



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
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- 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)

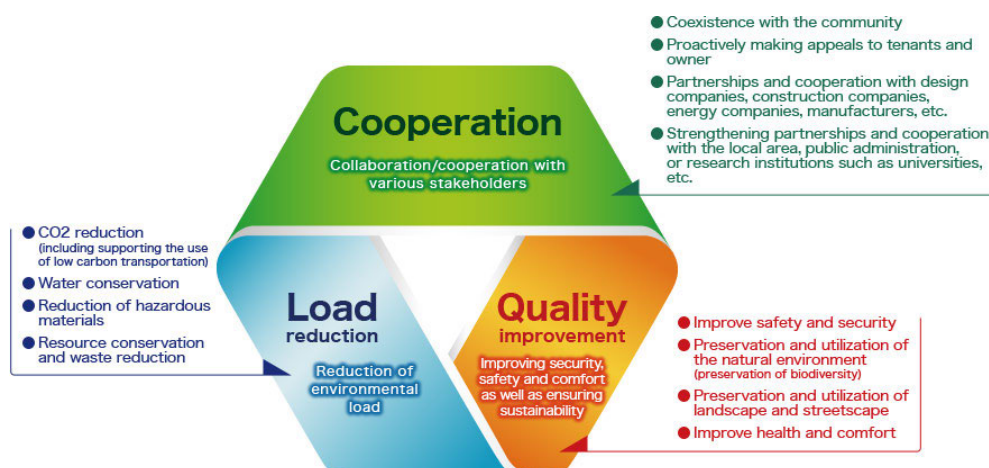
#### Environmental Principles

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 (CO<sub>2</sub>), 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 CO<sub>2</sub> 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/](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.

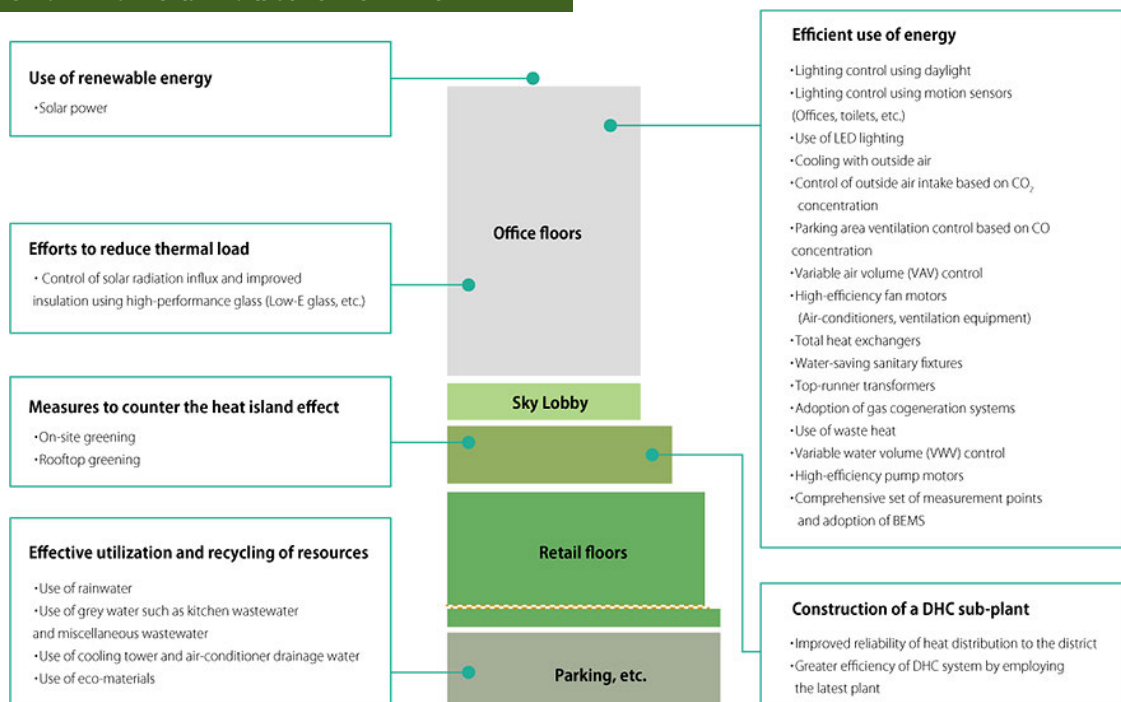
#### Energy Conservation, Creation, and Storage in Office Buildings

