



What is  
Mitsui Fudosan Group's  
**Urban  
Development?**

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## Editorial Policy

### Disclosure Policy

The Mitsui Fudosan Group's &EARTH REPORT 2015, which contains details of the social and environmental contribution activities of Mitsui Fudosan Co., Ltd. and its Group companies, is issued in two distinct formats: a digest or highlight version and detailed or comprehensive version.

The digest version strives to inform a wide spectrum of stakeholders of the Group's activities. The detailed version attempts to address the needs of stakeholders for more in-depth information and is posted on the Company's website.

### Scope of the Report

This report covers the social and environmental contribution activities of Mitsui Fudosan Co., Ltd., 14 Group companies, and three resort hotels (TOBA HOTEL INTERNATIONAL, NEMU HOTEL & RESORT, and HAIMURUBUSHI).

#### 【Group Companies Covered by the Report】

##### Office Buildings Business

- Mitsui Fudosan Building Management Co., Ltd.
- Mitsui Fudosan Facilities Co., Ltd.

##### Retail Properties Business

- Mitsui Fudosan Retail Management Co., Ltd.

##### Accommodation Business

- Mitsui Fudosan Hotel Management Co., Ltd.
- Mitsui Fudosan Housing Lease Co., Ltd.

##### Housing Business

- Mitsui Fudosan Residential Co., Ltd.
- Mitsui Fudosan Residential Service Co., Ltd.
- Mitsui Fudosan Realty Co., Ltd.
- Mitsui Home Co., Ltd.
- Mitsui Fudosan Reform Co., Ltd.

##### Real Estate Solutions Business

- Mitsui Fudosan Investment Advisors, Inc.

##### Other Businesses

- Tokyo Midtown Management Co., Ltd.
- Mitsui Fudosan Architectural Engineering Co., Ltd.
- Daiichi Engei Co., Ltd.

### Period Covered by the Report

This report mainly covers activities that were undertaken from April 1, 2014 to March 31, 2015. However, details are also provided for certain ongoing development projects both at the design and construction phase. In principle, quantitative data relates to fiscal 2014, the fiscal year from April 1, 2014 to March 31, 2015. The period covered for quantitative data outside fiscal 2014 is identified in each instance.

### Reference Guidelines

Environmental Reporting Guidelines (2012) issued by Japan's Ministry of the Environment  
Global Reporting Guidelines, Version 3.1 issued by the Global Reporting Initiative (GRI)

### Publication Date

September 2015 (Previous report: September 2014)

## Aiming for a Society that Enriches both People and the Planet


### The Mitsui Fudosan Group's Social Mission



President and CEO  
Mitsui Fudosan Co., Ltd.

蒺田正信

Masanobu Komoda

The Mitsui Fudosan Group's social mission is expressed in a simple and straight-forward manner through its Group statement that places a premium on bringing affluence and comfort to urban living. The Mitsui Fudosan "  " logo serves as the symbolic foundation of this mission. With the principles of coexisting in harmony with society and linking diverse values, our ultimate aim is to advance the development of society and the economy while contributing to the preservation of the global environment. This philosophy guides our hand in the creation of urban communities, and is also expressed as **&EARTH** in the Group Vision. The Mitsui Fudosan Group's approach to creating communities is always mindful of the global environment, and we believe our duty is to help create a society that enriches both people and the planet.

Drawing on the underlying strength of this philosophy, we have identified three core CSR themes that focus on "the environment," "quality," and "creating new value and markets." Moving forward, the Mitsui Fudosan Group will continue to vigorously engage in a variety of social contribution initiatives.

### Ongoing Efforts to Promote Urban Development

In fiscal 2012, the Mitsui Fudosan Group drew up "Innovation 2017," a long-term business plan. In the three years since this plan was formulated, we have been aware of the major changes afoot in the economic environment both inside and outside Japan, and we see that diversity has increased in society while rapid changes are underway from the ICT-driven evolution of work styles and lifestyles. To remain a growing company in the 2020s, the Mitsui Fudosan Group created in May 2015 the "Innovation 2017 Stage II" three-year plan for fiscal 2015 to fiscal 2017.

The creation of neighborhoods, such as the Kashiwa-no-ha Smart City and the Nihonbashi Revitalization Plan, has been a key initiative under "Innovation 2017". At the center of this initiative, the Mitsui Fudosan Group's concept of a smart city extends well beyond the efficient use of energy. More than just a private enterprise undertaking, we are looking to contribute to society in a significant and meaningful way. To this end, we are placing considerable emphasis on the creation of neighborhoods that help solve an assortment of issues facing humankind including the need to: ensure safety and security; promote health and longevity; address the declining birthrate and aging population; and create industry.

Under "Innovation 2017 Stage II", the Mitsui Fudosan Group will advance initiatives to create smart cities of the future. As a business and lifestyle solutions partner, we provide mixed-use spaces for a variety of purposes, and offer services that make living more convenient, enjoyable and pleasant. In this way, we are able to maximize the value of communities for everyone.

## Contributing to the Global Environment and Regional Society

The Mitsui Fudosan Group contributes to society through the creation of urban neighborhoods, its mainstay business activity. At the same time, we are endeavoring to contribute to society in four core areas: the global environment, local communities, culture and education, and international exchange guided by our Policy for Social Contribution Initiatives.

For example, the Mitsui Fudosan Group properly maintains and manages approximately 5,000 hectares of forests in Hokkaido as a part of its effort to protect the global environment. We also work to raise the awareness of employees toward the environment through afforestation education and training. Utilizing the materials generated through our forest maintenance and management activities including the trees from thinning operations in our housing businesses, we are contributing across wide-ranging areas such as the use of domestically produced resources, the preservation of biodiversity, and the absorption and fixation of CO<sub>2</sub> over the long term.

Mitsui Fudosan has been instrumental in supporting reconstruction efforts following the Great East Japan Earthquake by serving as the chair of the Special Committee on Reconstruction established by the Japan Federation of Economic Organizations (Keidanren). In addition to our participation in the Yui no Ba Project, set up by Japan's Reconstruction Agency, we are working diligently to support companies operating in affected areas to expand their sales channels. We also let employees work as volunteers in disaster-stricken areas to help in rebuilding the fisheries industry, and conduct CSR seminars in a bid to promote interaction with local residents. In fiscal 2014, we utilized our resources while focusing on social contributions, such as by opening the Watsu Nihonbashi center for information sharing and exchange in order to provide sustained assistance for the reconstruction of the Tohoku region.

## Creating Communities that Enrich Both People and the Planet

Backed by its 70-plus years of experience in creating communities, the Mitsui Fudosan Group has found innovative solutions to social issues by always staying one step ahead of changes throughout time. Today, we must work to create new value and markets through the motivation to take on challenges that resides in our DNA, such as through the logistics facility business and venture support business that are the focus of our efforts now. Looking ahead, the Mitsui Fudosan Group will continue to carry out the **&EARTH**osophy with the aim of realizing a society that enriches both people and the planet.

In addition, we will fulfill our social responsibilities as a corporation by continuing to reinforce internal management and adhering strictly to a policy of internal control. In this manner, we will strengthen corporate governance, risk management, and compliance, which provide the underlying strength for our business and social contribution initiatives.

In this **&EARTH REPORT**, we provide details of the Group's multifaceted social and environment activities mainly in fiscal 2014. We hope that through this report, readers will gain a deeper understanding of our activities. As we move forward with efforts to fulfill our corporate social responsibility, we kindly request the continued support and honest views of all stakeholders.

## The Mitsui Fudosan Group's Approach to CSR

### Statement, Vision, Mission

Since first putting in place a statement, vision, and mission that outline the philosophy and aspirations of the Group in 1999, we have maintained an unwavering commitment to bringing affluence and comfort to urban living.

### The Mitsui Fudosan Group's Overarching CSR Theme

For the Mitsui Fudosan Group, CSR entails carrying out and bringing to fruition its Group Statement which emphasizes affluent and comfortable urban living. With this in mind, we have identified the three themes of "the environment," "quality," and "challenges for creating new values and markets" as the cornerstones of our CSR endeavors.



### The "& EARTH" Principle

人と地球がともに豊かになる社会をめざして

**& EARTH**

The Mitsui Fudosan Group is committed to social and economic development as well as global environmental preservation under the principles of harmony and coexistence while working to link diverse values as represented by its "🌏" corporate logo.



Under our **& EARTH** principle, we recognize the need to create neighborhoods that remain in tune with global environmental concerns. This principle therefore reflects our aim to help establish a society that enriches both people and the planet.

### Policy for Environmental Initiatives

Guided by its Group Environmental Policy, the Mitsui Fudosan Group engages in the three core environmental activities of load reduction (reducing the impact of its products and services on the environment), quality improvement (enhancing safety, security, and comfort while ensuring sustainability), and cooperation (collaborating and cooperating with various stakeholders) in an integrated manner.

## The Group Environmental Policy (Established on November 1, 2001; Revised on October 3, 2008 and April 1, 2012)

### •Environmental Principles

We at Mitsui Fudosan are committed to social and economic development as well as global environmental preservation under the principles of harmony, coexistence and inclusive cooperation represented by our “” corporate logo. Under the principles of the “” logo, “&EARTH” represents our Group vision.

“&EARTH” symbolizes our recognition that urban development is interlinked with the planet and our aim of a society that enriches both people and the planet.

Contributing to the building of a society that realizes the sustainable development of human life is our corporate mission, and we consider this an important business challenge directly related to increasing corporate value. Positioning the promotion of business while addressing collaboration/cooperation with the community, reduction of environmental burden and improvement of security/safety/comfort as vital to "harmonious coexistence with the environment,"

we endeavor to create urban environments of enrichment and comfort and contribute to the global environment.

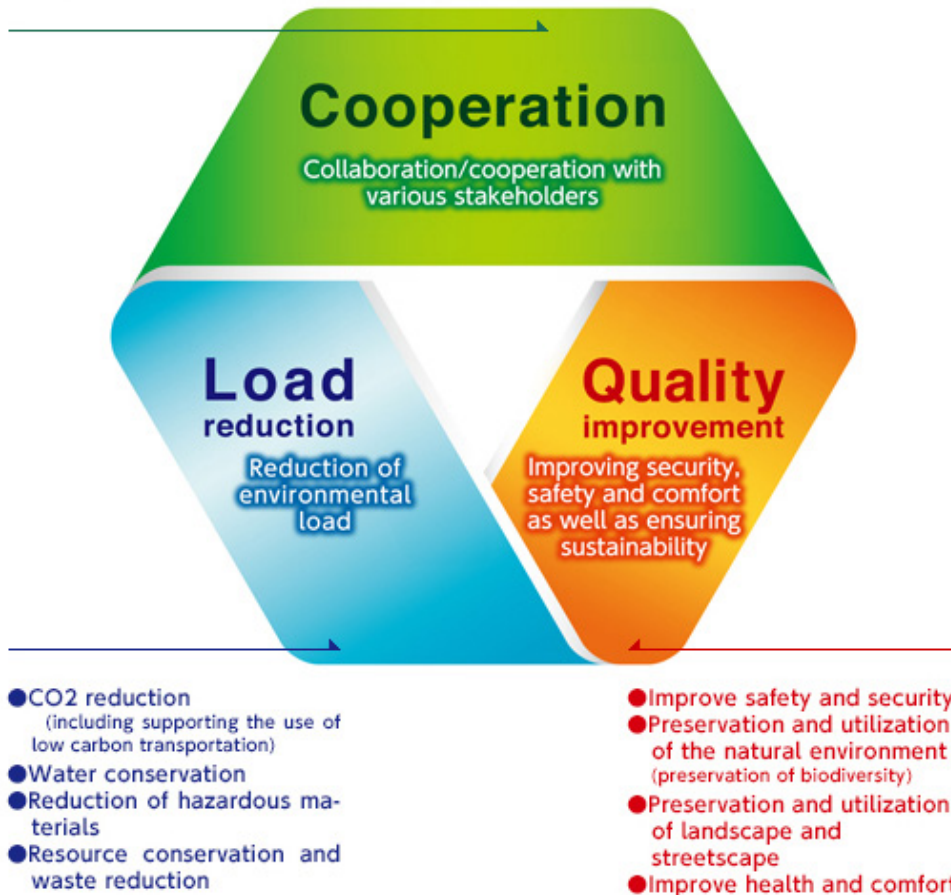
### •Environmental Policy

1. We aim to take countermeasures against global warming and create a recycling society by striving to improve environmental efficiency, reduce environmental burden, conserve energy/resources, reduce waste materials and prevent pollution.
2. We aim to both reduce environmental burden and improve security/safety/comfort with widespread and comprehensive promotion of conservation of water and biodiversity and introduction of diversified and independent energy in addition to low carbon.
3. In collaboration/cooperation with all of society including our customers, local communities and the government, we proactively address harmonious coexistence with the environment, build a society that realizes sustainable development, and implement highly effective environmental measures.
4. We will expand environment-conscious urban development such as smart cities both at home and abroad and aim to be an environmentally advanced company that plays a leading role in the future of urban development.
5. In addition to adhering to environment-related laws and regulations, we will establish our own standards as necessary and promote "harmonious coexistence with the environment."
6. Through environmental training and awareness-enhancing activities, we ensure that all Mitsui Fudosan Group employees have a solid understanding of our Environmental Policy and increase their environmental awareness.
7. We provide full public disclosure of necessary information relating to such matters as our environmental initiatives and promote open communication with society at large through promotional activities.

## Operation, Housing and Urban Development

Operation Area: Office building business, retail facility business, hotel business, Tokyo Midtown development business  
 Residential: For-sale and rental condominiums \*Separate targets are set for ordered detached houses.

- Coexistence with the community
- Proactively making appeals to tenants and owners
- Partnerships and cooperation with design companies, construction companies, energy companies, manufacturers, etc.
- Strengthening partnerships and cooperation with the local area, public administration, or research institutions such as universities, etc.



### Social Contribution Initiatives Policy

The Mitsui Fudosan Group put in place a Policy for Social Contribution Initiatives to ensure that each Group company and department followed a common and uniform direction. Based on this policy, each and every member of the Group looks to contribute to society in four cores areas: the global environment, local communities, culture and education, and international exchange.

#### The Mitsui Fudosan Group's Policy for Social Contribution Initiatives (Formulated on March 27, 2013)

In line with our Group Statement that focuses on efforts to “bring affluence and comfort to urban living,” we actively contribute to society by revitalizing and creating urban areas while engaging in various activities from a global perspective to provide affluence and comfort with the aim of achieving the sustained development of society and the economy.

1. We are primarily involved in the four areas of the global environment, local communities, culture and education, and international exchange.
2. We strive to achieve harmony with local communities, and
3. We proactively make use of our own resources, including properties, networks, and personnel.





Is the Mitsui Fudosan Group involved in creating regional energy networks?



Yes, we are involved with the aim of creating communities that are easy on the global environment and resilient to natural disasters.

By creating regional energy networks with an eye on a future society that enriches both people and the planet, we make progress on developing communities that protect people's lives and their property in the event of a natural disaster, and then are quick to return to normal activity and restore regular business activities, all the while being easy on the environment in terms of CO<sub>2</sub> emissions. Our efforts on the Kashiwa-no-ha Smart City (Kashiwa City, Chiba Prefecture) project is a major step in this direction.

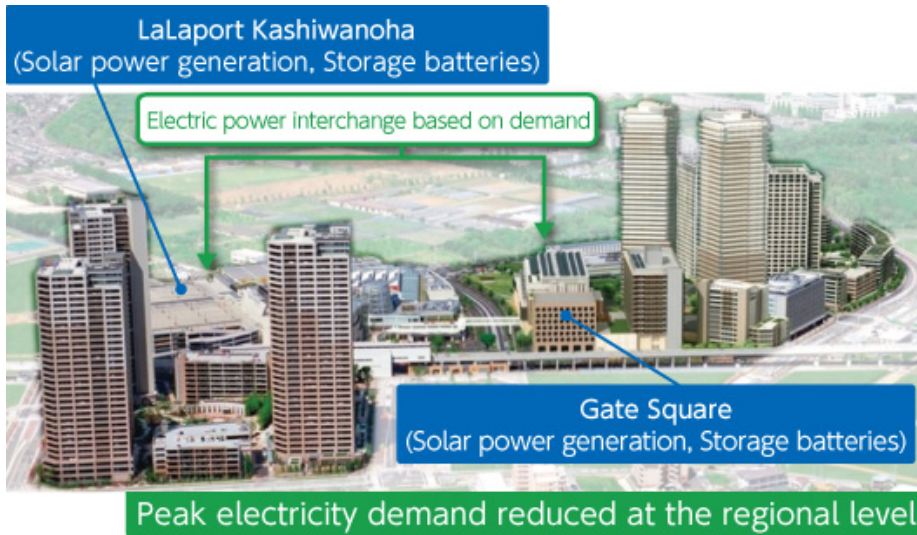


What is possible with regional energy networks?

At Kashiwa-no-ha Smart City, the Mitsui Fudosan Group has built a framework for conserving energy and reducing CO<sub>2</sub> emissions through the efficient utilization of electricity throughout the district and region. Even if the supply of electricity from electric power companies is cut off during a major natural disaster or other emergency, business continuity planning (BCP) and lifestyle continuity planning (LCP) are feasible with the electric power drawn from backup generators, solar power panels and storage batteries within the region. Kashiwa-no-ha Smart City is the first community in Japan where electricity is shared across districts via public roads.

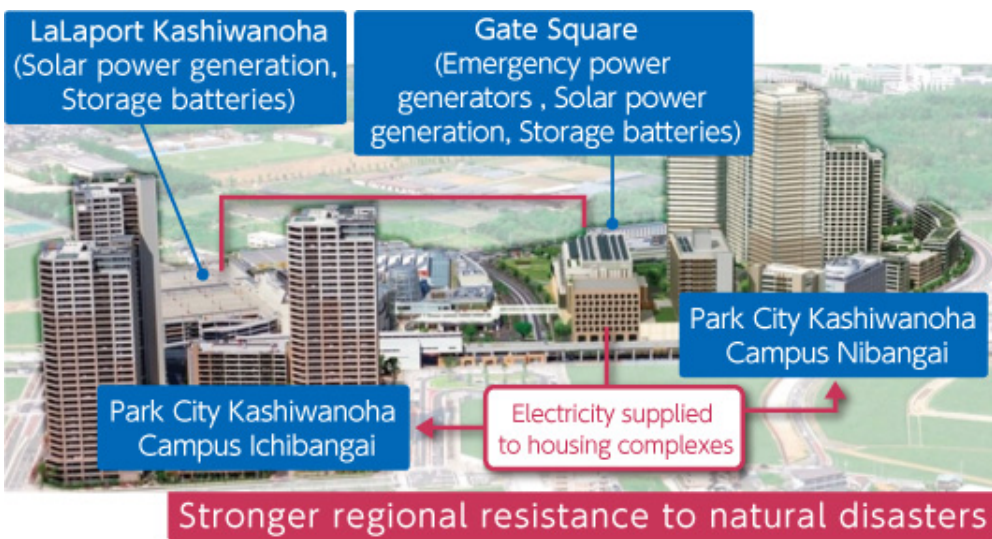
### Gentle on the Environment During Normal Operations

It is possible to lower peak demand for electricity across all districts by sharing electricity supplies between districts, such as from the retail facility LaLaport Kashiwanoha to the office district Gate Square during weekdays when demand for electricity rises at offices, and from Gate Square to LaLaport Kashiwanoha on the weekends. This helps to conserve energy and cut CO<sub>2</sub> emissions.



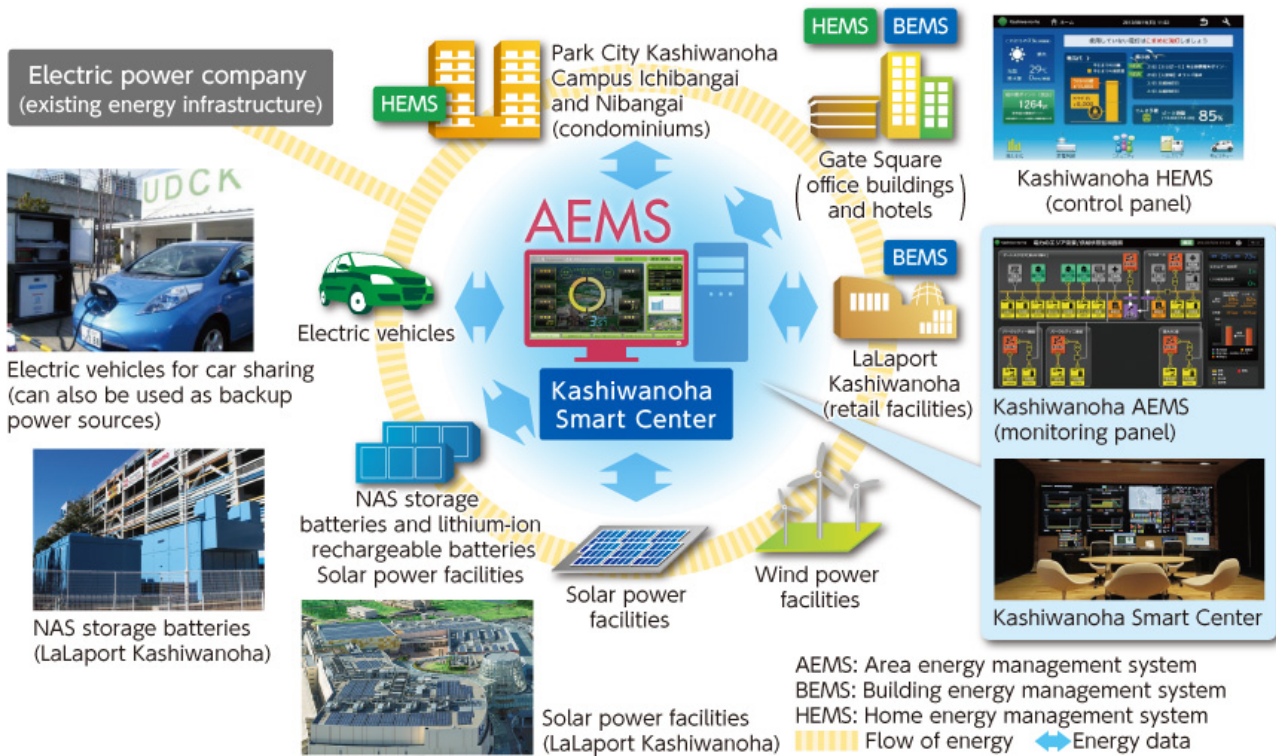
**Strong During Disasters in Emergency Situations**

In the event of a power outage due to a natural disaster, electricity drawn from solar power facilities and storage batteries located at Gate Square and LaLaport Kashiwanoha is diverted to power the elevators and lighting of condominiums in the area (Park City Kashiwanoha Campus Ichibangai and Nibangai).



# Q What is the framework?

The Kashiwanoha AEMS in the Kashiwanoha Smart Center at Gate Square manages energy for the entire region. Information flows into the Kashiwanoha AEMS over a network connecting energy management systems (HEMS, BEMS), solar power facilities and storage batteries, enabling the efficient generation, storage and distribution of electricity across the region in accordance with real-time energy use and weather.



## Other Initiatives

### Nihonbashi Muromachi Electricity and heat supply businesses

In Nihonbashi Muromachi, the Mitsui Fudosan Group plans to launch in 2019 an area electricity and heat supply business with large-scale, high-efficiency gas cogeneration power systems installed in redeveloped properties that use city gas as fuel. The electricity generated by these high-efficiency power systems will be supplied to facilities inside the development district as well as to facilities in neighboring areas. Even if electricity from power companies is cut off in an emergency situation, we are able to ensure a supply of electricity in the region for BCP purposes. Waste heat given off during power generation is effectively utilized in a bid to conserve energy and reduce CO<sub>2</sub> emissions in the area.



## Why is the Mitsui Fudosan Group helping rebuild the Fukutoku Shrine?



We are rebuilding it to make Nihonbashi a community by the people and for the people.

The Nihonbashi Revitalization Plan is unifying the public sector, private sector, and locals based on the concept of "creating while retaining and reviving." In addition to constructing buildings, we are promoting the renewal of the community by upholding its history and culture. Aiming for a community that emphasizes people, we are helping to rebuild the Fukutoku Shrine, which has strong and deep connections with the people of the region.



### What kind of shrine is Fukutoku Shrine?

The history of the Fukutoku Shrine is said to extend back more than a thousand years. It has a long and distinguished history that includes a visit from the late Shogun Tokugawa Ieyasu. However, the shrine has led a reclusive existence over the past 40 years or so, overshadowed by high-rise buildings nearby. As a part of the Nihonbashi Revitalization Plan, the Mitsui Fudosan Group rebuilt the main building of the Fukutoku Shrine, finishing construction in October 2014. Many people come to pay their respects at the new shrine, praying for fortune and good luck.



The bumper crop god of Nihonbashi

### Centerpiece of the Regional Community

When rebuilding the shrine, we decided to create a public bicycle and motorbike parking facility on the first underground level, and an emergency supplies storage area on the second underground level with water and food for people unable to return home in the event of a natural disaster. We also plan to make the shrine a centerpiece of the regional community by integrating the landscape with surrounding areas with the tentatively named Fukutoku Forest (plans call for finishing it in fiscal 2016).



Rendering of the Fukutoku Forest rest area



Above ground  
Main building made with steel frame to enhance resistance to fire



Underground level 1  
Bicycle parking space helps alleviate illegal parking in surrounding area

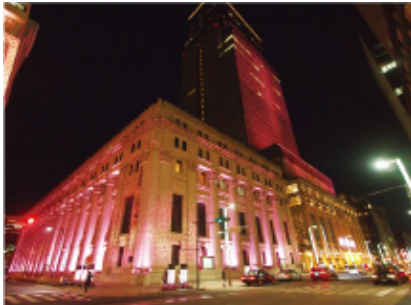


360 square meter emergency supply storage

Underground level 2

## Q Please explain the Nihonbashi Omotenashi Project for Foreigners

To draw a large number of people to Nihonbashi, a variety of events are held in tune with each season. We have been focusing our efforts on the Nihonbashi Omotenashi Project as a way for foreign tourists to experience the pleasures of Nihonbashi and Japanese culture.



Light display at the Nihonbashi Cherry Blossom Festival



Road lined with paper lanterns with different seasonal designs

### Nihonbashi Omotenashi Project



QR Translator, compatible with 15 languages, installed at Fukutoku Shrine and retail stores



Concierge for foreign visitors at the Nihonbashi Tourist Information Center



Best of Japan gourmet tour with concierge for foreign visitors



OMOTENASHI Experience lets foreigners experience Japanese traditions

## A Shrine that Drawn in Many Visitors



Chiaki Maki,  
Chief Priest  
Fukutoku  
Shrine

The Nihonbashi Revitalization Plan has turned Nihonbashi into a new destination that draws in a large number of visitors. The shrine has been deeply linked with the lives of local residents, and visitors to the shrine have prayed for natural blessings and expressed gratitude for the happiness in their daily lives. Through the rebuilt shrine, we hope visitors will gain a deeper appreciation of the history, traditions and culture of Nihonbashi. The shrine has become a familiar sight to local residents, local office workers and visitors, and we hope it will be the centerpiece of the regional community that is often frequented by people.



## Why is the Mitsui Fudosan Group tending to the Hokkaido Forest?



We aim to pass on the benefits of forests to the next generation by creating never-ending forests.

Approximately 40% of the forests in Japan were planted by people. These forests require the labor of people to maintain, and an increasing number of forests have been abandoned and allowed to fade away due to the decline of the forestry industry. The Mitsui Fudosan Group owns roughly 5,000 hectares of forest in Hokkaido, and more than 60% of this forest was planted by hand. We work to maintain healthy forests through periodic thinning and pass them onto the next generation as "never-ending forests".



## What must be done to nurture forests?

The planted forests owned by the Mitsui Fudosan Group are properly maintained through periodic grass mowing, branch cuttings and thinning. We also aim to rejuvenate the forests through periodic tree plantings. Group employees undergo afforestation training every year. Our curated forests are diverse biosystems and a resource for absorbing and fixating CO<sub>2</sub>. They also help preserve soil by cultivating water resources and preventing landslide damage.





