of Global Warming Countermeasures, based on the amount of energy used (whether actual figures or estimates) in the relevant fiscal year. Some figures are estimates calculated by considering a base unit (of floor area) for each business division.

Social data

Health and Safety

Health Checkup and Screening Rate

- Record in fiscal year 2018: 99.5%
- Record in fiscal year 2019: 99.8%
- Record in fiscal year 2020: 99.5%
- Record in fiscal year 2021: 100% ☒
- Goal for fiscal year 2022: 100%

Data with the third-party verification mark ☒ has been independently verified.

Note: The health checkup and screening rate is the percentage of all steady-basis employees undergoing health checkups or health screening. The total of all steady-basis employees consists of regular and part-time steady-basis employees as of the end of the fiscal year, excluding those necessarily prevented from undergoing screening (due to international postings, childcare leave, health conditions, etc.).



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