

&EARTH REPORT 2016

Mitsui Fudosan Group's Social and Environmental Initiatives

Comprehensive version



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Editorial Policy

Disclosure Policy

The Mitsui Fudosan Group's &EARTH REPORT 2016, 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 (distributed in booklet form) 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.

Mitsui Fudosan also issues a separate annual report. Every effort is being made to increase the amount of CSR activity information included in this report and to upgrade and expand non-financial data. In this manner, Mitsui Fudosan is working to provide stakeholders with an increasingly detailed account of every facet of the Company's activities in an integrated form.

Scope of Report

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

◆ Hotels and Resorts Business

Mitsui Fudosan Hotel Management Co., Ltd.

◆ Housing Business

Mitsui Fudosan Residential Co., Ltd.	Mitsui Fudosan Residential Service Co., Ltd.
Mitsui Fudosan Residential Lease 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.
Daiichi Engei Co., Ltd.

Mitsui Fudosan Architectural Engineering Co., Ltd.

*Control of Mitsui Fudosan's Rental Housing Business was taken over by Mitsui Fudosan Residential Co., Ltd. effective from October 2015. As a result, Mitsui Fudosan Housing Lease Co., Ltd. also became a group company of Mitsui Fudosan Residential Co., Ltd. effective from October 2015. Later, on April 1, 2016 the name of Mitsui Fudosan Housing Lease Co., Ltd. was changed to Mitsui Fudosan Residential Lease Co., Ltd.

Period Covered by the Report

This report mainly covers activities that were undertaken from April 1, 2015 to March 31, 2016. However, details are also provided for certain ongoing development projects both at the design and construction phase. In principle, quantitative data relates to fiscal 2015, the fiscal year from April 1, 2015 to March 31, 2016. The period covered for quantitative data outside fiscal 2015 is identified in each instance.

Reference Guidelines

Environmental Reporting Guidelines (2012) issued by Japan's Ministry of the Environment

Publication Date

September 2016 (Previous report: September 2015)

Top Message

Aiming for a Society that Enriches both People and the Planet

Mitsui Fudosan Co., Ltd.
President and CEO

Masanobu Komoda

蒺田正信



The Mitsui Fudosan Group's Social Mission

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 "challenges for creating new value and markets." At the same time, the Mitsui Fudosan Group will continue to vigorously engage in a variety of social contribution initiatives.

Focusing on the Continued Promotion of Urban Development

In May 2015, the Mitsui Fudosan Group released details of "Innovation 2017 Stage II," a business plan that covers the three-year period from fiscal 2015 to fiscal 2017. Amid major changes in the economic environment both inside and outside Japan, along with the growing diversity in society and rapid changes as a result of the ICT-driven evolution in work styles and lifestyles, the Mitsui Fudosan Group is steadfastly advancing growth strategies in each business field, beginning with efforts to create neighborhoods. In this manner, we are working to be a leader that continues to grow in the 2020s.

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," centered on a wide range of smart city endeavors. 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 is focusing on advancing initiatives that help 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. One example is the start of construction in December 2015 of the A Zone of the Nihonbashi Muromachi 3rd District Project in Muromachi 3-Chome, a core element of the 2nd Stage of the Nihonbashi Revitalization Plan and Redevelopment to create a large-scale mixed-use urban smart city in Nihonbashi. The Mitsui Fudosan Group is working to strengthen measures aimed at bringing this project to a reality.

Contributing to the Global Environment and Regional Society

The Mitsui Fudosan Group contributes to society through the creation of urban neighborhoods through its mainstay business activities. 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 CO₂ over the long term.

As one of many activities aimed at contributing to local communities in each region, Mitsui Fudosan is continuing to support reconstruction efforts following the Great East Japan Earthquake as the chair of the Special Committee on Reconstruction established by the Japan Federation of Economic Organizations (Keidanren). In addition to our active 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 efforts, and conduct CSR seminars in a bid to promote interaction with local residents. Moreover, we continue to focus on social contributions through the use of our resources, led mainly by the Watasu 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** philosophy 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 2015. 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, and Mission

The Mitsui Fudosan Group's Statement, Vision, and Mission embody management's basic philosophy and vision for the future of bringing affluence and comfort to urban living. Since their formulation in 1999, they have guided the Mitsui Fudosan Group as an integrated management policy.

Group Statement

◎ **The Mitsui Fudosan Group aims to bring affluence and comfort to urban living.**

Group Vision — What we want to be —

1. The "♁" Philosophy

Seeking to link diverse values and coexist in harmony with society, as symbolized by the Mitsui Fudosan "♁" logo, we will work to foster social and economic development as well as global environmental preservation.

— Under "&EARTH," we will aim for a society that enriches both people and the planet.

2. Evolution and value creation

By bringing knowledge and experience together in diverse ways, we seek to advance the real estate business and create new value, both at home and abroad, proactively responding to global changes in social environments and market structures.

3. A profitable and growing Mitsui Fudosan Group

We seek to create a profitable and growing Mitsui Fudosan Group, acting honestly and fairly to realize the capabilities of the entire organization.

Group Mission — What is expected of us —

1. Provide business and lifestyle-related solutions and services

- Maximize urban value creation by providing secure, safe and attractive urban spaces and soft services that bring enrichment and comfort to urban living.
- Provide variable and innovative solutions that stimulate the real estate investment market.

2. Work in partnership with customers from a global perspective

- Treat customers as the business foundation on which to progress and develop the Company.
- Propose and provide products and services by deploying the collaborative strength of the Group with a multidisciplinary approach that meets the real needs of customers.
- Work in partnership with customers to raise brand value by continuously providing services that are highly valued by them.

3. Raise our corporate value

- Raise corporate value through sustainable profit growth and continual innovation.
- Optimize the allocation and use of available resources and pursue efficient operations.
- Conduct operations while closely monitoring and managing business risks.

4. Create strong corporate group by building the capabilities of individuals

- Seek to maintain a creative and pioneering spirit by integrating various skills and values.
- Cultivate and institutionalize the professional capabilities of individuals to raise our creative ability for value-added products and services.
- Maintain high awareness of ethical, disciplinary, and compliance issues, and act accordingly.

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

Aiming for a society that enriches both people and the planet



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.

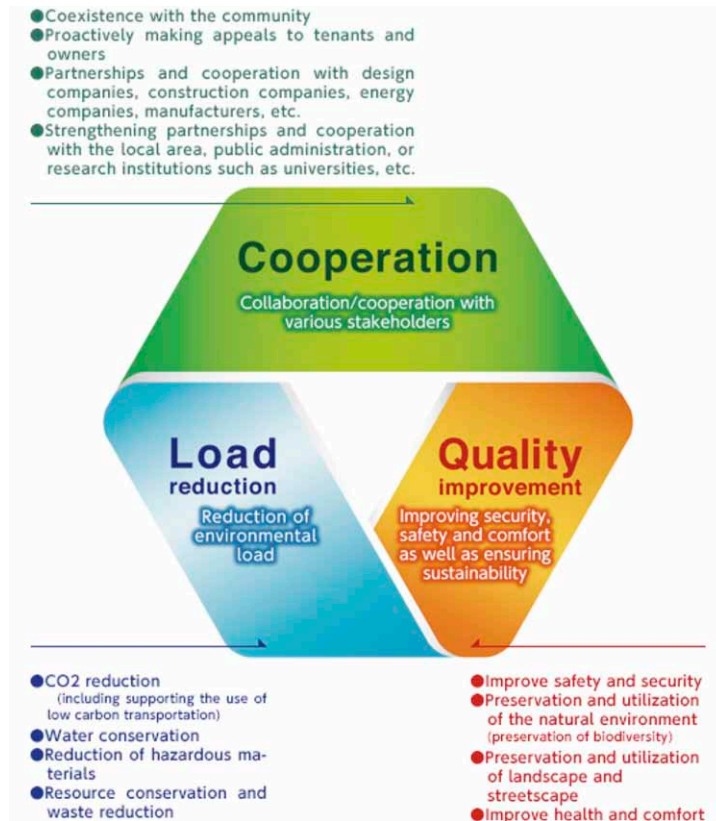
Under the principles of the "♁" logo, "&EARTH" represents our Group vision.

"&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.



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.**

Our Efforts to Reduce Environmental Impact

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 CO₂ emissions, conserving water resources, reducing hazardous substances, and saving resources while reducing waste.