##### 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 CO<sub>2</sub> 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"><li>• Nihonbashi Mitsui Tower</li><li>• Tokyo Midtown</li><li>• Ginza Mitsui Building</li><li>• Gran Tokyo North Tower</li><li>• Sumitomo Mitsui Banking Corporation Building</li></ul>	<ul style="list-style-type: none"><li>• Nihonbashi 1-chome Mitsui Building</li><li>• Shiodome City Center</li><li>• Muromachi Higashi Mitsui Building</li><li>• Muromachi Furukawa Mitsui Building</li><li>• *Muromachi Chibagin Mitsui Building</li><li>• Iidabashi Grand Bloom</li><li>• Kasumigaseki Building</li></ul>
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"> <li>• TOKYO MIDTOWN HIBIYA</li> <li>• Nihonbashi Takashimaya Mitsui Building, etc.</li> </ul>
Commercial facilities	BEMS	<ul style="list-style-type: none"> <li>• LaLaport TOKYO-BAY</li> <li>• LaLaport KOSHIEEN</li> <li>• MITSUI OUTLET PARK KITAHIROSHIMA etc.</li> </ul>
Built-for-sale condominiums	HEMS (each condominium), MEMS (communal areas, overall)	<ul style="list-style-type: none"> <li>Mitsui Fudosan Residential's</li> <li>• HARUMI FLAG</li> <li>• Park City Kashiwa-no-ha Campus The Gate Tower</li> <li>• Oriented Park Homes Urawa Tokiwa 10-chome</li> <li>• Oriented Park Homes Nerima Fujimidai Station Gat etc.</li> </ul>
Built-for-sale detached housing	HEMS	<ul style="list-style-type: none"> <li>Mitsui Fudosan Residential's</li> <li>• Fine Court Eifuku 4-chome</li> <li>• Fine court Meguro Ookayama etc.</li> </ul>
Custom-built detached residence	HEMS	<ul style="list-style-type: none"> <li>Mitsui Home's</li> <li>• green's II Series</li> <li>• green's ZERO Series</li> <li>• Lucas</li> <li>• Lascene compatible with all above products etc.</li> </ul>
Entire block	AEMS, TEMS, etc.	<ul style="list-style-type: none"> <li>• Kashiwa-no-ha Smart City (Kashiwa-no-ha AEMS)</li> <li>• Nihonbashi Smart Energy Project</li> <li>• Yaesu Smart Energy Project</li> <li>• Park City Musashikosugi The Garden etc.</li> </ul>

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 CO<sub>2</sub> Emissions from Automobiles

To restrict CO<sub>2</sub> 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
<b>Governance: Disclose the organization's governance around climate-related risks and opportunities</b>	
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
<b>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</b>	
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
<b>Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks</b>	
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
<b>Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</b>	
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

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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.mitsuifudosan.co.jp/corporate/esg\\_csr/pdf/2021/env\\_yokohama\\_2021.pdf](https://www.mitsuifudosan.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.mitsuifudosan.co.jp/corporate/esg\\_csr/pdf/2021/env\\_saitama\\_2021.pdf](https://www.mitsuifudosan.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.mitsuifudosan.co.jp/corporate/esg\\_csr/pdf/2021/env\\_hiroshima\\_2021.pdf](https://www.mitsuifudosan.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 400m<sup>3</sup>), 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 to 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