Mizue Tojo  
Social  
Contribution and  
Environment  
Promotion  
Department  
Mitsui Fudosan  
Co., Ltd.

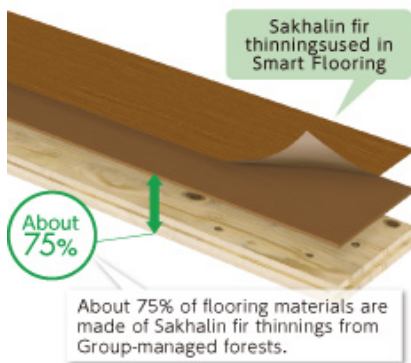
Employee  
Comments

## An Opportunity to Think about Global Environmental Problems

Afforestation training entails teaching each employee how to plant seedlings with their own hands, because they cannot be handled by machinery. Our employees experience how hard it is and long it takes to plant trees, and they learn the importance of proper forest management, giving them a greater sense of the global environment. We also hold workshops for children to make musical instruments out of wood thinned out from the forest during their summer vacations. This creates an opportunity for future leaders to become more interested and curious about forests. Through more training and events, we will continue to convey the importance of preserving forests.

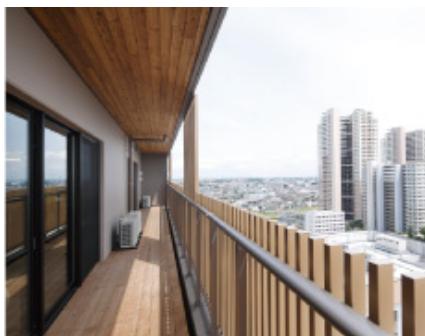
## Q What is happening in cities to create “never-ending forests”?

Thinning out forests is essential for their healthy growth. However, throwing away the trees that were thinned out would be a waste of natural resources. The Mitsui Fudosan Group proactively puts to use this thinning. For example, Sakhalin fir thinning from Group-managed forests is used as flooring in condominiums. These materials are also used in interior decorations and furniture for offices and retail stores, as well as in novelty goods.



## Contributing to Storage of CO<sub>2</sub>

Thinned out trees from Group-owned forests are used as materials in flooring, interior decorations and furniture for large reinforced concrete buildings in urban areas. We aim to expand the use of these materials by developing it as a horizontal business across the Group. We hope these initiatives will lead to the revitalization of the forest industry in Japan and never-ending forests, while contributing to the long-term storage of large volumes of CO<sub>2</sub>.



Balcony flooring and ThermoWood™  
ceiling materials  
(Gate Square Hotel & Residential Tower  
at Kashiwa-no-ha Smart City)



Benches in underpass areas  
(Sapporo Mitsui JP Building)





## Why did the Mitsui Fudosan Group come up with Reconstruction Charity Lunches?



We came up with this idea as a way to connect our customers with companies in disaster-affected areas.

We considered how we could leverage our ability to create communities in the support of reconstruction efforts after the Great East Japan Earthquake. With this in mind, we launched an initiative to serve food and beverages made by companies in disaster-affected areas in the office buildings of the Mitsui Fudosan Group. We also support and promote reconstruction efforts in the Tohoku region through an information exchange center we opened in Nihonbashi.



### What kind of assistance is provided by these lunches?

We offer Reconstruction Charity Lunches made of processed marine products from Kesenuma at employee cafeterias frequented by the tenants of office buildings managed by the Mitsui Fudosan Group. These lunches give people an opportunity to taste the delicious food from Tohoku while helping companies in disaster-affected areas expand their sales channels. The more people eat these lunches, the more we are able to support reconstruction in the Tohoku region. From December 2013 through March 2015, more than 20,000 of these charity meals were purchased at five of our office buildings. We also began offering a dinner menu in autumn 2014.



Reconstruction Lunches:  
Yui no Ba Don with high-grade tuna



Reconstruction Lunches:  
Lunch set with four varieties of fried fish

### Supporting Regions Affected by Natural Disaster by Eating Food



## Tohoku Reconstruction Marche Opened

Since fiscal 2013, we have supported Marche events that sell processed marine products and unique products made by companies in disaster-affected areas. In fiscal 2014, we organized Marche events in October at the courtyard near the Kasumigaseki Building (Chiyoda-ku, Tokyo) and in an underground passageway at Nihonbashi Muromachi. These events helped to raise awareness of these companies and their products and stimulate interest in tourism in the Kanto region.



Kasumi Maruche 2014:  
Five product booths and four food trucks



Nihonbashi Muromachi Maruche  
2014: Seven product booths

The Yui  
no Ba  
Initiative

Along with Reconstruction Charity Lunches and Tohoku Reconstruction Marche, we are also engaged in the Yui no Ba Project, a matching donation program for the reconstruction of regions where major corporations lend their assistance to companies in regions affected by the Great East Japan Earthquake (sponsored by the Reconstruction Agency's Miyagi Reconstruction Branch Office). Mitsui Fudosan has participated in this project since fiscal 2012.

## Q What is the information exchange center for areas affected by the natural disaster?

In March 2015, we opened the Watasu Nihonbashi information exchange center with the aim of providing ongoing support for the reconstruction effort in Tohoku. The concept is based on a bridge that connects Minamisanriku to Nihonbashi, linking people's intentions with the future. The center is easy for people to access, and offers a venue for the expression of thoughts while expanding the circle of information exchange.

1・2F  
Watasu  
Cafe

This floor is used to serve food and beverages and disseminate information. The menu features ingredients from the sea and land near Minamisanriku and other areas in Tohoku. Unique local items are also available for sale. Information is provided about tourist destination and local events.

3F  
Watasu  
Room

A lesson in progress

Extra classes are provided to junior high school students in Minamisanriku via videoconferencing. This room is also used to hold events and workshops related to the reconstruction effort.

Watasu Lunch menu

Exterior view of Watasu Nihonbashi



Mitsui Fudosan  
Co., Ltd.'s  
Watasu Nihonbashi  
project team

## A bridge of minds between Tohoku and Nihonbashi

Through the experiences of individual employee volunteers and internal CSR training, the concept of the Watasu Nihonbashi project emerged from the coalescence of our intentions to somewhat provide ongoing support for the reconstruction effort using the resources of Mitsui Fudosan, while deepening interactions with residents in areas affected by the natural disaster, such as Minamisanriku in Miyagi Prefecture.

In addition to conveying the appeal of Tohoku, the NPO Kid's Door provides supplementary classroom instruction after school through a videoconferencing system hooked up between Watasu Nihonbashi and Shizugawa Junior High School in Minamisanriku, thereby fostering grassroots communication. By further expanding these programs, we hope Watasu Nihonbashi will serve as a gateway for thinking about the future by communicating current conditions in disaster-affected areas.



Why did the Mitsui Fudosan Group create the “Considerate of Mothers” service?



We aim to make LaLaport an oasis for local communities.

The Mitsui Fudosan Group aims for its commercial facilities to be at the center of regional communities. As a part of this goal, we launched LaLaport Izumi as an initiative called “Mama with LaLaport” that offers services for families rearing children. Employees at Mitsui Fudosan who are also mothers planned and promoted this project. We are taking action on a variety of ideas to make our facilities more accessible as an oasis for local communities.



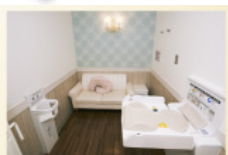
Please describe “Mama with LaLaport.”

Opened in October 2014, LaLaport Izumi (Izumi City, Osaka prefecture) is based on the concept of a local oasis. Maintaining harmony with regional communities, the project was conceived by employees who are also mothers to make our shopping centers more accessible to families. Beginning with “Mama with Park”, a rest space for parents and their children, we have responded to the wishes of families to make our shopping centers a place where parents can enjoy spending time with their children.



LaLaport Izumi

Full of Amenities for Mothers



A large nursing room that also accommodates the friends of mothers



A tight-sealing wastebasket for soiled diapers



Kid's play spaces where children can play carefree



Food courts have booster seats and tray service



Small outdoor parks with fun toys



Wide parking spaces make it easier to load and unload baby strollers

## Q How was this project conceived and promoted?

Employees of Mitsui Fudosan who are also mothers formed the project team in autumn 2013, and put their ideas to work over the next year or so.

The project team took their own experiences as mothers, as well as feedback from local marketing surveys, to identify areas for improvement, such as being unable to push baby strollers into narrow restrooms, or having a hard time carrying food trays while holding their children's hand. In all, they came up with over 100 ideas. Mama with LaLaport was a success thanks to partnerships and cooperation with companies both inside and outside the Group, and we plan to expand it to other commercial facilities in the future.

### Project History

- 2013.8 An employee who is also a mother proposed the plan.
- 2013.11 Project team was formed.
- 2014.1~ Local residents were surveyed.
- 2014.2~ Existing facilities were evaluated.
- 2014.4~ Periodic meetings began.
- 2014.10 LaLaport Izumi opened.

## Collaboration with Tenant Companies

New value is being created with cooperation from tenant companies.

Wacoal

Workshops were held for ideas that are helpful and considerate for mothers.

Dotonbori  
Kamukura

Original menus were designed with lots of vegetables for nutritional balance.

Combimini

Mothers can try out the latest baby stroller models while shopping.



Miyuki Arai  
Retail Properties  
Division, Retail  
Properties  
Management  
Department  
Mitsui  
Fudosan Co., Ltd.

Employee  
Comments

### Improving Amenities for Mothers

Based on my own experiences bringing my small child to a number of shopping centers, I became involved in this project with the intention of making commercial facilities a place where mothers can relax. Since the opening of LaLaport Izumi, we have received positive feedback from many mothers and fathers about the family-friendly amenities there. Mama with LaLaport was expanded to LaLaport Fujimi (Fujimi City, Saitama prefecture), which opened in April 2015. We plan to introduce Mama with LaLaport at new and existing LaLaport facilities with careful attention paid to the special aspects of each market. I hope to help make the shopping centers operated by the Mitsui Fudosan Group more accessible and friendly to mothers and families.

## Our Efforts to Reduce Environmental Impact

### Basic Stance

The Mitsui Fudosan Group has identified reducing environmental impact as a central theme of its environmental initiatives to create a sustainable society. We strive for a light global environmental footprint by reducing CO<sub>2</sub> emissions, conserving water resources, reducing hazardous substances, and saving resources while reducing waste.

## Reducing CO<sub>2</sub> Emissions

The Mitsui Fudosan Group provides CO<sub>2</sub>-minimizing buildings that help to conserve, create, and store energy. In addition, the Group works diligently to reduce the amount of CO<sub>2</sub> emissions while promoting the introduction of energy management systems. As a part of ongoing efforts to cutback the amount of CO<sub>2</sub> emissions produced by automobiles, the Group also offers a package of measures including mobility design.

### Energy conservation, creation, and storage

Beyond energy conservation, our CO<sub>2</sub>-minimizing buildings create energy through solar power and cogeneration systems and then store it in large-scale batteries. We are also involved in megasolar power projects in energy generation operations.

### Two sites (four office buildings) certified as Top Level Offices by Tokyo metropolitan government

The Mitsui Fudosan Group strives to conserve energy by providing office buildings with high-performance energy savings and managing them to conserve energy.

In March 2015, the Muromachi Higashi Mitsui Building (three towers)\*<sup>1</sup> (Chuo-ku, Tokyo) and the Sumitomo Mitsui Banking Corporation Building (Chiyoda-ku, Tokyo) were newly certified as Top Level Offices among the Excellent Designated GHG Offices\*<sup>2</sup> based on the Tokyo metropolitan government's environmental regulations. The building façade blends design with energy-saving features such as louvers that reduce loads on air conditioning systems caused by direct sunlight. The buildings also have high-efficiency heat sources, high-efficiency air conditioners, and high-efficiency lighting equipment and controls. All of these features help reduce CO<sub>2</sub> emissions during normal building operations. The certification recognizes the high level of operational management attained for conserving energy while achieving design sensibilities.

In total, the Mitsui Fudosan Group has received Top Level Office certifications for seven sites (nine office buildings) and Semi-Top Level Office certifications for six sites (seven office buildings) since fiscal 2011.

#### Muromachi Higashi Mitsui Building

##### Key CO<sub>2</sub> Reduction Functions

- Heat and electricity from one building supplied to multiple buildings
- High-performance façade that is in harmony with the surrounding landscape
- High-efficiency heat generation and storage
- Greenery at mid-levels of buildings; high reflective paints used for rooftops
- High-efficiency lighting, daytime light, motion sensor controls
- High-efficiency air conditioning, outside air intake controls, ventilation controls



#### Sumitomo Mitsui Banking Corporation Building

##### Key CO<sub>2</sub> Reduction Functions

- High-performance façade
- High-efficiency heat generation and storage
- Light ducts, light intensity controls, solar panels (20kW)
- Greenery on rooftops
- High-efficiency lighting, daytime light, motion sensor controls
- High-efficiency air conditioning, outside air intake controls, ventilation controls



\*1 Muromachi Higashi Mitsui Building (three buildings):

The Muromachi Higashi Mitsui Building supplies heat and electricity to the neighboring Muromachi Furukawa Mitsui Building and the Muromachi Chibagin Mitsui Building. These three buildings were certified as a single business site.

\*2 Tokyo metropolitan government's Excellent Designated GHG Offices:

The Tokyo metropolitan government uses 228 criteria for evaluating the impact of management systems, building equipment performance, and office building equipment operations on reducing CO<sub>2</sub> emissions. Office buildings that receive this designation are singled out for their exceptional promotion of global warming countermeasures. The system alleviates liability for CO emissions, and has two ranks: Top Level Office (a score of at least 80 points) and Semi-Top Level Office (a score of at least 70 points). The certification standard was revised in April 2015. Our certifications are based on the older standard.

## NAS Battery System Installed at Kashiwa-no-ha Smart City

At Kashiwa-no-ha Smart City (Kashiwa City, Chiba Prefecture), we installed a NAS battery system\*<sup>3</sup> at LaLaport Kashiwanoha. The system began operating in January 2015 with a rated input and output of 1,800kW and a rated capacity of 12,960kWh (7.2 hours of discharge). This NAS battery system helps reduce electricity use during peak hours during normal operations, and serves as a backup power supply during emergencies. Until now, electric power had been supplied in one direction, from Gate Square to LaLaport Kashiwanoha across public roads. Now it is possible to supply electric power in both directions. We expect the sharing of electric power across districts to cut peak electric usage by about 26% compared with the regional average, thereby contributing to reductions in energy usage and CO<sub>2</sub> emissions.

\*<sup>3</sup> NAS battery system:

NGK Insulators, Ltd. was the first company in the world to commercialize a megawatt-scale electric power storage system (a rechargeable battery) that uses chemical reactions between sodium (Na) and sulfur (S) to charge and discharge electricity.

## Energy creation at retail facilities

Mitsui Fudosan strives to conserve energy, such as by using LED lighting, at its retail facilities, while also aiming to create energy through the use of solar power, wind power and cogeneration systems.

Mitsui Fudosan has installed solar power generation facilities at LaLaport Izumi (Izumi City, Osaka Prefecture, opened in October 2014) and LaLaport Fujimi (Fujimi City, Saitama Prefecture, opened in April 2015), which use the generated electricity to power air conditioning systems.

At LaLaport Fujimi, Mitsui Fudosan has installed a cogeneration system that efficiently generates power and reuses waste heat from power generation in a bid to improve energy efficiency. At LaLaport Ebina (Ebina City, Kanagawa Prefecture, scheduled to open in October 2015), we plan to install a cogeneration system.

### Energy creation at retail facilities opened between fiscal 2014 and fiscal 2015

Facility name	Location	Installed energy creation equipment	Power generation capacity	Energy Use Applications
LaLaport Izumi	Izumi City, Osaka prefecture	Solar power generation facilities	Total output of about 215kW	Air conditioners, etc.
LaLaport Fujimi	Fujimi City, Saitama prefecture	Solar power generation facilities	Total output of about 100kW	Air conditioners, etc.
		cogeneration system	Power generation capacity of about 370kW x 2 units (Total power generation capacity of about 740kW)	Air conditioners, etc.
LaLaport Ebina	Ebina City, Kanagawa prefecture	cogeneration system	Power generation capacity of about 370kW x 2 units (Total power generation capacity of about 740kW)	Air conditioners, etc.

## Energy Creation at Large-Scale Logistics Facilities

Mitsui Fudosan has been installing large-scale solar power generation systems on top of its large-scale logistics facilities.

Completed in fiscal 2014, Mitsui Fudosan has installed 0.5-2MW solar power generation systems at MFLP\*<sup>4</sup> Kuki (Kuki, Saitama Prefecture), and also MFLP Sakai (Sakai, Sakai District), MFLP Funabashinishiura (Funabashi, Chiba Prefecture), and MFLP Atsugi (Aikawa-machi, Aiko-gun, Kanagawa Prefecture). In addition, plans are in place to build a 2MW solar power system at MFLP Hino (Hino, Tokyo), construction on which is slated to finish in October 2015.



## Installations of Large-Scale Solar Power Systems at Large-Scale Logistics Facilities (properties constructed as of the end of fiscal 2014)

Facility name	Location	Generation capacity	Date of completion
GLP* <sup>5</sup> - MFLP Ichikawashiohama	Ichikawa, Chiba Prefecture	About 2 MW	January 2014
MFLP Yashio	Yashio, Saitama Prefecture	About 1 MW	March 2014
MFLP Kuki	Kuki, Saitama Prefecture	About 1.7 MW	July 2014
MFLP Sakai	Sakai, Sakai District	About 2 MW	September 2014
MFLP Funabashinishiura	Funabashi, Chiba Prefecture	About 0.5 MW	February 2015
MFLP Atsugi	Aikawa-machi, Aiko-gun, Kanagawa Prefecture	About 1 MW	March 2015



MFLP Sakai



Solar panels at MFLP Sakai



MFLP Atsugi



Solar panels on the roof of MFLP Atsugi

\*4 MFLP stands for Mitsui Fudosan Logistics Park.

\*5 GLP stands for Global Logistics Properties Co., Ltd.

### Expanding installations of EneFarm residential fuel cell systems for the Fine Court series of detached housing

Mitsui Fudosan Residential Co., Ltd. has been installing the EneFarm residential fuel cell system (power output: 200-750W) in newly built units of its Fine Court series of detached housing. All new units in the Fine Court series built after March 2014 within the service area of Tokyo Gas Co., Ltd. feature the EneFarm system. The EneFarm systems of Tokyo Gas Co., Ltd. can reduce CO<sub>2</sub> emissions by about 49% and primary energy consumption by around 37%\*<sup>6</sup> at rated power generation capacity compared with electricity generated at thermal power plants and hot water heaters that use city gas.

Mitsui Fudosan began installing EneFarm systems in January 2015 for Fine Court detached housing (covering 15,110 units) that had already been built within the gas service area of Tokyo Gas Co., Ltd. In fiscal 2015, we plan to install the system in 600 homes.

\*6 : Reduction of CO<sub>2</sub> emissions by about 49% and primary energy consumption by around 37% at rated power generation capacity:

Compared with electricity supplied by thermal power plants and heat supplied by Tokyo Gas Co., Ltd. with city gas, the amount of electricity reduced from conventional thermal power plants and the amount of hot water reduced from hot water heaters that use city gas supplied by Tokyo Gas Co., Ltd. based on the rated power generation capacity (0.75kWh) and heat recovery volume (1.09kWh/about 37 liters at 40° C) of EneFarm systems.

### Progress on Creating Standard Specifications for Reducing CO<sub>2</sub> Emissions from Housing

The Mitsui Fudosan Group's housing business has standardized design specifications for reducing CO<sub>2</sub> emissions in insulation, water heaters, and lighting.

**Standard Specifications for Reducing CO<sub>2</sub> Emissions in the Housing Business (as of the end of fiscal 2014)**

Business Segment	Company name	Standard specification for reducing CO <sub>2</sub> emissions		Areas with the standard	Start of standard	
For-sale condominiums	Mitsui Fudosan Residential Co., Ltd.	Insulation	Grade 4 energy savings (next-generation energy conservation standard)	Tokyo metropolitan area	Fiscal 2011	
			Low-E glass	Tokyo metropolitan area	Fiscal 2011	
		Hot water	High-efficiency water heater	Tokyo metropolitan area	Fiscal 2009	
			Common areas	LED lighting, fluorescent bulbs	Tokyo metropolitan area	Fiscal 2011
		Lighting	Exclusive areas	LED lighting, motion sensors	Tokyo metropolitan area	Fiscal 2011
			Energy management	Energy visualization systems	Tokyo metropolitan area	Fiscal 2011
		Energy creation	Solar power systems	Three largest cities	Fiscal 2011	
			Water-saving toilets, showers and faucets	Tokyo metropolitan area	Fiscal 2011	
Other	Grade 3 anti-deterioration measures	Tokyo metropolitan area	Fiscal 2009			
	Water sprinkling blocks	Tokyo metropolitan area	Fiscal 2011			
Rental condominiums	Mitsui Fudosan Co., Ltd.	Insulation	Grade 4 energy savings (next-generation energy conservation standard)	Tokyo metropolitan area	Fiscal 2009	
			Multi-paned glass	Tokyo metropolitan area	Fiscal 2009	
		Hot water	High-efficiency water heater	Tokyo metropolitan area	Fiscal 2013	
			Common areas	LED lighting	Tokyo metropolitan area	Fiscal 2009
		Lighting	Exclusive areas	LED lighting	Tokyo metropolitan area	Fiscal 2014
			Other	Showerhead with on/off switch	Tokyo metropolitan area	Fiscal 2013
Detached for-sale residences	Mitsui Fudosan Residential Co., Ltd.	Reduction in energy consumption	Housing business builder standards (housing top runner standards)	Nationwide	Fiscal 2012	
		Insulation	Grade 4 energy savings (next-generation energy conservation standard)	Nationwide	Fiscal 2012	
			Low-E glass	Tokyo (nationwide since fiscal 2012)	Fiscal 2009	
		Hot water	High-efficiency water heater	Tokyo (nationwide since fiscal 2012)	Fiscal 2009	
			EneFarm	Fine Court series within the service area of Tokyo Gas Co., Ltd.	March 2014	
Energy management	Energy visualization equipment	Tokyo (nationwide since fiscal 2012)	Fiscal 2009			
Custom-built special detached residences	Mitsui Home Co., Ltd.	Insulation	Grade 4 energy savings (next-generation energy conservation standard)	Nationwide excluding Okinawa	Fiscal 2010	
		Hot water	High-efficiency water heater	Nationwide excluding Okinawa	Fiscal 2010	

- Notes:** 1. The standards mentioned here are related to design standard specifications. There are cases where some design standard specifications are not used due to a property's unique characteristics, such as construction conditions, government regulations, business models and product traits.  
 2. Standardization dates show when design standard specifications were incorporated. This covers properties that were designed after the date shown.  
 3. For-sale condominiums exclude the Park Luxe mono series. In addition, solar power systems are standard at properties with no emergency power generators.

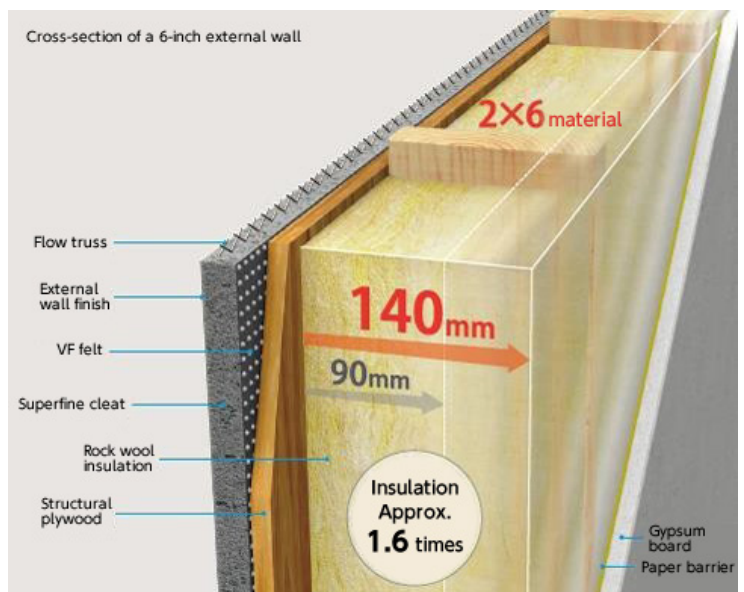
**Technologies Bring Smart Greens MIDEAS Closer to Commercialization**

At Kashiwa-no-ha Smart City, Mitsui Home Co., Ltd. has installed the next-generation Smart Greens MIDEAS system as a demonstration of the technology for next-generation smart homes. Since November 2012, we have been conducting experiments to verify original passive environmental technologies and smart energy optimization technologies. Data obtained from these experiments are being used in the development of next-generation smart homes and in the remodeling business to create housing that both conserves energy and improves the health and comfort of families. Technologies that have been commercialized include 2x6 walls as a standard feature, New Smart Breeze, and Solar Cross rooftop solar panels.

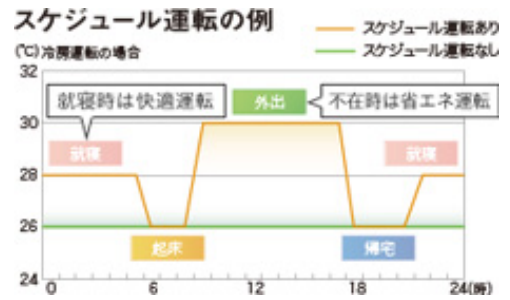
We are also experimenting with innovative technologies for remodeling applications, such as natural user interfaces that let people control household appliances and windows with hand gestures and voice commands, as well as touch user interfaces that let people use touch devices such as monitors and tablets to interface with sensors and controllers connected to MIDEAS HEMS\*7.

**Commercial Technologies for MIDEAS**

**Standard 2x6 walls**  
 (commercialized on April 1, 2014)  
 Insulation performance is improved by using 2x6 walls instead of 2x4 walls for the core structure (external walls) of Premium Monocoque Construction\*8. Since April 2014, 2x6 walls have been a standard feature in Mitsui Home Co., Ltd.'s custom-made detached housing.



**New Smart Breeze (commercialized on April 1, 2014)**  
 This highly efficient air conditioning systems promotes health with seven functions in one unit: cooling, heating, humidification, dehumidification, ventilation, air purification and deodorization. It is possible to conserve energy by setting custom schedules for when the system operates. The air conditioning system's energy-conservation performance scores a high 5.0 for annual energy consumption efficiency (APF)\*9.



**Solar Cross (10kW power output) rooftop-integrated solar power generation system (commercialized on April 1, 2014)**  
 Solar Cross is a solar power generation system that integrates solar power modules into the roof of a home. Since roofing materials are unnecessary underneath the modules, the weight of the rooftop is reduced and the solar panels aesthetically blend into the design of the home.



**Greenery on rooftops (planted on February 1, 2013)**  
 The entire area of rooftop balconies are greenified with three layers of asphalt sheets that protect against water leakage and improve durability. Greenification creates a heat barrier and improves energy conservation in buildings.



**\*7 MIDEAS HEMS:**

In addition to data about electricity and other energy usage, this next-generation home energy management system (HEMS) controls windows, louvers, lighting and home appliances based on data for indoor temperature, humidity, lighting levels, and outdoor weather.

**\*8 Premium Monocoque Construction:**

Premium Monocoque Construction is the name of an innovative construction method that combines the 2x4 construction method, which creates single-unit spaces framed on six sides with walls, floors and ceilings, with Mat Slabs, a proprietary ultra-strong mat foundation developed by Mitsui Home Co., Ltd., Double Shield Panels, its own roofing materials technology that provides both excellent thermal insulation and strong structural strength, and Block & Seamless Walls, an independently developed seamless wall featuring superior fire resistance, noise suppression, water proofing, and shock resistance.

**\*9 Annual energy consumption efficiency (APF):**

APF is a benchmark calculated by dividing the air conditioning capacity needed for a year by the amount of electricity used by the air conditioner over the year. The larger the score, the better the energy efficiency.

**Megasolar projects**

Mitsui Fudosan has been constructing large-scale solar power stations (megasolar power stations) since fiscal 2012.