Reducing CO₂ Emissions

The Mitsui Fudosan Group provides CO₂-minimizing buildings that help to conserve, create, and store energy. In addition, the Group works diligently to reduce the amount of CO₂ emissions while promoting the introduction of energy management systems. As a part of ongoing efforts to cut back the amount of CO₂ emissions produced by automobiles, the Group also offers a package of measures including mobility design.

Energy Conservation, Creation, and Storage

Beyond energy conservation, our CO₂-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.

◆ Five Office Buildings Certified again as Excellent Designated GHG 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 2016, the three office buildings Tokyo Midtown (Minato-ku, Tokyo), Nihonbashi Mitsui Tower (Chuo-ku, Tokyo) and Ginza Mitsui Building (Chuo-ku, Tokyo) were re-certified as Top Level Office, and the two office buildings Shiodome City Center (Minato-ku, Tokyo) and Nihonbashi 1-chome Mitsui Building (Chuo-ku, Tokyo) were re-certified as Semi-Top Level Offices, as Excellent Designated GHG Offices*¹ based on the Tokyo metropolitan government's environmental preservation regulations.

These five office buildings were certified in fiscal 2010, the initial fiscal year of the first stage of the plan (fiscal 2010-2014) of the system, and have worked to reduce CO₂ emissions since then. We have installed additional measurement and control equipment, fostered tightly-knit cooperation with operating companies, and taken measures to improve operations by fine-tuning equipment. As a result, we have successfully complied with the more stringent certification standards for the second stage of the plan (fiscal 2015-2019).

As of March 31, 2016, Mitsui Fudosan had seven office complexes (nine buildings) designated as Top Level Offices and six office complexes (seven buildings) as Semi-Top Level Offices under the Excellent Designated GHG Offices program.

*1 Tokyo metropolitan government's Excellent Designated GHG Offices:

The Tokyo metropolitan government uses 213 criteria for evaluating the impact of management systems, building equipment performance, and office building equipment operations on reducing CO₂ emissions. Office buildings that receive this designation are singled out for their exceptional promotion of global warming countermeasures. The system alleviates liability for CO₂ 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).

Office buildings that were re-certified as Excellent Designated GHG Offices in March 2016

Top Level Offices



Tokyo Midtown



Nihonbashi Mitsui Tower



Ginza Mitsui Building

Semi-Top Level Office



Shiodome City Center



Nihonbashi 1-chome Mitsui Building

◆ Gate City Ohsaki Re-certified at Highest "S" Rank under CASBEE for Existing Buildings (2010 Edition)

In February 2016, Gate City Ohsaki (Shinagawa-ku, Tokyo) was re-certified by the Japan Sustainable Building Consortium (JSBC) for the highest "S" rank under the CASBEE for Existing Buildings*² (2010 Edition) system. In 2005, Gate City Ohsaki obtained its first certification for an existing building, and was re-evaluated and re-certified in 2010 and 2016.



Gate City Ohsaki

Mitsui Fudosan has taken measures to conserve energy at Gate City Ohsaki, constructing a dedicated regional heating and cooling plant, installing heat-recoverable heat pump systems, cutting electricity usage during peak hours of the day by using a large-capacity thermal storage system, and using inverters in air conditioning system. Rainwater and recycled water is also proactively used alongside thorough recycling of waste. Environmental efforts include creating greenery via the North Garden and Japanese Garden.

*2 CASBEE for Existing Buildings:

CASBEE stands for Comprehensive Assessment System for Built Environment Efficiency, which was developed by the Japan Sustainable Building Consortium (JSBC). This system comprehensively evaluates the quality of buildings based on environmental criteria, such as energy conservation and the use of building materials with little environmental impact, as well as the comfort of rooms and considerations made for the surrounding scenery. CASBEE provides several evaluation tools depending on the characteristics of the building, and CASBEE for Existing Buildings is an evaluation tool for existing buildings (excluding detached housing).

◆**Energy Conservation, Creation, and Storage at Retail Facilities**

Mitsui Fudosan strives to conserve energy, such as by installing LED lighting, at its retail facilities, while also aiming to create and store energy through the use of solar power and large-scale battery systems.

At LaLaport Ebina (Ebina City, Kanagawa Prefecture), which opened in fiscal 2015, we installed a cogeneration system (370kW generation capacity x 2 units) that produces and supplies both electricity and heat for air conditioners and other equipment. LED lighting and other energy-conserving equipment is used throughout the common areas.

At LaLaport TACHIKAWA TACHIHI (Tachikawa City, Tokyo), we installed solar power generation facilities (100kW generation capacity).



LaLaport Ebina

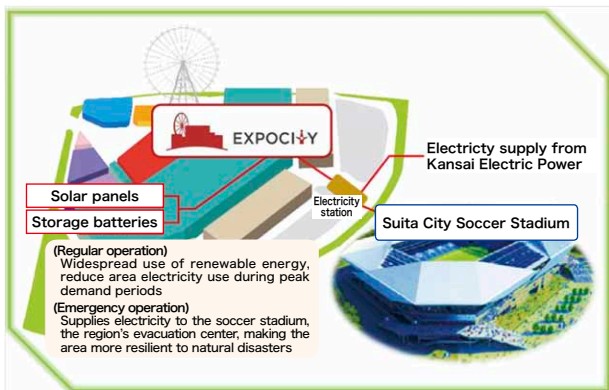


LaLaport TACHIKAWA TACHIHI

◆**Energy Conservation, Creation, and Storage at Expo Smart Community**

At the Suita City Soccer Stadium, next to EXPOCITY (Suita City, Osaka Prefecture), the Expo Smart Community aims to conserve energy and reduce CO₂ emissions by reducing electricity usage during peak demand periods across the entire area with electricity delivered over Kansai Electric Power Co., Ltd.'s power grid and electricity generated from solar panels (106kW generation capacity) and stored in batteries (168kWh storage capacity) installed at EXPOCITY.

EXPOCITY's solar power generation and storage facilities also operate as an independent power source in the event of a wide-area disaster, during which the system can supply a minimum level of electricity in blackout conditions to the soccer stadium, which is a regional evacuation center. In addition to reducing CO₂, the system is an integral part of making the community more resilient to natural disasters.



Expo Smart Community rendering



EXPOCITY's solar panels (photographer: SS Osaka Co., Ltd.)

◆ **Energy Conservation and 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 2015, MFLP*³ Hino (Hino, Tokyo) and MFLP Kashiwa (Kashiwa, Chiba Prefecture) have installed solar power facilities with generation capacities of roughly 2MW and 0.7MW, respectively.

MFLP Hino excels at energy conservation with LED lighting installed throughout the building and thermal insulation featuring metal sandwich panels on the exterior and double-pack insulation on the roof.



MFLP Hino



Solar panels at MFLP Hino



MFLP Kashiwa



Solar panels at MFLP Kashiwa

*3 MFLP:
MFLP stands for Mitsui Fudosan Logistics Park.

◆MFLP Sakai Received the Fiscal 2015 Osaka Environmentally Friendly Architecture Award in the Commercial Facility and Other Category.

In March 2016, MFLP Sakai (Sakai, Sakai District) received the Fiscal 2015 Osaka Environmentally Friendly Architecture Award in the Commercial Facility and Other Category.

MFLP Sakai was assessed by a third-party entity and obtained the highest "S" rank certification for CASBEE for New Buildings (2010 Edition) by the Japan Sustainable Building Consortium (JSBC). This logistics facility features strong environmental performance with high-insulation-performance wall and roof materials, solar power facilities (2MW generation capacity) and power generation status visualization, electric vehicle recharging stations, and the conservation of wood materials with the use of existing materials. It also features high-strength steel materials and construction methods, seismic reinforcements, and concrete made from blast furnace cement in compliance with green procurement standards, which reduces LC CO₂*⁴ and conserves resources by extending the service life of the building, as well as zero external disposal of excavated soil from construction. MFLP Sakai's construction materials were also highly praised for their limited impact on the global environment.

*4 LC CO₂:

LC CO₂ stands for Life Cycle CO₂. It represents the total volume of carbon dioxide emitted throughout the life cycle of building materials, from their procurement and use in buildings to their dismantling and final disposal.

