Mitsui Fudosan Group Long-Term Vision & INNOVATION 2030

Sustainability Strategy

Message from a Managing Director

We will help realize a decarbonized society, an important social issue, across the entire supply chain.

Nobuhiko Mochimaru
Managing Director
Executive Managing Officer
(In charge of sustainability promotion–related activities)

We recognize that the Mitsui Fudosan Group has a social responsibility to help build a global-scale sustainable society and work to coexist with the environment through various measures, including efforts to address climate change. We formulated a new Group Philosophy in April 2024, positioning the idea "to generate new value through cooperation, coexistence, and co-creation, we forge ahead, innovating" at the heart of the "&" Logo Principles. At the same time, we have identified "& EARTH: Together with Nature, Together with the Future" as one of the missions that we wish to fulfill. Conscious that the creation of neighborhoods must remain in harmony with the global environment, we will work to realize a society that coexists with the Earth while calling on the support of the entire supply chain.

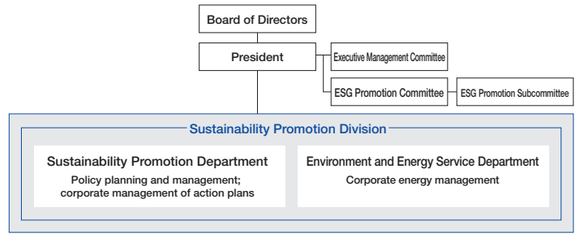
The Group has set the goal of achieving net-zero greenhouse gas (GHG) emissions by 2050. Drawing on the Group Action Plan to Realize a Decarbonized Society, we are working with suppliers and tenants to achieve this goal. As a part of efforts to improve the environmental performance of our properties, including the acquisition of external green building certification for all of our new buildings, we expect to provide green energy to the tenant companies of a cumulative total of more than 140 properties by the end of this fiscal year. Meanwhile, approximately 90% of the Group's GHG emissions stem from upstream and downstream supply chain activities, which are classified as Scope 3 emissions. To reduce these emissions, we recognize the critical need to expand our efforts beyond our own operations to the entire supply chain. We formulated the GHG Emissions Calculation Manual to help calculate CO_2 emissions during construction in fiscal 2021. Following an approach to the Real Estate Companies Association of Japan, our Manual led to the publication of an industry manual in fiscal 2023. This manual helps "visualize" GHG emissions throughout the supply chain and encourages the industry as a whole to reduce GHG emissions associated with the construction of buildings. In addition to taking up an equity interest in venture capital companies that specialize in decarbonization both at home and abroad, we invest in and support the development of new technologies that are indispensable to achieving net zero emissions across a broad area. This includes the fusion energy field, which is expected to provide a new energy source that does not emit CO_2 in the power generation process. In each instance, we are advancing initiatives in collaboration with the supply chain and stakeholders.

The Mitsui Fudosan Group owns and manages approximately 5,000 hectares of forest in Hokkaido and is committed to promoting "never-ending forests" based on a cycle of "planting," "cultivating," and "using." We are working to conserve biodiversity in Company-owned forests. In recognition of these endeavors, a portion of the Company's forests was certified as a Nature Harmony Site by Japan's Ministry of the Environment. Furthermore, we are increasing the green spaces in urban areas through the creation of neighborhoods. Working in this way to preserve the natural environment, we are trying to realize nature positivity.

As a measure of the high esteem in which the Group's contributions to sustainability are held, we were selected for inclusion by CDP, a nonprofit organization engaged in international environmental surveys and information disclosure, in the "CDP 2023 Climate Change A List" of top-ranking companies in the climate change category (for the third consecutive year since 2021). In addition, we obtained the highest rank of "5 Stars" in the GRESB Real Estate Assessment, which measures the level of consideration toward ESG concerns among real estate companies and funds, and were selected as a Global Sector Leader, making us one of the companies to receive the highest rank, particularly among global real estate companies and funds in the sector. We will continue to work with our diverse stakeholders to achieve a sustainable society and resolve various social issues, including climate change.

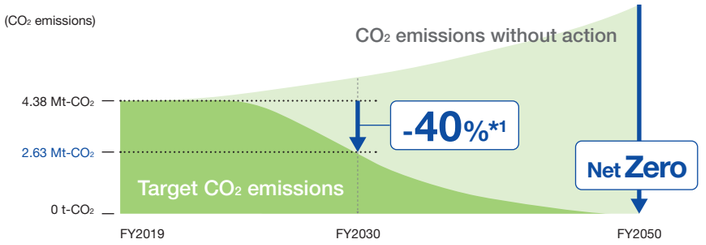
Sustainability Promotion Framework

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.mitsuifudosan.co.jp/english/esg_csr/carbon_neutral/



FY2023 results

3-year average*2
-3.6%
(Comparison between FY2021 to FY2023 and FY2018 to FY2020)

Acquired SBT Initiative Certification for "1.5°C target" P.082

*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 3-11). 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

Action plans	Major programs in fiscal 2023
Action Plan 1 ● 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	● New buildings: In principle, all new buildings constructed after the "Decarbonization Action Plan" achieved ZEB/ZEH-level environmental performance ● Existing properties: Implemented renovation for improved energy-saving performance as needed
Action Plan 2 ● 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	● 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 ● Achieved greening of electricity consumption in common areas of properties and areas used by the Group amounting to a total of 100 million kWh
Action Plan 3 ● Provide a Green Menu to tenants and buyers	● Concluded an agreement for introducing green energy: A total of 107 cases
Action Plan 4 ● Develop mega-solar with a total output of approximately 175,000 kW by fiscal 2030	● Expanded to a total of 16 sites, amounting to 56,000 kW
Action Plan 5 ● Develop tools to accurately grasp CO_2 emissions during construction ● Require submission of a reduction plan by construction companies, etc.	● Construction companies are required to calculate CO_2 emissions during construction and submit reduction plans using the Company's GHG Emissions Calculation Manual as of October 2023
Action Plan (Other) ● Acquire external certifications ● Introduce an Internal Carbon Pricing (ICP) System ● Establish a system for promoting action plans	● Mitsui Fudosan Obtains Highest Rank of "5 Stars" in GRESB Real Estate Assessment Selected as a Global Sector Leader ● All newly constructed properties acquired external certifications