In fiscal 2014, construction was completed and operations were started at the Mitsui Fudosan Tomakomai Solar Power Plant (Tomakomai, Hokkaido), Mitsui Fudosan Hachinohe Solar Power Plant (Hachinohe, Aomori Prefecture), and Mitsui Fudosan Omuta Solar Power Plant (Omuta, Fukuoka Prefecture). Combined with the Mitsui Engineering & Shipbuilding Co., Ltd. and Mitsui Fudosan Oita Solar Power Plant (Oita, Oita Prefecture) and the Mitsui Fudosan Sanyo-Onoda Solar Power Plant (Sanyo-Onoda, Yamaguchi Prefecture), this brings the total number of the Company's solar power plants to five.

The combined generation capacity of these five facilities is about 72MW, equivalent to roughly 76 million kWh of annual electricity generation, enough to power around 21,000 average-sized homes.

## List of Solar Power Stations at Mitsui Fudosan

Facility name	Location	Date operations started	Planned generation capacity
Mitsui Engineering & Shipbuilding Co., Ltd. and Mitsui Fudosan Oita Solar Power Plant	Oita, Oita Prefecture	1 December 2013	About 21MW (including 4MW expansion)
Mitsui Fudosan Sanyo-Onoda Solar Power Plant	Sanyo-Onoda, Yamaguchi Prefecture	1 December 2013	About 13MW
Mitsui Fudosan Tomakomai Solar Power Plant	Tomakomai, Hokkaido	2 April 2014	About 24MW
Mitsui Fudosan Hachinohe Solar Power Plant	Hachinohe, Aomori Prefecture	1 October 2014	About 8MW
Mitsui Fudosan Omuta Solar Power Plant	Omuta, Fukuoka	1 December 2014	About 6MW
Total			About 72MW

## Energy Management System

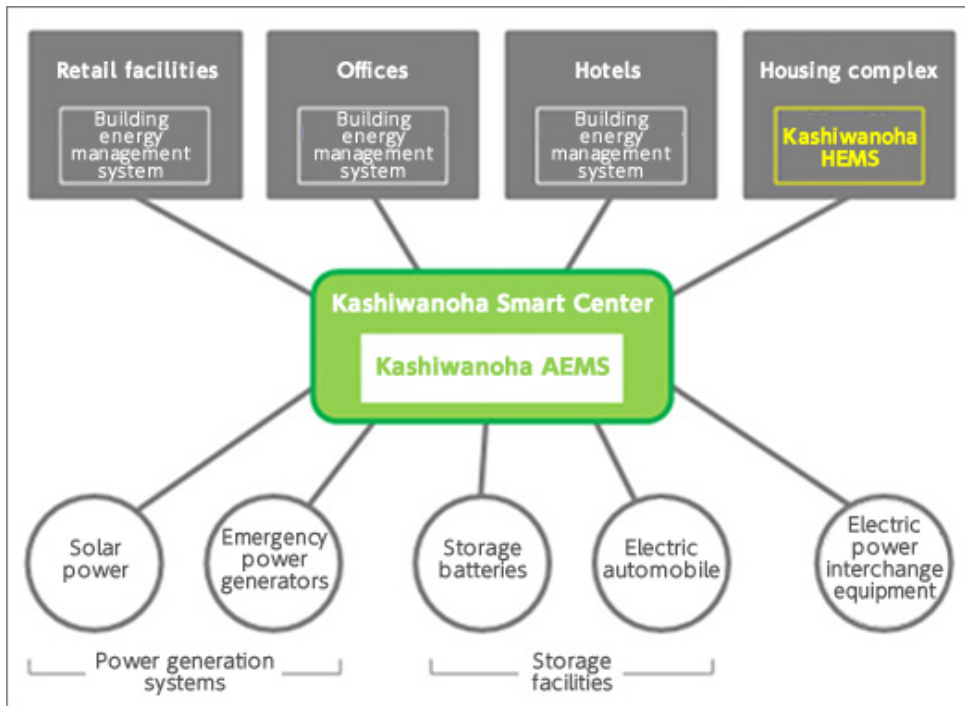
Energy management systems efficiently manage, control and visualize the generation and use of electricity across districts and on an individual building basis, whether it be houses, condominiums or office buildings. Mitsui Fudosan is introducing energy management system networks that links together these systems. We are also implementing frameworks that integrate with energy management systems to motivate people to conserve energy.

### Development and operation of Kashiwa-no-ha Area Energy Management System (Kashiwanoha AEMS) and Kashiwa-no-ha Home Energy Management System (Kashiwanoha HEMS)

In a joint initiative between Mitsui Fudosan, Hitachi, Ltd., Sharp Corporation and Nikken Sekkei Ltd., operations have been gradually brought online in stages since May 2014 for the Kashiwanoha AEMS<sup>\*10</sup>, which manages, monitors and controls energy across the Kashiwa-no-ha Smart City district, and the Kashiwanoha HEMS<sup>\*11</sup>, which manages energy inside homes.

Jointly developed by Hitachi, Ltd. and Nikken Sekkei Ltd., Kashiwanoha AEMS is an integrated management system for the district's energy, networking together power sources such as solar panels and storage batteries, and delivering electricity to offices, retail facilities, hotels and residences dispersed around the area. Based on an understanding and analysis of energy usage data for each facility and weather information, we aim to reduce CO<sub>2</sub> emissions and maintain electricity availability during emergencies by efficiently controlling the generation, storage and distribution of power throughout the district. For tenants of the office buildings and retail stores at Gate Square, the center of Kashiwa-no-ha Smart City, we offer a point system that incentivizes them to help reduce electricity usage during peak hours and lower CO<sub>2</sub> emissions throughout the year through the Kashiwanoha AEMS. In the future, we plan to integrate it with Kashiwa-no-ha Smart City's transportation system, with the objective of building a core system that centralizes the management of street-level data to provide a better picture of regional usage.

Jointly developed with Sharp Corporation, Kashiwanoha HEMS not only visualizes energy usage within a home, but also offers advice to families on how they can conserve energy by controlling home appliances in ways that suit their lifestyles. Linked with Kashiwanoha AEMS, it is possible for families to compare their electricity usage to that of other families and understand how much energy is being saved across the entire district. The system also scores the district on the achievement of energy conservation goals. Using a tablet for HEMS, residents can also view information about area events, traffic congestion, and emergency notifications in the event of a disaster. Kashiwanoha HEMS is also installed in apartments at Park Axis Kashiwa-no-ha in Gate Square.



System network for Kashiwanoha HEMS and Kashiwanoha AEMS

\*10 AEMS stands for area energy management system. It is an area-wide energy management system.

\*11 HEMS stands for Home Energy Management System. It is an energy management system for homes. use Energy Management System

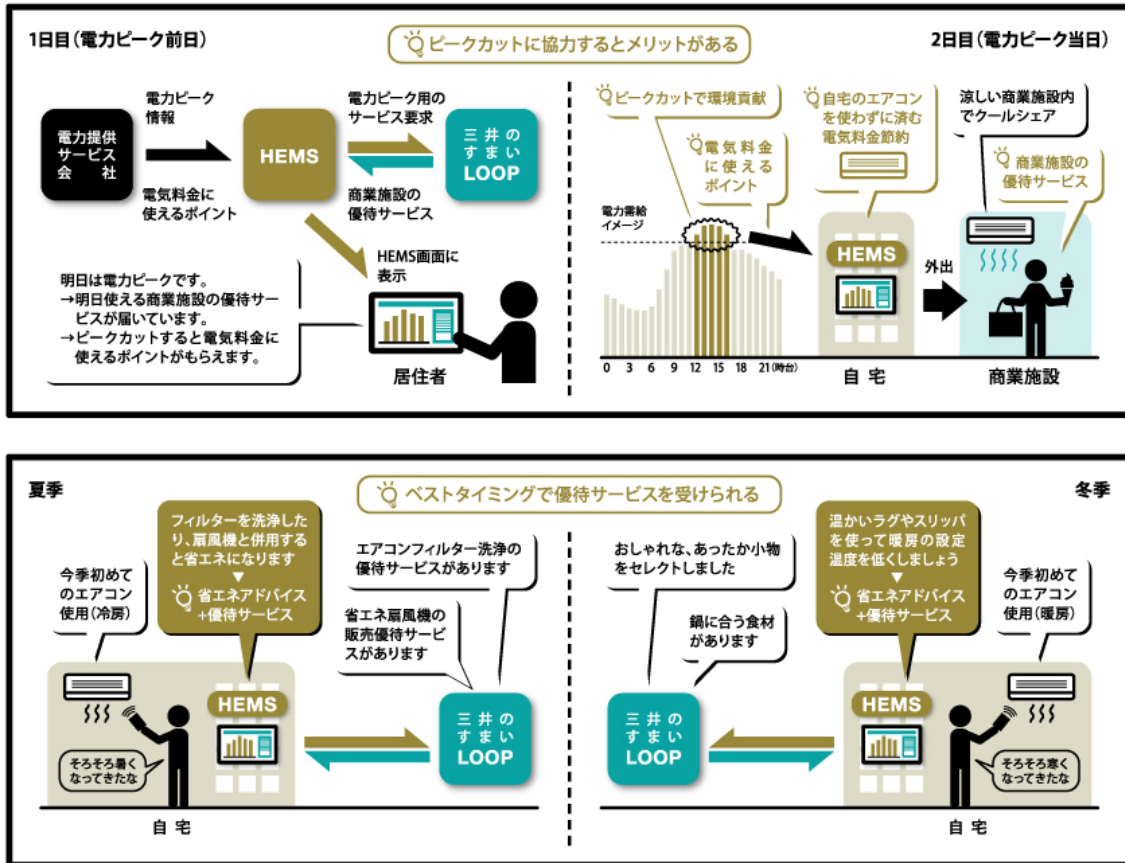
### Park Tower Nishi-Shinjuku M's Port's new energy management system won the Good Design Award in fiscal 2014

Park Tower Nishi-Shinjuku M's Port (Shinjuku-ku, Tokyo), a for-sale condominium building owned by Mitsui Fudosan Residential Co., Ltd., features an energy management system that optimizes energy usage throughout the building by linking together HEMS in each unit with the Mansion (condominium) Energy Management System (MEMS)\*12. The system is designed to share savings with residents via electricity rate discounts and service vouchers at local retail facilities as a way of saying thank you for their cooperation reducing electricity usage during peak times.

In October 2014, this system was recognized with the Fiscal 2014 Good Design Award (in the residential services and systems category), praising the framework for combining services with HEMS in ways that encourage residents to reduce their electricity usage during peak hours.

#### Comment from the panel of judges

This HEMS is designed to blend in with the daily routines of residents with perks such as service vouchers that can be used at local retail facilities. We gave the system high marks for this setup, one that only the Mitsui Fudosan Group, with its own retail facilities, can make happen.



System for sharing gains from reducing electricity use during peak hours

▶ P69 Creating Value through Urban Development (awarded Good Design Award for 15 years running)

\*12 MEMS stands for Mansion Energy Management System. It is an energy management system for condominiums.

Mitsui Fudosan and Mitsui Fudosan Residential Co., Ltd. share the 21st Yokohama Environmental Activity Award

Mitsui Fudosan Yokohama Branch and Mitsui Fudosan Residential Co., Ltd. Yokohama Branch were jointly awarded the Action Award as a part of the 21st Yokohama Environmental Activity Award in June 2014. Through the Yokohama Environmental Activity Award, Yokohama City recognizes citizens, companies, children, and students who proactively engage in environmental activities in the area.

The award was given out of recognition of 3R activities and efforts to cut CO<sub>2</sub> emissions at the Yokohama Mitsui Building (Nishi-ku, Yokohama), an office building owned by Mitsui Fudosan, as well as efforts to make homes smarter at Park Homes Okurayama (Kohoku-ku, Yokohama), a for-sale condominium building, and at Fine Court Okurayama Masters Hill (Kohoku-ku, Yokohama), a for-sale detached housing community managed by Mitsui Fudosan Residential Co., Ltd.

From fiscal 2011 to fiscal 2014, the Yokohama Mitsui Building, and from fiscal 2012 to fiscal 2014, the Park Homes Okurayama and Fine Court Okurayama Masters Hill, have been a part of energy management system experiments for the Yokohama Smart City Project.



Yokohama Mitsui Building



Park Homes Okurayama



Fine Court Okurayama Masters Hill

## Updating Infrastructure for Curbing CO<sub>2</sub> Emissions from Automobiles

As a way of curbing CO<sub>2</sub> emissions from automobiles, eco-cars have become popular, such as electric vehicles, plug-in hybrids, and plug-in hybrid electric vehicles. Fast-charging stations and related infrastructure needs to be built, however. The Mitsui Fudosan Group has been installing fast-charging stations at its retail facilities and condominium buildings.

At Tokyo Midtown (Minato-ku, Tokyo), 125 parking spaces, or about 80% of the 157 flat parking spaces available for rent (out of a total of 390 rental parking spaces), have recharging stations for electric vehicles, plug-in hybrid vehicles and plug-in hybrid electric vehicles, the largest number in Japan for a single parking facility. These recharging stations became available in January 2015.

We are also installing recharging stations at our retail facilities. At LaLaport Izumi, there are three vehicle recharging stations, one of which is a fast-charging station. At LaLaport Fujimi, there are seven recharging stations. At LaLaport Ebina, we plan to install two recharging stations. At Mitsui Garden Hotel PRANA Tokyo Bay (Urayasu, Chiba Prefecture), we have two parking spaces for recharging electric vehicles.



Recharging stations for electric vehicles, plug-in hybrids, and plug-in hybrid electric vehicles (Tokyo Midtown)

## Conserving Water Resources

The Mitsui Fudosan Group strives to effectively use water resources, including rainwater and grey water, and conserve water in order to preserve the water environment. We also make an effort to allow rainwater to reach the soil in order to replenish subterranean aquifers.

### Water Conservation

At our office buildings and retail facilities, we install water-saving equipment in newly constructed buildings and we have also been switching to water-saving equipment in existing buildings when they are renovated. We also make an effort to conserve water during routine building management and operations. At our hotels, we offer rate plans that help conserve water resources, we have installed water-saving devices in all shower heads, and we have placed water-level stickers on the inside of bathtubs in guestrooms to encourage guests to save water.

### Use of Rainwater and Grey Water

Mitsui Fudosan aims to effectively use water resources by taking advantage of rainwater and grey water (processed wastewater) at its office buildings, retail facilities and for-sale condominium buildings.

### Letting Rainfall Reach the Ground and Preventing Rainfall Runoff

In our office buildings and retail facilities, we aim to let rainwater reach underground by utilizing water-permeable paving for parking lots, walkways, on-site roads, and external sections of the building. We also aim to preserve the water environment and prevent flooding with temporary storage tanks and flow adjustment ponds in order to prevent rainwater runoff in large volumes.

At LaLaport Fujimi, we have an underground water flow adjustment reservoir that is 1.25x the required regulated size (with a storage capacity of roughly 62,800 cubic meters).



## Reducing Hazardous Substances

The Mitsui Fudosan Group uses cleaning solutions with minimal environmental impact and low-formaldehyde building materials in order to lower the impact of hazardous substances on the environment and people's health. We also take appropriate measures based on related laws and regulations to dispose of PCB waste and chlorofluorocarbons and to remedy soil contamination.

### Lowering Environmental Impact of Cleaning Solvents

Mitsui Fudosan Facilities Co., Ltd. has been transitioning to eco-chemicals with low environmental impact based on its own standards, with the exception of chemicals designated by its customers, for cleaning solutions (toilet cleaner, floor and general-purpose cleaner, wax and removers). As of the end of fiscal 2014, the company had transitioned about 88% of its chemicals to eco-chemicals, excluding those designated by customers.

Mitsui Fudosan Residential Service Co., Ltd. (formerly Mitsui Fudosan Housing Service Co., Ltd.) in principle uses cleaning solutions with low environmental impact based on its own standards for cleaning condominiums, with the exception of some managed properties.

### Mitsui Fudosan Residential Service Co., Ltd.'s Standards for Cleaning Solutions with Low Environmental Impact

Cleaning solutions that satisfy the following conditions:

- More than 60% biodegradable (after 28 days)
- Chemically neutral
- Low biochemical oxygen demand (BOD) and chemical oxygen demand (COD)

### Appropriate Disposal of Chlorofluorocarbons

When equipment containing chlorofluorocarbons is thrown away at our office buildings, retail facilities and hotels, it is disposed of in an appropriate manner in accordance with relevant laws and regulations.

In fiscal 2014, the Mitsui Fudosan Group appropriately disposed of fluorocarbons (specified and alternative CFCs) accompanying the repair, replacement, and disposal of air conditioning units at seven hotels. The Company has no CFC disposal track record at office buildings or retail facilities.

### Appropriate Storage, Management and Disposal of PCB Waste

The Mitsui Fudosan Group appropriately stores, manages and disposes of PCB waste at its office buildings, retail facilities and hotels based on the Law Concerning Special Measures Against PCB Waste.

In fiscal 2014, we disposed of equipment with low concentrations of PCB and 202 fluorescent lamps at our office buildings. Equipment with high concentrations of PCB that have already been registered for disposal but have not been disposed of yet numbered nine units at one retail facility and three units at one hotel as of the end of fiscal 2014. They continue to be appropriately stored and managed.

### Sick House Countermeasures

For our office buildings and retail facilities, we have added guidelines for combating sick house symptoms to our eco-specifications (for design, etc.). We make concerted efforts to prevent formaldehyde and other volatile organic compounds (VOCs) from entering our buildings, because they are a cause of sick house syndrome. Mitsui Garden Hotels uses low-formaldehyde building materials<sup>\*13</sup> including building components, adhesives and paints.

The housing business promotes the use of low-formaldehyde building materials to limit substances that cause sick house syndrome, such as formaldehyde.

<sup>\*13</sup> Low-formaldehyde building materials:

Building materials rated by Japanese Industrial Standards (JIS) and Japanese Agricultural Standards (JAS) as having the minimal or second-lowest level of formaldehyde emissions.

### Responding Appropriately to Soil Contamination

The Mitsui Fudosan Group complies with relevant laws and regulations for surveying soil history. We also implement soil contamination surveys and take measures to remedy contaminated soil as needed.

## Saving Resources While Reducing Waste

The Mitsui Fudosan Group aims to conserve resources and reduce waste through the 3Rs (reduce, reuse and recycle), while striving to prolong the useful life of its buildings. We also make sure our waste management subcontractors dispose of waste properly.

### Reduce

In order to reduce the generation of waste, we make every effort to restrict the use of disposable products and have introduced a metering system.

#### Metering System at Retail Facilities

In an attempt to reduce waste from stores, our retail facilities feature a metering system that charges for the volume of waste generated. There are a total of 35 retail facilities with this waste metering system, with three facilities added in fiscal 2014.



Application of stickers



Scale



Taking measurements



Separating waste

### Reuse

The Mitsui Fudosan Group aims to reuse materials instead of throwing them away in order to conserve resources and reduce waste.

### Recycle

In an effort to conserve natural resources and reduce waste, the Mitsui Fudosan Group promotes the recycling of raw garbage along with paper, fluorescent light bulbs, and batteries using our proprietary recycling system. We also make every effort to use recycled items.

#### Recycling Raw Garbage

At our office buildings and retail properties, raw garbage from restaurants is recycled into fertilizer and feedstock for livestock, or converted into biomass energy (electricity and gas).

#### Recycled Raw Garbage (fiscal 2014)

Category		Office buildings (32)	Retail facilities (22)
Raw garbage	Waste volume	2,711 tons/year	4,485 tons/year
	Recycled volume	2,011 tons/year	4,419 tons/year
	Recycling ratio	74.2%	98.5%
Recycling applications		Feedstock, power generation	Fertilizer, feedstock, gasification, incineration power generation

Note: Recycling ratio = Recycled volume/Emission Volume x 100

At the resort hotel Haimurubushi (Taketomi Town, Yaeyama District, Okinawa Prefecture), we make compost out of coffee grounds from our restaurants, and then use this compost to cultivate herbs and vegetables in the hotel gardens. In turn, the herbs and vegetables are served in our restaurants. Other raw garbage is processed on the premises with a raw garbage processor that uses microbes. In fiscal 2014, we recycled approximately 0.8 tons of coffee grounds and around 3.5 tons of raw garbage. At the Toba Hotel International (Toba, Mie Prefecture), waste oil used in our kitchens is reclaimed and reused as fuel by an industrial waste processing subcontractor. In fiscal 2014, approximately 1.5m<sup>3</sup> of waste oil was recycled.

### Recycling of Environmentally Friendly Tile Carpeting

Used carpet from office buildings managed by the Mitsui Fudosan Group is collected and recycled into environmentally friendly tile carpeting, which is then reused in office buildings in the Tokyo metropolitan area. This recycling system uses environmentally friendly tile carpeting to conserve natural resources and reduce incineration waste, which in turn helps reduce CO<sub>2</sub> emissions.

#### Tile carpet recycling (fiscal 2014)

<b>Volume of used carpet collected</b>	About 140,000 m <sup>2</sup>
<b>Volume of environmentally friendly tile carpet supplied</b>	About 70,000 m <sup>2</sup>
<b>Cumulative volume supplied since fiscal 2002</b>	About 920,000 m <sup>2</sup>

### Wastepaper Recycling Loop System

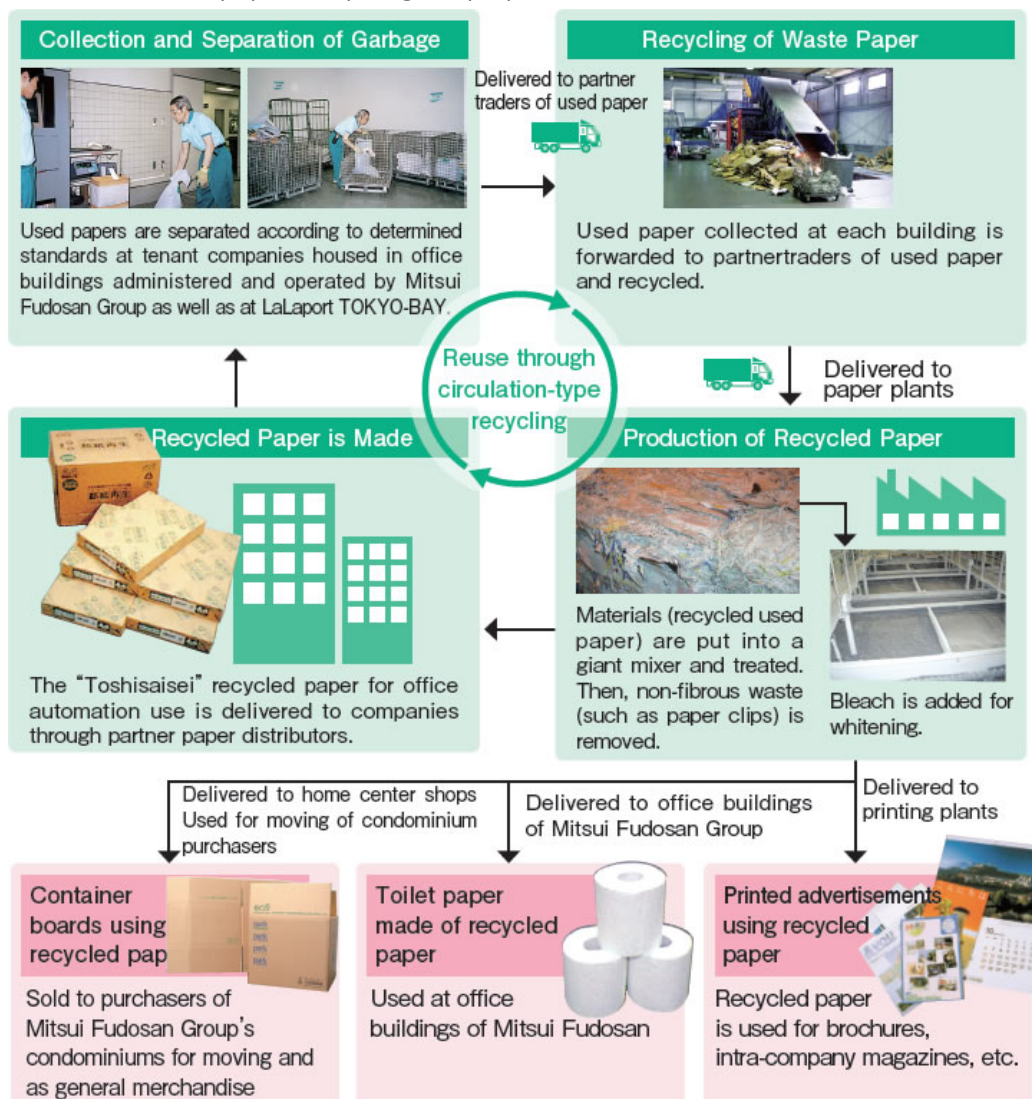
The Mitsui Fudosan Group has created a unique recycling loop system for wastepaper, which is collected from office buildings managed by the Mitsui Fudosan Group in Tokyo and also from the LaLaport TOKYO-BAY (Funabashi, Chiba Prefecture). The wastepaper is recycled into original recycled office paper and is reused as toilet paper.

In fiscal 2014, we collected about 9,251 tons of wastepaper, and purchased about 901 tons of recycled paper.

#### Wastepaper recycling (fiscal 2014)

<b>Volume of wastepaper collected</b>	94 office buildings in Tokyo	About 8,064 tons	Total of about 9,251 tons
	LaLaport TOKYO-BAY	About 1,187 tons	
<b>Recycled paper purchased</b>	Mitsui Fudosan Group's purchase volume	About 901 tons (including 569 tons of toilet paper)	

## Outline of Wastepaper Recycling Loop System



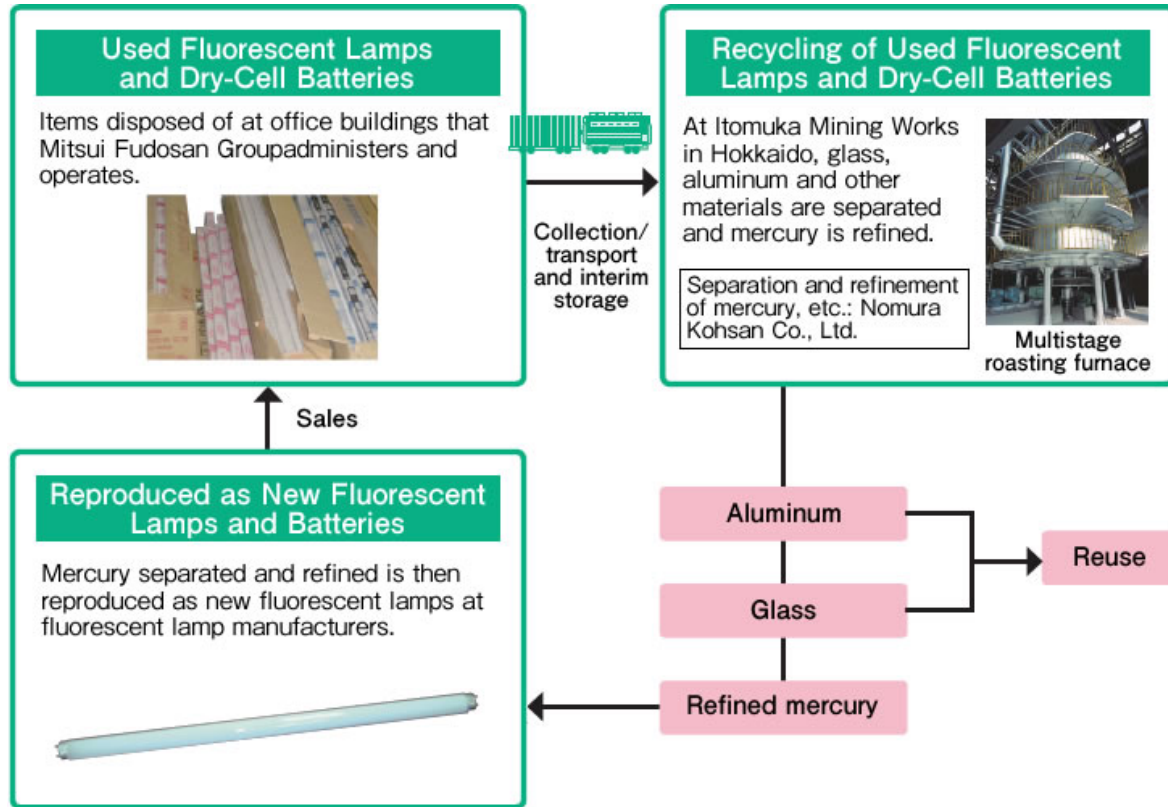
## Used Fluorescent Bulb and Battery Recycling System

Mitsui Fudosan has established a recycling system for used fluorescent bulbs and batteries in cooperation with four subcontractors including a recycling company and a transportation company. Used fluorescent bulbs and batteries at office buildings and hotels managed by the Mitsui Fudosan Group are recycled through this system. Mercury extracted from the collected used fluorescent bulbs and batteries is reused as a raw material in new fluorescent bulbs. Separated aluminum and glass are also reprocessed into recycled aluminum and glass in order to recycle everything that can be recycled. In fiscal 2014, 24.8 tons of used fluorescent bulbs and 5.2 tons of batteries were collected and recycled from a total of 43 buildings.