■ MFLP Sakai's main environmental highlights

Insulation sandwich panels	Double folded-plate roof and ceilings	Solar power generation facilities	Electric vehicle recharging stations
Reduces load on air conditioners with use of high-performance insulation materials (insulation sandwich panels)	Improved internal environment with high-performance insulation roof materials (double folded-plate roof) and ceilings	7,680 solar panels on the roof (2MW generation capacity), visualization of power generation status	Two electric vehicle recharging stations were installed to promote the spread of electric vehicles
High-strength steel and welding methods	Seismically isolated structure	Blast furnace cement used in underground structure	Zero external disposal of surplus soil excavated during construction
Use of high yield point steel, reduction of steel materials used with rigid joints for steel framed small beams, reduction of CO ₂ emissions	Seismically isolated structure minimizes building damage during medium- and large-sized earthquakes while prolonging lifespan of the building	Approximately 14,000m ³ of blast furnace cement that complies with green purchasing regulations was used in the concrete structures of foundation underground beams	All surplus soil from construction was piled up on-site, eliminating the equivalent of about 12,000 dump trucks for hauling away the soil, while paying attention to the surrounding environment during construction
Preservation and use of trees already growing on-site	Expandable facilities	Emergency power generators	Water receiving tanks and wastewater storage tanks
The "furusato" forest planted back during 1965-1975 covers about 9,500 meters squared and has been preserved without thinning out trees	The facility can easily be expanded with additional conveyors, offices, storage space, and air conditioning systems to meet changing warehousing needs	Emergency power generators for blackouts (48-hour operation) are installed at an altitude above projected tsunami levels	The facility features emergency water receiving tanks and wastewater storage tanks, as well as manhole toilets and temporary toilets



MFLP Sakai

◆Energy Conservation at Hotels

The resort hotel Haimurubushi (Taketomi Town, Yaeyama District, Okinawa Prefecture) features EcoJyozu water heaters for the public baths. EcoJyozu is a highly efficient gas water heater that makes hot water with waste heat (thermal efficiency about 95%), which helps reduce CO₂ emissions.



The resort hotel Haimurubushi

◆Energy Conservation, Creation, and Storage at Fine Court Todoroki Oukeitei

The for-sale detached housing Fine Court Todoroki Oukeitei (Setagaya-ku, Tokyo) is the first Smart Wellness House complex (see Quality—19) in the Tokyo metropolitan area.

Smart Wellness House refers to smart homes built with consideration paid to health, safety and security. Fine Court Todoroki Oukeitei is a neighborhood of homes with "four region" insulation performance required in freezing cold areas of Japan, using energy conservation standards based on the Act on the Rational Use of Energy, featuring



Fine Court Todoroki Oukeitei

sashes made from resin and high-performance insulation materials. It also offers excellent performance in terms of energy conservation and energy storage, featuring EneFarm household fuel cells, household storage batteries, Home Energy Management Systems (HEMS), LED lighting, and thermal exchange ventilation systems that prevent heat loss during heating and cooling.

Complying with pace-setting standards for lowering carbon, the buildings have received certification as low-carbon buildings under the Low-Carbon New Building Plan Certification System based on the Low Carbon City Act.

◆Progress on Creating Standard Specifications for Reducing CO₂ Emissions from Housing

The Mitsui Fudosan Group's housing business has standardized design specifications for reducing CO₂ emissions in insulation, water heaters, and lighting.

■Standard Specifications for Reducing CO₂ Emissions in the Housing Business (as of the end of fiscal 2015)

Business Segment	Company name	Standard Specifications for Reducing CO ₂ Emissions		Areas with the standard	Start of standard	
For-sale condominiums	Mitsui Fudosan Residential Co., Ltd.	Insulation	Grade 4 insulation performance	Tokyo metropolitan area	Fiscal 2011	
			Low-E glass	Tokyo metropolitan area	Fiscal 2011	
		Hot water	High-efficiency water heater	Tokyo metropolitan area	Fiscal 2009	
		Lighting	Common areas	LED lighting	Tokyo metropolitan area	Fiscal 2011
			Exclusive areas	LED lighting, motion sensors	Tokyo metropolitan area	Fiscal 2011
		Energy management	Energy visualization systems	Tokyo metropolitan area	Fiscal 2011	
		Other	Water-saving toilets, showers and faucets	Tokyo metropolitan area	Fiscal 2011	
			Grade 3 anti-deterioration measures	Tokyo metropolitan area	Fiscal 2009	
			Water sprinkling blocks	Tokyo metropolitan area	Fiscal 2011	
Rental condominiums	Mitsui Fudosan Residential Co., Ltd.	Insulation	Grade 4 insulation performance	Tokyo metropolitan area	Fiscal 2009	
			Multi-paned glass	Tokyo metropolitan area	Fiscal 2009	
		Hot water	High-efficiency water heater	Tokyo metropolitan area	Fiscal 2013	
		Lighting	Common areas	LED lighting	Tokyo metropolitan area	Fiscal 2009
			Exclusive areas	LED lighting	Tokyo metropolitan area	Fiscal 2014
		Other	Water-saving showers	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 insulation performance	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 residence	Mitsui Home Co., Ltd.	Insulation	2013 revision 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.
4. The rental condominium business was transferred from Mitsui Fudosan to Mitsui Fudosan Residential Co., Ltd. on October 1, 2015 due to a company split.

◆Energy Conservation and Creation at Mitsui Repark

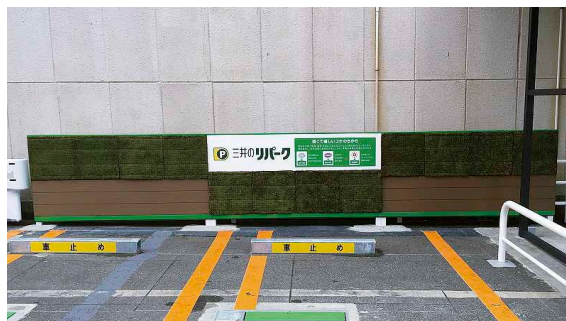
Mitsui Fudosan Realty Co., Ltd. creates parking lots that are safe, secure, advanced, environmentally friendly, and useful during disasters. In March 2016, the Mitsui Repark Sakae 2-chome Parking Lot (Naka-ku, Nagoya) was opened as a model parking lot (see Coexistence—03) that is environmentally friendly, has disaster prevention features and contributes to the local community.

The Mitsui Repark Sakae 2-chome Parking Lot features a hybrid solar system (one unit) and solar LED street lighting (one unit). The hybrid solar system stores electricity generated during the daytime in batteries, and this electricity is used to power signage and lighting after the sun sets. The system can generate up to approximately 4.8kW in a single day, which is sufficient for about 98% of the power needs for the signage and lighting in the parking lot. We estimate the system reduces CO₂ emissions by roughly 0.9t each year. The solar LED street lights are powered at night by the batteries that store the electricity generated by the solar panels. They can also be used as an emergency power source during blackouts and natural disasters.

Moreover, Mitsui Park parking lots nationwide now feature green panels that use moss for the first time, which absorbs CO₂ and pollutants in the atmosphere, thereby helping to mitigate the heat island phenomenon in cities.



Hybrid solar system



Moss green panels

◆ **As a Low-carbon Model Town, Kashiwa-no-ha Smart City Received the Silver Award under APEC's 2015 ESCI Best Practice Awards.**

The Mitsui Fudosan Group has been developing the Kashiwanoha Smart City (Kashiwa City, Chiba Prefecture) while collaborating with citizens, governments, universities and companies. In February 2016, Kashiwanoha Smart City was recognized with a silver award for being a Low Carbon Model Town under Asia-Pacific Economic Cooperation's (APEC) 2015 ESCI Best Practice Awards.



2015 ESCI Best Practice Award

The Energy Smart Community Initiative (ESCI) promotes the sharing of case studies and know-how

in the fields of efficient transportation, energy-conserving buildings, smart grids and low-carbon model towns among member countries and regions in APEC. Every year, the ESCI Best Practice Awards recognize organizations that implement best practices in each field.

At the Kashiwanoha Campus District, we aim to realize an environmental-symbiotic city while collaborating with the public sector, private sector and universities. At Kashiwanoha Smart City, the Kashiwanoha AEMS^{*5} optimizes energy usage throughout the community, while HEMS^{*6} visualizes energy usage in the home to raise awareness of the environment. The award recognizes our overall efforts at reducing the carbon footprint of Kashiwanoha Smart City, which is being promoted as an environmental-symbiotic city, through research and field testing of next-generation environmentally friendly transportation systems, in addition to utilizing solar power, wind power and other renewable energy.

*5 AEMS:

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

*6 HEMS:

HEMS stands for Home Energy Management System. It is an energy management system for homes.

◆ Megasolar projects

Mitsui Fudosan engages in megasolar power projects. As of the end of fiscal 2015, we operate five megasolar power stations. The combined generation capacity of these five facilities is about 72MW, and the roughly 70 million kWh of electricity generated in fiscal 2015 was enough to power around 20,000 common households.

