

Special Feature 1

Toward Realization of Decarbonized Society



Message from a Managing Director

The achievement of a decarbonized society is one of the most crucial global-scale issues that we face. We recognize that a great role is expected of companies in dealing with these social issues, and that such efforts will lead to an increase in corporate value.

Under such circumstances and in accordance with our guiding principle of “achieve a sustainable society,” the Mitsui Fudosan Group has joined the RE100 initiative that seeks to make all electricity used in business derived from renewable energy, has disclosed information under our endorsement of the Task Force on Climate-Related Financial Disclosures (TCFD), and has actively worked to address climate change, in order to carry out our social mission as a developer engaged in neighborhood creation. In December 2020, we set the Group’s greenhouse gas emission reduction targets for fiscal 2030 and 2050, and received certification under the SBT international initiative.

In light of Japan’s raising of its greenhouse gas reduction target for 2030, in November 2021 we boosted the Group’s reduction target for fiscal 2030 from a 30% reduction to a 40% reduction compared to fiscal 2019. At the same time, we formulated the Group Action Plan to Realize Decarbonized Society aimed at the steady achievement of our long-term goal of net zero emissions by fiscal 2050.

Working toward fiscal 2030 under this action plan, we will expand concrete energy-saving measures and renewable energy projects while strengthening partnerships to cut greenhouse gas emissions throughout the supply chain. Looking further ahead to fiscal 2050, we will study and



Wataru Hamamoto
Managing Director,
Senior Executive
Managing Officer
(In charge of sustainability
promotion-related activities)

undertake energy creation projects utilizing new technologies such as offshore wind power generation and geothermal power generation, and will advance initiatives including open innovation. Combining our strength with that of our partners, we will contribute to efforts aimed at the decarbonization of society as a whole.




See details of Mitsui Fudosan Group’s decarbonization action plan here.

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

See our “ESG Report” for details of TCFD and other sustainability topics.

https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/

Participation in Initiatives Concerning Adaptation to Climate Change

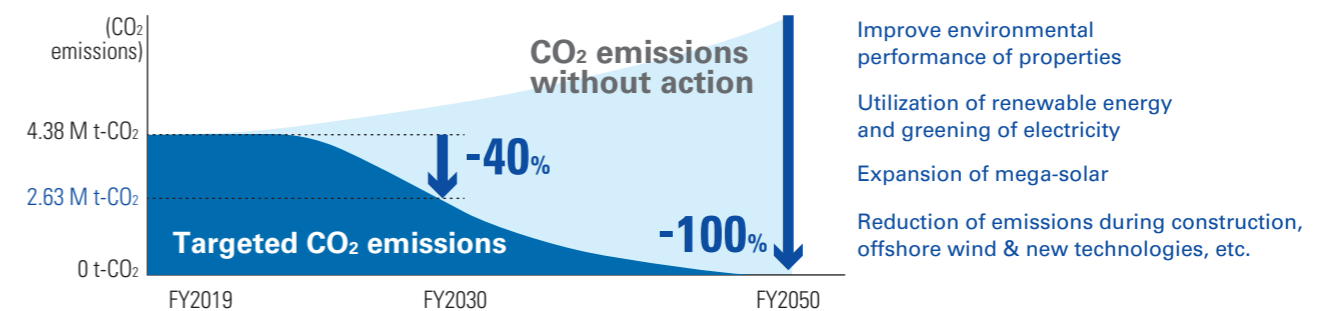
<p>Reduction of GHG emissions</p> <p>Science Based Targets (SBT) Initiative Certification</p>  <p>DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</p>	<p>Renewable energy ratio of electricity in business activities (RE100)</p> <p>100% by FY2050</p>  <p>THE CLIMATE GROUP CDP</p>	<p>Task Force on Climate-Related Financial Disclosures (TCFD)</p> <p>Disclosure of financial impact in December 2020</p> 
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Greenhouse Gas Emission Reduction Targets

Mitsui Fudosan Group’s 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)



Key Action Plans

Steadily implement initiatives for fiscal 2030 with supply chain
Further promote actions to realize a decarbonized society in fiscal 2050

