

# Strategies Toward Realization of Decarbonized Society

## Message from a Managing Director

Aiming to achieve our goal of net zero emissions by fiscal 2050, we will steadily promote the “Group Action Plan to Realize a Decarbonized Society.”



### Wataru Hamamoto

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

In accordance with the principles embodied by the “” logo—“coexist in harmony with society,” “link diverse values” and “achieve a sustainable society”—the Company has actively undertaken efforts to enhance coexistence with the global environment and the sustainability of society through neighborhood creation. We believe that promoting our Company’s business will lead to sustainability initiatives which create social value.

Having society as a whole address climate change is a pressing issue and a social responsibility of our Group, which undertakes the construction and development of social infrastructure. Positioning decarbonization initiatives as priority issues, in VISION 2025, our Group’s long-term vision, we place “Reducing environmental impact and generating energy” as one of goals to be focused on.

In addition to initiatives to address climate change such as setting greenhouse gas reduction targets, our endorsement of the TCFD, joining the RE100 initiative and receiving certification under the SBT international initiative, in November 2021 we boosted the Group’s reduction target and formulated the “Group Action Plan to Realize a Decarbonized Society” aimed at the achievement of our long-term goal.

Under our Group Action Plan, our Group improves environmental performance and promotes “green

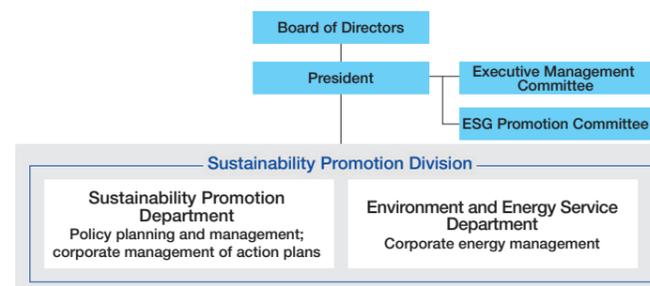
electricity” in common areas at our owned and operated properties. We also promote initiatives such as stably securing renewable energy, and reducing CO<sub>2</sub> emissions during construction by working with construction companies and other manufacturers. We also provide green electricity supply services to meet the requests of tenants. This initiative, which addresses customers’ own decarbonization initiatives while differentiating our business, truly constitutes business development that links the social value of achieving a decarbonized society with the economic value of securing a competitive advantage for companies.

In April 2022, the Sustainability Promotion Division<sup>1</sup> was established to accelerate ESG and SDGs initiatives, including action plans. In fiscal 2021, the first year of the Group Action Plan, we achieved an average reduction in greenhouse gas emissions of 6% for three years from fiscal 2019 to fiscal 2021 (compared with fiscal 2018 to fiscal 2020) and a 4% reduction for a single year (compared with fiscal 2019). Also, we have been selected for the CDP 2021 Climate Change A List of top-ranking companies in the climate change category.

Based on the Group Action Plan, combining our strength with that of various stakeholders, we will contribute to efforts aimed at the decarbonization of society as a whole.

## Sustainability Promotion Framework<sup>\*1</sup>

To accelerate ESG and SDG initiatives, including further strengthening the framework for promoting the “Group Action Plan to Realize a Decarbonized Society,” the Sustainability Promotion Division was established.



## Greenhouse Gas Emission Reduction Targets

See details of Mitsui Fudosan Group’s Reduction Targets for Greenhouse Gas Emissions here.  
[https://www.mitsui-fudosan.co.jp/english/esg\\_csr/carbon\\_neutral/](https://www.mitsui-fudosan.co.jp/english/esg_csr/carbon_neutral/)

### Mitsui Fudosan Group’s Targets

**40% reduction by FY2030 (vs. FY2019)**  
Acquired SBT Initiative Certification for “1.5°C target”

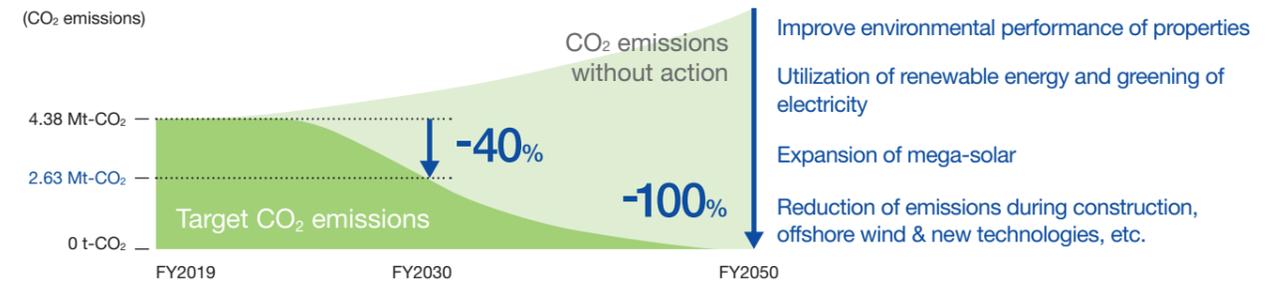
<sup>\*2</sup> Scope 1 + Scope 2: 46.2% reduction by FY2030 (vs. FY2019)