### Used fluorescent bulb and battery recycling (fiscal 2014)

<b>Number of buildings covered for collections</b>	Total: 43 buildings (36 in Tokyo, 7 in Kansai, 0 in Nagoya)
<b>Collection volume</b>	Fluorescent bulbs: about 24.8 tons Batteries: about 5.2 tons

## Outline of Used Fluorescent Bulb and Battery Recycling System



### Recycled Business Paper Usage Ratio in Mitsui Fudosan's Offices

In fiscal 2014, about 97% of the business paper used\*<sup>14</sup> was recycled paper in Mitsui Fudosan's offices.

\*<sup>14</sup> Ratio of recycled business paper used:

The ratio of recycled paper used for all business paper (weight basis).

## Extending the Useful Life of Buildings

The Mitsui Fudosan Group aims to extend the useful life of buildings, including office buildings, condominium buildings (subdivisions, rental units) as well as detached houses (subdivisions, orders), by enhancing their ability to withstand earthquakes, overall durability, and fire resistance, while also making it easier to maintain and update plumbing and other equipment. In addition, we engage in appropriate maintenance and renovations after buildings go into service.

Our efforts to extend the useful lifespan of our buildings lead directly to resource conservation and waste reduction.

## Appropriate Waste Disposal

In building operations, we make every effort to ensure waste is disposed of appropriately, and to this end we conduct inspections of our industrial waste management subcontractors, which are required to cooperate based on the Waste Disposal and Public Cleansing Act. In fiscal 2013, we audited two business sites at two waste management subcontractors.

In retail facility operations, from fiscal 2011 to fiscal 2012, we confirmed that waste was properly disposed at 41 retail facilities in Japan, completing any adjustments to our agreements with waste management subcontractors. Subsequently, we audited and confirmed that waste is being properly disposed at 24 retail facilities in fiscal 2013 and 19 retail facilities in 2014. Going forward, we plan to continue performing audits in fiscal 2014 to ensure that waste disposal rules are being properly followed.

## Initiatives to Improve Quality

### Basic Stance

The Mitsui Fudosan Group equates quality with efforts to provide a level of comfort, safety, and security that fully satisfies customers and to help secure the sustainable growth and development of society. On this basis, we are committed to developing urban areas that bring to fruition people-friendly environments by further enhancing quality.

## Enhancing Safety and Security

The Mitsui Fudosan Group recognizes that providing its customers with a greater sense of safety and security is an important element in ensuring the quality of its products and services. Among a host of initiatives, we are therefore promoting and strengthening disaster prevention measures.

### Initiatives at Office Building

Since the Great East Japan Earthquake, tenant needs have increased for safety, security and business continuity planning (BCP). In response, Mitsui Fudosan has been implementing disaster prevention and BCP measures in its existing and newly built buildings to improve preparedness during normal times and responsiveness during emergencies.

#### Ultra-large Anti-Seismic Equipment Installed in Shinjuku Mitsui Building

Mitsui Fudosan is moving forward with BCP improvement work at approximately 60 office buildings it owns. As part of these efforts, we completed improvement work in June 2014 at the Kasumigaseki Building (Chiyoda-ku, Tokyo; completed in 1968), Shinjuku Mitsui Building (Shinjuku-ku, Tokyo; completed in 1974), and Nihonbashi Mitsui Tower (Chuo-ku, Tokyo; completed in 2005). Tenant companies already located at existing buildings place significant constraints on such work. Nevertheless, we conduct these operations in an agile manner to minimize as much as possible the impact on tenants by leveraging our construction and maintenance knowhow accumulated through numerous renovation projects. Through these efforts, we have brought BCP-related functionality in the above three properties to the same level as our new buildings.

#### Main Details of BCP Improvement Work

##### **Elevator seismic retrofitting and automatic diagnostic/provisional restoration system installation**

Our properties use S09-class elevators, which boast the highest earthquake resistance ranking. As part of our renovation work at existing buildings, we have begun installing a system that automatically analyzes malfunctions when elevator operations have been suspended due to an earthquake and is capable of restarting elevator operations for earthquakes with a seismic intensity up to upper 5.

##### **Maintaining a Three-Day Supply of Toilet-Use Water**

We have dug new wells at the Kasumigaseki Building and Nihonbashi Mitsui Tower. In addition, we have expanded water tanks and installed waterworks system backup power at three buildings in order to ensure there is enough toilet-use water for a three-day period for everyone in these buildings.

##### **Ensuring a 72-Hour Power Supply during Blackouts**

We have extended operational capability of buildings to 72 hours through expansion work on emergency power generators and oil tanks. Through these actions, we maintain a three-day power supply not only for common areas but for tenants as well.



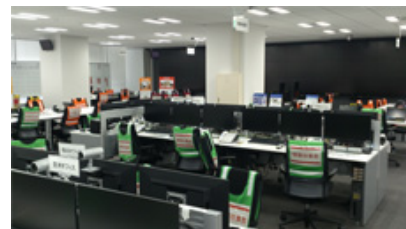
Well tunneling work  
(Nihonbashi Mitsui Tower)



Oil tank expansion work  
(Kasumigaseki Building)

Meanwhile, we are working to enhance our BCP measures and contribute to regional disaster prevention in both hard and soft areas. To this end, we have already upgraded our crisis management system mainly by establishing a permanent crisis management center that operates 24 hours a day, 365 days a year; distributing ample disaster stocks (approximately 600,000 meals) to tenants; and implementing training drills targeting people who have difficulties returning home.

At the Shinjuku Mitsui Building, we undertook BCP improvement work while simultaneously installing a rooftop tuned mass damper (TMD) ultra-large vibration control device, which was completed in April 2015.



Crisis management center  
(Ginza 6-Chome-SQUARE)

### BCP Improvement Measures at Tokyo Midtown

In order to ensure smoother initial responses during emergencies and the ability to accommodate of people who are unable to return home at Tokyo Midtown (Minato-ku, Tokyo), we are working to enhance our BCP measures focused on creating a permanent storage area along a section of wall on the 1st floor basement.

### Initiatives at Retail Facilities

At retail facilities operated by the Mitsui Fudosan Group, we have enhanced practical measures—such as preparing disaster manuals compatible with all facilities and publicizing customers' guided evacuation procedures as part of our initial disaster responses—as well as pursuing disaster prevention initiatives at our facilities.

### LaLaport disaster prevention measures

At LaLaport Izumi (Izumi City, Osaka prefecture), which opened in October 2014, we are working to maintain disaster preparedness through such measures as installing emergency power generators, an emergency supplies warehouse, and a well able to pump water used during disasters. At LaLaport Fujimi (Fujimi City, Saitama prefecture), which opened in April 2015, we have strengthened our disaster prevention system by deploying such items as cooking benches and emergency toilets as well as constructing a disaster-resistant wireless MCA system at the on-site disaster prevention center that consists mainly of satellite-based mobile phones and MCA radio.



Emergency well at LaLaport Izumi



Cooking benches at LaLaport Fujimi

### Measures at Custom-Built Detached Residences

Mitsui Home Co., Ltd.'s proprietary Premium Monocoque method blends the Company's original rooftop-, wall-, foundation-related technologies with standard wooden frame construction methods (Monocoque), resulting in increased basic performance in terms of seismic resistance, fireproofing, wind resistance, durability, and sound insulation. Receiving high marks for improving residential comfort along with significantly enhancing safety and security during disasters, Premium Monocoque was awarded the Good Design Award for fiscal 2014.

▶ P69 Creating Value through Urban Development (awarded Good Design Award for 15 years running)



## Disaster Prevention System

To ensure the safety of the tenants and customers who use Mitsui Fudosan Group's facilities, we implement training based on disaster countermeasure manuals and BCPs as part of our disaster preparation measures. Mitsui Fudosan has set up two dedicated Disaster Countermeasure Headquarters offices at the Mitsui Building No. 2 and Ginza 6-chome-SQUARE that function as permanent bodies. The Company has also installed emergency power generators able to operate about 72 hours. In the event of a large-scale disaster such as a major earthquake, Mitsui Fudosan has in place measures to set up an emergency headquarters that reports directly to the president. To ensure that the Company is better prepared to respond to any incidence of a disaster, employees in the disaster center take shifts and remain on duty during weekday nights and holidays. Our disaster response system coordinates with Group companies to ascertain the safety of employees and the status of damage to properties.



Disaster Countermeasure Headquarters Office

## Implementing Disaster Preparedness Drills

The Mitsui Fudosan Group implements training based on disaster countermeasure manuals and BCPs. We also conduct companywide drills so that the whole company can respond to large-scale earthquakes in cooperation with Group companies and tenants twice a year on September 1 (disaster prevention day) and January 17 (disaster prevention and volunteer day). In addition, we conduct disaster preparedness drills in cooperation with tenant companies at key office buildings. Following the principles of “self-help,” “mutual assistance,” and “public assistance,” we are taking steps to boost our disaster prevention capabilities by broadening awareness of cooperative efforts being taken by tenant companies, individual tenants, and building managers.

### Companywide Disaster Preparedness Drills Involving Approximately 5,000 Employees

On March 5, 2015, the Group conducted disaster preparedness drills with all 5,000 employees taking part for the first time ever. In preparation for an earthquake occurring directly under the Tokyo metropolitan area, we conduct drills involving undertaking initial responses; initiating information sharing among Disaster Countermeasure Headquarters offices and Group facilities/properties; and addressing the needs of Group employees unable to return home. Through these drills, we are working to strengthen our ability to take effective action during emergencies.

### Training Drills for Addressing the Needs of People Who have Difficulties in Returning to Their Homes

On September 1, 2014, we held training drills for addressing the needs of people who have difficulties returning home in the area surrounding the Muromachi Higashi Mitsui Building (COREDO Muromachi 1) (Chuo-ku, Tokyo). We have been conducting such drills in cooperation with tenant outlets in order to improve disaster preparedness in the Nihonbashi area, which has seen an increase in visitors following the completion of new retail facilities. A total of 300 people participated in drills conducted in preparation for an earthquake under level 6 occurring directly below the Tokyo metropolitan area. Participants included Mitsui Fudosan staff as well as employees of outlets located in the COREDO Muromachi 1, COREDO Muromachi 2, and COREDO Muromachi 3 properties.

## Key Training Drill Content

### Guidance Drills

- Customer safety measures taken by outlet staff (physical protection, calling out to people, checking fire sources, etc.)
- Outlet employees guiding customers who cannot return home to designated spaces

### Training Drills for Addressing the Needs of People Who have Difficulties in Returning to Their Homes

- Developing a reception system (organized by members) and setting up zones (spaces for people having difficulties returning home, first aid, and information sharing)
- Commencing guidance for and reception of people having difficulties returning home
- Setting up emergency supplies distribution spaces (water, blankets, cold weather sheets, etc.)



Training event held on September 1, 2014

At Tokyo Midtown (Minato-ku, Tokyo), we established a system to take in people having difficulty returning home during a disaster and held related drills in fiscal 2014 for the fourth time.

### Using Empty Buildings to Conduct Practical Disaster Preparedness Drills

On August 27, 2014, Mitsui Fudosan held initial disaster response drills on a trial basis at empty buildings scheduled to be rebuilt. Under the direction of the Nihonbashi Fire Station, 74 Group employees took part in drills following the steps actually taken after water sprinkles are activated (stoppage, operational restoration, water damage assessment) as well as hands-on training using fire extinguishers that contain special liquids to put out simulated fires. We held the same drills over 20 times involving around 600 office building management employees in 2014. We also held hands-on disaster preparedness drills in March 2015 carried out in both Japanese and English languages for Japanese and non-Japanese office building management staff at an empty building scheduled for demolition. Up to 110 people (including around 30 non-Japanese) participated in six training sessions conducted over a three-day period between March 9 and 11. This included fire extinguisher drills, experiencing being confined in a sealed elevator, and taking part in realistic fire evacuations.



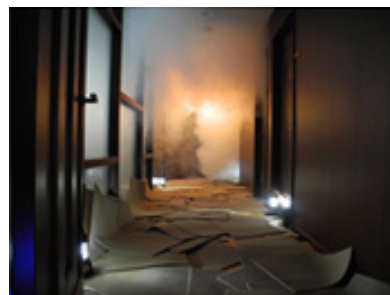
Explaining the facility in Japanese and English



Fire extinguisher drills



Experiencing being confined in a sealed elevator



Practical fire evacuation drills

## Security and Anti-Crime Measures

The Mitsui Fudosan Group makes every effort to ensure security and prevent crime at its properties in order to provide its customers with safety and security.

### Security Infrastructure Measures

We are installing advanced video surveillance systems at office buildings, retail facilities, condominiums, logistics facilities, and other properties managed by the Mitsui Fudosan Group. A characteristic of these surveillance cameras and systems is the use of high-resolution image data analysis enabled by video solutions developed using CREW SYSTEMS, INC.'s proprietary video cloud technology.

Mitsui Fudosan holds a stake in CREW SYSTEMS, INC.—located at LIAISON-STAGE Kasumigaseki (Chiyoda-ku, Tokyo), a venture office managed by the Company—and dispatches employees to that firm to enhance joint product development and sales. By engaging in new security infrastructure businesses, the Mitsui Fudosan Group aims to help realize a safer and more secure society.

- ▶ P70 Aiming to Create New Markets (Joint Venture Creation Initiatives)



A surveillance camera installed in the Kasumigaseki Building

## Preservation and Utilization of the Natural Environment (Preservation of Biodiversity)

The Mitsui Fudosan Group is making every effort to preserve and utilize trees and forests in a bid to protect the precious natural environment in urban areas while at the same time passing on the memories and history of the land. The Group also works to create new green spaces in urban areas. Recognizing the maturity that comes with age, the Group is also working to create and restore greenery and biotopes that are in harmony with the surrounding environment and preserve biodiversity. We also conserve and utilize Group-managed forests for the sustainable procurement of lumber resources.

### Preserving and Creating Greenery in Urban Settings

While working to preserve existing greenery in urban spaces, the Mitsui Fudosan Group is taking steps to create new green spaces, which includes greenery on rooftops and wall greenification.

#### LaLaport Fujimi maintains green areas of about 42,000m<sup>2</sup>

At LaLaport Fujimi (Fujimi City, Saitama prefecture), which opened in April 2015, we are helping to preserve the surrounding local environment by maintaining approximately 8,700m<sup>2</sup> of parkland, while securing green areas of approximately of 42,000m<sup>2</sup> by installing sections of grassy areas at surface parking lots, greenery on rooftops, and wall greenification. With a site area greenery ratio\*<sup>1</sup> of around 25.3%, LaLaport Fujimi meets greenery ratio standards established under Saitama Prefecture ordinances.



Parkland



Grassy sections installed at parking lots



Wall Greenification

\*1 Site area greenery ratio:

Greenery ratio required under standards and calculation methods established under Saitama Prefecture's Home Town Saitama Greenery Protection and Cultivation Ordinance

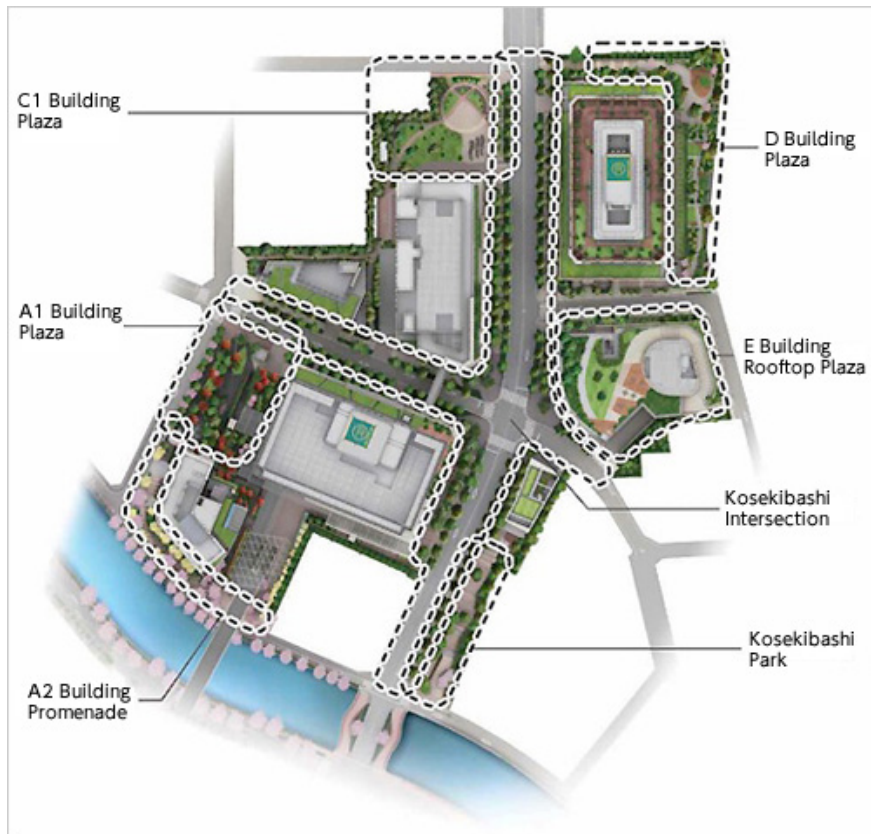
#### Maintaining a 30% or greater greenery ratio at Park City Osaki

Mitsui Fudosan and Mitsui Fudosan Residential Co., Ltd. are participating in the Park City Osaki (Kita-Shinagawa 5-chome Dai-ichi District Type 1 Urban Redevelopment Projects, Shinagawa-ku, Tokyo, completed in May 2015) along with other business owners.

Aiming to create a lushly green, pleasant neighborhood, Park City Osaki (total district area: approximately 36,000m<sup>2</sup>) has a greenery ratio\*<sup>2</sup> of over 30%, which is around 14 times greater than before development began.

The Park City Osaki district's main street (trunk road No. 3) features two rows of trees that are around 250 meters in length. This tree-lined street features six different types of evergreen trees, including oak and camphor, as well as a mix of shrubbery and ground cover vegetation, creating an ever changing, diverse and abundant green space. Moreover, 100-year old olive trees have been planted at the entrances and intersections of Park City Osaki, while a variety of cypress, bottle, weeping cherry, and other symbolic trees have been planted at public squares in between large green spaces.

\*2 Greenery ratio: The total ratio of on-site and rooftop green space area compared to the total site area.



Layout of Park City Osaki greenery

## Initiatives for Sustainable Forest Resource Procurement

Under its Eco-Action Plan 2016, Mitsui Home Co., Ltd. has adopted the policy of ensuring legal and sustainable forest resource procurement while aiming to increase the use of sustainable forest resource for all lumber in 2016 to 100%. In order to achieve this goal and ensure that it adheres strictly to a policy of sustainable forest resource procurement, the company put in place a set of resources procurement guidelines for the group while posting details on its website.

### The Mitsui Home Group Resource Procurement Guidelines (Overview)

#### [Procurement Philosophy]

As a company that draws on trees and forests in the conduct of its business activities, Mitsui Homes adheres strictly to a policy of sustainable forest resource procurement to ensure an abundant ecosystem and to maintain regional society. Moving forward, the company will work diligently to reduce its global environmental load.

#### [Procurement Policy]

1. Confirm the legality of timber and lumber products
2. Procure sustainable forest resources
3. Protect precious species
4. Management and maintain the supply chain

#### [Scope]

Implement measures for timber and lumber products according to three classifications by their environmental impact (amount used and portion used)

- I . Classification: major construction material
- II . Classification: principal wood product
- III . Classification: outdoor wood product

\*Procurement guidelines that prioritize the level environmental impact and degree of difficulty, taking into consideration the proportion of timber weight in products. These guidelines are being implemented incrementally.

## Preserving and Integrating Landscapes and Streetscapes

The Mitsui Fudosan Group has established its own guidelines for staying in harmony with the surrounding environment and creating bustling spaces when forming neighborhoods, with the aim of preserving and integrating the landscape and streetscape. The creation of neighborhoods by creating streets in Nihonbashi is a part of this initiative.

### Landscapes That Make the Most of Regional Attributes

#### Mitsui Garden Hotel Kyoto Shinmachi Bettei

Built on the site of the old Matsuzakaya Kyoto store along Kyoto's atmospheric Shinmachi-Dori Street and opened in March 2014, the Mitsui Garden Hotel Kyoto Shinmachi Bettei (Nakagyo-ku, Kyoto) received the Good Design Award in October 2014 and the Kyoto Design Award\*<sup>3</sup> in November 2014 (award recipient: Mitsui Designtec Co., Ltd.).

While the government initially requested that the exterior of the original building (constructed in 1903) be preserved, it was ultimately deemed necessary to rebuild the entire structure based on the results of a seismic evaluation. In light of this, the new structure replicates the original exterior while striving to realize the concept of passing along and reviving Kyoto traditions. This mainly entailed relocating the former building's

large black pillars, reinventing the original rock garden and woodwork as art displays, and converting the seismically reinforced storehouse into a private space detached from the main restaurant.

The Good Design Award was given based on the way the building delicately creates harmony between traditional and modern elements. More specifically, this structure is recognized for using a high degree of technical and design innovation to blend it in with the surrounding streetscape with the aim of creating the atmosphere of a traditional townhouse that is suitably fire resistant. The Kyoto Design Award was granted to honor the efforts represented in this structure to take to a higher dimension the passing down of the neighborhood's traditional culture as well as the creation of a structure that continues to blend seamlessly into the local surroundings.

► P69 Creating Value through Urban Development (awarded Good Design Award for 15 years running)

\*<sup>3</sup> The Kyoto Design Award was started in 2009 by the Kyoto Design Association with the purpose of creating new Kyoto design concepts using innovative design methods while protecting Kyoto's traditional heritage and culture.



External view of Mitsui Garden Hotel Kyoto Shinmachi Bettei



The old Matsuzakaya Kyoto store



The restored storehouse

#### Nihonbashi Area Cityscape Guidelines

In Tokyo, the Tokyo Municipal Ordinance on Creating of an Attractive and Exceptional City has been implemented to promote the development highly individual, attractive streetscapes and help improve the overall beauty of Tokyo. Based on this ordinance, cityscape guidelines were approved in August 2014 for the Nihonbashi Muromachi, Hongokucho and Honcho districts. Within the Nihonbashi area, a committee (chaired by Mitsui Fudosan) has been formed to oversee cityscape guidelines for these districts along with working to ensure a uniform cityscape throughout the Nihonbashi area.

Formulated to match the particular characteristics of Chuo-dori, Nichigin-dori, and Edozakura-dori streets, these guidelines are being applied to our Nihonbashi Revitalization plans.

## Improve Health and Comfort

The Mitsui Fudosan Group makes every effort to support the health of its customers. At the same time, we engage in activities that allow customers to use our products and service in comfort.

Measures to the Improve Health and Comfort of Custom-Built Detached Residences Mitsui Home Co., Ltd. is working to enhance the environmental performance of its residences based on the idea that improving health and comfort as well as conserving energy and resources are both necessary for creating a sustainable society. In October 2014, Mitsui Home received the fiscal 2014 Good Design Award for its efforts in both of these areas for its custom-built detached residences.

▶ P69 Creating Value through Urban Development (awarded Good Design Award for 15 years running)

### Smart Breeze Healthy Air Conditioning System

Mitsui Fudosan's Smart Breeze healthy air conditioning system uses less energy than before as well as helps create highly flexible, healthy and comfortable living environments. Mitsui Fudosan has developed structural framework technologies and air conditioning systems that are closely connected to each other based on its experience as a residential developer. We have reduced Healthy Breeze's energy consumption by 18.5% compared with conventional systems by downsizing air conditioning horsepower. In addition, resident surveys verify that this system effectively curbs the proliferation of mold and mites.



Smart Breeze system schematic

### Mute55 Wooden Building Floor Soundproofing System

Mute55 is a high-performance floor soundproofing system that realizes soundproofing in wooden buildings at the same level as structures made with reinforced concrete. Compared with standard high-level soundproofing specifications for wooden residences, this system reduces sound heard in basements by around half. Being more comfortable to walk on than hard flooring used in reinforced concrete building -- thus placing little burdens on legs and hips -- floors using this system have expanded beyond rental housing to a wide range of structures such as elderly care, educational, and medical facilities.



Springs make floors more comfortable to walk on



Features superior vibration-dampening rubber

The Mitsui Fudosan Group works diligently to ensure the quality management of its buildings as well as every other facet of its business operations including products and services as the foundation for providing security, safety, and comfort to its customers. We are convinced that the delivery of security, safety, and comfort based on quality is a prerequisite for realizing customer satisfaction (CS).



### Quality Management in Each Business

Each business draws up its own design guidelines, manuals, etc. on quality management and puts them into practice to ensure quality is managed thoroughly. The guidelines, manuals, etc. are also reviewed and revised as needed to reflect customer feedback, problems that have taken place, etc. Re-examinations of safety-related matters during periods of disaster were also carried out.

#### Principal Guidelines, etc. of Each Business Area

##### Office Buildings Business

- Office Building Design Manual (including BCP design manuals)  
Provides direction for planning and design by organizing and combining know-how on product planning and operational management.
- Office Building Business Standard Operation Flowchart
- Office Building Sign Planning Guidelines
- Office Building Backyard Standards
- Various Forms on Construction Quality Management
- CO<sub>2</sub> Reduction Measure Explanation Sheet

##### Retail Properties Business

- Retail Properties Design Request Form  
Provides direction for planning and design by organizing and combining know-how on product planning and operational management.
- Shopping Center Universal Design Guidelines
- Tenant Interior Design Manual
- Design Criteria

##### For-Sale Condominium Business

- Total Quality Project Management (TQPM)

##### Detached For-Sale Residence Business

- Detached Housing Design Standards  
Unique design standards based on the Building Standards Act, the Japan Housing Finance Agency standards as well as our abundant experience and achievements in order to provide high-quality housing.

##### Rental Housing Business

- PAX-M  
A quality management manual was compiled in fiscal 2007, revised in March 2013, and is still being used.



### **Hotel Business**

- TQPM Manual: Hotel Version  
Manual concerning the design and construction of Mitsui Garden Hotels

### **Logistics Business**

- Logistics Facilities Design Request Form
- Mitsui Fudosan Logistics Parks Sign Planning Guidelines
- Mitsui Fudosan Logistics Parks Facility Design Guidelines

### **Condominium Quality Management Process "TQPM (Total Quality Project Management)"**

Mitsui Fudosan Residential Co., Ltd. engages in quality management across every facet of its business activities from design to the completion of construction based on its proprietary quality management technique Total Quality Project Management (TQPM).

TQPM is based on the ISO9001 series of international quality standards and comprises two components.

The first encompasses the design phase and entails "design gate management," a proprietary design standard, while the second covers the construction phase and involves "KQI examination," a process of quality confirmation examination. By adhering strictly to the policies of quantitative and routine quality management while engaging in the comprehensive management of quality, Mitsui Fudosan is able to ensure a consistent level of quality management at all Mitsui for-sale condominiums even when designers and builders differ.

In 2011, Mitsui Fudosan's TQPM quality management system acquired ISO9001 certification\*4, the international standard for quality management. The Company's system was also awarded a top-level rating under the maturity evaluation VeriCert® approach, representing the first such accreditation as a developer. VeriCert® is based on ISO9004 and awarded by the Bureau Veritas Japan, one of the world's leading certification agencies.

\*4 ISO 9001 certification is limited to mid-to-high-rise condominiums in the Tokyo metropolitan area.