Action Plan 1	Improve environmental performance of new and existing properties	Action Plan 4	Secure stable renewable energy sources
Action Plan 2	Greening of electricity in common areas of properties and areas used by the Company	Action Plan 5	Initiatives to reduce CO ₂ emissions during construction
Action Plan 3	Provide Green Menu to tenants and buyers	Other Key Initiatives	<ul style="list-style-type: none"> • Utilization of forests • Acquisition of external certifications • Open innovation • The creation of neighborhoods initiatives • Improvement of internal systems

Action Plans Toward Fiscal 2030

Action Plan 1 Improve environmental performance of new and existing properties

New properties

Realize ZEB/ZEH level environmental performance for all properties

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.

Mitsui Fudosan Residential 三井不動産レジデンシャル

- ZEH-M in all mid- and high-rise units
- ZEH in all detached units (FY2030)



Eifuku 4-chome Project (ZEH, Nearly ZEH: Fine Court)



LaLa NAGOYA minato AQUUS Garden Square (ZEH-M Oriented Park Homes)

Existing properties

Improve energy efficiency through strategic renovation of properties and actively promote the creation of on-site renewable energy



MITSUI OUTLET PARK KISARAZU



MITSUI OUTLET PARK SHIGA RYUO

Action Plan 2 Greening of electricity in common areas of properties and areas used by the Company

By fiscal 2030, achieve greening of power consumption in common areas of properties owned and areas used by the Group nationwide



*1 Solar power plants owned by Mitsui Fudosan, post-FIT power plants contracted by TEPCO Energy Partner, Inc., residential solar power generators, solar power generators owned by partner power producers, etc.
*2 For FIT power sources, acquired via Japan Electric Power Exchange (JEPX); 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

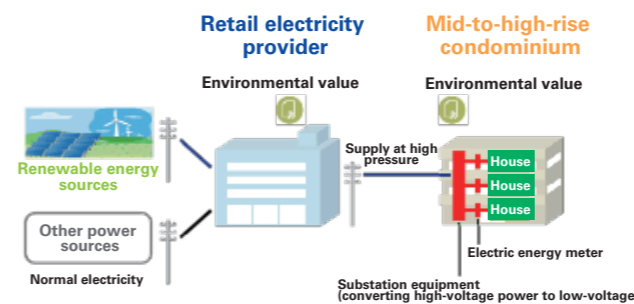
Home buyers

Aim to achieve a 40% reduction in CO₂ emissions (average for medium- and high-rise buildings and detached houses) by fiscal 2030 by adopting methods such as the "bulk high-voltage power receiving x renewable energy" system and greening through the introduction of ENE-FARM in medium and high-rise sales.

Tenant companies

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

In April 2021, we launched "green power supply services" for office building tenants. Currently, about 100* companies are using or considering this service.
* As of October 31, 2021

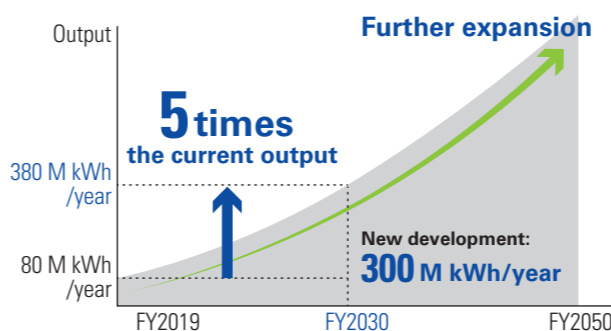


Action Plan 4 Secure stable renewable energy sources

Stable procurement of non-fossil certificates in addition to 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 fiscal 2030. (Total: 380 million kWh/year)



Stable procurement of non-fossil certificates

- In the Tokyo metropolitan area, in addition to the procurement of 600 million kWh/year from TEPCO Energy Partner, Inc., with which we have concluded a comprehensive agreement, secure a total of 800 million kWh/year or more of non-fossil certificates through comprehensive agreements with other companies.
- Strive to secure additional non-fossil certificates throughout Japan outside the Tokyo metropolitan area as necessary.