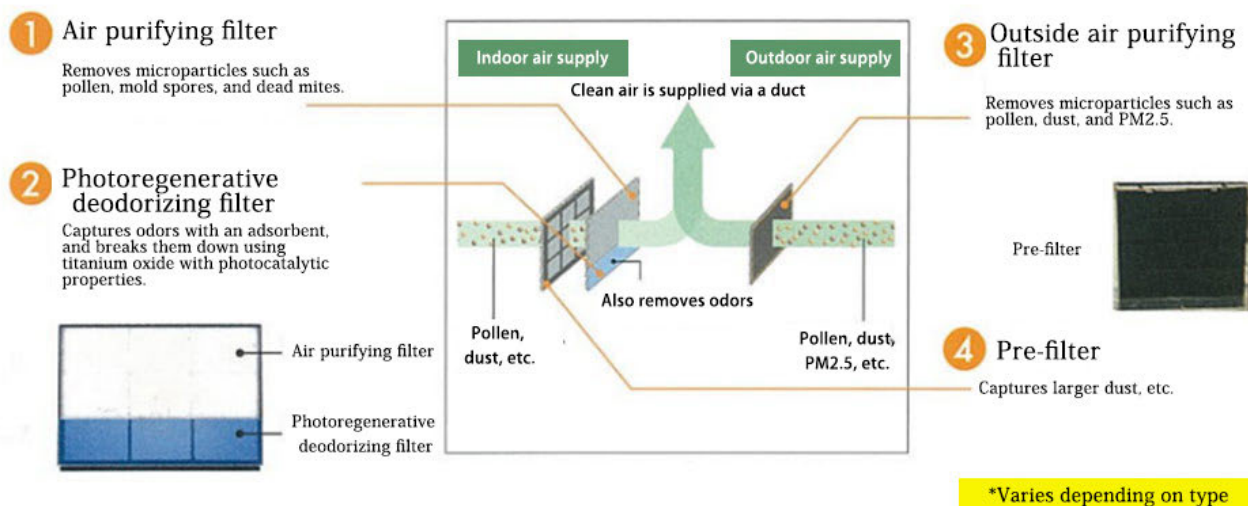
For our office buildings and retail facilities, we have added guidelines for combating sick building symptoms to our eco-specifications (design request form, etc.). We make concerted efforts to prevent formaldehyde and other volatile organic compounds (VOCs) from entering our buildings, because they 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  $\mu\text{m}$  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 CO<sub>2</sub> 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.