### **Performance Evaluations by Evaluation Bodies**

Housing Performance Indication System evaluation reports are obtained at both the design and construction stages for for-sale condominiums from a third party organization registered with Japan's Minister of Land, Infrastructure, Transport and Tourism as an objective evaluation of quality management (excluding certain properties).

In addition, the custom-built detached residences of Mitsui Home Co., Ltd. are also made to perform up to the high standards of the Housing Performance Indication System.

## Enhancing Customer Satisfaction (CS)

The Mitsui Fudosan Group works diligently to improve the quality of its customer-oriented products and services while consistently promoting communication as a part of efforts to satisfy each and every customer.

### Providing Living Spaces That Help Realize Diverse Lifestyles

Mitsui Fudosan Residential Co., Ltd. focuses on developing living spaces that enable a flexible residential experience that meets today's diverse lifestyle needs.

#### KANAU PLAN

We have developed the KANAU PLAN as a flexible and adjustable plan for residential units, using Kanau Shelf movable partition/storage units for flats with no walls. Unlike uniform living-dining-kitchen residential layouts designed by architects, Kanau Shelf provides living spaces that can be easily adjusted to suit the changing lifestyles of residents.

Functioning as both partitions and storage units, Kanau Shelf movable partition/storage units are mounted on wheels for easy repositioning. In addition, the Kanau Shelf's extendible top section can be securely affixed to ceilings to prevent furniture from toppling over during earthquakes.

KANAU PLAN was first introduced at Park Homes Komazawa The Residence (Setagaya-ku, Tokyo), a for-sale condominium that went on the market in June 2014.



Floor layouts can be easily adjusted

#### Park Homes LaLa Shin-Misato

Based on the concept of creating residences for working parents, the for-sale condominium Park Homes LaLa Shin-Misato (Misato-shi, Saitama; completed in July 2014) provides flexible plans that conform to the various lifestyles of residents. Composed of three separate spaces -- kitchens/bathrooms, bedrooms, and passageways (common areas) -- these residences feature wide passageways extending from the entrance to the balcony that encourage lively and open communication among family members. Park Homes LaLa Shin-Misato also provides common spaces that enable interaction with neighbors and remote working. Going beyond our previous efforts to bring families together, through these residences, we are proposing lifestyles that connect residents to society at large. Park Homes LaLa Shin-Misato received the Good Design Award in fiscal 2014.



Residences that feature spacious passageways

► P69 Creating Value through Urban Development (awarded Good Design Award for 15 years running)

## Retail Facilities That Create Social Networking Communities for Customers

In November 2014, we launched LaLaFan as a social networking community that provides new types of fun while promoting communication among retail facility customers via its official Twitter account. Leveraging the special characteristics of social networking sites, LaLaFan is promoting better customer service following the spread of smartphones in recent years. This includes combining online and actual opportunities for customers to participate in various events and other activities. Three Mitsui Shopping Parks have begun promoting events via LaLaFan, and we plan to gradually extend this to other retail facilities.



## Holding Customer Service Role Playing Contests

Mitsui Fudosan Retail Management Co., Ltd., which manages retail properties, works together with its facility management staff to enhance the satisfaction of customers by providing services that leave a lasting impression.

The Sixth Customer Service Role Playing Contest was held in September 2014. A total of 1,540 shop staff from stores located in each of the Mitsui Fudosan Group's retail properties participated in a series of preliminary competitions. From this total, 40 were selected to vie for the top customer services position.



Customer Service Role Playing Contests

Every year, store staff members have advanced through preliminary competitions in the Customer Service Role Playing Contest sponsored by the Japan Council Of Shopping Centers. In the contest held in January 2015, two shop staff members participated from LaLa Garden Kawaguchi (Kawaguchi, Saitama Prefecture) and Mitsui Outlet Park Sendai Port (Miyagino-ku, Sendai City).

## Initiatives Aimed at Enhancing Customer Satisfaction at Hotels

Mitsui Fudosan Hotel Management Co., Ltd., which manages the Mitsui Garden Hotel network, holds a CS contest and all-out greetings campaign at all of its hotels annually. At the Seventh All-Out CS Contest held on February 12, 2015, 17 individuals representing their hotels used role playing to simulate interactions with customers.

Steps have been taken to put in place a CREDO, which outlines behavioral guidelines for all Mitsui Garden Hotel employees. Hotel managers and CS captains take the lead in ensuring that all employees practice the six behavior guidelines outlined in this CREDO that are aimed at improving customer and employee satisfaction. In addition, a "CREDO Communication" is published and a CREDO prize awarded to employees that exhibit outstanding customer service. Through these and other means, every effort is made to ramp up these activities.

Moreover, directors and officers in charge of each hotel attend biannual CS Promotion Meetings to discuss and consider various matters pertaining to the improvement of customer service.



All-Out CS Contest

## Implementing Such Initiatives as Customer Questionnaires

The Mitsui Fudosan Group undertakes a variety of activities as a part of efforts to turn an ear toward the comments of customers. CS surveys are conducted encompassing a wide area including tenant companies, tenants of condominiums and detached housing as well as hotel guests. The feedback gained through these surveys is extremely helpful in improving the Group's initiatives. In the retail properties business, the opinions and comments of customers are gathered at customer opinion boxes and through "Coffee Break" group interviews in conjunction with the customer membership organization LaLa Club. These opinions and comments are used to improve the operations of facilities and in other areas including the creation of stores.

### Examples of Improvements Based on User Opinions

#### **Office Buildings**

- The prevention of crime
- Measures aimed at providing separate smoking areas
- Improvements to common-use areas
- Improvements to elevator operating programs
- Improvements to restroom facilities
- Meetings to observe elevator rescue drills
- Tours to observe building facilities

#### **Retail Facilities**

- Installation of additional coin lockers and larger coin lockers
- Refurbishments/ Enlargements made to kid's spaces
- Installation of air purifiers and microwave ovens in baby rooms
- Installation of curtains in diaper changing rooms
- Replaced flooring materials and wallpaper in nursing rooms
- Updates to women's restrooms
- Increase number of strollers at pick-up locations
- Increase stroller drop-off locations
- Increase cart drop-off locations
- Improvements to parking lot signs
- Installation of additional benches and signs within each property
- Improvements to smoking room doors
- Change pet rules (reassess areas where pets are allowed)

#### **Logistics Facilities**

- Maintain smoking areas in common areas
- Increase vehicle/bicycle parking areas
- Enhance shared amenities (setting up Christmas trees, Kadomatsu Japanese New Year's decoration, message cards, etc.)

## Our Efforts at Cooperation and Integration

### Basic Stance

We seek to create communities that integrate and cooperate with the region and greater society. This is the starting point for all of our activities. We believe it is essential to create communities that are linked together and help each other out while respecting the diversity of values held by our customers, tenants and other communities, such as the broader region and greater society.

## Coexistence and Collaboration with the Community

We are working to coexist and cooperate with local communities and build new communities based on the Group's philosophy of coexisting in harmony with society and linking diverse values in response to the distinctive characteristics of each area, the scale of development, and other factors.

### Our Efforts at Regional Disaster Prevention

The Mitsui Fudosan Group aims to create communities that are resilient in the face of disaster by integrating safety and security into the fabric of regional communities.

#### Initiatives in the Nihonbashi Area

With the participation of companies from Chuo-ku and corporate tenants, we held a training event for assisting people unable to return home during a disaster and conducted emergency drills. At the Edozakura-dori underground passage, we set up a system for taking in commuters unable to return home during a disaster. At the same time, in the Nihonbashi Revitalization plans for the creation of neighborhoods, which includes setting up a warehouse for emergency stockpiles under the Fukutoku Shrine (Chuo-ku, Tokyo), completed in October 2014, our goal is to assist in local disaster preparedness when disasters arise.

- ▶ P41 Enhancing Safety and Security (conducting emergency drills)
- ▶ P12 Special Feature: &Nihonbashi



The Underground Walkway along Edozakura-dori

#### Iidabashi Sakura Park

At Iidabashi Sakura Park (Chiyoda-ku, Tokyo), which was fully completed in June 2014 as a complex development that includes offices and commercial and residential facilities, our goal is the creation of neighborhoods that contribute to disaster preparedness. Our first initiatives in Chiyoda-ku included building an emergency water well to supply drinking water to corporate tenants, local residents and commuters unable to return home during disasters.

##### Emergency Water Well

We installed filtration equipment that enables the supply of drinking water from an emergency well (depth of 120m). The well can supply drinking water for three days using an emergency power generator during a power outage.

##### Space for Taking in People Who have Difficulties in Returning to Their Homes

Mitsui Fudosan has secured approximately 1,300m<sup>2</sup> of space in the shared communal areas of low-rise office and commercial buildings that can take in stranded commuters who have difficulties in returning to their homes.

##### Emergency Manhole Toilets

In the open space of the premises, we introduced five manhole toilets that are installed by removing the cover of the manhole, which is directly connected to the sewage water.

##### Emergency Stockpiles

We stored emergency stockpiles (water and food) for tenant companies and stranded commuters who have difficulties in returning home in the disaster relief warehouse (about 100m<sup>2</sup>) for office and commercial buildings.



Emergency water well and filtration equipment



Water supply tap

### Fine Court Sanno

At Fine Court Sanno (Ota-ku, Tokyo), built-for-sales detached housing for which occupancy began in January 2015, we installed a water tank facility for use during firefighting on adjacent land during development and donated it to Ota Ward. The surrounding area is elevated and has therefore been designated an area that is difficult for firefighting because water cannot be drawn up during a water outage. Therefore, we took steps to ensure a water source for firefighting from the standpoint of disaster preparedness. As a result of this initiative, we received a Letter of Appreciation from the Sanno 3- and 4-chome resident's association, as well as a commendation for rendering distinguished service from the Ota-ku government in fiscal 2014.



Water tank site for firefighting



Donated pump cart

### Our Efforts to Support Communities

In addition to supporting disaster prevention region-wide, the Mitsui Fudosan Group engages in a variety of ways to support communities.

#### “WANGAN ACTION” Project

In September 2014, Mitsui Fudosan Residential Co., Ltd. launched “WANGAN ACTION,” a project that seeks to revitalize the gulf area centered on Tokyo's Chuo-ku and Edo-ku in cooperation with local industry, government and academia, and worked to revitalize area communication through food, sports, art, and music programs.

In the gulf area, with its increasing development and rapidly growing population, the lack of community formation between residents has become an issue. Mitsui Fudosan Residential seeks to not only develop condominiums, but to create flourishing neighborhoods by encouraging community formation through town management. This project received the Good Design Award 2014 (in the Urban, Area, and Community Development category).

► P69 Creating Value through Urban Development (awarded Good Design Award for 15 years running)



“Sun Marche,” one of Japan’s largest urban Marche



MIFA Football Park, a facility built for football games and music concerts

### Making Retail Facilities the Center of Regional Communities

The retail facilities business aims for retail facilities to become local community focal points. It strives to contribute to local revitalization by aggregating a wide range of service functions needed locally and providing a forum for the interaction of people and information.

“Izumi LaLaport” (Izumi City, Osaka Prefecture), opened in October 2014, seeking to be a facility that is safe, secure and in harmony with the community, has installed an information distribution corner for Izumi City and a police officer stop-off point within its premises. As a disaster prevention initiative, we have concluded an agreement with Izumi City concerning assistance and cooperation in times of disaster, such as the supplying surplus water from the emergency well on our premises, providing parking facilities as temporary shelter and storage space for supplies, and other measures.

LaLaport Fujimi (Fujimi City, Saitama Prefecture), opened in April 2015, seeks to enliven the local community and work together with it under the concept of “CROSS PARK, a hub where people, goods, and culture intersect.” A local JA Irumano will open there and local production for local consumption and food and agriculture education including events revolving around food and the sales of freshly-picked vegetables will be promoted. Further, by attracting authorized childcare facilities and clinic malls (malls comprised of several clinics of different branches of medicine), LaLaport will help local residents, from children to senior citizens, live with peace of mind.



Inside LaLaport Fujimi

### Supporting Office Worker Communities

Harappa Nihonbashi, a free space that can be used by office workers who work in Mitsui Fudosan office buildings, has been opened in the Mitsui No. 2 Annex (Chuo-ku, Tokyo). Open on weekdays from 8:00 am to 6:30 pm, it is used by more than 100 office workers everyday for a wide range of purposes including various events, meetings, short breaks, lunches, and social gatherings. It has become a place for office workers from various industries who work in Nihonbashi to create new communities inspired by encounters in this space.



Harappa Nihonbashi



## Participation in Regional Cleaning Activities

At our business locations and group companies throughout Japan, we participate in activities to clean areas in the local community as a way to interact with local residents and give back to the community.

### **Office Buildings**

At the Nihonbashi 1-chome Mitsui Building (Chuo-ku, Tokyo) and at the Shinjuku Mitsui Building (Shinjuku-ku, Tokyo), we pick up trash in the areas around the buildings.

### **Retail Facilities**

As a way to deepen connections with local communities, we enlist the help of employees at retail facilities and the staff of tenant stores (with their consent) to clean up their communities. At our LaLaport properties, for example, cleaning takes place once a week or once a month.

### **Hotels**

Hotel staff at Mitsui Garden Hotels lend a helping hand in cleaning up communities as a part of their overall efforts to give back to the community. In addition, at the resort hotel Haimurubushi (Taketomi, Yaeyama, Okinawa Prefecture), we cleaned up the beach with local residents in Kohamajima where this facility is located.

### **Tokyo Midtown**

Our employees and staff from tenants in Tokyo Midtown (Minato-ku, Tokyo) are involved in a group to make Roppongi beautiful by cleaning areas around the famous Roppongi intersection. When the group conducts a Christmas event or some other event, it utilizes a website to call for volunteers and organize the cleanup.

### **Mitsui Fudosan Facilities Co., Ltd.**

Since 2006, we have helped clean up the area around Sumida River the day after its annual fireworks display. On July 27, 2014, 44 employees helped clean the area, collecting more than 24kg of trash.

## Involvement and Cooperation with Customers and Tenants

The Mitsui Fudosan Group works to create better neighborhoods while getting our customers, office building tenants and commercial facility stores involved in cooperative activities.

### Kashiwa-no-ha Smart City Tour

Kashiwa-no-ha Urban Design Center (UDCK), an urban development organization of Kashiwa City, Chiba Prefecture, in cooperation with Mitsui Fudosan, has conducted two tour courses since September 2014 of the “Kashiwa-no-ha Smart City Tour,” which introduces the urban development features, concepts, specific initiatives and facilities of “Kashiwa-no-ha Smart City” (Kashiwa City, Chiba Prefecture). In the “Gate Square Course,” professional staff introduce state-of-the-art urban development centered on “Gate Square” including Kashiwa-no-ha Smart Center (the control center for the local energy network), which is not open to the public. In the “Museum/Station Course,” citizen-guides tell tour participants about urban development features from the point of view of ordinary citizens. As of March 31, 2015, a combined total of 11,575 people have taken both courses.



Tour (Gate Square Course)

### Efforts at Kasumigaseki Building

At the Kasumigaseki Building (Chiyoda-ku, Tokyo), we held a variety of events to enhance communication between office workers and local communities.

#### Water Sprinkling at Kasumi 2014 (August 7)

A total of 57 groups from the public and private sectors participated in this event, to which about 350 people came, including children. A total of 3,600 liters of emergency stockpiled drinking water with expired consumption dates were sprayed in the space of about 15 minutes.



Water sprinkling 2014



#### Kasumi Terrace Flower Festival 2014 / Kasumi Marche 2014 (October 20–24)

A large number of people, including tenants in the Kasumigaseki Building and office workers from nearby companies, participated in an event to display flowers in an open plaza and an event to sell produce from various regions of Japan. At the Kasumi Marche, the first two days were held as a “Recovery Marche” for Miyagi Prefecture and Fukushima Prefecture which were stricken by the Great East Japan Earthquake, while the last three days were held as a “Town Revitalization Marche” for selling local products from around Japan.



Kasumi Marche 2014 (Company booth of Fukushima Prefecture)

## & EARTH Classroom in LaLaport

&EARTH Park events are jointly held by the retail facility business of Mitsui Fudosan and Mitsui Fudosan Residential Co., Ltd. Under the theme of ECO Communication that Links the Region Together, customers from nearby retail facilities and residents from neighborhood condominiums participate in the event, which aims to promote the formation of communities in the area, the revitalization of the region, and higher awareness of environmental issues. Mainly geared toward children, the event program includes: &EARTH Classroom, where lessons are given on the environment and community; the Song Classroom, where everyone makes up a community song; and the Art Cardboard Box House, where children draw pictures on cardboard box houses for emergency use.

In fiscal 2014, &EARTH Park events in which a total of 1,308 people took part were held at four locations.

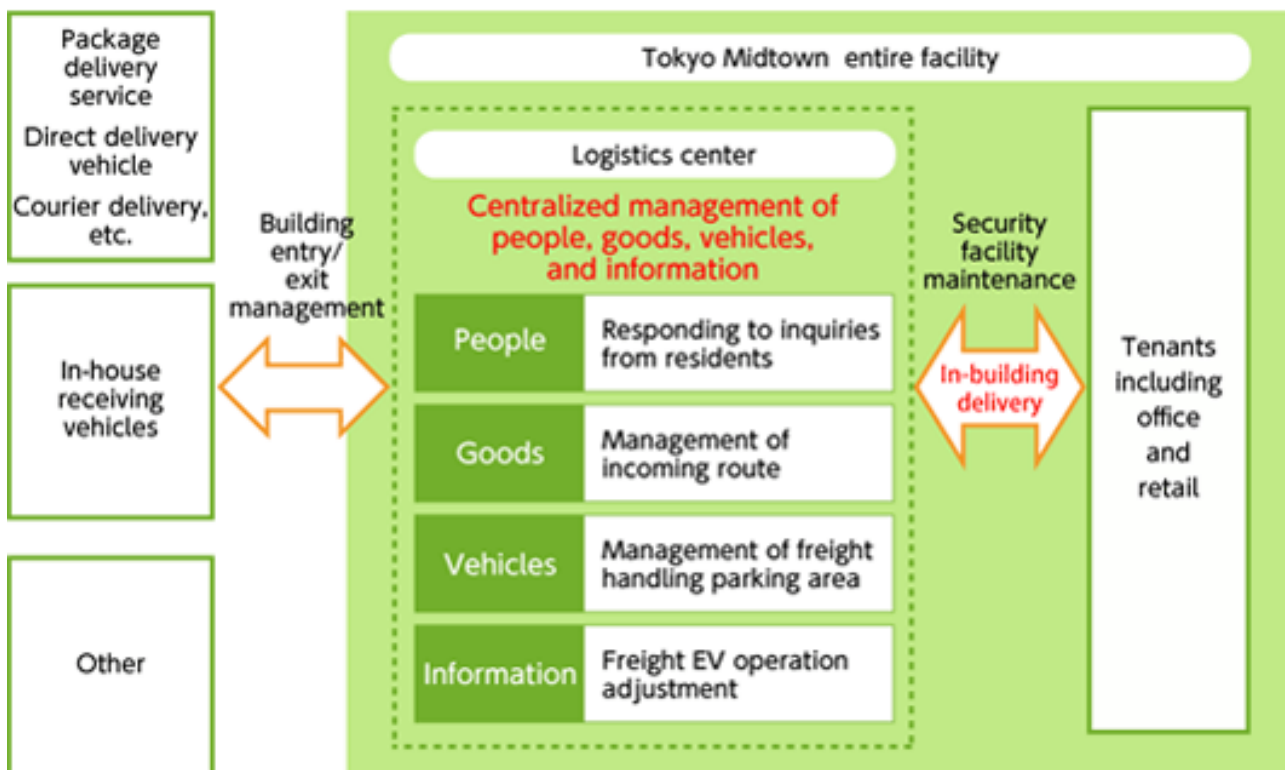
## Streamlining In-House Distribution of Tokyo Midtown

The Tokyo Midtown In-House Distribution Efficiency Plan drawn up by the Sagawa Express Co., Ltd., which operates the “Logistics Center” on the third basement floor of Tokyo Midtown, was certified under the Tokyo District Distribution Efficiency Certification System in September 2014. This is the first certification of in-house distribution under this system, which is implemented by the Tokyo Metropolitan Government.

At Tokyo Midtown, efforts had been made to streamline in-house distribution in both tangible and intangible ways before construction was completed. In the above plan, the centralized management of people, objects, vehicles, and information is performed. By achieving safe and secure distribution from a facility's entrance to its residents including the management of package delivery and direct delivery vehicles that deliver to retail facilities, offices and residences, we reduce the number of freight vehicles and vehicles that load and unload on the roadside, which leads to a reduction in CO<sub>2</sub> emissions.



Logistics center



Overview of logistics streamlining

## Social Contributions

Based on its own Social Contribution Activity Policy, the Mitsui Fudosan Group engages in various social contribution activities—centered on the four fields of the global environment, local communities, culture and education, and international exchanges—while contributing to greater society through its core business of creating communities.

▶ P06 The Mitsui Fudosan Group's Approach to CSR

### Contributions to the Global Environment

#### Yokohama Environmental Activity Award's Implementation Prize Received

The Mitsui Fudosan Yokohama Branch and the Mitsui Fudosan Residential Co., Ltd. Yokohama Branch were jointly awarded the Implementation Prize at the 21st Yokohama Environmental Activities Awards sponsored by the Environmental Planning Bureau, City of Yokohama in June 2014. This award is a system for commending individuals, groups, companies and others that actively undertake a wide range of environmental preservation, recycling, and creation initiatives locally. The Yokohama branches have been conducting environment-friendly activities and social contribution activities, but on this occasion their achievements, including the initiatives described below, were recognized.



Participation in Regional Cleaning Activities

- Active participation in the Yokohama Smart City Project Social demonstration at the Yokohama Mitsui Building (Nishi-ku, Yokohama), the Park Homes Okurayama (Kohoku-ku, Yokohama), and the Fine Court Okurayama Masters Hill (Kohoku-ku, Yokohama).
- 3R activities to reduce the generation of waste as much as possible and initiatives that led to CO<sub>2</sub> reduction at office buildings in Yokohama.
- Promotion of smart condominiums including Park Homes Okurayama
- Participation in the regional cleaning activities of the “Citizens Group to Create the Beautiful Port City of Yokohama” based on Mitsui Fudosan Group's Social Contribution Activity Policy

#### &EARTH DAY and &EARTH Classroom

From August 15-17, 2014, Mitsui Fudosan Residential Co., Ltd. held at Tokyo Midtown the &EARTH DAY – Three Days for Everyone to Think about People and the Earth, a workshop for children to have fun thinking and learning about forests and the earth's environment. &EARTH melody, a workshop for making a xylophone using timber from forest thinning, and &EARTH Classroom Home ECO Challenge, a picture story workshop to learn about eco activities that can be performed at home, were conducted.

As an outdoor classroom that has as its goal the creation of neighborhoods that coexist with the environment, Mitsui Fudosan Residential also offered the &Earth Classroom at retail facility and elementary school venues. The &Earth Classroom was offered at 17 locations in fiscal 2014.



&EARTH DAY (August 17, 2014 at Tokyo Midtown )



&Earth Classroom (October 28, 2014 at Edo Ward's Shinonome Elementary School)

## Employee participation in environmental conservation activities

At Mitsui Home Co., Ltd., as an opportunity to recognize the importance of environmental conservation, employees of companies that conduct business utilizing forest resources, perform training involving forest conservation and other activities.

In October 2014, 58 new career-track employees of the Group carried out Experiential Reforestation Training in Hanno City, Saitama Prefecture. On the day of the training, the experiential tree-thinning training could not be performed due to rain, but participants learned about the importance of nature and the environment through lectures and woodlot tours. In November 2014, at the Hachioji Takiyama Satoyama Conservation Area in Hachioji City, the Group conducted environmental conservation activities (Satoyama conservation activities) tapping into the Tokyo Greenship Action organization of the Tokyo Metropolitan Government. A total of 23 people comprising employees and their families participated and experienced the felling of bamboo trees, the processing (Maruta cutting) of felled trees, creating name tags for conservation area trees and shrubs, which are all maintenance activities of conservation areas.



Satoyama conservation activities  
(November 2014)

## Donations via ECO Garden Cards

Since March 2008, Mitsui Garden Hotels has implemented a program where customers can bring to the front desk an ECO Garden Card that requests their unused hotel room amenities be donated to the global environmental conservation group OISCA International. The amount donated in fiscal 2014 was ¥588,650 and, as of March 31, 2015, the cumulative total was ¥5,189,650.

At the Toba Hotel International in Toba City, Mie Prefecture, customers who have not used their hotel room amenities can bring an Amenity Card to the front desk. Depending on the number of times the card has been redeemed, under an initiative conducted by the hotel a donation is made to the ocean environmental conservation activities being undertaken by the Umikko Foundation.



ECO Garden Card and hotel amenity goods

## Contributions to Regional Society

### Regional Contributions at Hotels

At Mitsui Garden Hotels, we contribute to society with the aim of co-creating with the region. In fiscal 2014, we held luncheons for the users and staff at special nursing facilities, provided curry dishes for charity at local festivals, and supported the eco cap movement. In addition, by adopting locally produced food for local consumption for breakfast and other meals, we strive to save energy related to transportation, reduce CO<sub>2</sub> emissions, revitalize the local economy, and maintain and pass on traditional dietary culture.

Once a year, we also invite a seniors' club to the Haimiburushi Resort Hotel where we hold a dinner event.



Participation in local safety  
volunteer activities

### Training in areas affected by the Great East Japan Earthquake

For two days in both May and November 2014, Mitsui Fudosan conducted the Great East Japan Earthquake Disaster Area CSR Training in Minamisanriku, Miyagi Prefecture. With the goal of raising their disaster prevention awareness, 25 employees participated by visiting disaster areas and 22 employees listened to talks given by local people, thus learning from the experiences of people in the disaster areas.



Training activities

At Mitsui Fudosan Residential, new trainees visited temporary housing in Ishinomaki City, Miyagi Prefecture in April 2014. 23 new employees learned the importance of housing and the community operating there through volunteer activities and exchanges with residents at the temporary housing.

### Meet a Service Dog Campaign

As our retail facilities aim to be centers for local communities, we have promoted &EARTH activities to provide spaces and opportunities for families and friends to have fun experiencing ways to give back to communities and conserve the environment. As a part of these ongoing efforts, our Meet a Service Dog Campaign event was held at 11 facilities in fiscal 2014. The event helped people deepen their understanding and knowledge of service dogs and people with vision impairments, while collecting donations for training service dogs.



Meet a Service Dog Campaign (LaLaport Yokohama)

## Contributing to Education and Culture

### GREEN POWER Project Initiative

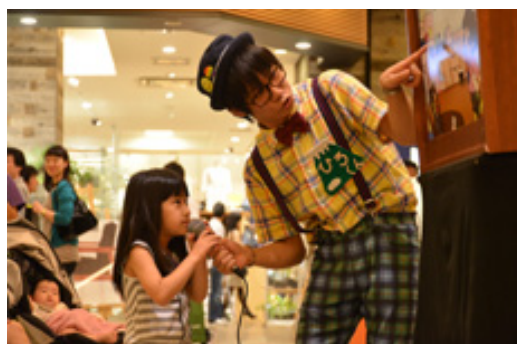
Mitsui Fudosan is engaged in the GREEN POWER Project launched by the Ministry of Economy, Trade and Industry's Renewable Energy Office with the goal of spreading renewable energy.

#### GREEN POWER – Kawasaki's Future Project

Kawasaki City and TOSHIBA CORPORATION collaborated on an educational event held at LAZONA Kawasaki Plaza, a retail facility, and the &EARTH Classroom held at an elementary school in the city (three events were held in fiscal 2014).

#### Let's Create Light in LaLaport! GREEN POWER Classroom

In collaboration with Eco Solutions Company Panasonic Corporation, we held educational events including the LED Solar Light Workshop. In fiscal 2014, we held events at four LaLaport facilities in the Tokyo metropolitan area.



GREEN POWER – Kawasaki's Future Project (LAZONA Kawasaki Plaza)



Let's Create Light in LaLaport! GREEN POWER Classroom (Urban Dock LaLaport Toyosu)

### Learn about the Disaster Prevention! Project

From February to March 2015, we held &EARTH Learn about Disaster Prevention! project events at 11 retail facilities in the Tokyo metropolitan area. The events were conducted in the form of hands-on workshops at which parents and children could enjoy learning about disaster prevention from the aspects of the importance of preventive measures and ideas for responses at the time of a disaster.