■ List of Solar Power Stations at Mitsui Fudosan (As of the end of fiscal 2015)

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	1 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 Prefecture	1 December 2014	About 6MW
Total			About 72MW

Energy Management System

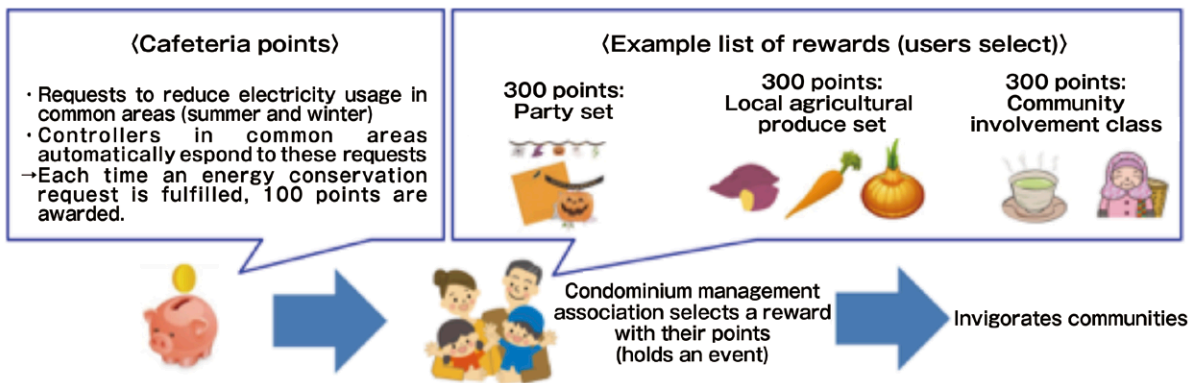
The Mitsui Fudosan Group has installed energy management systems with the aim of optimizing and increasing the efficiency of energy use in homes, buildings and across communities. We also provide frameworks that motivate people to conserve energy, such as a system that awards points based on the level of energy conservation.

◆Community Cafeteria Plan, an electricity conservation point service, on trial at Park Homes LaLa Shin-Misato

At Park Homes LaLa Shin-Misato (Misato City, Saitama Prefecture), we participated on a trial basis in the Community Cafeteria Plan (trial period: September 2015 to March 2016), which awards points based on their level of cooperation in reducing electricity usage. This system reduces electricity usage in common areas with controllers that automatically respond to requests to conserve energy, based on a demand response framework in the condominium electricity supply service provided by NTT Facilities Inc.

Points are awarded to the condominium management association, which can be redeemed for various services offered by NTT Facilities for condominium community events. Conserving energy also leads to more community involvement and activity.

Mitsui Fudosan Residential Co., Ltd. will consider using the Community Cafeteria Plan in newly built for-sale condominiums.



Framework of the energy conservation point service Community Cafeteria Plan

Curbing CO₂ Emissions from Automobiles

To restrict CO₂ emissions from automobiles, the Mitsui Fudosan Group installs electric vehicle recharging stations and provides services that encourage the use of public transportation at its retail facilities.

◆ Installation of Electric Vehicle Recharging Stations at Retail Facilities

Mitsui Fudosan has installed recharging stations for electric vehicles at its retail facilities, putting in place 18 such stations at four facilities that it opened in fiscal 2015.

■ Electric vehicle recharging stations at commercial retail facilities opened fiscal 2015

Facility name	Location	Number of Electric Vehicle Recharging Stations
LaLaport Ebina	Ebina City, Kanagawa Prefecture	2
LaLaport EXPOCITY	Suita City, Osaka Prefecture	10
LaLaport TACHIKAWA TACHIHI	Tachikawa City, Tokyo	4
Mitsui Outlet Park HOKURIKU OYABE	Oyabe City, Toyama Prefecture	2

◆ Recharging stations at Mitsui Repark for electric vehicles and plug-in hybrids vehicles

Mitsui Fudosan Realty Co., Ltd. has enlisted the help of NEC Corporation to install recharging stations for electric vehicles and plug-in hybrid vehicles at its Mitsui Park hourly parking lots in order to contribute to infrastructure that promotes the spread of electric vehicles and plug-in hybrid vehicles. As of the end of June 2016, we have installed a total of 113 recharging stations in seven locations in the Kanto region (the Tokyo metropolitan area and three surrounding prefectures).

Saitama City has been cooperating with citizens, other local governments and private-sector companies to encourage the spread of electric vehicles. We have signed on with Saitama City for its E-KIZUNA Project Agreement, and in March 2016, we installed an electric vehicle recharging station at the Mitsui Repark Musashi-Urawa Station No. 2 Parking Lot (Minami-ku, Saitama City).



Electric vehicle and plug-in hybrid vehicle recharging stations installed with NEC Corporation (Mitsui Repark Minamiyawata 5-Chome No.3 Parking Lot: Recharging stations for 20 vehicles)

◆ Mitsui Fudosan Reform Co., Ltd. finished switching company cars to eco cars

Mitsui Fudosan Reform Co., Ltd. has been gradually switching its company cars to eco cars with the aim of reducing CO₂ emissions from vehicles. In April 2015, it finished switching its entire fleet (131 cars) to eco cars. Moreover, Mitsui Fudosan Reform Co., Ltd. has been working with Mitsui Fudosan Realty Co., Ltd. and its Mitsui Repark service to promote car sharing at its sales offices.

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, the Mitsui Fudosan Group installs 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.

◆Water Conservation at Hotels

At Mitsui Garden 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.

The Mitsui Garden Hotel Nagoya Premier (Nakamura-ku, Nagoya City) and the Mitsui Garden Hotel Kyobashi (Chuo-ku, Tokyo), which opened in fiscal 2016, feature water-saving toilets.

◆Water-saving equipment standard at large-scale logistics facilities

At our large-scale logistics facilities, water-saving toilets and other equipment are standard equipment. MFLP Hino (Hino City, Tokyo), which opened in fiscal 2015, also features water-saving toilets.

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.

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 Solutions

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 2015, the company had transitioned about 89% of its chemicals to eco-chemicals, excluding those designated by customers.

Mitsui Fudosan Residential 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 2015, chlorofluorocarbon leaked into the atmosphere at two retail facilities due to defects in equipment that was recalled by the manufacturer. These leaks were properly reported based on relevant laws and regulations.

At our LALA Garden Tsukuba retail facility, we upgraded 10 outdoor air conditioning systems (heat pumps) and 410 indoor air conditioners, and properly disposed of sealed chlorofluorocarbons in the process. We did not dispose of any chlorofluorocarbons (designated chlorofluorocarbons or alternative chlorofluorocarbons) from our office buildings or hotels in fiscal 2015.

I 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 2015, we disposed of 46 units of equipment with low concentrations of PCB 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 one unit at an office building, 15 units at one retail facility and three units at one hotel as of the end of fiscal 2015. They continue to be appropriately stored and managed.

I 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*⁷ 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.

*⁷ 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.

I Reduction of indoor PM2.5

◆ Smart Wellness House maintains clear air indoors

Smart Wellness House, which Mitsui Fudosan Residential Co., Ltd. began to provide in its detached for-sale housing business, focuses on health (wellness), energy conservation (smart), and safety and security. As standard equipment, Smart Wellness House features a complete heat exchange and ventilation system with micro-particle filters that prevent about 95% of PM2.5*⁸ pollutants from entering the house. The entrance area and living room feature EcoCarat interior walls, which are made from calcinated microporous materials, such as clay minerals. The air purifiers embedded in the ceiling remove 99% of dust particles, and help to reduce interior smells and air polluting substances.

*⁸ PM2.5:

PM2.5 refers to microparticles less than 2.5 μ m in size (one thousand of 2.5mm, or one-thirtieth the size of a human hair) that are floating in the air. Since these particles are extremely small, they easily find their way deep into the lungs, and can affect the respiratory and circulatory systems of people.

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 is a total of 40 retail facilities with this waste metering system, with five facilities added in fiscal 2015.



Application of stickers



Scale



Taking measurements

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 2015)

Category		Office buildings (46)	Retail facilities (27)
Raw garbage	Waste volume	3,423 tons/year	5,754 tons/year
	Recycled volume	2,775 tons/year	5,634 tons/year
	Recycling ratio	81%	97.9 %
Recycling applications		Feedstock, power generation	Fertilizer, feedstock, gasification, incineration power generation, carbonization

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. In fiscal 2015, we recycled approximately 0.5 tons of coffee grounds. Other raw garbage is processed on the premises with a raw garbage processor that uses microbes.

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 2015, approximately 3.2m³ 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 CO₂ emissions.

