

# Strategies toward the Realization of a Decarbonized Society

Message from a Managing Director

We will expand our horizons across the entire supply chain as a platformer working toward decarbonization.

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



Seeking to link diverse values, coexist in harmony with society and achieve a sustainable society, as symbolized by the Mitsui Fudosan “” logo, we have engaged in neighborhood creation. We not only build buildings but also create places where people gather and provide opportunities to create prosperity and new things. In addition, we create new value together with a diverse array of people to realize a sustainable society.

We believe that the philosophy symbolized by the Mitsui Fudosan “” logo is also important regarding the issue of climate change, which is a pressing issue for the Earth. The Mitsui Fudosan Group formulated its Decarbonization Action Plan in 2021 to achieve net-zero greenhouse gas (GHG) emissions by 2050 and is working to achieve this goal. Under the plan, we are improving environmental performance in new and existing properties, promoting the greening of power consumption in common areas of properties owned and areas used by the Group, and developing renewable energy sources.

TOKYO MIDTOWN YAESU had its grand opening in March 2023 is the largest ZEB Ready\* certified office building in Japan. We are also working to obtain ZEB certification for our commercial and logistics facilities as part of our efforts to promote the creation of environmentally friendly facilities. In addition, all 1,002 units at MITA GARDEN HILLS to be completed in 2025 are on track to acquire ZEH-Oriented certification, and we will introduce medium-pressure carbon neutral city gas and electricity generated from virtually 100% renewable energy sources, enabling us to introduce services that feature virtually zero CO<sub>2</sub> emissions from both electricity and gas.

As a result of our sustainability efforts, including the above, we have been certified for the second year in a row following 2021 as a CDP2022 Climate Change A-List company—the highest rating in the climate change category—by CDP, a non-profit organization that conducts international environmental research and seeks information disclosure. In 2022, we also began participating in GRESB Real Estate Assessments, a benchmark evaluation that measures ESG performance in the real estate sector.

On the other hand, a large percentage of our GHG emissions are related to our supply chain. Based on the philosophy symbolized by the Mitsui Fudosan “” logo, we are working together with the builders and designers involved in building construction, as well as the tenant companies and residents who use urban spaces in order to reduce the overall urban impact on the earth.

We are providing the Green Energy Supply Service as an initiative with tenant companies. Utilizing our various green electricity platforms, this service provides electricity used in office buildings and other facilities as virtually renewable energy through the use of Non-fossil Fuel Energy Certificates. We actively encourage and support tenant companies in their efforts to address RE100 and ESG issues.

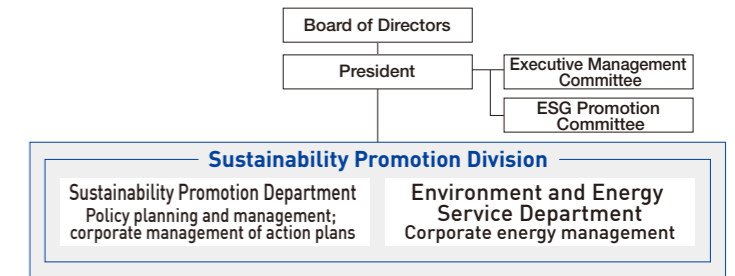
As part of our efforts with builders and designers, we have formulated a GHG Emissions Calculation Manual to calculate the amount of GHG emissions during construction. This initiative will enable us to visualize GHG emissions throughout the supply chain and encourage reductions in GHG emissions from building construction. The Company developed this manual in fiscal 2021 and collaborated with The Real Estate Companies Association of Japan to assist in developing its manual in fiscal 2023.

Reaching the lofty goal of net zero emissions in 2050 will be difficult simply through the initiatives that the Group is currently pursuing, and therefore will require dynamic innovation. To this end, it is essential to broaden our perspective not only within the Company but also throughout the supply chain. We therefore intend to leverage neighborhood creation to promote the development of new technologies and the creation of new industries in the field of decarbonization. We will continue to work with diverse stakeholders to solve the social issue of realizing a decarbonized society.

\* Office-use portion of Yaesu Central Tower.