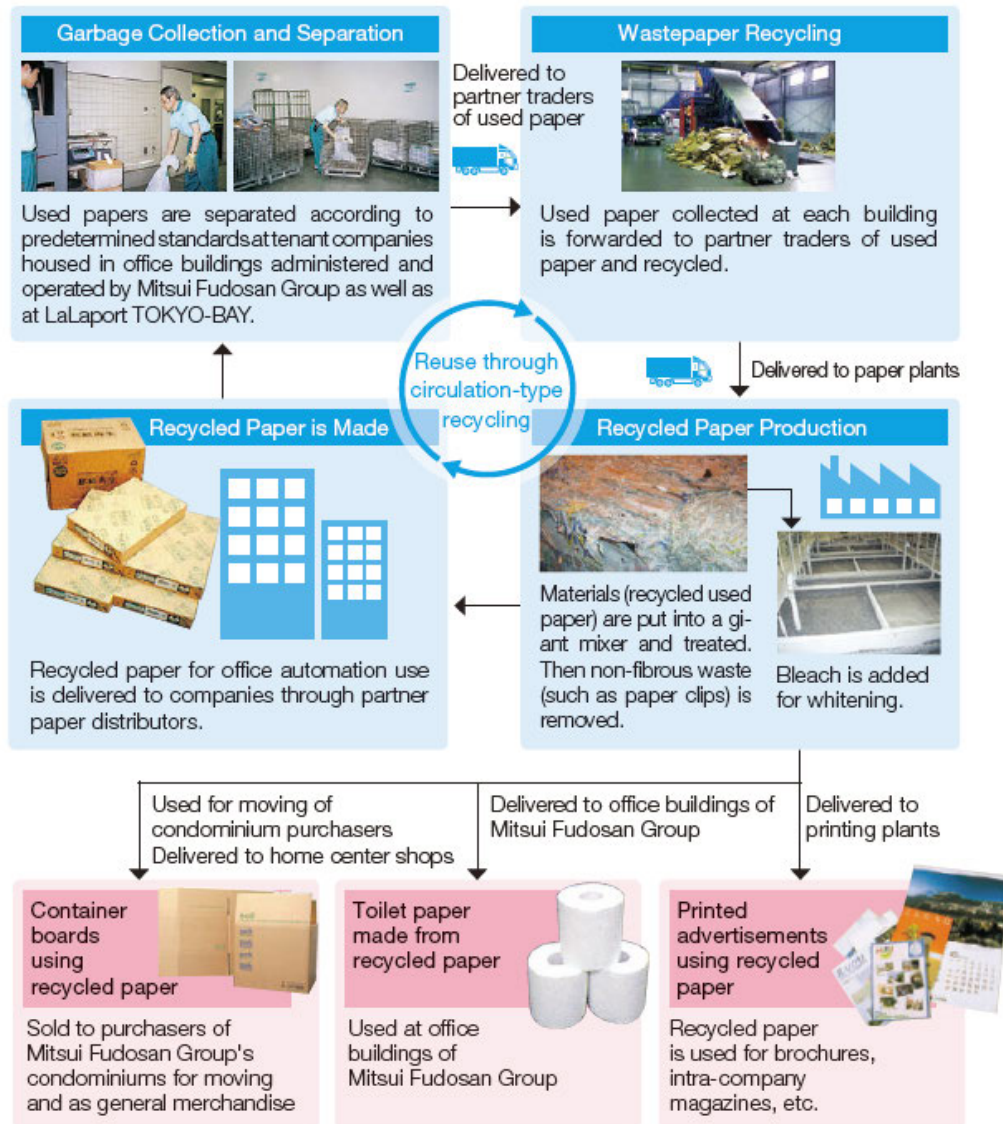
At TOKYO MIDTOWN (Minato-ku, Tokyo), we classify wastes into 21 types, and we are working together with shops and tenants to recycle and appropriately dispose of waste. We have a total of 10 separated garbage storage spaces, by building and application, and appropriately store and manage waste until 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 CO<sub>2</sub> emissions.

#### Wastepaper Recycling Loop System

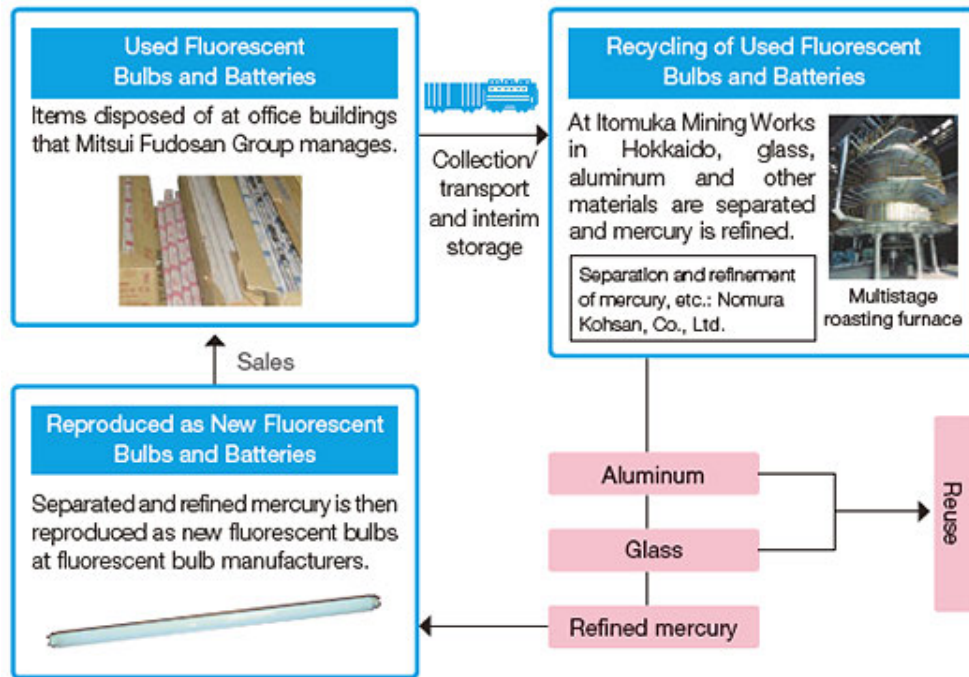
In collaboration with traders of used paper, paper manufacturers, and paper distributors, the Group has created a unique recycling loop system for wastepaper, which is collected from office buildings managed by the Group in Tokyo, and from LaLaport TOKYOBAY (Funabashi City, Chiba). The wastepaper is 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/](https://www.mitsui-fudosan.co.jp/and_forest/))