■ Tile carpet recycling (fiscal 2015)

Volume of used carpet collected	About 40,000 m ²
Volume of environmentally friendly tile carpet supplied	About 60,000 m ²
Cumulative volume supplied since fiscal 2002	About 980,000 m ²

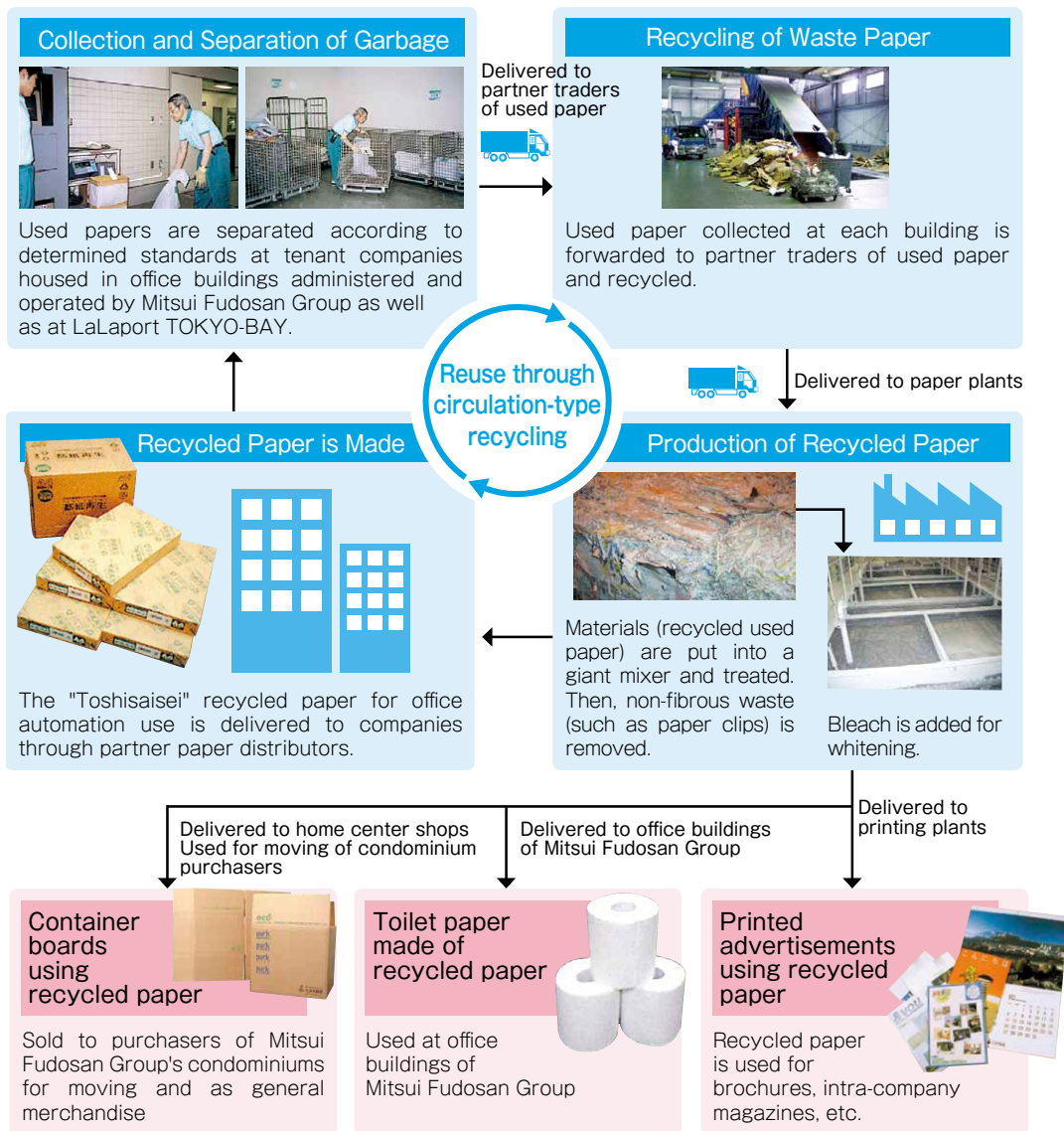
◆ **Wastepaper Recycling Loop System**

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 2015, we collected about 9,851 tons of wastepaper, and purchased about 919 tons of recycled paper.

■ **Wastepaper recycling (fiscal 2015)**

Volume of wastepaper collected	72 office buildings in Tokyo	About 8,724 tons	Total of about 9,851 tons
	LaLaport TOKYO-BAY	About 1,127 tons	
Recycled paper purchased	Mitsui Fudosan Group's purchase volume	About 919 tons (including 673 tons of toilet paper)	

■ **Outline of Wastepaper Recycling Loop System**



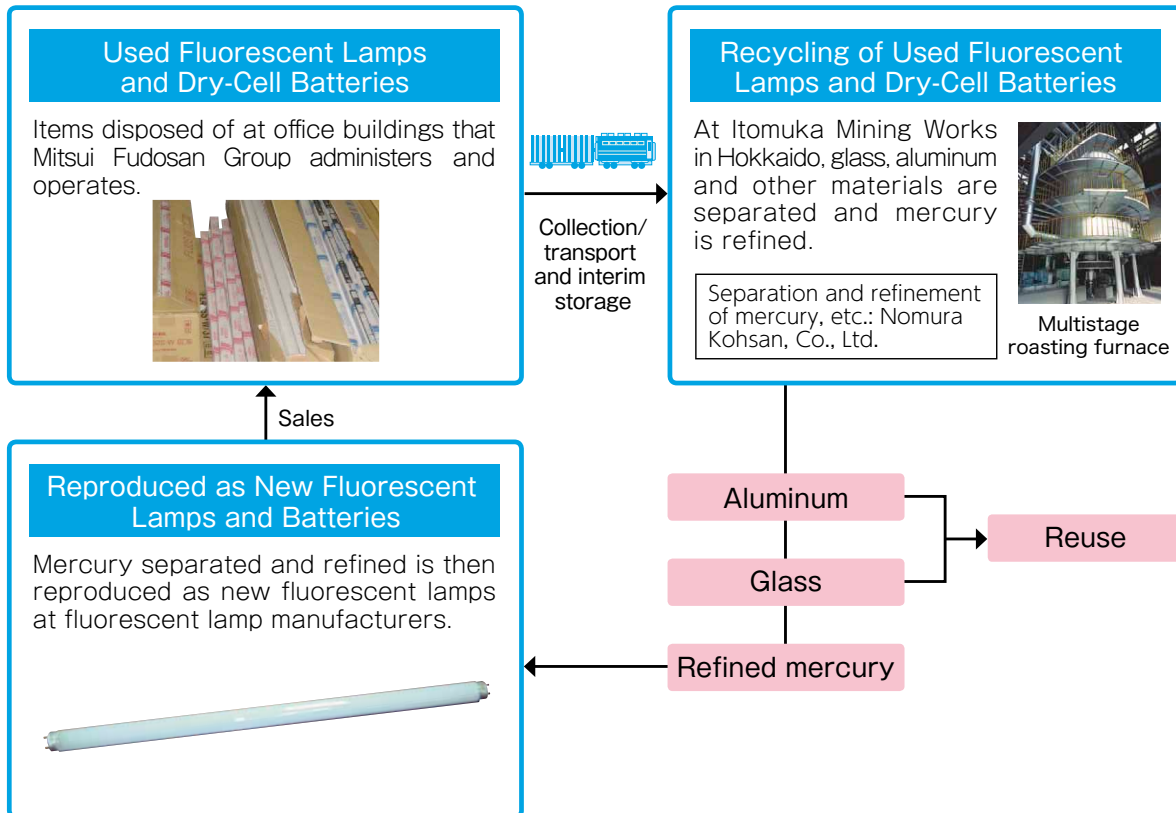
◆ **Used Fluorescent Bulb and Battery Recycling System**

Mitsui Fudosan has established a recycling system for used fluorescent bulbs and batteries in cooperation with four subcontractors including a recycling company and a conveyancer. 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 2015, 29.4 tons of used fluorescent bulbs and 6.3 tons of batteries were collected and recycled from a total of 53 buildings.

■ **Used fluorescent bulb and battery recycling (fiscal 2015)**

Number of buildings covered for collections	Total: 53 buildings (41 in Tokyo, 10 in Kansai, 2 in Nagoya)
Collection volume	Fluorescent bulbs: about 29.4 tons Batteries: about 6.3 tons

■ **Outline of Used Fluorescent Bulb and Battery Recycling System**



◆ **Recycled Business Paper Usage Ratio in Mitsui Fudosan's Offices**

In fiscal 2015, about 98% of the business paper used*⁹ was recycled paper in Mitsui Fudosan's offices.