At this, the fourth such event, we sought to further strengthen collaboration with local governments at each facility and expand deployment of local community and disaster prevention information stands.

117 Mitsui Fudosan Group employees took part in the operation and total attendance at each facility came to about 3,800, a 124% increase over the previous year.



Learn about Disaster Prevention! Project (LaLa garden KASUKABE)

### Helping Children Learn about Society

At facilities used for business operations, we provide opportunities for local schoolchildren and students to learn about the meaning of work in society through hands-on work experience and visits to workplaces. In fiscal 2014, these opportunities were offered at seven Mitsui Garden Hotels, and at Tokyo Midtown (Minato-ku, Tokyo).

In March 2015, we held the Nihonbashi Kids Town Waku! Work Experience, a work experience event for elementary school students (sponsor: Nihonbashi Muromachi Area Management; co-sponsors: Mitsui Fudosan and Sumitomo Mitsui Banking Corporation). With companies and stores in the Nihonbashi area serving as venues, nearly 500 elementary school students participated in 38 different programs including financial, retail, tourism, and public relations.



Nihonbashi Kids Town



### Volunteer Employees Participating in the Special Olympics

Between November 1-3, 2014, 24 Mitsui Fudosan Group employees participated in the Special Olympics Nippon National Summer Games FUKUOKA as volunteers and undertook the tasks of dealing with teams, serving as venue guides, and other functions.

Special Olympics is an international sports organization that holds athletic meets throughout the year where people with development disorders engage in various sports competitions for which results are announced. As a sponsoring company, Mitsui Fudosan provides support through donations and continuing support through its employee volunteers.

## Ongoing Support of Culture

We continuously support a variety of cultural and artistic activities.

### Shiki Theatrical Company's Kokoro Theater Project

Since 2008, we have co-sponsored performances of the Kokoro Theater Project, which performs stories for children in a theatrical setting.

### Sumida River Fireworks Festival

Since 1985, we have backed and co-sponsored the Sumida River Fireworks Festival as an annual summer event that carries on old-town traditions.

### Atrium Concerts at Nihonbashi Mitsui Tower

Concerts are held by various artists in the open area of the Nihonbashi Mitsui Tower (Chuo-ku, Tokyo).

### Mitsui Memorial Museum

The NPO Mitsui Bunko manages the Mitsui Main Building (Chuo-ku, Tokyo), which has been designated as national treasures and other important cultural asset of Japan. The building stores numerous artifacts that are national treasures or important cultural assets of Japan. Mitsui Fudosan Group companies provide support for the museum.

### Tokyo Midtown Award

Intended to discover and support talent that will be responsible for the next generation, the Tokyo Midtown Awards were established in 2008. In fiscal 2014, the art and design competitions attracted 357 and 1,072 entries, respectively, from Japan and overseas. Including the grand prizes, the 6 award-winning works are decided in October.

## Contributing to International Exchange

### Clothing Support Project at Retail Facilities

Every year at our retail facilities, we hold the &EARTH Clothing Support Project "Bring a Smile to the World with Your Clothes," which takes in clothing donations and redistributes them to refugees and victims of natural disasters around the world through the NPO Japan Relief Clothing Center. Mitsui Fudosan Group employees participate in running the project. In fiscal 2014, the project was implemented at 17 retail facilities in both May and November. A total of 11,056 people donated about 56,239kg of clothing and ¥658,408 in cash. Since the project's first event in fiscal 2008, a cumulative total of 43,583 people have donated 232,766kg of clothing and ¥3,494,072 in cash.



Clothing Support Project (Alpark)

### Te to Te Project

At our retail facilities, we also hold events on behalf of the Te to Te Project—Refugee Aid Sent from Japan, a refugee assistance program organized through the United Nations NPO, the UNHCR. Through this operation that has at its slogan "Fighting hand in hand, let's support the world's refugees," the program conveys information about refugee aid that is easily understood even by children by such means as picture story shows. In fiscal 2014, these events were held at 4 facilities.



Te to Te Project(LaLaport Yokohama)



## Tools for Communication with Stakeholders

In addition to social and environmental reports, the Mitsui Fudosan Group is providing tools for all stakeholders via print media and the Web. The key tools are introduced here.

### Social and Environmental Reports, etc.

In addition to Mitsui Fudosan Group's Social and Environmental Initiatives (this Report), several Group companies report on their social and environmental initiatives on their own pamphlets and website.



&EARTH REPORT



Mitsui Home Co., Ltd  
Environmental and Social Report



Tokyo Midtown  
Management Co., Ltd.  
On the Green



Mitsui Fudosan Facilities Co.,  
Ltd.  
Social and Environmental  
Initiatives



Mitsui Fudosan Residential  
Co., Ltd.  
Environmental Initiatives



Mitsui Fudosan Hotel  
Management Co., Ltd.:  
Environmental Policy



Mitsui Fudosan Retail  
Management Co., Ltd.  
Environmental  
Enhancement and  
Social Philanthropic  
Activities

### Tools for Customers

To enhance the customer satisfaction level, we engage in information transmission and information exchange via pamphlets, website and other forms suitable for the purpose of communication.



Guide Book for Moving In  
A guidebook for customers  
issued by Mitsui Fudosan  
Housing Lease, Co., Ltd.  
summarizing the points of  
residential life.



LaLaFan  
A fan network that uses  
Twitter to make LaLaport  
more fun



**31sumai (Mitsui's residence)**  
A comprehensive information website for housing operated by Mitsui Fudosan Residential Co., Ltd.



**Everyone's Home**  
A communication forum where everyone talks about homes.

## Environment Communication Tools

Original pamphlets are issued to support customers' and other stakeholders' environmental consciousness and environmental activities in everyday living.



**Environmental Communication Pamphlet**  
Introduces the Mitsui Fudosan Group's environmental concept.



**Stories of Never-Ending Forests**  
Showcasing the Mitsui Fudosan Group's Forest Conservation Activities



**&EARTH Park**  
Showcasing the Mitsui Fudosan Group's Environmental and CSR Activities



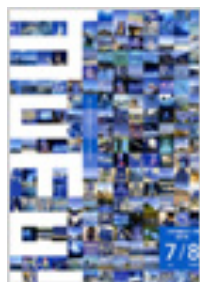
**Environmental Vision Book**  
Issued by Mitsui Fudosan Residential Co., Ltd. for customers

## Tools for Employee

Intra-company and intra-group publicity tools facilitate such efforts as the sharing of information on social and environmental initiatives and raising of CSR awareness.



**Intra-company newsletter &you**



**Intra-group magazine MuFu!**



**Eco Life Handbook**  
Tool for raising environmental awareness among employees



**LaLaSta**  
Community magazine for retail store staff

## Creating New Value and Markets

### Basic Stance

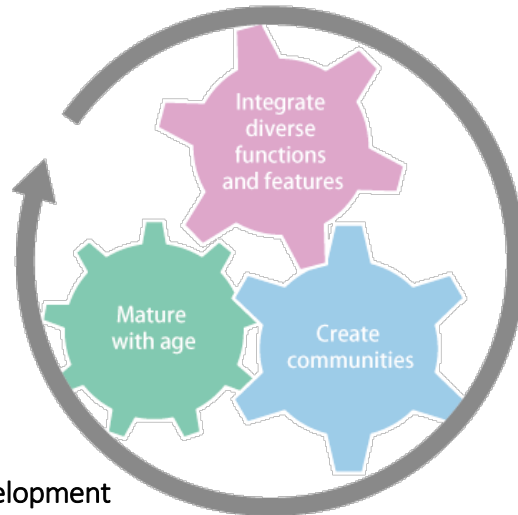
The Mitsui Fudosan Group has positioned the creation of new value and markets that keep abreast of social and economic changes through its core urban development activities as a core theme of its CSR endeavors. In this manner, the Group strives to contribute to the growth and development of society.

## Creating Value through Urban Development

As a part of its ongoing urban development activities, the Mitsui Fudosan Group works diligently to create and provide new value to its customers and society.

### Basic Stance toward Urban Development

The Mitsui Fudosan Group's basic stance toward urban development encompasses the following three activity goals. The first is to integrate diverse functions and features, which involves promoting mixed use and integrating the tangible and intangible aspects of the Group's operations. The second is to create communities, which entails connecting people who reside or gather in, or visit a particular area within that region. And the third is to work beyond the simple creation of neighborhoods to address specific needs as neighborhoods mature with age year after year through town management. By establishing a virtuous cycle that comprises these three activity goals, we are confident in our ability to create new value.



Basic Stance toward Urban Development

### 40th Anniversary of Shinjuku Mitsui Building

In 2014, the Shinjuku Mitsui Building (Shinjuku-ku, Tokyo) celebrated its 40th anniversary since construction was completed in 1974. The Shinjuku Mitsui Building is a project that symbolizes our Basic Stance toward Urban Development.

At a height of 223 meters with 55 floors above ground, the Shinjuku Mitsui Building was the tallest in Japan when construction finished. Based on feedback from tenants, we have remodeled the building several times. The Shinjuku Mitsui Building has aged gracefully with the completion of modernization work that brings the level of its BCP features to the same level as a building newly built by Mitsui Fudosan.

The plaza at the base of the building, which was created as the construction of this high-rise building freed up space in the surrounding area, has green vegetation and water features that imbue an open and natural-feeling atmosphere. Aptly named 55HIROBA, the space hosts a variety of events while playing a role in fostering a community among building tenants and local residents.

We aim to further improve the value added of the Shinjuku Mitsui Building as a symbol of our Basic Stance toward Urban Development as the building continues to age gracefully.

► P39 Enhancing Safety and Security (Initiatives at Office Buildings)



Shinjuku Mitsui Building



55HIROBA plaza

## Good Design Award Recipient for 15 Consecutive Years

At the Mitsui Fudosan Group, five of our departments and 9 projects received the Good Design Award in fiscal 2014 (sponsored by the Japan Design Association for the Promotion of Public Interest). This represents the high acclaim directed toward the Group's efforts to create value through urban development.

### Projects to have received the award in fiscal 2014:

- Park Homes LaLa Shin-Misato (Misato City, Saitama) [Mitsui Fudosan Residential Co., Ltd.]
  - ▶ P50 Enhancing Customer Satisfaction (CS) (providing spaces that improve diverse lifestyles)
- Fine Court Hitotsubashigakuen Commons (Kodaira City, Tokyo) [Mitsui Fudosan Residential Co., Ltd.]  
Urban development that uses expanded blocks as comfortable residential environments with commons that bring together and share spaces.
- Park Tower Shinonome (Koto-ku, Tokyo) [Mitsui Fudosan Residential Co., Ltd.]  
CLUB SKY is a concept for urban development that reaches for the sky while bringing people together in sprawling communities.
- Park Tower Nishi-Shinjuku M's Port (Shinjuku-ku, Tokyo) [Mitsui Fudosan Residential Co., Ltd.]
  - ▶ P28 CO<sub>2</sub> reduction (Energy Management System)
- Designed to facilitate interaction among urban dwellers in the bay area: "WANGAN ACTION" (Chuo-ku, Tokyo) [Mitsui Fudosan Residential Co., Ltd.]
  - ▶ P55 Coexistence and Collaboration with the Community (Our Efforts to Support Communities)
- Mitsui Garden Hotel Kyoto Shinmachi Bettei (Nakagyo-ku, Kyoto) [MITSUI Designtec Co., Ltd.]
  - ▶ P46 Preserving and Integrating Landscapes and Streetscapes landscape designs that leverage local features
- Premium monocoque [Mitsui Home Co., Ltd.]
  - ▶ P40 Enhancing Safety and Security (initiative for custom-built detached housing)
- Smart Breeze [Mitsui Home Co., Ltd.]
  - ▶ P47 Improve Health and Comfort (initiative to improve health and comfort in custom-built detached housing)
- Mute55 [Mitsui Home Co., Ltd.]
  - ▶ P47 Improve Health and Comfort (Our Efforts for Health and Comfort)

## Aiming to Create New Markets

The Mitsui Fudosan Group aims to create new markets by offering solutions in tune with recent changes in society and the economy.

### Initiative to Co-Create Ventures

Mitsui Fudosan engages in the venture co-creation business as a part of its growth strategy in the mature domestic market. We provide office space for venture companies and offer a variety of business support services at KOIL located in Kashiwa-no-ha Smart City (Kashiwa City, Chiba Prefecture), LIAISON-STAGE Kasumigaseki in the Kasumigaseki Building (Chiyoda-ku, Tokyo), and Clip Nihonbashi in the CM Building (Chuo-ku, Tokyo). We also aim to create new markets while collaborating with venture companies that have advanced technological capabilities. On April 1, 2015, Mitsui Fudosan newly established the Venture Co-Creation Department in a bid to strengthen and accelerate initiatives to co-create venture companies.

▶ P43 Enhancing Safety and Security (Security and Anti-Crime Measures)

### Asian Entrepreneurship Award 2014

Aiming to make into a global innovation base the Kashiwa-no-ha Smart City area, the urban development of which is being promoted as “A City of New Industry Creation,” Mitsui Fudosan co-hosted the only full-fledged international business contest in Japan from July 13–15, 2014 at Gate Square (Kashiwa City, Chiba Prefecture). In addition to expanding people networks, such as those of Japanese venture consultants, on the final day the 17 Asian nominated tech venture companies presented their business plans in front of the jury and audience, and the winners of the Grand Prize and other awards were decided. Companies from Singapore, Thailand and Malaysia placed first, second and third in the contest.



Group photo of the Asian Entrepreneurship Award winners

### Aiming to Tap Inbound Tourist Demand

As a comprehensive developer, the Mitsui Fudosan Group manages retail facilities, hotels and resorts across Japan. We wholeheartedly agree with the national government’s vision for making Japan a popular tourist destination. We are stepping up efforts to warmly welcome an increasing number of tourists from foreign countries (i.e., inbound tourism).

In fiscal 2014, we increased the number of retail stores that offer tax-free merchandise and made concerted efforts to communicate better in foreign languages. Mitsui Fudosan provided a variety of services that take advantage of its Group strengths, offering pleasurable pursuits for every aspect of a tourist trip to Japan, from shopping to accommodations.

We aim to expand the tourism market by encouraging foreigners to visit Japan and improving customer satisfaction.



Restaurant menu written in foreign languages



Tourist guidebook written in English with information about Mitsui Fudosan Group properties

## Rolling Out Advanced Logistics Facilities

As of the end of fiscal 2014, we operated a total of six Mitsui Fudosan Logistics Park facilities located mainly in metropolitan areas, and are developing seven more facilities.

Operating conditions across the logistics industry have been changing, increasing demand for highly functional logistics facilities. Under these circumstances, Mitsui Fudosan is leveraging its strengths as a comprehensive developer to address the needs of tenant companies. In specific terms, the Company offers logistics facilities defined by their state-of-the-art features, such as highly efficient logistics functions, global environmental considerations, BCP countermeasures in the event of a disaster, and comfortable workplace environments for all operating staff.

With an eye on growth in the logistics business, we newly established the Logistics Properties Business Division in April 2015.



MFLP Kuki (Kuki, Saitama Prefecture)



MFLP Funabashinishiura  
(Funabashi, Chiba Prefecture)

## Our Efforts for Shareholders

### Basic Stance

The Mitsui Fudosan Group engages in timely, detailed and appropriate investor relations activities in accordance with its own information disclosure policy. Management makes concerted efforts to build trust with all stakeholders, including shareholders, institutional investors and securities analysts inside and outside Japan, by respectfully engaging in dialog with them and considering their opinions in management decisions.



### Objectives of Investor Relations Activities

The objective of our investor relations activities is to provide useful information to market participants, including shareholders, institutional investors, securities analysts, and individual investors inside and outside Japan, while engaging in activities to build long-term relationships of trust with market participants with the ultimate aim of receiving fair evaluations of our businesses from these market participants.

To this end, Mitsui Fudosan aims to expand and augment its investor relations tools while disclosing information about its management strategies and financial condition in a timely, appropriate, and proactive manner.

### Basic Policy on Shareholder Returns

Mitsui Fudosan aims to maintain and increase dividends while taking into consideration the business environment, earnings and financial conditions, with the aim of building up internal reserves for investing in highly profitable businesses and ultimately expanding corporate value. From fiscal 2016 onward, Mitsui Fudosan targets a dividend yield of 25% consolidated net income.

In fiscal 2015, Mitsui Fudosan distributed an annual dividend of ¥25 per share (comprising an interim dividend of ¥11 and year-end dividend of ¥14 per share), compared with an annual dividend of ¥22 per share in fiscal 2014. Mitsui Fudosan plans to pay an annual dividend of ¥28 per share in fiscal 2016.

### Policy on Information Disclosure

Mitsui Fudosan discloses information in a timely fashion based on the principles of transparency, fairness, continuity, and timeliness in line with relevant laws and regulations, such as the Financial Instruments and Exchange Act, and the timely disclosure rules of the Tokyo Stock Exchange.

Mitsui Fudosan discloses information that is regulated by rules for timely disclosure through TDnet, a timely information disclosure network system offered by the Tokyo Stock Exchange. The Company's securities filings, quarterly reports, and other financial documents are disclosed through EDINET, an electronic disclosure system provided by the Financial Services Agency.

The same information is also available on our website.

### IR Communications

For shareholders, investors and analysts, our website features a section with information for shareholders and investors in both Japanese and English. We provide information at the request of market participants about our management policies, financial conditions and performance, a library of investor relations materials, an event calendar, data about the stock and our shareholders, and information geared for individual investors.

For institutional investors and analysts in Japan, in addition to information provided on our website, we hold results briefings twice a year, offer tours of our properties, and participate in conferences with institutional investors and analysts. We also work to enhance information disclosure for overseas investors by streaming videos of results briefings. We respond to around 400 unique inquiries a year from both inside and outside Japan.

For overseas institutional investors and analysts, we travel overseas several times a year to meet with investors and analysts, and mostly respond to individual inquiries.

Management takes into consideration the opinions of shareholders, institutional investors, analysts, and individual investors that have been shared with us through these meetings and individual inquiries.



A results briefing for investors and analysts

## Our Efforts for Our Employees

### Basic Stance

The Mitsui Fudosan Group aims to provide a work environment that welcomes diversity and nurtures vitality among its employees. Moreover, the Group aims to foster human resources with both generalist and expert abilities that are relevant to the creation of urban neighborhoods. To this end, we have set up systematic educational and training programs while also encouraging career formation through daily business activities.

### Supporting Work-Life Balance

Mitsui Fudosan has put in place various systems to support work-life balance and support childcare and family care, in order to create work environments that allow both men and women to excel at work while balancing the unique needs of their individual lifestyles.

To support employees from the start of their taking parental leave to their return to work, we have a system that involves three-way talks among the employee, the Personnel Department and their manager. In order to increase opportunities to think about work-life balance, we have declared that Mitsui Fudosan Family Day will be held every Wednesday, on which no overtime is allowed, and families are welcome to visit workplaces.

In addition, Mitsui Fudosan has established the Health Committee with the task of helping employees maintain and improve their health. It aims to increase the ratio of employees that go to periodic health checkups, asks health professionals and physicians to consult with employees that work long hours and are overworking, and takes other actions to improve the overall environment for occupational health.

For employees taking advantage of our back-to-work program that were on a leave of absence due to illness or other reasons, we aim to create safe working conditions while paying respect to the wishes of that employee, by involving the Personnel Department, relevant managers, industrial physicians, and Health Management Center where health professionals are always available.

### Primary Support Systems

#### Support for Childcare

- Maternal leave before and after childbirth (six weeks before, eight weeks after childbirth)
- Childcare leave system (until the end of April following the year in which the child turns two)
- Shortened work hour system for childcare (until the child enters the third year of elementary school)
- Flex-time system for employees working shortened hours
- In-office nurseries
- Partial reimbursement of baby sitter and daycare costs

#### Support for Family Care

- Family care leave system (up to one year per family member in need of care)
- Shortened work hour system for family care
- Flex-time system for employees working shortened hours
- Family care consultations
- Family care seminars
- Nursing care leave
- Partial reimbursement of nursing care service costs

#### Support for Ensuring Work-Life Balance

- Special summer leave, special consecutive leave
- Refreshment leave (for employees who have reached a certain number of years of continuous employment)
- Return entry system (support for the reemployment of retired employees when certain conditions are met)

### Kurumin Mark Obtained as Next-Generation Certification

Mitsui Fudosan has been certified as a company in compliance with standards promoted by the Tokyo Labor Bureau based on the Act on Advancement of Measures to Support Raising Next-Generation Children. On July 30, 2014, Mitsui Fudosan obtained the Kurumin mark as a part of this next-generation certification. The Kurumin mark is bestowed on companies that have formulated an action plan for supporting child rearing and have satisfied certain conditions, such as achieving specific objectives. Mitsui Fudosan was recognized for its initiatives to implement a system for advising employees about their benefits related to childbirth and childrearing, update its shortened work hour system for childcare, and create and distribute a handbook describing pregnancy, childbirth and childrearing support.



Handbook describing support for pregnancy, childbirth and childcare Support for Childcare

## Mitsui Fudosan Family Day

In fiscal 2014, the Employee Thank You Day, a part of the Mitsui Fudosan Family Day, was held on November 30 at KidZania Tokyo in Urban Dock LaLaport Toyosu (Koto-ku, Tokyo). This marked the first time it was held outside Nihonbashi where the head office is located. A total of 943 people participated, almost three times the number of a typical year. The event served as an opportunity for employees and their families to think about work-life balance.



Mitsui Fudosan Family Day



## Family Care Seminars for Employees

To support family care, Mitsui Fudosan offers family care seminars for its employees in collaboration with the care design office of the S&E Comprehensive Research Center, an internal think tank. These seminars are designed to provide employees with a basic awareness of nursing care and introduce them to our related support systems in order to prepare them for the possibility of nursing care needs emerging in their families. In fiscal 2014, we held a seminar in October that was attended by 50 employees.

## Establishment of In-Office Nursery in Nihonbashi

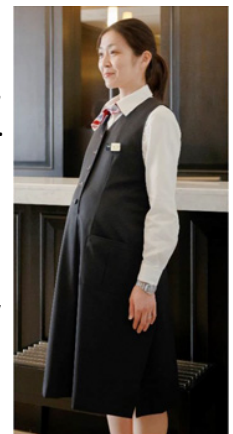
In support of the various ways employees work, Mitsui Fudosan opened the Kids Square Nihonbashi Muromachi with a capacity for 50 children as an in-office nursery in the Mitsui Building No. 2 (Chuo-ku, Tokyo) where the head office is located. The childcare center is operated as a consortium open to other corporate tenants in office buildings managed by Mitsui Fudosan. The facility brings childcare and work closer together.



Kids Square Nihonbashi Muromachi

## Maternity Uniforms Introduced

At Mitsui Fudosan Hotel Management Co., Ltd., which manages Mitsui Garden Hotels, we introduced maternity uniforms in April 2015 for staff members who are pregnant. Hotels are a friendly place for women to work, and our previous uniforms were too tight-fitting for pregnant employees. As more female staff work for a longer number of years, a number of women have risen through the ranks to managerial positions. We decided to introduce maternity uniforms at all 18 Mitsui Garden Hotels in Japan. The maternity uniforms were designed so that they can be put on and removed easily with adjustable waist sizes for pregnant women, while retaining a professional and fashionable look.



## Our Efforts to Project Human Rights

Mitsui Fudosan has a Human Rights Awareness Raising Committee that formulates the Code of Employee Conduct with regard to human rights. Newly hired employees receive training about sexual harassment, power harassment and discrimination. Mitsui Fudosan also has a consultation service for sexual harassment in its Personnel Department that is available by telephone 24 hours a day. In fiscal 2014, we held harassment training seminars throughout the year, and we will continue to conduct training on these topics.

Mitsui Fudosan has established the Fair Employment Screening and Human Rights Awareness Raising Promotion Committee, and each Group company organizes Fair Employment Screening and Human Rights Awareness Raising Liaison Conferences to raise awareness of human rights issues across the Group.

## Fostering Human Resources that Possess a Broad Perspective and Expertise

### Aiming to be a Real Estate Solutions Partner

Mitsui Fudosan aims to be a real estate solutions partner that creates new value by embracing a multifaceted approach to changing customer needs and markets. To achieve this goal, Mitsui Fudosan is targeting the development of a diverse group of employees with both specialized and advanced business knowledge, and a broader perspective not limited to a specific field of expertise.

### Systematic Training Programs to Improve Various Skills

Mitsui Fudosan has established a systematic and diverse training program for employees in order to assist with the development of their skills in line with their individual capabilities and needs. All employees are trained in programs created by the Personnel Department to acquire the knowledge and skills needed as an employee of the Mitsui Fudosan Group. Employees may also advance onward with specialized training in programs created by each business unit to acquire the skills particular to a specific business and product.

In fiscal 2014, as a new initiative, we invited experts in various fields to come and lecture employees about human resources development. Moreover, Mitsui Fudosan is taking steps to continuously expand its foreign language training and overseas tenure training in order to foster employees with global skills.

We also have systems that provide opportunities for employees to talk about their career and skill development with the Personnel Department and their managers. The Personnel Department conducts individual interviews with all employees once a year. These interviews help to identify issues as well as the status of training environments and labor conditions. In this way, we enable employees to take part in the development of their own skills as they see fit in line with their long-term goals.



Internal Training

### Examples of Distinctive Programs that Involve the Sharing of Management Awareness and Corporate Culture

#### Meet21 Training

MEET21 Training is a program where executives lead the instruction of a limited number of employees from each generation about management issues in a seminar format. This form of training encourages the sharing of information across roles and age groups.

#### Cross Expert Training

Cross Expert Training is a program that helps employees find role models by listening to stories about the experiences of business leaders and group managers.

### Hiring People from Diverse Backgrounds

Mitsui Fudosan seeks to hire people from diverse backgrounds to promote diversity, while prioritizing people with a broad base of knowledge and strong potential, as employees that will be responsible for Mitsui Fudosan's role as a real estate solution partner.

For college graduates, we offer business experience seminars for students thinking about applying for a job, and have them play a game about planning communities in order to deepen their understanding of the business from a developers' perspective.

As a part of the progress we have made in group management under Innovation 2017, our long-term management plan, we have held business forums with the cooperation of each company in the Mitsui Fudosan Group to give students a feel for our comprehensive capabilities.

In its recruiting activities for principal career track employees (mid-career professionals), Mitsui Fudosan does not restrict applications to those who were in a certain industry in their previous position, but seeks a broad range of human resources capable of thinking outside the box and possessing a wealth of experience.



Mitsui Fudosan Group business forum



Business experience seminar

## Environmental Training and Education

As a part of its environmental efforts, Mitsui Fudosan and Group companies train and educate their employees about the environment while also providing eco tours and other activities to increase their interest in the environment.

### Environmental Training and Education Activities

In fiscal 2014, Mitsui Fudosan trained employees in afforestation. In addition, independent environmental training and education activities are undertaken at the Office Building Division and the Accommodation Business Division of Mitsui Fudosan, as well as at Mitsui Fudosan Facilities Co., Ltd. and Mitsui Fudosan Hotel Management Co., Ltd.



Afforestation (Mitsui Fudosan)

### Environmental Training (Fiscal 2014)

Sponsor	Type of Training	Number of Classes	Subject Participants	Number of Participants
Mitsui Fudosan Co., Ltd.	Afforestation	once	Companywide	19
Mitsui Fudosan Co., Ltd. Office Building Division	Nationwide Management Contest	once	Building Division, Mitsui Fudosan Building Management Co., Ltd., management companies	458
Mitsui Fudosan Co., Ltd. Accommodation Business Division	Social and Environmental Training (introduction to company activities related to environmental education)	once	Accommodation Division	30
Mitsui Fudosan Facilities Co., Ltd.	Environmental training when first entering the Company	once	Newly hired employees	249
	Energy conservation management study group	four times	Companywide	230

### Environmental Education (Fiscal 2014)

Provide	Content, Number of Classes, Number of Participants	Number of Classes	Number of Participants
Mitsui Fudosan Facilities Co., Ltd.	Street cleaning the day after the Sumida River Fireworks	once	44
Mitsui Fudosan Hotel Management Co., Ltd.	Distribution of information through the publication of Eco Communications (disclosure of cleaning activities and eco-caps collected at each hotel)	monthly	-

## Upgrade of Internal Portal eco Hiroba into &EARTH Hiroba

Mitsui Fudosan disseminates information about the environment through its internal eco Hiroba website with the aim of enhancing employee awareness of the environment. In March 2014, eco Hiroba was upgraded to &EARTH Hiroba to also distribute information about our social contribution activities.