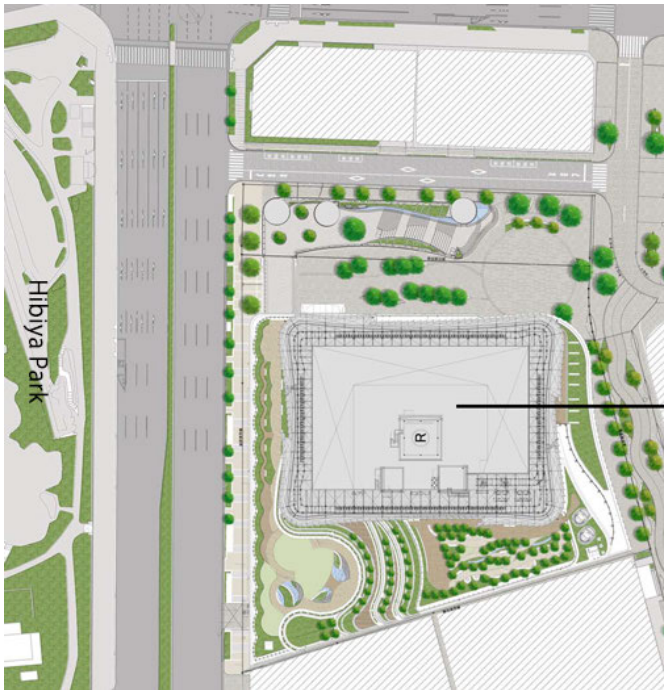
\*Calculation based on Tokyo Dome covering 4.7 hectares.

## 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 m<sup>2</sup> 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

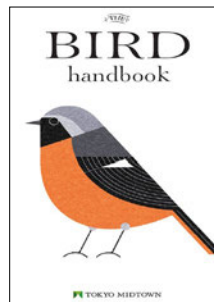
TOKYO MIDTOWN HIBIYA



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

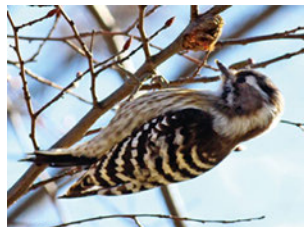


Green space in Tokyo Midtown (Midtown Garden)

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.



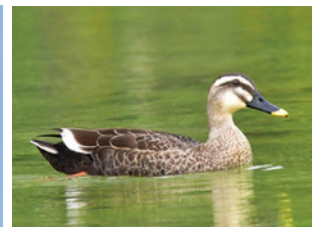
Japanese Pied Wagtail (lawn)



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.mitsuifudosan.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](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](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](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/](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.mitsui-fudosan.co.jp/english/corporate/esg\\_csr/pdf/2022/greenbond2022\\_greenloans2022\\_annualreview2022\\_yaesu\\_eng.pdf](https://www.mitsui-fudosan.co.jp/english/corporate/esg_csr/pdf/2022/greenbond2022_greenloans2022_annualreview2022_yaesu_eng.pdf)