*⁹ 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 (for-sale, rental units) as well as detached houses (for-sale and customized), 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.

◆ Renovation of Old Traditional Homes

Under the Mitsui Reform brand, Mitsui Fudosan Reform Co., Ltd. renovates detached houses, condominiums and office buildings. It also remodels old traditional homes that have stood for more than 100 years, mainly in the Kansai region. While preserving the best parts of old traditional Japanese homes, Mitsui Fudosan Reform Co., Ltd. modernizes the home with comfortable living spaces while strengthening seismic reinforcements, improving insulation, adding crime prevention measures, and making areas barrier free. By extending the service life of buildings, we contribute to the conservation of natural resources and the reduction of waste.

| 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 retail facility operations, from fiscal 2011 to fiscal 2012, we confirmed that waste was properly disposed at our retail facilities in Japan, completing any adjustments to our agreements with waste management subcontractors. Subsequently, we have audited and confirmed every year that waste is being properly disposed at about 20 retail facilities. In fiscal 2015, we audited and confirmed that 24 retail facilities are properly disposing of waste. Going forward, we plan to continue performing audits to ensure that waste disposal rules are being properly followed.

Initiatives to Improve Quality

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 Buildings

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.

◆ Park City OSAKI (Office / Commercial Tower)

At Park City OSAKI (Shinagawa-ku, Tokyo), a large-scale mixed-use development combining residential facilities, Mitsui Fudosan undertook various disaster prevention measures in September 2015 with the aim of promoting communities featuring enhanced security. For the OSAKI BRIGHT TOWER AND OSAKI BRIGHT CORE, the commercial/retail wing of this development, we adopted a vibration-control structure to minimize the damage caused when buildings are shaken during earthquakes. We also implemented the following safety and security measures concerning this development's office complex.

■ **Key Park City OSAKI Disaster Prevention/BCP Measures**

◎ **Thoroughgoing Disaster Prevention System**

Mitsui Fudosan's Office Building Division established a crisis management center located at Ginza 6-Chome-SQUARE (Chuo-ku, Tokyo), which is tasked with responding to large-scale disasters occurring at the Company's office buildings located nationwide. In the event of a disaster, the crisis management center assists with maintaining tenant business operations and the safety of office workers by gathering comprehensive information vital for the rapid and steady provision of disaster relief.

◎ **Introducing a Disaster Seriousness Determination System**

We have introduced a "disaster seriousness determination system," which determines the extent of damage on each floor within 10 minutes following an earthquake. Using this system enables us to rapidly estimate structural damage, which helps provide proper guidance during evacuations and shortens repair times.

◎ **Two-Line (Main, Backup) Power Receiving System**

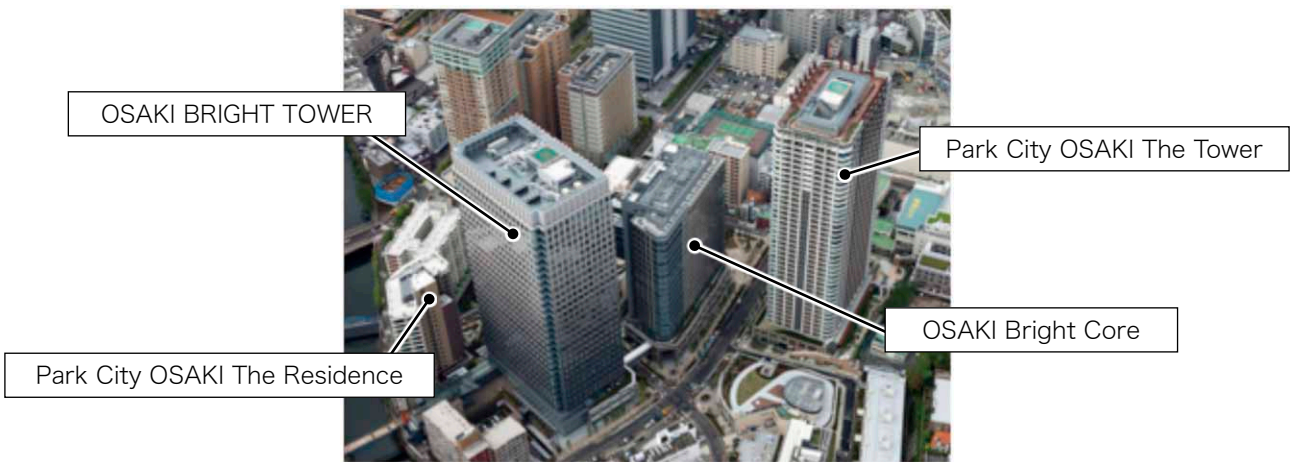
Drawing special high-voltage power from a single transformer using two lines enables the reception of power using another line just in case has been damaged.

◎ **72-Hour BCP**

Mitsui Fudosan has established a plan to maintain essential functions in common and tenant areas even if external lifelines have been cut off through the use of emergency power generators that can be operated for 72 hours. We also maintain a 72-hour supply of clean drinking water as well as general-use water for toilets and other uses.

◎ **24-Hour Manned Management**

Disaster prevention centers are staffed 24 hours a day, enabling them to broadcast early earthquake warnings inside buildings along with shutting down elevators. In addition, these disaster prevention centers simultaneously broadcasts the status of building damage and various other types information within buildings.



Park City OSAKI Overview

◆ Existing Building BCP Improvement Work

Mitsui Fudosan is moving forward with BCP improvement work at the office buildings it owns. In April 2015, we completed the installation of Japan's first tuned mass damper (TMD) ultra-large vibration control device (approx. 1,800 tons) at Shinjuku Mitsui Building (Shinjuku-ku, Tokyo; completed in 1974) in order to dramatically reduce shaking caused by long-period earthquake ground motion. The benefits of introducing the vibration control device to the Shinjuku Mitsui Building are to substantially reduce the shaking that would be caused by long-period earthquake ground motion during a seismic event.



The Shinjuku Mitsui Building



TMD internal structure

◆ Introducing the New HiDAX-R (Revolution) Seismic Structural Control Device

Mitsui Fudosan has decided to install the new HiDAX-R (Revolution) seismic structural control device at numerous projects currently under construction. HiDAX-R (Revolution) is a next-generation structural control oil damper developed by Kajima Corporation that realizes the world's highest seismic control effectiveness by using the seismic energy in buildings produced during earthquakes. This equipment reduces the amplitude by about half that of ordinary seismic structural control devices and dramatically reduces the time it takes to dampen vibrations.

Mitsui Fudosan has decided to install HiDAX-R (Revolution) at the New Hibiya Project (tentative name; Chiyoda-ku, Tokyo), Nihonbashi 2-Chome Type-I Urban Area Redevelopment Project C District (Chuo-ku, Tokyo), and Nihonbashi Muromachi 3-chome District Project A District (Chuo-ku, Tokyo). Looking ahead, Mitsui Fudosan is slated to expand the installation of this device to enhance its BCP measures at its office buildings and other properties.

◆Jointly developed Power-Supply Automation Control System

Mitsui Fudosan Co., Ltd. has jointly developed with Hitachi TRAMSBOARD, a power-supply automation control system, which was released under the Hitachi brand in July 2015.

If a power outage occurs without a fire, it is unnecessary to power disaster-use devices like sprinklers, as power capacity remains as surplus power. This system has focused on the power used during disasters to effectively use power. The system contributes to enhancements to building and business BCP measures by making it possible to supply surplus power mainly to building disaster prevention offices and tenant company offices.

This system was developed by leveraging Mitsui Fudosan's expertise in the building operation disaster readiness and BCP support. Going forward, Hitachi and Mitsui Fudosan will provide the system to office buildings, medical facilities, and public facilities with the aim creating disaster-resistant communities.

Initiatives for Condominiums and Built-for-Sale Detached Residences

Mitsui Fudosan Residential Co., Ltd. is working to enhance disaster prevention measures as well as safety and security of its built-for-sale and rental condominiums, and built-for-sale detached residences.

◆Park City OSAKI (Residential Tower)

Mitsui Fudosan is working to improve the safety and security of tenants at Park City OSAKI (Residential Tower) built-for-sale condominiums, Park City OSAKI The Tower, and Park City OSAKI The Residence by installing emergency power generators capable of supplying electricity to common and other areas for 72 hours during blackouts, operating disaster prevention centers staffed 24 hours a day, and maintaining emergency supply stockpiles for use during disasters.