## Eco Tours

In fiscal 2014, eco tours were sponsored twice by Mitsui Fudosan and once by Mitsui Fudosan Facilities Co., Ltd.

### Eco Tours (Fiscal 2014)

Sponsors	Details	Number of Tours	Number of Participants
Mitsui Fudosan Co., Ltd.	Tours of Fujisawa Sustainable Smart Town, Tokyo Gas Showrooms, and Toshiba Science Museum	once	28
	Tours of Gate Square, Plant Factory, MIDEAS, and waste recycling facilities at Kashiwa-no-ha Smart City	once	18
Mitsui Fudosan Facilities Co., Ltd	Tours of waste recycling facilities	once	23



Eco Tours (Mitsui Fudosan)



Eco Tours  
(Mitsui Fudosan Facilities Co., Ltd)

## Eco Test

Mitsui Fudosan and Group companies encourages employees to take the Eco Test (a certification test for environmental specialists) administered by the Tokyo Chamber of Commerce and Industry.

Mitsui Fudosan Housing Lease Co., Ltd. has also recommended the Eco Test certification since fiscal 2014.

Tokyo Midtown Management Co., Ltd. has made the Eco Test a required certification.

### Cumulative total of employees who have taken and passed the Eco Test (As of the end of fiscal 2014)

Company name	Positioning of Eco Test	Total number of employees who have passed the test	Pass ratio
Mitsui Fudosan Co., Ltd.	Recommended certification	381	around 23% of all employees
Mitsui Fudosan Facilities Co., Ltd.	Recommended certification	1,086	About 75% of full-time and fixed-term employees, excluding junior employees
Mitsui Fudosan Building Management Co., Ltd.	Recommended certification	287	around 48% of all employees
Mitsui Fudosan Architectural Engineering Co., Ltd.	Recommended certification	44	around 42% of all employees, excluding dispatched employees
Mitsui Fudosan Housing Lease Co., Ltd.	Recommended certification	51	around 8% of all employees
Tokyo Midtown Management Co., Ltd.	Required certification	62	around 82% of all employees

## Basis of Business Activities

### Basic Stance

Corporate Social Responsibility (CSR) at the Mitsui Fudosan Group is conducted through its core business activities with an emphasis on the environment, quality, and efforts to create new value and markets. Corporate governance, risk management and compliance is the basis of our business activities, and we strive to advance and strengthen these functions.



## Corporate Governance

### Corporate Governance

The Mitsui Fudosan Group aims to create and maintain optimal corporate governance from the standpoint of improving the soundness, transparency and efficiency of management in order to gain the trust of its stakeholders.

Mitsui Fudosan has adopted a corporate officer system to enhance the soundness and efficiency of management by separating and strengthening management and executive functions. Mitsui Fudosan also invites and appoints outside directors in order to strengthen the oversight functions of the directors and enhance management transparency. Furthermore, Mitsui Fudosan has established the Advisory Committee, consisting of experts from business and academia, to further broaden and diversify the perspective of management.

In addition, auditors conduct audits in a bid to evaluate the status of business execution by directors while coordinating with the Corporate Auditor's Department, which serves as the internal audit department of the Company, as well as certified public accountants (the Audit Corporation).

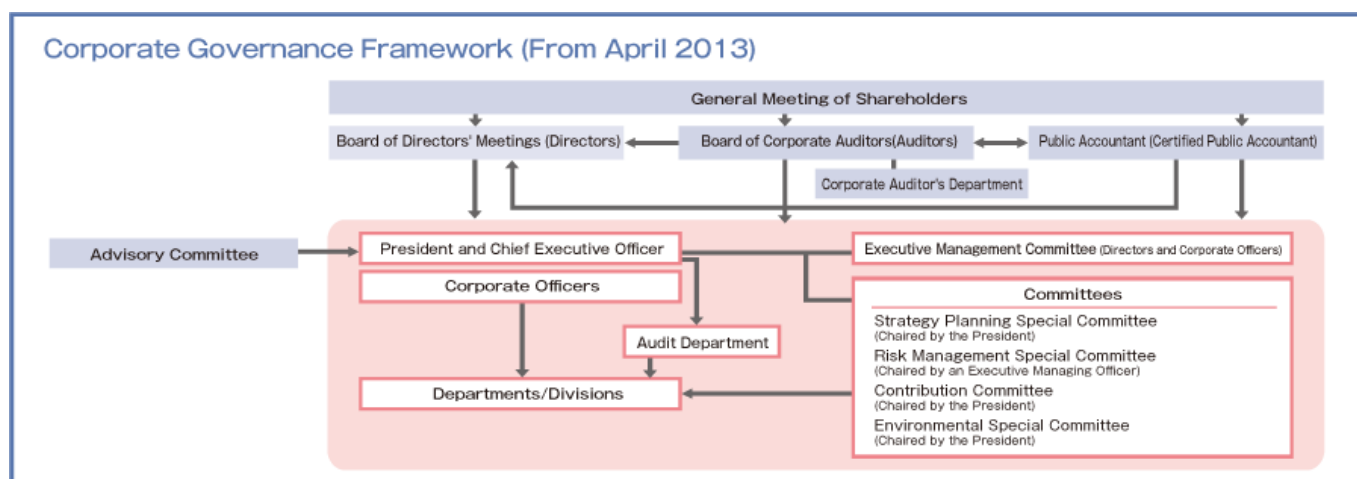
Moreover, steps have been taken to put in place the Mitsui Fudosan Group Compliance Policy as well as a structure that will ensure that Group directors and employees engage in business activities in an appropriate manner.

### Corporate Deception-Marking

The Executive Management Committee, consisting of directors and executive corporate officers, meets weekly to deliberate and report on important matters related to business execution. Fulltime corporate auditors also attend meetings to stay informed of important decision-making processes and the status of business execution and provide opinions as necessary. The Executive Management Committee also supervises internal control and risk management.

In addition, the Strategy Planning Special Committee, the Risk Management Special Committee, the Social Contribution Special Committee and the Environmental Special Committee function as advisory and strategy coordination bodies to the Executive Management Committee. The Strategy Planning Special Committee formulates and deliberates Group strategy and management plans and engages in risk management for Mitsui Fudosan and the Mitsui Fudosan Group in collaboration with the Risk Management Special Committee.

The Social Contribution Special Committee and Environmental Special Committee undertook discussions to promote social contribution as well as environmental activities that adhere to the Group's approach to CSR.



### Number of Directors and Auditors (as of June 2015)

- Directors: 12 (including 4 outside directors)
- Auditors: 5 (including 3 outside auditors)

Note: Mitsui Fudosan has reported to the Tokyo Stock Exchange that it has seven outside executives that act as independent executives.

## Board of Directors and Board of Corporate Auditors

The Board of Directors, which consists of 12 members (including four directors from outside the Company), makes decisions on material issues of Mitsui Fudosan and monitors the business execution status of directors. Board meetings are attended by corporate auditors, who provide opinions as necessary. Mitsui Fudosan introduced the Corporate Auditor System. The Board of Corporate Auditors has five members, including three from outside the Company. The Board formulates auditing policies and determines the responsibilities of each Board member. It also receives reports and discusses material items on audits conducted according to such policies and responsibilities.

The corporate auditors cooperate with and receive periodic reports from the Audit Department, which is responsible for internal audits of the Company, and the Company's Certified Public Accountant, realizing mutual collaboration. Furthermore, the Corporate Auditors Department has been assisting the corporate auditors' duties.

## Internal Control

The Mitsui Fudosan Group sets up and manages an internal control system that conforms to the Companies Act, we endeavor to put in place systems to ensure that the execution of business by directors and employees complies with laws and regulations and the Company's Articles of Incorporation. With this in mind, the Board of Directors of Mitsui Fudosan formulated the "Basic Policy for Establishing a System to Ensure Appropriate Business Practices of Joint Stock Corporations (Internal Control System)" and maintains its proper operation.

### Basic Policy to Put in Place an Internal Control System that Will Ensure the Proper Execution of Business Activities by a Company Limited by Shares

In order to ensure the trust of all stakeholders, the Mitsui Fudosan Group strives to improve the soundness, transparency and efficiency of management. With a view to promoting the sound operation of the internal control system and ensuring that business is conducted in accordance with all laws and regulations as well as the Company's Articles of Incorporation, the internal control system is managed as follows.

#### 1. A system to ensure that the execution of business by directors conforms to all laws and regulations as well as the Company's Articles of Incorporation

Mitsui Fudosan aims to enhance compliance by creating and implementing action plans based on Compliance Rules and other internal rules. The Risk Management Special Committee was established to reinforce the compliance structure and prevent violations of laws and regulations and its Articles of Incorporation.

#### 2. A system related to the storage and management of information concerning the execution of business by directors

All information is appropriately stored and managed according to internal rules, including the Archives and Documents Rules, the Information Management Rules and Information System Management Rules.

#### 3. Regulations and other frameworks related to the prevention of losses

Based on the Risk Management Regulations and other internal rules, the Executive Management Committee supervises and controls risk management items concerning the entire Company and the Mitsui Fudosan Group. It heads two committees charged with uncovering and comprehending risk issues and devising solutions for them - the Strategy Planning Special Committee, which handles business risk, and the Risk Management Special Committee, which is responsible for the management of administrative risk.

In addition, the Crisis Management Subcommittee, which reports to the Risk Management Special Committee, was established to formulate responses and policies as necessary through emergency meetings in highly urgent situations.

#### 4. A system to ensure the efficient execution of duties by directors

The Mitsui Fudosan Group has introduced a Corporate Officer System with the aim of separating and strengthening the management oversight and business execution functions undertaken by directors. This system ensures directors are able to efficiently execute their duties.

Business execution based on the policies decided by the Board of Directors is efficiently advanced by the respective managers in accordance with methods defined by internal rules including Organization Rules and Administrative Authority Rules.

#### 5. A system to ensure that the execution of business by employees conforms to all laws and regulations as well as the Company's Articles of Incorporation

Mitsui Fudosan aims to enhance compliance by creating and implementing action plans based on Compliance Rules and other internal rules. The Risk Management Special Committee was established to reinforce the compliance structure and prevent violations of laws and regulations and its Articles of Incorporation.

Moreover, internal and external consultation services have been established to address compliance issues based on Internal Consulting System Rules. Based on the Internal Audit Rules, the Audit Department conducts audits of the operation of the compliance system, compliance with laws and regulations, and reports its findings to the Board of Directors and Board of Corporate Auditors.

#### 6. A system to ensure appropriate business practices by a company limited by shares (consisting of the company, subsidiaries, and affiliated companies)

By properly following Subsidiaries and Affiliates Administration Rules and Overseas Subsidiaries and Affiliates Administration Rules, Mitsui Fudosan ensures the efficiency of business execution by the directors of its subsidiaries, while the businesses are managed through approvals and monitoring by Mitsui Fudosan.

Based on the Mitsui Fudosan Group Compliance Policies, Group companies maintain their own compliance systems and internal consultation systems. Their internal auditing departments monitor the operation of compliance systems and ensure laws and regulations are being strictly followed, and report their findings to the Board of Directors and Board of Corporate Auditors.

#### 7. A system for employees to assist auditors with their duties and matters concerning the assurance of independence of these employees from directors and the effectiveness of instructions given to these employees

Staffed with experts, the Corporate Auditor's Department was established as an organization with the special duty of assisting auditors perform their duties.

These employees only follow instructions from auditors, and their performance reviews are also given by the auditors. Any employee transfers must be approved by the auditors beforehand.

#### 8. A system for directors and employees to report to auditors, a system for other people to report to auditors, and a system to ensure the auditors effectively perform audits

Auditors attend meetings of the Board of Directors.

The Senior Corporate Auditor attends meetings of the Executive Management Committee, which oversees the Group's internal systems and risk management, receives the mandated reports, and shares these reports with the Board of Corporate Auditors.

Auditors also facilitate communications by exchanging information contained in periodic audit reports from the Audit Department and the Public Accountant.

Matters that warrant internal consultation are reported to the Senior Corporate Auditor through the Risk Management Special Committee. The Internal Consulting System Rules state that informants will not be mistreated because of their actions to seek consultation.

9. A system for subsidiary directors, auditors, employees or other people who receive information to report to the subsidiary's auditors, and a system for ensuring informants are not mistreated because of their reporting

The Senior Corporate Auditor meetings of the Executive Management Committee, which oversees the Group's internal systems and risk management, receives the required reports, and shares these reports with the Board of Corporate Auditors.

The Senior Corporate Auditor is appraised of internal audits conducted at subsidiaries, and endeavors to exchange information either directly or through relevant departments with the directors and auditors of subsidiaries.

Matters that warrant discussion under the internal consulting systems of Group companies are brought to the attention of the Senior Corporate Auditor through the relevant department and meetings of the Risk Management Special Committee. Rules concerning the internal consulting systems at Group companies prohibit the mistreatment of informants because of their actions to seek consultation.

10. Procedures to prepay or repay costs arising from the performance of audits by auditors, and policy on handling costs and liabilities arising from the execution of other related duties

Mitsui Fudosan shall pay the actual costs incurred by auditors in the performance of their auditing duties.

## Internal Auditing System

The Audit Department verifies the effectiveness of risk management and internal control systems from the perspective of the entire Mitsui Fudosan Group. At the same time, the Department puts in place audit activity plans in order to evaluate and improve risk management and internal control systems, and undertakes internal audits following authorization by the Board of Directors.

Results of the internal audits are reported to the officers in charge with feedback directed to the appropriate departments. Thereafter, follow-up activities are undertaken to assess the status of improvement progress. Moreover, details of audit activities are reported every six months to the Executive Management Committee, Board of Directors, and Board of Corporate Auditors. Every effort is made to share information and coordinate with auditors.

Based on Japan's Financial Instruments and Exchange Law, Mitsui Fudosan evaluates the status of internal control relating to the current Mitsui Fudosan Group financial report at the end of each period. An Internal Control Report is then submitted and disclosed publicly. Results of the most recent Internal Control Report have been audited by KPMG AZSA LLC and deemed as appropriate.

## Risk Management

### Establishment of Risk Management Special Committee

Under the Executive Management Committee, which supervises overall risk management for Mitsui Fudosan and the Mitsui Fudosan Group, the Strategy Planning Special Committee and the Risk Management Special Committee manage business risk\*<sup>1</sup> and administrative risk\*<sup>2</sup>, respectively.

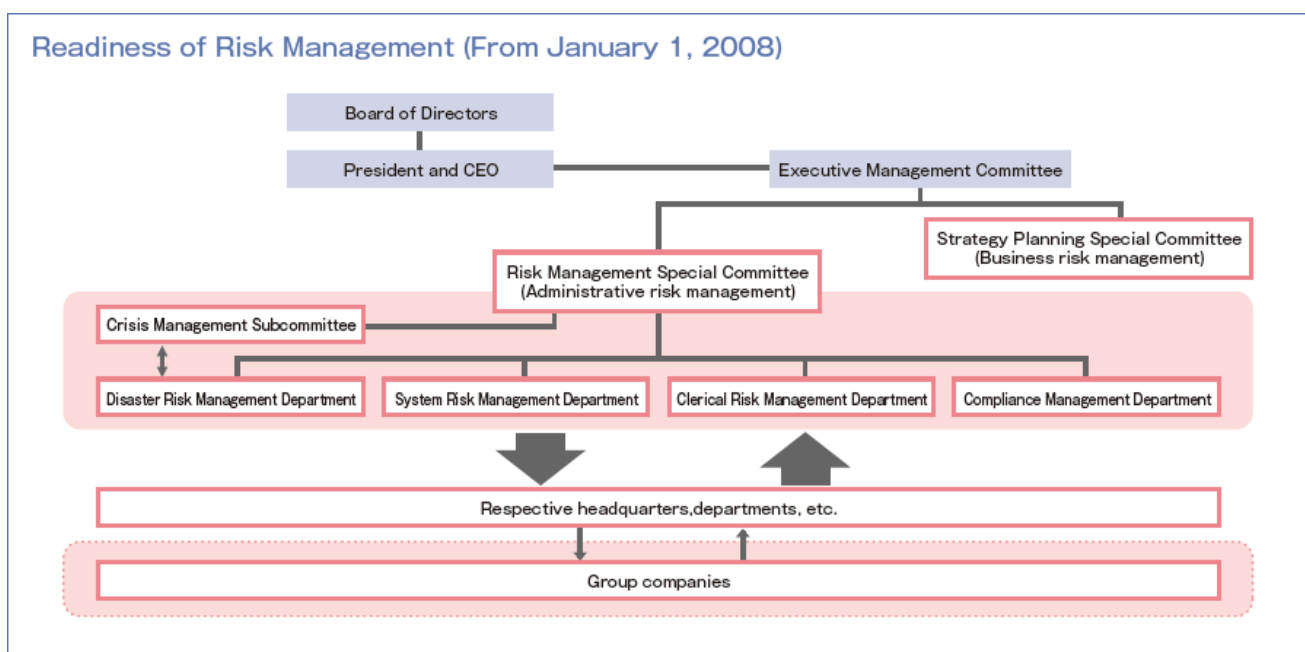
The Risk Management Special Committee implements a PDCA cycle to comprehensively manage administrative risk, and it also precisely engages in preventative risk management while standing at the ready to respond in a crisis. In fiscal 2014, the Risk Management Special Committee met 12 times, including separately on an extraordinary basis, on a once a month basis, to identify and grasp risk issues, and then evaluate and propose preventative and response measures. As necessary, the committee conveyed information to the Mitsui Fudosan Group.

\*1 Business risk:

Business risk is primarily risk associated with advancing business and earning profits, including development risk, leasing risk, and market risk.

\*2 Administrative risk:

Administrative risk is operational risk associated with regular administrative duties, including disaster risk, system risk, clerical risk, and compliance risk.



### Crisis Response System

The Crisis Management Subcommittee, as a subordinate body of the Risk Management Special Committee, ascertains the circumstances of accidents or other incidents that occur and determines response policies and other matters as necessary during times of crisis. The Crisis Management Subcommittee met 4 times in fiscal 2014.

#### Main Duties of the Risk Management Special Committee

- Ascertain circumstances and responses to accidents and other incidents
- Ensure compliance with laws and regulations
- Ensure compliance training is conducted
- Ascertain circumstances for internal rule infringement and prevent reoccurrence
- Create plans to protect personal information at Mitsui Fudosan and Group companies
- Ensure horizontal communication of information related to risks and crisis
- Ascertain progress on J-SOX compliance

## Disaster Preparation (Earthquakes, etc.)

In the event of a massive earthquake at or over the upper 5 level on the Japanese intensity scale hitting the center of the Tokyo metropolitan area or areas where branch offices are located, an Emergency Headquarters will be set up in the Company's head office. The Emergency Headquarters will work together with the task force in each department to collect and share information regarding a variety of matters including the Company's owned and/or managed properties

We are also promoting the formulation of a Business Continuity Plan (BCP) in preparation for the occurrence of a massive disaster or such. Based on this BCP, we periodically conduct training sessions and review the plan itself. Furthermore, we are promoting the formulation of a BCP for companies carrying out the operation or management of office buildings, retail facilities, hotels and rental housing (Group companies).

## Information Security Management System

Mitsui Fudosan appoints the chairperson of the Risk Management Special Committee as a general director of information security management. Under the general director's supervision, a chief administrator, manager, group leader and other leadership are assigned at each organizational level. As a part of this leadership structure, chief administrators address risk management issues concerning information security through organizational efforts aimed at ensuring every employee's compliance with the Information Management Rules and other related existing Company regulations.

## Revise of the Information Management Rules

Information Management Rules were revised in April 2013. Revisions included the addition of rules covering the management of the material information and the appropriate response to electronic media. The information security manual was distributed to all employees.

## Personal Information Protection

The Information Security Subcommittee, which reports to the Risk Management Special Committee, promotes personal information protection measures at Mitsui Fudosan. In addition to complying with all related statutory and other regulatory requirements, the Mitsui Fudosan Group implements and carries out its Personal Information Protection Policy for the purpose of appropriately utilizing and managing personal information. Moreover, the Mitsui Fudosan Group strives to reinforce the system and cultivate awareness through the following efforts.

### Personal Information Protection Initiatives

#### • Formulation and application of Guidelines for Personal Information Protection

We have been working to familiarize employees with the Guidelines for Personal Information Protection and placing importance on effectiveness by including a link on the top page of Group-wide systems and operating tools of our internal portal and using a Q&A format to explain the text. To that end, we have formulated detailed Guidelines, including a response flow when incidents occur.

#### • Training through e-learning

Training on personal information protection is provided through e-learning twice a year. Nearly 100% of employees take the courses, which provide practical training based on case examples of incidents both within and outside the Company. These examples are reexamined every year.

#### • Thorough management of subcontractors

We have defined the criteria for selecting subcontractors and have completed and execute a standard contract that encompasses management of personal information. Further, each department and Group company is instructed to regularly confirm that personal information protection is sufficiently carried out in the operations of the subcontractors.

## Compliance

The Mitsui Fudosan Group positions compliance as a management issue of the highest priority, and makes concerted efforts to maintain and improve its compliance structure.

### Mitsui Fudosan Group Compliance Policy

The Mitsui Fudosan Group has established the Mitsui Fudosan Group Compliance Policies. Under these Policies, the Group has declared its intention to implement fair and highly transparent corporate activities in accordance with corporate ethics, in addition to observing laws and regulations.

#### Mitsui Fudosan Group Compliance Policies (Excerpt)

We have engaged in fair business activities based on the highest corporate ethics and worked diligently to garner trust and build a robust brand.

However, these tireless efforts to build a robust brand strength can be lost in an instant by the erroneous actions of a single individual. As a result, proper decision-making and behavior will continue to increase in importance.

To accomplish this, we regard the practice of compliance as one of our highest priorities for Group management and implement fair and highly transparent corporate activities in accordance with corporate ethics, in addition to observing laws and regulations as well as social norms.



Group Compliance Policies recorded in an employee handbook

### Compliance Framework

#### Discussions and Reports at Board of Directors' Meetings and Other Meetings

At Mitsui Fudosan Group companies, material compliance matters are either regularly discussed or reported at Board of Directors' meetings and Executive Management Committee meetings or as necessary.

The Company has also established a Risk Management Special Committee which convenes in principal once a month to manage administrative risks, including compliance risk. It discusses company regulations, plans, systems, etc. related to compliance, gives reports on their practice and determines policies that are necessary.

#### Improvement of Company Regulations

Mitsui Fudosan Group companies establish company regulations related to compliance and base their practices on these.

#### Compliance Activities in Practice

Each fiscal year, each company of the Mitsui Fudosan Group formulates and implements plans for compliance-related activities. Specifically, we plan various training seminars and educational activities to entrench knowledge on compliance, engage in monitoring in order to ensure compliance, and create plans for activities to report the contents of the aforementioned activities, aiming through this to practice compliance appropriately. The results of activities of each fiscal year are reported at the Board of Directors' meeting. Furthermore, we review how we may make improvements or discuss new activities based on these results and then reflect them in the plans for the following fiscal year or later.



Compliance training

## **Compliance in Relation to the Financial Instruments Business**

Mitsui Fudosan Co., Ltd., Mitsui Fudosan Realty Co., Ltd. Mitsui Fudosan Investment Advisors, Inc., Nippon Building Fund Management Ltd., Mitsui Fudosan Frontier REIT Management Inc., and Mitsui Fudosan Accommodations Fund Management Co., Ltd. carry out financial instruments business activities. Each company complies with the Financial Instruments and Exchange Law and other related laws and regulations, as well as instructions, etc. given by the authorities. In addition, we are establishing a compliance framework for management, operation, etc. which includes, for example, relevant company regulations and statutory compliance as well as internal control frameworks, appropriate for a business operator of financial instruments.

## **Information Sharing within the Group**

Mitsui Fudosan Group companies share compliance information and work to resolve any issues. By doing so, we are pouring forth effort into raising our compliance level as a Group.



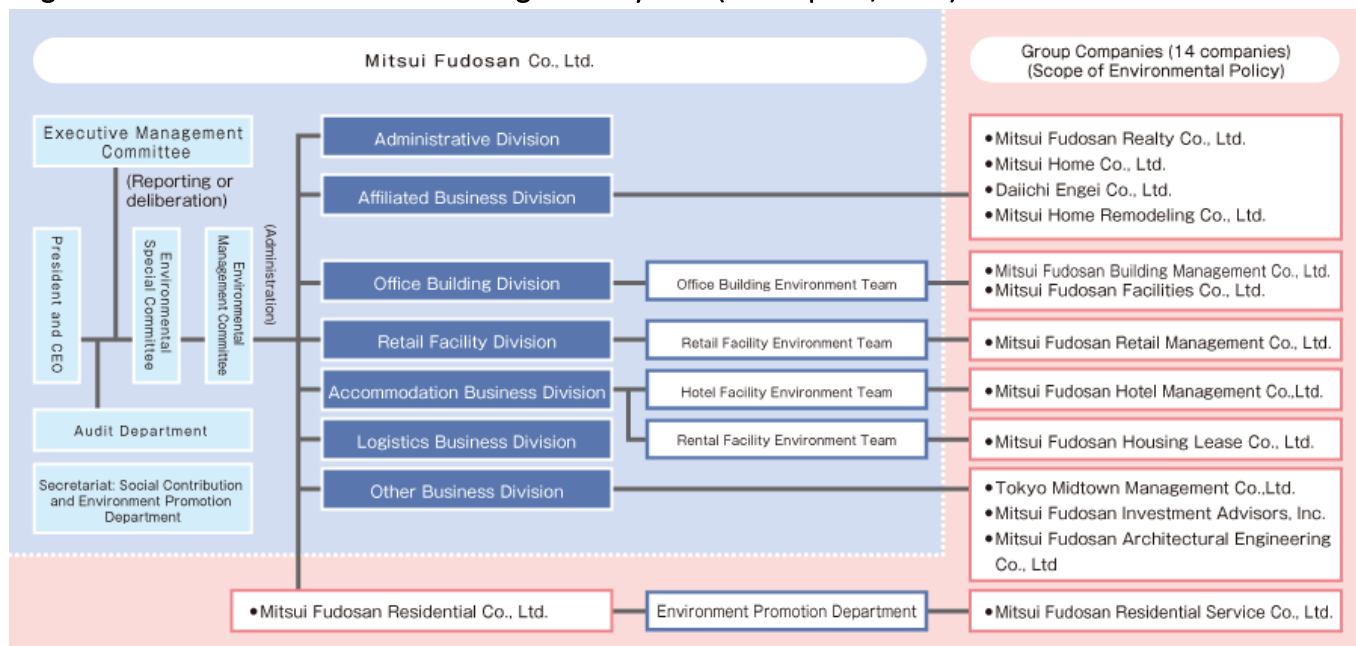
# Environmental Management System and Social Contribution System

## Environmental Management System

The Environmental Management Committee, an organization which is headed by the President and CEO and subordinate to the Environmental Special Committee, was established to create fiscal year targets\*3 for each business segment and plan environmental initiatives alongside Group companies in accordance with environmental policies. Turning to Group companies that fall within the scope of the environmental policy, Uniliving Co., Ltd. was removed as of the end of March 2013. As of April 1, 2015, there 14 Group companies that fall within the scope of the environmental policy.

\*3 Details of fiscal 2014 targets and achievements for environmental efforts as well as fiscal 2015 targets are shown below.

### Organization of the Environmental Management System (as of April 1, 2015)



Note: Mitsui Home Co., Ltd., Mitsui Fudosan Facilities Co., Ltd., Mitsui Fudosan Retail Management Co., Ltd., Mitsui Fudosan Hotel Management Co., Ltd., and Tokyo Midtown Management Co., Ltd. promote environmental conservation activities by establishing their own environmental policies based on the Group Environmental Policy. These companies also conduct their own social and environmental reporting.