### 50 Hudson Yards

⇒ [https://www.mitsui-fudosan.co.jp/english/corporate/esg\\_csr/pdf/2022/greenbond2022\\_annualreview2022\\_50hudsonyards\\_eng.pdf](https://www.mitsui-fudosan.co.jp/english/corporate/esg_csr/pdf/2022/greenbond2022_annualreview2022_50hudsonyards_eng.pdf)

### Nihonbashi Muromachi Mitsui Tower

⇒ [https://www.mitsui-fudosan.co.jp/english/corporate/esg\\_csr/pdf/2022/greenbond2019\\_annualreview2022\\_nihonbashi\\_eng.pdf](https://www.mitsui-fudosan.co.jp/english/corporate/esg_csr/pdf/2022/greenbond2019_annualreview2022_nihonbashi_eng.pdf)

### Tokyo Midtown Hibiya

⇒ [https://www.mitsui-fudosan.co.jp/english/corporate/esg\\_csr/pdf/2022/greenloan2022\\_annualreview2022\\_hibiya\\_eng.pdf](https://www.mitsui-fudosan.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.mitsui-fudosan.co.jp/english/corporate/esg\\_csr/pdf/2022/assertion\\_on\\_allocation\\_of\\_proceeds\\_yaesu\\_eng.pdf](https://www.mitsui-fudosan.co.jp/english/corporate/esg_csr/pdf/2022/assertion_on_allocation_of_proceeds_yaesu_eng.pdf)

### 50 Hudson Yards

⇒ [https://www.mitsui-fudosan.co.jp/english/corporate/esg\\_csr/pdf/2021/assertion\\_on\\_allocation\\_of\\_proceeds\\_eng.pdf](https://www.mitsui-fudosan.co.jp/english/corporate/esg_csr/pdf/2021/assertion_on_allocation_of_proceeds_eng.pdf)

## Impact Report

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To be published from FY2023 onward

## Introduction to Green Projects

### Tokyo Midtown Yaesu

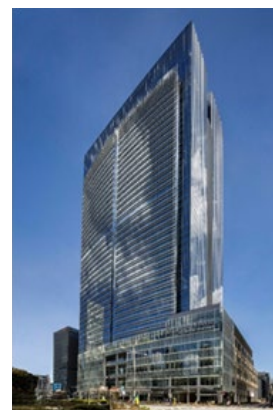
Tokyo Midtown Yaesu is the first of the large scale, mixed-use redevelopment projects under way in three areas around Tokyo Station. As for environmental certification, Tokyo Midtown Yaesu has received Highest (S) Rating under Japan's CASBEE-architecture certification for new buildings, and plans to 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 <sup>2</sup>
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/](https://www.mitsuifudosan.co.jp/english/corporate/news/2022/0915_01/)



### 50 Hudson Yards

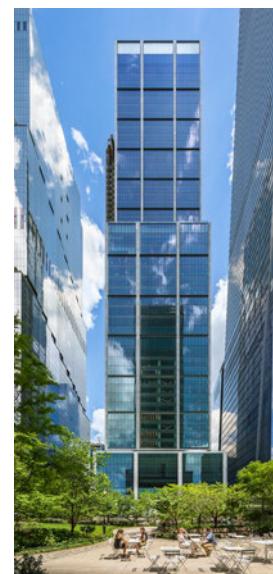
50 Hudson Yards is an office building development project in Manhattan, New York, which Mitsui Fudosan Co., Ltd. is participating in through its U.S. subsidiary Mitsui Fudosan America, Inc. The building is well-situated with direct access to 7 Train from the 34th Street Hudson Yards subway station, with 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 <sup>2</sup> (Approx. 264,000m <sup>2</sup> )
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](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 CO<sub>2</sub> 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 <sup>2</sup>
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](https://www.mitsuifudosan.co.jp/english/corporate/news/2019/0730_01/#outline)



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## 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 <sup>2</sup>
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/](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](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>