◆Fine Court Todoroki Oukeitei

Mitsui Fudosan Residential Co., Ltd.'s Fine Court Todoroki Oukeitei (Setagaya-ku, Tokyo) built-for-sale detached residences take into consideration safety and security by maintaining lifelines during disasters as a "Smart Wellness Residence" (see Quality—19). Each unit is equipped with a storage battery system with a maximum capacity of 5kWh, enabling residents to maintain their lifestyles to minimum degree even during power outages. Moreover, Fine Court Todoroki Oukeitei features an ENE-FARM 140-liter hot-water storage unit (2015 model) that provides water after waterlines have been cut off during disasters as well as emergency supplies storage spaces in attics and other areas.



Fine Court Todoroki Oukeitei

Measures Primarily at Custom-Built Detached Residences

Mitsui Home Co., Ltd. is undertaking disaster prevention measures while enhancing safety and security at custom-built detached residences and large wooden facilities.

◆Original "Vax" Sesimic Vibration Control System

Mitsui Home Co., Ltd. Had developed its orginal 2x4 construction "Vax" seismic vibration control system. "Vax" is uses an X-shaped Vibration Absorbing Xbar, which displays strong seismic energy absorption capabilites. In combination with Premium Monocoque Construction*¹, "Vax" can reduces up to around 80% vibrations at the top floor level of a two-story building versus street level compared to buildings using a standard 2x4 construction method (equivelent to seismic grade 1). Along with facilitating safe evacuation during a earthquake, this system quickly dampens (converges) vibrations and maintains its performance no matter how many times shaking occurs, enabling it to continuously absorb seismic energy during repeated aftershocks.

Highly rated for realizing both load-bearing walls and seismic resistence unmatched by existing technology, "Vax" received the Good Design Award for fiscal 2015 (see Value—02).



Original "Vax" Sesimic Vibration Control System

*1 Premium Monocoque method:

Mitsui Home Co., Ltd.'s proprietary Premium Monocoque wooden frame method results in increased basic performance in terms of seismic resistance and fireproofing.

◆Large Wooden Facility Initiatives

Mitsui Home Co., Ltd. works to improve safety and security by building medical and welfare and other large wooden facilities that are resistant to earthquakes and fire by using a 2x4 method (framework wall engineering).

At Home Kamakurayama (Kamakura city, Kanagawa Prefecture; completed June 2015; proprietors: Koyo Kai, Kamakura Hiro Hospital) a four-story private nursing home that is the first in Japan to built using the 2x4 method. While being a wooden structure, this facility features a fire-proof structure that maintains a high level of fire resistance to protect residences from fires while ensuring a high level of strength based on the use of our original structural metal fittings.

In addition, Hanahata Asukaen (Adachi-ku, Tokyo; completed May 2016; proprietor: Seifuukai Social Welfare Corporation) is a five-story intensive-care nursing home that boasts the largest floor space in Japan using the 2x4 method. Hanahata is a wooden fire-resistant structure (first floor features a reinforced concrete structure) and is the first in Japan to use Midply

Wall System, a new technology featuring walls with over four layers developed in Canada that is effective against horizontal seismic tremors.



At Home Kamakurayama



Hanahata Asukaen

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.

At LaLaport Ebina (Ebina City, Kanagawa prefecture), EXPOCITY (Suita City, Osaka Prefecture), LaLaport TACHIKAWA TACHIHI (Tachikawa City, Tokyo), and Mitsui Outlet Park HOKURIKU OYABE (Oyabe City, Toyama Prefecture), all of which opened in fiscal 2015, we are working to provide safety and security to our customers by installing equipment to purify well water for drinking, maintaining emergency supply stockpiles, and making available spaces that people unable to return home can use.



Well water purification equipment (EXPOCITY)

Initiatives at Logistics Facilities

Mitsui Fudosan is working to enhance its BCP measures at its large-scale logistics facilities. We are undertaking the following disaster prevention and BCP measures at the various facilities starting with the Mitsui Fudosan Logistics Park (MFLP) Hino (Hino City, Tokyo), which was completed in October 2015.

■ **Mitsui Fudosan Logistics Park Key Disaster Prevention and BCP Measures**

◎ **Anti-Seismic Structure**

Placing a layer of special rubber in a building's foundation insulates it from the ground and, in turn, minimizes damage to buildings during large earthquakes.

◎ **Emergency Power Generators**

We have installed emergency power generators as a backup electricity supply for lighting in common areas and office sections not only during blackouts but in cases of earthquakes and fires.

◎ **Vending Machines during Disasters**

We have installed vending machines set to provide drinks for free during disasters.

◎ **Disaster Stockpiles**

We maintain disaster stockpiles at multi-tenant warehouses (one- to three-days worth depending on the property).

◎ **Remote Monitoring Using Surveillance Cameras**

We have installed cloud-based surveillance camera system operated by Crew Systems that enables disaster countermeasure headquarters to determine the situation on the ground (see &Future, digest version for more details).



Anti-seismic structure
(MFLP Hino)



Emergency power generators
(MFLP Kashiwa)



Cabinets that store emergency supplies
(MFLP Hino)

■ **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 (Chuo-ku, Tokyo) and Ginza 6-chome-SQUARE (Chuo-ku, Tokyo) that function as permanent bodies. The Company has also installed emergency power generators able to operate about 72 hours. In the event of 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



Crisis management center
(Ginza 6-Chome-SQUARE)

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. On September 6, 2015 and March 18, 2016, we conducted drills that involved taking in people who are unable to return home in the COREDO Muromachi (Chuo-ku, Tokyo).

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.

◆Introduces Highly Functional Security System at Mitsui Repark

Mitsui Fudosan Realty installed and began operating in January 2016 a highly functional security system at its Mitsui Repark parking lots as part of measures to create parking lots equipped with social infrastructure-related functions. Mitsui Fudosan jointly developed this system with Crew Systems, thereby realizing high functionality and low costs based on Crew Systems' proprietary cloud technology.

This system provides safety and security to parking lot users and owners, and local residents by more effectively preventing accidents and deterring crime at parking lots while boosting measures against illegal parking.

In addition, this system is being installed at numerous Mitsui Fudosan office buildings and other large facilities (see &Future digest version for more details).



Security system installed at Mitsui Repark

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, and provide places and opportunities to get in touch with nature. 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.

◆ Maintaining an Approximately 40% Greenery Ratio at Park City MUSASHIKOSUGI THE GARDEN

Park City MUSASHIKOSUGI THE GARDEN (Nakahara-ku, Kawasaki City; planned construction start October 2016) is a large-scale multifaceted facility that includes two condominium towers, public-sector facilities operated by Kawasaki City, retail facilities, and educational (child care support) facilities.

Park City MUSASHIKOSUGI THE GARDEN maintains a greenery ratio of approximately 40% under the Town in the GARDEN" concept that entails developing communities within large gardens. This development plan uses around 180 cedar and other existing trees that are at least 3 meters high. The plan also involves flowers in the garden that bloom depending on the season, which includes planting machilus flowers and azaleas along the row of existing 200-meter high zelkova trees lining the community's southern side, cherry trees along the eastern side, cedar trees along the western side, and undertaking wall greening on the northern side.



Conceptual image of Park City
MUSASHIKOSUGI THE GARDEN upon completion



Conceptual image of the placement of greenery at Park City
MUSASHIKOSUGI THE GARDEN upon completion

◆ **LaLaport TACHIKAWA TACHIHI Recreates a Condensed Landscape of Nature in the Tachikawa Area.**

LaLaport TACHIKAWA TACHIHI (Tachikawa City, Tokyo) recreates in condensed form the nature found in the Tachikawa area by locating its terrace-themed building that brings to mind Tachikawa terraces among the wild zelkova, oak, and other trees that grow in the Musashino area as well as by featuring an event square located on the 2nd floor that is connected to Tachihi Station on the Tama Monorail and a grassy park on the 1st floor.



LaLaport TACHIKAWA TACHIHI green spaces that recreate in condensed form the Tachikawa area's natural landscape (photographer: SS Tokyo Co., Ltd.)

◆ **Establishing and Making Available to the Local Community around 20,000m² of Green Space at MFLP Hino**

Around 20,000m² green space located within MFLP Hino (Hino City, Tokyo) features open areas and promenades that we have made available for use by local residents.



MFLP Hino Green Space



Open spaces and promenades located along the southern end of the MFLP Hino site.

