Mitsui Fudosan: Group Materiality

For details, please refer to the following: https://www.mitsuifudosan.co.jp/esg_csr/approach/materiality/

Guided by the meaning of " & " "to generate new value through cooperation, coexistence and co-creation, we forge ahead innovating, " Mitsui Fudosan is working toward the "creation of social value" and the "creation of economic value" as two wheels of a cart. Creating social value leads to the creation of economic value, which in turn leads to the creation of even greater social value.

The Company identified Group Materiality as a priority issue when formulating its new management philosophy in April 2024. Moving forward, we will contribute to sustainability by addressing this issue through our core business.

Identification Process

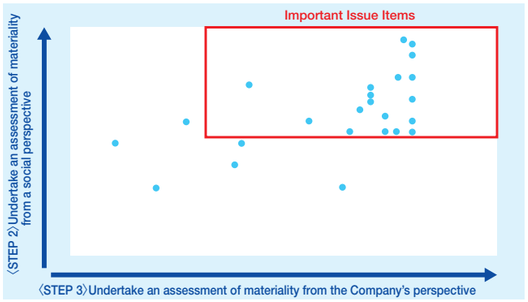
Mitsui Fudosan has clarified its thoughts on six materialities, including the identification of social issues, that reflect the perspectives of various stakeholders.

STEP 1: Identify social issues
- Identify issues related to the real estate industry based on social and other issues specified by various means, including laws and regulations, international standards, and evaluation organizations.
- Sort the identified issues and organize into 24 categories.

STEP 2: Undertake an assessment of materiality from a social perspective
- Undertake an assessment and rank the materiality (areas of interest and expectations) of the 24 categories identified from the perspectives of the Group's stakeholders (including customers, employees, shareholders, public authorities, NGOs, external evaluation organizations).

STEP 3: Undertake an assessment of materiality from the Company's perspective
- Undertake an assessment and rank the materiality (the impact on and contribution to the Group) of the 24 categories identified taking into consideration such factors as the external environment in which the Group operates and the Group's strengths.

STEP 4: Identify important issue items
- Map each issue with the STEP 2 assessment as the vertical axis and the STEP 3 assessment as the horizontal axis.
- Identify the "18 important items" that the Group should specifically address, taking into consideration both the social and Company's perspectives.



Materiality Identification

Classify 18 important social issues and identify materialities that express each theme. The Board of Directors headed by the Chairman, and the Executive Management Committee headed by the Chief Executive Officer, hold deliberations on Group Materiality, after which decisions are made.

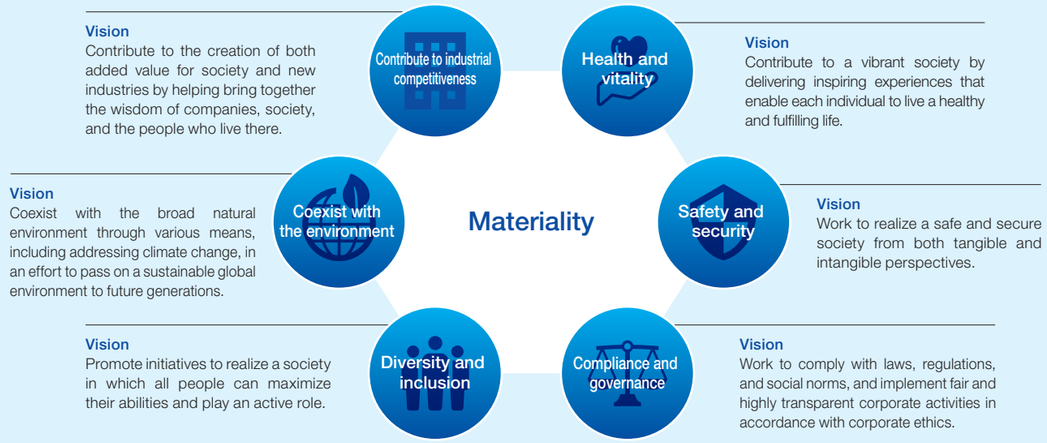
Classification of important issue items to be addressed by theme