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**Net Zero**  
by FY2050

### FY2021 results

**3-year average<sup>\*3</sup>**  
**-6%**  
(Comparison between FY2019 to FY2021 and FY2018 to FY2020)



<sup>\*3</sup> The majority of our Group’s greenhouse gas emissions (total of Scope 1, 2, and 3) are from the emissions at the time of construction (Scope 3-1, 3-2), which are recorded at the time of completion of buildings for lease and at the time of sale of buildings for sale, as well as emissions from future operations until the demolition of buildings for sale (Scope 3-11). These emissions vary greatly depending on the increase or decrease in the number of properties completed or sold in each fiscal year, so it is not possible to verify the reduction effect only by the emissions in a single fiscal year. Therefore, our Group has decided to verify the progress of emission reductions by comparing the average emissions over a three-year period, not just a single year.

## Progress of the Group Action Plan to Realize a Decarbonized Society

See here for details.  
[https://www.mitsui-fudosan.co.jp/english/esg\\_csr/kpi\\_progress/](https://www.mitsui-fudosan.co.jp/english/esg_csr/kpi_progress/)

Action Plans	Major Progress in Fiscal 2021
<b>Action Plan 1</b> <ul style="list-style-type: none"> <li>● <b>New properties:</b> Realize ZEB/ZEH-level environmental performance for all properties</li> <li>● <b>Existing properties:</b> Create on-site renewable energy for renovation of properties to improve energy efficiency of properties</li> </ul>	<ul style="list-style-type: none"> <li>● New buildings: In principle, all new buildings constructed after the “Decarbonization Action Plan” achieved ZEB/ZEH-level environmental performance</li> <li>● Existing properties: Implemented renovation for improved energy-saving performance as needed (LED adoption work at Kasumigaseki Building, Grand Tokyo North Tower, etc.)</li> </ul>
<b>Action Plan 2</b> <ul style="list-style-type: none"> <li>● By fiscal 2022, achieve greening of electricity consumption in common areas of properties owned and areas used by the Group in 25 properties in the Tokyo metropolitan area</li> <li>● By fiscal 2030, achieve greening of electricity consumption in common areas of properties and areas used by the Group</li> </ul>	<ul style="list-style-type: none"> <li>● Concluded a comprehensive agreement with electricity retailers in three major metropolitan areas of TEPCO, Chubu Electric Power, and Kansai Electric Power</li> </ul>
<b>Action Plan 3</b> <ul style="list-style-type: none"> <li>● Provide Green Menu to tenants and buyers</li> </ul>	<ul style="list-style-type: none"> <li>● Concluded an agreement for introducing green energy: A total of 20 cases</li> </ul>
<b>Action Plan 4</b> <ul style="list-style-type: none"> <li>● Develop mega-solar with a total output of approximately 175,000 kW by fiscal 2030</li> </ul>	<ul style="list-style-type: none"> <li>● Five power plants are in operation (Tomakomai, Hachinohe, Sanyo-Onoda, Oita, and Omuta)</li> </ul>
<b>Action Plan 5</b> <ul style="list-style-type: none"> <li>● Develop tools to accurately grasp CO<sub>2</sub> emissions during construction</li> <li>● Require submission of a reduction plan by construction companies, etc.</li> </ul>	<ul style="list-style-type: none"> <li>● Formulated “GHG Emissions Calculation Manual” to calculate the amount of CO<sub>2</sub> emissions during construction based on the “method of accumulating actual results of materials used” (News Release on March 31, 2022)</li> </ul>
<b>Action Plan (Other)</b> <ul style="list-style-type: none"> <li>● Acquire external certifications</li> <li>● Introduce Internal Carbon Pricing (ICP) System</li> <li>● Establish system for promoting action plans</li> </ul>	<ul style="list-style-type: none"> <li>● Prepared to participate in the GRESB (for the operations of existing properties)</li> <li>● A total of 30 properties acquired external certifications (7 properties in FY2021) (Main properties)                             <ul style="list-style-type: none"> <li>• MFLP Funabashi III: CASBEE - Building (New) S Rank</li> <li>• Nihonbashi Takashimaya Mitsui Building: DBJ Green Building Certification 5-Star</li> </ul> </li> <li>● Introduced ICP in newly developed properties</li> <li>● Newly established Sustainability Promotion Division<sup>1</sup></li> </ul>