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
- Generate approx. 80 million kWh per year

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 order to accurately grasp the amount of emissions at the time of construction and appropriately reflect the reduction effects, etc., introduce a mechanism for calculating the amount of emissions during construction based on the "method of accumulating actual results of materials used (tentative name)."
- Develop "tools for calculating emissions during construction" by the end of fiscal 2022 in collaboration with academic experts and design engineers.
- By the end of fiscal 2023, require all builders to calculate "CO₂ emissions during construction" using the above tools.

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

Other Key Initiatives

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

- Forest area: approx. 5,000 ha
We own and manage approx. 5,000 hectares of forests that span 31 municipalities, mainly in the northern Hokkaido region.
- Amount of CO₂ absorbed and fixed by the forests owned by Mitsui Fudosan Group: approx. 17,251 t-CO₂/year*

* The annual amount of CO₂ absorbed and fixed by the Group's forests is calculated using Hokkaido's formula based on forest growth data from the fiscal 2020 Forest Survey Report.

Acquisition of external certifications

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

Examples of certified facilities

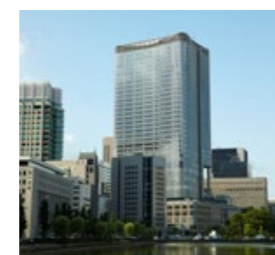
<p>ZEB / ZEH (BELS)</p>	<p>MFLP Funabashi III (ZEB-Ready)</p> <p>Park Homes LaLa NAGOYA minato AQUUS Garden Square (ZEH-M Oriented)</p>
<p>DBJ Green Building / CASBEE</p>	<p>TOKYO MIDTOWN HIBIYA Simultaneous acquisition of DBJ Green Building Certification and CASBEE Wellness Office Certification</p>
<p>LEED</p>	<p>Kashiwa-no-ha Smart City The first city in Japan to receive the highest rank of platinum certification under LEED-ND (Leadership in Energy and Environmental Design for the creation of neighborhoods), an international environmental certification system</p>



MFLP Funabashi III



Park Homes LaLa NAGOYA minato AQUUS Garden Square



TOKYO MIDTOWN HIBIYA



Kashiwa-no-ha Smart City

Looking Ahead to Fiscal 2050

Looking ahead to fiscal 2050, we shall continue to evolve each Action Plan and address the following

Open innovation for the creation of new technologies

- Identify and proactively utilize trends in a wide range of innovations in decarbonization technology.
- Aim to contribute to the decarbonization of society as a whole through joint research with academia and construction companies, and by actively investing in venture companies and providing them with opportunities for demonstration tests.

Examples of specific initiatives

- Utilization for the creation of renewable energy
 - Aim to further procure renewable energy through the use of new technologies such as offshore wind power and geothermal power generations.
- Utilization for reduction of CO₂ emissions during construction and building operation
 - Continue industry-leading initiatives involving construction companies and component manufacturers, aiming to reduce CO₂ emissions throughout the supply chain.
 - By actively adopting new technologies and materials that contribute to energy-saving in buildings, aim to reduce CO₂ emissions during building operation by the Group.



Bottom-mounted offshore wind turbines (image)

Promotion of the creation of neighborhoods initiatives

With the aim of realizing a decarbonized society, utilizing new technologies and open innovation, such as the Smart Energy Project in Nihonbashi, Toyosu, and Yaesu, and Kashiwanoha AEMS, aim to realize the creation of neighborhoods that promotes decarbonization not only of facilities owned but also of the entire area.

Internal Systems to Promote Action Plans

Introduction of Internal Carbon Pricing (ICP) System

From fiscal 2022, 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.

Sustainability Promotion Framework

Structure for promoting Action Plans

Establish Sustainability Promotion Dept. as an overall function of Action Plans.

Each business headquarters, division, and Group company will collaborate with the Environment and Energy Service Dept., engaged in Company-wide energy management, and all other divisions to promote decarbonization initiatives.