Creating new industries	Mitigating climate change	Promoting wellness among building users	Building safety	Realizing an inclusive society	Building strong governance
Strengthening industrial competitiveness	Transitioning to a circular economy	Improving experiential value	Preparing for disasters	Empowering diverse human resources	Ensuring compliance
	Preserving biodiversity	Employee health	Addressing the declining population and aging of society		Engaging in risk and crisis management
	Maintaining a green environment while taking into consideration the landscape				Addressing human rights

Group Materiality (Priority Issues)

Contribute to industrial competitiveness / Coexist with the environment / Health and vitality / Safety and security / Diversity and inclusion / Compliance and governance

Group Materiality (Priority Issues)



Opinions from External Stakeholders (Experts)

We received the candid opinions of experts with diverse backgrounds and expertise on identifying materiality, which were reflected in the materiality identification process.

Tomonari Yashiro President, Tokyo City University Katsuhiko Kokubu Professor at the Graduate School of Business Administration, Kobe University

Indicators and Targets by Materiality

Materiality	Evaluation indicator	Period	Numerical target
Contribute to industrial competitiveness	Strengthen industrial competitiveness Initiatives that contribute to the creation of added value for society by supporting people's daily lives and diverse corporate activities New area expansion Initiatives that contribute to the creation of new industries by further developing the industry creation platform	Annual disclosure of initiatives*2	
Coexist with the environment	Progress of the Decarbonization Action Plan Expansion of green spaces, utilization of forests Initiatives to increase greenery in the urban core through development and to regenerate Japan's forests	Annual disclosure of initiatives*2	
	CO_2 and other emission reduction rate (1,000 t-CO_2)	2030	40% decrease compared with FY2019
		2050	Virtually zero
	Proportion of electric power used in business activities derived from renewable energy (RE100)	FY2050	100%
	New building external environment certification acquisition rate Note: Limited to rental properties, including office buildings, retail facilities, logistics facilities, as well as hotel and resort facilities.	Annual	100%
	Energy consumption per base unit (kℓ/m² / year)	Annual	1% reduction annually
	Clean/industrial water use per base unit (m³/m² per year)	Annual	Less than the previous fiscal year
	General waste emissions per base unit (t/m² per year)	Annual	Less than the previous fiscal year
	Industrial waste emissions per base unit (t/m² per year)	Annual	Less than the previous fiscal year
	Waste recycling ratio (at Mitsui Fudosan Co., Ltd. headquarters)	FY2030	90%

Materiality	Evaluation indicator	Period	Numerical target
Health and vitality *1	Improvement in experiential value Initiatives to create neighborhood that people want to visit by delivering exciting experiences Realize a society of wellbeingInitiatives to realize a society brimming with vitality where workers and visitors are in excellent health	Annual disclosure of initiatives*2	
	Number of paid leave days taken	Annual	14 days annually
	Health checkup and screening rate	Annual	100%
Safety and security	Safety and security Continuous efforts from both the hard (real estate) and soft (services) perspectives and initiatives to realize a safe and secure society	Annual disclosure of initiatives*2	
	Conduct disaster drills including tenant companies	Annual	2 times
Diversity and inclusion*1	Realize an inclusive society Initiatives to realize a society in which all people can maximize their abilities and play an active role	Annual disclosure of initiatives*2	
	Improvement of employee engagement	Annual	80% or higher
	Training time per employee	Annual	Last year's level
	Training expenses per employee	Annual	Last year's level
	Women in management positions ratio	2025	10%
		2030	20%
	Ratio of female hires	Annual	40%
	Employment rate of people with disabilities	Annual	2.5% or higher*3
	Percentage of male employees taking childcare leave	Annual	100%
	Return rate from childcare leave	Annual	100%
Compliance and governance	Compliance training implementation participation rate	Annual	100%
	Implementation and enhancement of human rights due diligence	Annual*2	

*1 Quantitative KPIs on a stand-alone basis. *2 Anticipated disclosure in the Sustainability and other reports. *3 Work toward exceeding the legal employment rate (2.5% as of April 2024, increasing to 2.7% from July 2026).