## Social Contribution System

The Social Contribution Committee under the Social Contribution Special Committee, which is headed by the President and CEO, was established to promote social contributions throughout the Mitsui Fudosan Group. The Social Contribution Committee formulates the principles and policies that define the social contribution activities of the Mitsui Fudosan Group. It also keeps up to date the social contribution targets, objectives and plans of each business segment and affiliated company while monitoring and evaluating their progress toward targets.

The Social Contribution Activity Policy was created in March 2013 to serve as common ground for various activities to realize abundance and affluence in society from a global perspective.

## Environmental Data

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## Environmental Accounting(Mitsui Fudosan Building Business)

### Cost of Environmental Conservation

Investments in fiscal 2014 totaled ¥195,248,000 mainly for updating air-conditioning systems and installing new air-conditioning control equipment.

Spending during the fiscal year of ¥1,066,027,000 was primarily for the maintenance of equipment for managing energy usage in the operations of building facilities, and for cleaning medium-performance filters. Moreover, management costs totaled ¥132,511,000 which included efforts to ensure compliance with the Energy Conservation Law and the Tokyo Metropolitan government's environmental regulations. The Mitsui Fudosan Group has spent a cumulative total of ¥10,370,705,000 on environmental conservation since the base fiscal year.

#### <Calculation of Environmental Accounting>

- **Investment and expenses required for environmental conservation were calculated in the environmental conservation costs. In addition, fiscal 2002 is regarded as the base fiscal year for comparisons/calculations.**
- **Expenses for environmental conservation costs include depreciation allowance for equipment, etc. invested in.**
- **Among environmental conservation costs related to administrative activities, expenses for conducting occupational knowledge training and other expenses are posted.**
- **The basis for conversion into CO<sub>2</sub> with respect to environmental conservation effects is as follows. In order to compare with the base fiscal year, the numerical values for the fiscal year under review and the previous fiscal year were also calculated on the following basis.**

#### **CO<sub>2</sub> emissions coefficient (other than electricity):**

The CO<sub>2</sub> emissions coefficient indicated in the Enforcement Ordinance of the Act on Promotion of Global Warming Countermeasures (revised in December 2002).

#### **CO<sub>2</sub> emissions coefficient (electricity):**

The CO<sub>2</sub> emissions coefficient indicated in the Enforcement Ordinance of the Act on Promotion of Global Warming Countermeasures (revised in December 2002) (the numerical value for general electric power suppliers is used).

- **Targeted properties of the fiscal year under review differ from those of the previous fiscal year and base fiscal year.**

### Cost of Environmental Conservation (Fiscal 2014)

Scope of calculations: Office buildings that Mitsui Fudosan owns or partially owns (targeted: 77 buildings)

Applicable period: April 1, 2014 – March 31, 2015

Base fiscal year: Fiscal 2002

Classification		Contents of Major Initiatives	Investment Amount	Amount of Current Expenses	Amount of Expenses Accumulated from Base Fiscal Year	
1	Environmental Conservation Costs to Reduce Environmental Impact Generated through Production/Service Activities in Business Areas(costs in business areas)	—	191,397	867,992	8,896,596	
	Breakdown	1-1 Antipollution Costs	Effluent Treatment Facility, Smoke Density Measurements, Countermeasures against Legionella Bacteria, etc.	16,886	30,878	373,063
		1-2 Global Environment Conservation Costs	Renovation of Heat Sources, Renovation of Air-conditioners, Introduction of BEMS, Mid-performance Filter Cleaning, etc.	170,470	573,942	5,520,074
		1-3 Resource Recycling Costs	Facility to Recycle Wastewater, Expenses to Recycle Food Scraps, Expenses to Recycle Fluorescent Light and Batteries, etc.	4,041	263,172	3,003,459
2	Costs to Reduce Environment Load Generated Upstream or Downstream Due to Production/Service Activities(upstream/downstream costs)	—	0	0	0	
3	Environmental Conservation Costs in Administrative Activities(Administrative Activity Costs)	Expenses to Comply with Environmental Laws and Ordinances, Expenses to Provide Environmental Education, etc.	0	132,511	873,243	
4	Environmental Conservation Costs in Research and Development Activities(Research and Development Costs)	Environmental-related Research and Development Expenses, Depreciation on Facilities related to the Aforementioned Initiatives, Personnel Expenses for Environment-related	0	7,189	37,040	
5	Environmental Conservation Costs in Social Activities(Social Activity Costs)	Planting Refurbishments, Maintenance Expenses for Outdoor Facility Planting, etc.	3,851	58,335	563,826	
6	Costs to Handle Environmental Damage(Environmental Damage Costs)	—	0	0	0	
Total			195,248	1,066,027	10,370,705	

## Environmental Conservation

In overall terms, environmental load indicators for fiscal 2014 were either unchanged from or slightly better than previous fiscal year. In contrast, the district heating and cooling (DHC) indicator (usage per unit of floor area at managed properties) was 173.54MJ per 1,000 m<sup>2</sup>, up approximately 2%. Meanwhile, the ratio of recycling versus total waste volume declined 1.84%.

Compared with the base fiscal year (fiscal 2002), when data began to be compiled, indicators across-the-board are improving.

Looking at electricity, electricity usage per unit of floor area at managed properties, 6,580 kWh of electricity was used per 1,000 m<sup>2</sup> in fiscal 2014, a decrease of 4,360 kWh per 1,000 m<sup>2</sup> (down approximately 40%) compared with the base fiscal year, which was 10,940 kWh per 1,000 m<sup>2</sup>. This represents an improvement in electricity usage per unit of floor area.

For water, water usage per unit of floor area at managed properties, 48.13 tons of water was used per 1,000 m<sup>2</sup>, a reduction of 29.83 tons per 1,000 m<sup>2</sup> (down approximately 38%) compared with 77.96 tons per 1,000 m<sup>2</sup> in the base fiscal year.

From a recycling versus total waste volume perspective, the ratio was 71.64% in fiscal 2013 compared with 44.77% in the base fiscal year, for a 26.87 percentage point improvement in the recycling ratio. Moreover, turning to waste volume per unit of floor area, the amount of waste generated per unit of floor area declined to 0.62 tons per 1,000 m<sup>2</sup> in fiscal 2013, a reduction of 0.57 tons per 1,000 m<sup>2</sup> (down approximately 48%) compared with the base fiscal year, which was 1.19 tons per 1,000 m<sup>2</sup>.

### Environmental Conservation Effects (Fiscal 2014)

Scope of calculations: Office buildings that Mitsui Fudosan owns or partially owns (targeted: 77 buildings)

Applicable period: April 1, 2014 – March 31, 2015

Base fiscal year: Fiscal 2002

Contents of Effects	Environmental Load Index					
	Current Fiscal Year(Fiscal 2014)	Previous Fiscal Year(Fiscal 2013)	Base Fiscal Year(Fiscal 2002)	Year-on-year Change(Current fiscal year-Previous fiscal year)	Compared with Base Fiscal Year(Current fiscal year-base fiscal year)	
<b>Energy-saving for Administrative Purpose</b>						
Consumption by Floor Area of Crude Oil Equivalent to Fuel/Electricity for Administrative Use(after correction based on occupancy ratio)[crude oil equivalent kl/ thousand m <sup>2</sup> ]*1	1.96	2.02	3.16	-0.06	-1.20	
Consumption by Floor Area of CO <sub>2</sub> Equivalent to Fuel/Electricity for Administrative Use(after correction based on occupancy ratio)[equivalent t-CO <sub>2</sub> /thousand m <sup>2</sup> ]*2	3.02	3.12	4.87	-0.10	-1.85	
Break-down of Each Energy	Electricity: Consumption by Floor Area of Electric Power Consumed for Administrative Use(after correction based on occupancy ratio)[thousand kWh/thousand m <sup>2</sup> ]*3	6.58	6.65	10.94	-0.07	-4.36
	Gas: Consumption by Floor Area of Gas Consumed for Administrative Use(after correction based on occupancy ratio)[thousand m <sup>3</sup> /thousand m <sup>2</sup> ]*4	0.26	0.30	0.32	-0.04	-0.06
	DHC: Consumption by Floor Area of DHC Purchased for Administrative Use(after correction based on occupancy ratio)[MJ / thousand m <sup>2</sup> ]*5	10,975.37	10,801.83	24,258.57	173.54	-13,283.20
Water: Consumption by Floor Area of Water Consumed for Administrative Use(after correction based on occupancy ratio)[t / thousand m <sup>2</sup> ]*6	48.13	49.54	77.96	-1.41	-29.83	
Consumption by Floor Area of Disposed Waste(after correction based on occupancy ratio)[t/thousand m <sup>2</sup> ]*7	0.62	0.61	1.19	0.01	-0.57	
Improvement of Recycling Rate to Total Waste[%]	71.64	73.48	44.77	-1.84	26.87	

\*1 Crude oil equivalent to fuel/electricity use [kl] / (total floor area [thousand m<sup>2</sup>] x occupancy ratio)

\*2 CO<sub>2</sub> equivalent to fuel/electricity use for administrative use [kl] / (total floor area [thousand m<sup>2</sup>] x occupancy ratio)

\*3 Electric power consumed for administrative use [thousand kWh] / (total floor area [thousand m<sup>2</sup>] x occupancy ratio)

\*4 Gas consumed for administrative use [thousand m<sup>3</sup>] / (total floor area [thousand m<sup>2</sup>] x occupancy ratio)

\*5 DHC purchased for administrative use [MJ] / (total floor area [thousand m<sup>2</sup>] x occupancy ratio)

\*6 Water consumed for administrative use [t] / (total floor area [thousand m<sup>2</sup>] x occupancy ratio)

\*7 Amount of disposed waste [t] / (total floor area [thousand m<sup>2</sup>] x occupancy ratio)

## Environmental Activity Data(Mitsui Fudosan)

### Scope of Data Collation

Mitsui Fudosan gathers data on its environmental activities at its office buildings, retail facilities, hotels and other properties in accordance with the Energy Conservation Law, including some data on water usage and waste at these properties.

#### Scope of Data Collation

Type	Fiscal Year	Energy/CO <sub>2</sub>	Water	Waste	
Overall	No. of target facilities (facilities)	2010	164	148	112
		2011	156	148	110
		2012	153	148	104
		2013	152	132	95
		2014	164	146	101
	Total floor area (m <sup>2</sup> )	2010	4,575,496	4,529,654	4,351,480
		2011	4,512,623	4,481,880	4,068,876
		2012	4,500,657	4,506,491	4,141,918
		2013	4,633,067	4,978,585	4,529,604
		2014	4,999,987	4,972,024	4,828,433
Office buildings	No. of target buildings (buildings)	2010	98	94	79
		2011	93	93	76
		2012	87	87	68
		2013	86	78	60
		2014	93	83	59
	Total floor area (m <sup>2</sup> )	2010	2,599,676	2,593,805	2,592,577
		2011	2,555,284	2,555,284	2,322,536
		2012	2,514,419	2,547,082	2,372,743
		2013	2,514,713	2,810,053	2,687,257
		2014	2,631,725	2,609,463	2,478,436
Retail facilities	No. of target facilities (facilities)	2010	33	31	24
		2011	36	36	26
		2012	36	34	28
		2013	38	36	27
		2014	45	43	33
	Total floor area (m <sup>2</sup> )	2010	1,796,010	1,793,142	1,666,151
		2011	1,784,818	1,784,818	1,666,955
		2012	1,820,319	1,800,628	1,695,133
		2013	1,880,535	1,905,842	1,759,935
		2014	2,111,528	2,110,073	2,267,038
Hotels	No. of target facilities (facilities)	2010	8	8	8
		2011	8	8	7
		2012	7	7	7
		2013	11	11	7
		2014	12	12	8
	Total floor area (m <sup>2</sup> )	2010	87,293	87,293	87,293
		2011	81,951	87,293	73,925
		2012	68,583	68,583	68,583
		2013	149,114	167,040	76,952
		2014	156,344	156,344	77,500
Other	No. of target facilities (facilities)	2010	25	15	1
		2011	19	11	1
		2012	23	20	1
		2013	17	7	1
		2014	14	8	1
	Total floor area (m <sup>2</sup> )	2010	92,518	55,415	5,459
		2011	90,568	54,485	5,459
		2012	97,335	90,198	5,459
		2013	88,704	95,650	5,459
		2014	100,391	96,143	5,459

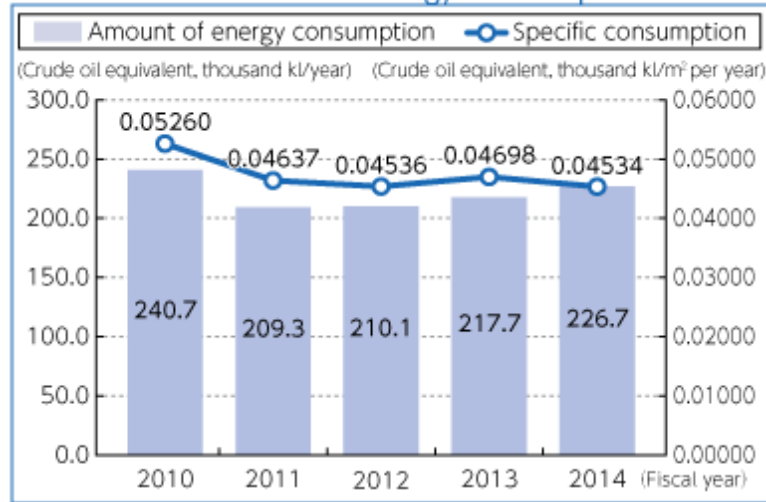
Note 1: Office buildings include Tokyo Midtown. "Other" includes rental housing, facilities under the control of the General Administration Department and branches. Moreover, resort hotels have been included in the scope of collation for hotels from fiscal 2013 (excluding waste).

Note 2: Energy usage and CO<sub>2</sub> emission total floor area data takes into consideration the operating month.

## Energy Usage

While total energy usage was 226,700 kl of oil equivalent per year in fiscal 2014, an increase of 4.1% compared with the previous fiscal year, energy usage per base unit (of floor area) decreased 3.5% year on year to 0.04534 kl (oil equivalent) per m<sup>2</sup> annually. This was largely attributable to lower temperatures during the summer and the greater adoption of LED lighting in retail facilities.

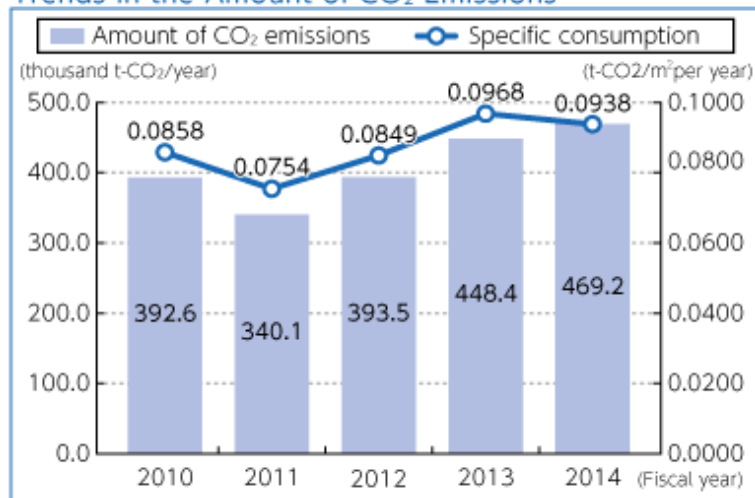
Trends in the Amount of Energy Consumption



## CO<sub>2</sub> Emissions

In fiscal 2014, CO<sub>2</sub> emissions totaled 469,200 t-CO<sub>2</sub>/year, an increase of 4.6% compared with the previous fiscal year. CO<sub>2</sub> emissions per base unit (of floor area) were 0.0938 t-CO<sub>2</sub>/m<sup>2</sup>/year, down 3.1% compared with the previous fiscal year. This reflects changes in the total amount of energy used and energy usage per base unit of floor area.

Trends in the Amount of CO<sub>2</sub> Emissions



Note: The amount of CO<sub>2</sub> emission is calculated based on the Manual for Calculating and Reporting Greenhouse Gas Emissions (the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan). The amount of CO<sub>2</sub> emission for each fiscal year is calculated using the definitive value of the electricity emission coefficients of each respective previous fiscal year.

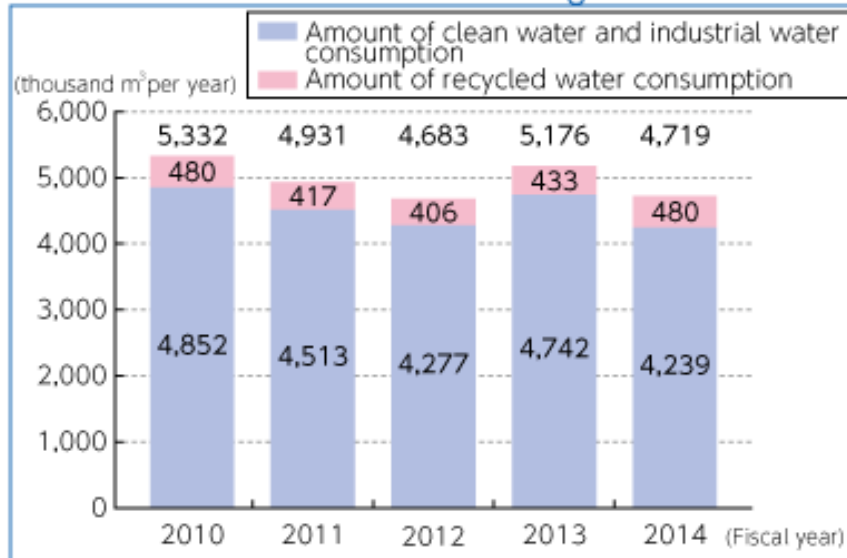
## Waste Usage

Water usage\*<sup>1</sup> trended downward through fiscal 2012, temporarily increased in fiscal 2013, and then declined again in fiscal 2014 to 4,719,000 m<sup>3</sup>/year, a decrease of 8.8% compared with the previous fiscal year. Clean water and industrial water usage\*<sup>2</sup> was 4,239,000 m<sup>3</sup>/year, down 10.6% year on year. On a per unit basis (of floor area), this was 0.853 m<sup>3</sup>/m<sup>2</sup>/year, a decline of 10.5% compared with the previous fiscal year. These declines in water usage were the result of efforts to conserve water in office buildings. Recycled water usage increased 10.8% year on year to 480,000 m<sup>3</sup>/year. The ratio of recycled water usage to total water usage was 10.2%, rising above 10%.

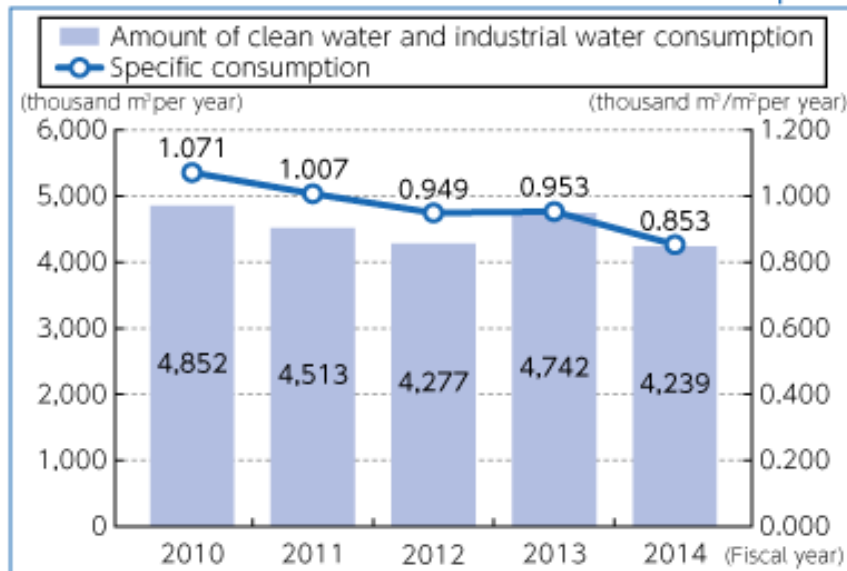
\*1 Water usage: The total of clean water, industrial water, and recycled water usage. It does not include use of rainwater.

\*2 Clean water and industrial water usage: Clean water and industrial water usage excludes well water usage.

### Trends in the Amount of Water Usage



### Trends in Clean Water and Industrial Water Consumption

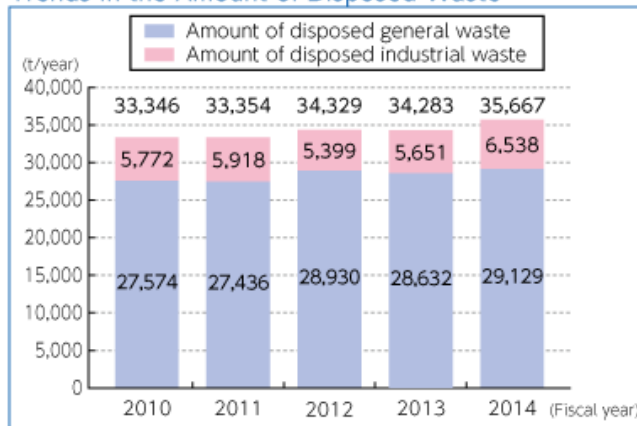




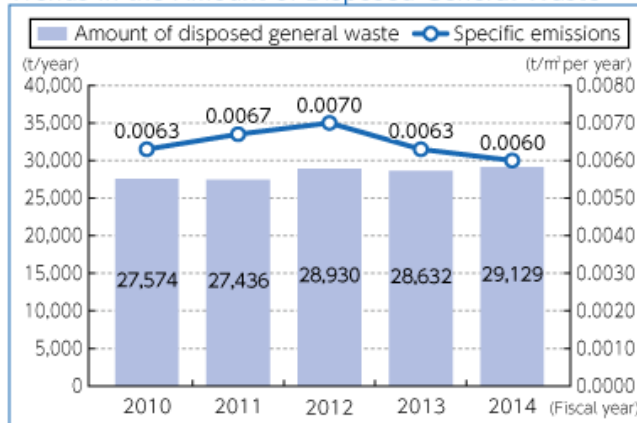
## Waste Emissions

Waste emissions have trended upward, increasing 4.0% year on year to 35,667 tons/year in fiscal 2014. General waste emissions have been edging upward, and amounted to 29,129 tons per year, an increase of 1.7% compared with the previous fiscal year. On a per unit basis (of floor area), however, general waste emissions was 0.0060 tons/m<sup>2</sup>/year, down 4.8% and continuing a decline since fiscal 2012. Although general waste emissions increased as a result of a larger number of facilities included in the scope and greater customer traffic at retail facilities, properties stepped up efforts to reduce waste and facilities with relatively little waste emissions were also newly added to the scope of data compilation. Industrial waste emissions came to 6,538 tons/year in fiscal 2014, an increase of 15.7% compared with the previous fiscal year, continuing an uptrend since fiscal 2012. Industrial waste per base unit (of floor area) had been on a downtrend through fiscal 2013, but increased 16.7% year on year in fiscal 2014 to 0.0014 tons/m<sup>2</sup>/year. This was largely attributable to the full-year operation of an office building complex with retail stores on the lower floors, and a shuffling of major tenants that led to an increase in industrial waste volume.

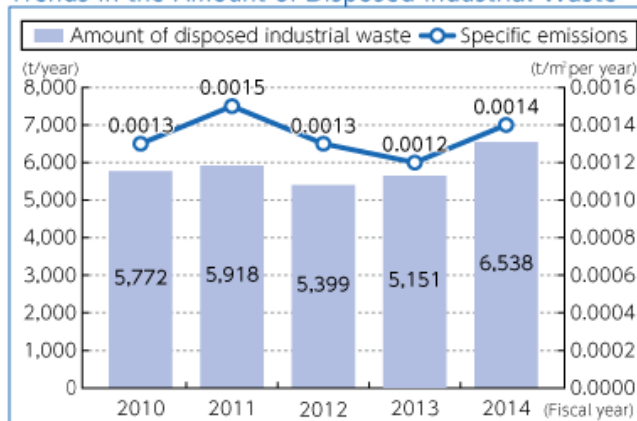
Trends in the Amount of Disposed Waste



Trends in the Amount of Disposed General Waste



Trends in the Amount of Disposed Industrial Waste



<Correction of numerical data>

The amount of industrial waste and per base unit data for fiscal 2013 were incorrect and have been revised in this year's report.

## Third-party comment

### Advanced Urban Development and Consistent Results from Initiatives



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Open &  
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The &EARTH REPORT 2015 is published in a compact digest version and an extensive detailed version. The digest version of this report is even more compact than last year. The digest version features straight talk about the Company's efforts in its core businesses as a comprehensive developer, and with a focused narrative, the report is very easy to understand. I also like how the digest version of this report provides the reader with a gentle introduction to the Company's CSR communications.

In the smart city section, this year's report focuses on regional energy networks. By reading about Kashiwa-no-ha Smart City and the Company's initiatives underway in Nihonbashi, I gained an understanding of how the Company comes up with solutions to the kind of problems that arise during the development of entire urban communities, and not just buildings. Regional energy networks are a central policy of the government, and this is an area in which the Mitsui Fudosan Group is likely to shine, in my opinion.

While undertaking these forward-looking initiatives, the report describes how two office building sites managed by Mitsui Fudosan were certified as Top Level Office Buildings by the Tokyo metropolitan government, as well as the standardization of CO<sub>2</sub>-reducing specifications in the housing sector. I am impressed that Mitsui Fudosan has committed to an ongoing multi-year effort instead of one-off initiatives.

Fusing together the hard and soft aspects of urban development is vital. Instead of simply constructing buildings, Mitsui Fudosan supports their utilization as a business, and maintains attractive spaces through collaboration with local governments and NPOs. The redevelopment of the Nihonbashi area is a leading example of what only a comprehensive developer can accomplish. Fukutoku Shrine, at the center of the local community, has become a beacon for bringing more people to the area. The streets of Nihonbashi have an atmosphere of harmony with the surrounding neighborhoods, and is without a doubt going to be a wellspring of Omotenashi for foreign tourists ahead of 2020.

One of my areas of research is how buildings and streets impact the health and productivity of people living and working in these communities. For example, wooden materials used for the interiors of buildings leads to better health and productivity. In this context, I am interested in the Company's efforts to use wood thinnings from its forests as flooring materials. I believe the Company's properties will become standards against which buildings and streets are compared for their contribution to health and productivity, in addition to energy conservation and BCP. I look forward to seeing how the Mitsui Fudosan Group created communities ahead of the times, such as the Kashiwa-no-ha Smart City, a city of health and longevity.

## Third-party comment

### Urban Development from the Perspective of Residents



Ayako Yamakawa

Representative,  
Energy  
Conscious  
Consumer  
Lifestyle Advisor

After reading the Mitsui Fudosan Group's &EARTH REPORT 2015, I came away with the impression that it is based on the perspective of residents. Kashiwa-no-ha Smart City is noteworthy for its advanced facilities and systems, including energy creation and storage equipment as well as interconnections with regional energy networks. I also highly rate the Company's efforts to motivate residents to conserve energy on an ongoing basis, such as through the visualization of energy usage with Kashiwanoha HEMS, provision of advice on how to conserve energy, and use of a point system for local rewards depending on how much energy a resident saves. I hope Mitsui Fudosan continues to analyze how the energy-using behavior of residents can be altered and sustained through the visualization of data and reward systems. Mama with LaLaport is a concept that was created by mothers raising small children. Mama with LaLaport is full of thoughtful details and services for families with children, so that they can have an enjoyable and comfortable time shopping. LaLaport has continued to sponsor &EARTH DAY, &Earth Classroom, and Clothing Support Project for a long time. In addition to being place for shopping, eating and enjoying other services, I think that it is wonderful that LaLaport is also a place for thinking about the environment. Mama with LaLaport was created by employees with children. Employees are also people who go home to their families. I look forward to seeing new concepts for facilities and services being created in this way. Residents are key in any program to conserve energy and reduce environmental load. Unless residents elect to use and continue using facilities and services that have a high impact on energy conservation, these facilities and services will not have that much of an effect. I am excited that Mitsui Fudosan continues to create housing and communities from the perspective of residents.