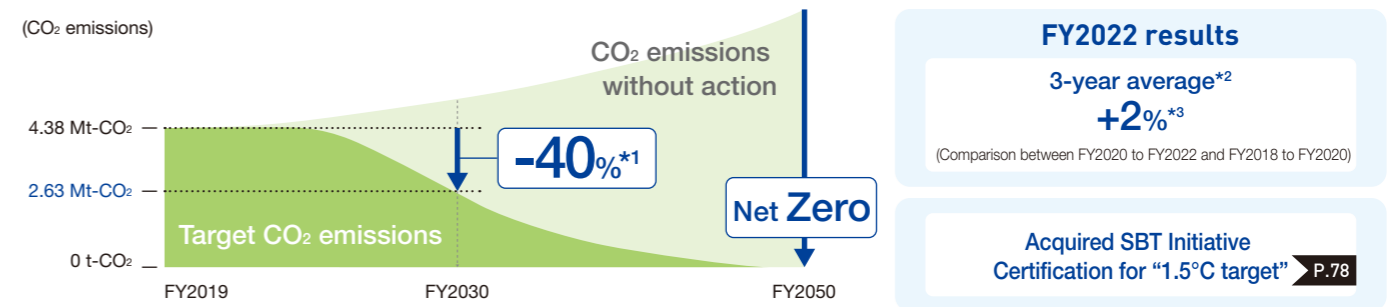
## Sustainability Promotion Framework

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 in fiscal 2022.



## Greenhouse Gas Emission Reduction Targets

See details of the 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/)



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

\*2 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 3-1). 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.

\*3 Due to higher numbers of large properties completed in fiscal 2022 and properties sold compared with previous years.

## 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 programs in fiscal 2022
<b>Action Plan 1</b> ● New properties: Realize ZEB/ZEH-level environmental performance for all properties ● Existing properties: Create on-site renewable energy for the renovation of properties to improve the energy efficiency of properties	<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 (e.g., TOKYO MIDTOWN YAESU* is Japan's largest project to acquire ZEB Ready certification) Office*-use portion of Yaesu Central Tower</li> <li>Existing properties: Implemented renovation for improved energy-saving performance as needed (LED installation etc. at Sumitomo Mitsui Banking Corporation Head Office, Ginza Mitsui Building, etc.)</li> </ul>
<b>Action Plan 2</b> ● 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 ● By fiscal 2030, achieve greening of electricity consumption in common areas of properties and areas used by the Group	<ul style="list-style-type: none"> <li>Achieved the greening of electricity consumption in common areas of properties and areas used by the Group in 25 buildings in the Tokyo metropolitan area</li> </ul>
<b>Action Plan 3</b> ● Provide a Green Menu to tenants and buyers	<ul style="list-style-type: none"> <li>Concluded an agreement for introducing green energy: A total of 62 cases</li> </ul>
<b>Action Plan 4</b> ● Develop mega-solar with a total output of approximately 175,000 kW by fiscal 2030	<ul style="list-style-type: none"> <li>Secured seven new mega solar development sites totaling 19,000 kw</li> </ul>
<b>Action Plan 5</b> ● Develop tools to accurately grasp CO <sub>2</sub> emissions during construction ● Require submission of a reduction plan by construction companies, etc.	<ul style="list-style-type: none"> <li>Construction companies will be required to calculate CO<sub>2</sub> emissions during construction and submit reduction plans using the Company's GHG Emissions Calculation Manual during fiscal 2023</li> </ul>
<b>Action Plan (Other)</b> ● Acquire external certifications ● Introduce an Internal Carbon Pricing (ICP) System ● Establish a system for promoting action plans	<ul style="list-style-type: none"> <li>Participated in GRESB (existing property management) since fiscal 2022</li> <li>A total of 84 properties acquired external certifications (acquired for 54 properties in fiscal 2022) (Key properties)                             <ul style="list-style-type: none"> <li>TOKYO MIDTOWN YAESU: DBJ Green Building certification (plan certification) 5 Stars, CASBEE Smart Wellness Office certification (new building) S rank</li> <li>Nihonbashi Muromachi Mitsui Tower: DBJ Green Building certification 5 Stars</li> </ul> </li> </ul>