◆Kashiwanoha Smart City Gate Square and Kashiwanoha Campus Station West Exit Street Winners at the 35th Green City Awards

In October 2015, Kashiwanoha Smart City (Kashiwa City, Chiba Prefecture) Gate Square and Kashiwanoha Campus Station West Exit Street were awarded Land, Infrastructure and Transport Minister's Prize (green business activities category) at the 35th Green City Award sponsored by the Organization for Landscape and Urban Green Infrastructure.

The prize was awarded for (1) integrating the external designs on the Gate Square site with the design of the public Kashiwanoha Campus Station West Exit Street to realize a seamlessly harmonized urban space, (2) realizing a unified urban green space design based on Kashiwanoha Urban Design Center's green space/management plans that involved the participation of numerous individuals, and (3) leveraging green space to create areas conducive for various lifestyles.



Kashiwanoha Smart City Gate Square and Kashiwanoha Campus Station West Exit Street

■Restoring and Creating Wildlife Habitats

Mitsui Fudosan is working to restore and create new wildlife habitats in regions that have fewer natural areas.

◆Ago Bay Coastline Idle Land Mudflat Restoration Project

NEMU HOTEL & RESORT (formerly known as Nemunosato) promotes the reconstruction of mudflats and seaweed beds—both of which play an important role in seawater purification and abundant ocean habitats—in collaboration with academia and the public/private sectors at Ago Bay located in Shima City, Mie Prefecture.

Under the concept of "work, learn, play, new Satoumi"*² being promoted by Shima City, NEMU HOTEL & RESORT has been working since fiscal 2012 to restore mudflats along around two hectares of unused coastline located on parkland with technical support from the Mie Prefecture Fisheries Research Institute.

Prior to the start of this project, there were no indications of six types of organisms including chironomid living in this contaminated environment. However, in fiscal 2015, three years after the launch of this project, over 30 different species of organisms were found living there, including

mulletts, sea perch, and goby fry, and clams, and crab.

*2 Satoumi:

Coastal areas where environments with a high degree of biodiversity and bioproductivity are formed and maintained with human help.

◆ Environmental Activation Concrete Placed the NEMU HOTEL & RESORT

Environmental activation concrete was placed at sluices, steams, marshes, and mudflats located within the NEMU HOTEL & RESORT property in June 2014 with the purpose of promoting the growth of a diverse array of living organisms.

Environmental activation concrete mixed with arginine, a type of amino acid, the slow and steady supply of which encourages the growth of microalgae. Accordingly, this type of concrete is effective in creating an environment conducive for cultivating algae that forms the foundation of the food chain.

The growth of microalgae on the surface of this environmental activation concrete was confirmed 14 months since its installation.

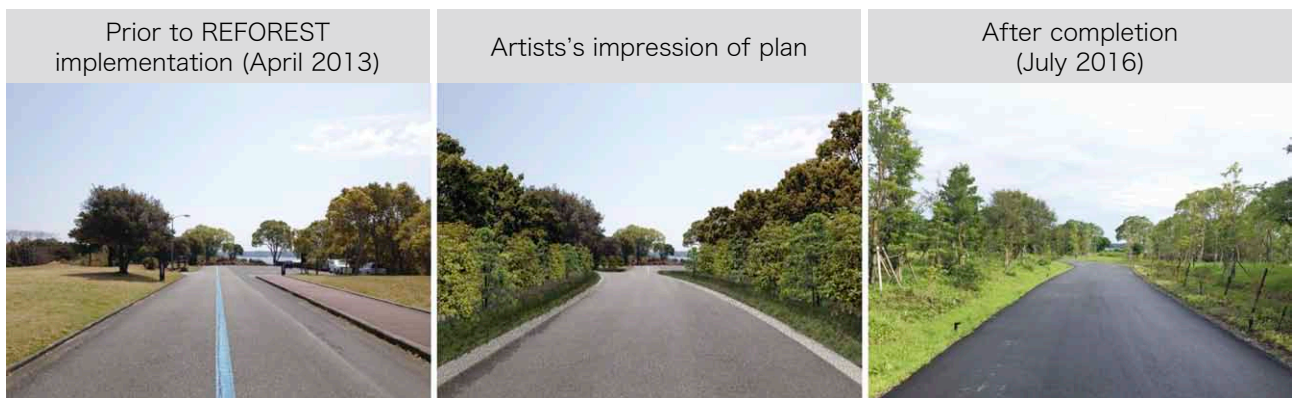


Use of environmental activation concrete at a drainage ditch

◆ **Forest Regeneration by Replanting**

Under the REFOREST development concept that "claims back Nature on land damaged in the past by development and deforestation," the AMANEMU Resort Hotel (jointly developed with resort hotel brand Aman) commenced operations on the site of the NEMU HOTEL & RESORT in March 2016.

On the basis of the results of a vegetation survey of the site conducted to examine how the forest being aimed for through REFOREST ought to be, Mitsui Fudosan selected tall-growing broadleaf trees—such as ubame oak, *Machilus thunbergii* (a species of laurel), bayberry, Japanese prickly ash, Chinese sumac, Chinese hackberry and *Quercus serrata*—as well as medium-height trees, shrubs and ground cover, all of which are local (native) species. The Company planted 1,100 of the tall trees (tree heights of around five meters), 3,000 medium-height trees (around two meters) and 800 shrubs (around one meter) and around 4,000m² of ground cover. The planting was preferentially conducted from artificially treeless places such as lawn surfaces, and along a newly made roadway the planting conducted in the order ground cover, shrubs, medium and tall trees from the side of the roadway, with consideration being given in order to have a forest makeup similar to that on the edge of a natural forest. Consideration was also given to the long-term nurturing of the forest, for example by planting a sprinkling of young trees, and there are plans for forest regeneration that is in harmony with the area's natural environment.



Planting along the new roadway
(planting from the sides of the roadway—in the order ground cover, shrubs, low, medium and tall trees—in the same way as they appear on the edges of a natural forest)

Provision of Venues and Opportunities for Activities in Touch with Nature

Mitsui Fudosan provides the venues and opportunities for activities that put people in touch with Nature so that its customers and others can maintain an interest in Nature.

◆Providing Programs to Experience Nature at NEMU HOTEL & RESORT

At the NEMU HOTEL & RESORT, which is located in the Ise-Shima National Park, there are specialist interpreters (nature guides) and star experts in residence, and an original nature experience program devised and conducted so that customers can experience Ise-Shima's abundance of Nature.

The NEMU HOTEL & RESORT offers a variety of nature experience programs tailored to the season. The programs include: the "Bonfire Cafe" in a woodlands lounge on top of a hill; the "Sea Creatures Exploration Party" that observes organisms on the seashore; the "Guided Morning Coastal Woodlands Preservation Walk" that includes a lecture given by an interpreter; and "Cosmos Hill," where participants lie on observation beds on which sleeping bags have been arranged to look up at the starlit sky.

Conservation and Utilization of Group-Owned Forests

The Mitsui Fudosan Group owns and appropriately manages and conserves approximately 5,000 hectares of forest in Hokkaido. In addition to promoting the use of the forests it owns, the Group utilizes its forests as the venue for employee environmental training programs.

◆Implementing Biodiversity Surveys in Group-Owned Forests

In June 2015, a biodiversity survey was conducted on 10 tracts of the Mitsui Fudosan Group-owned forests centered on Hokkaido's northern Kamikawa region. The Group conducted forest resource and soil surveys in planted forests as well as botanical surveys and soil surveys in natural forests.

As a result of the botanical survey conducted in the natural forests, the presence of 17 species of fern and 156 species of seed plant were confirmed. At several sites the survey confirmed broad-leaved deciduous trees representative of Hokkaido, including white birch, *Quercus crispula* (a kind of oak) and Japanese elm, as well as Japanese big-leaf magnolias, hardy kiwi and kolomikta vine. With regard to herbaceous species, the diversity was shown by there being only one site at which their presence could not be confirmed. Furthermore, the presence was confirmed of *Asarum heterotropoides*, which appears in the Hokkaido Red Data Book^{*3} (Plants) as a rare species^{*4}.



A photo taken during the botanical survey.

*3 Red Data Book:

A book for which information on endangered species is gathered. As the Red Data Book is a compilation of information on a global scale, versions covering the whole of Japan and Japan's prefectures are printed.

*4 Rare species:

In the Red Data Book, ranks are set according to the degree of risk of extinction. A rare species is defined as a species or sub-species for which the foundation for survival is fragile (a species that, at the present time, does not fall into a higher rank but possesses elements to facilitate transition to a higher rank by a change in habitat and breeding conditions.)

◆LaLaport Ebina's "Wood Cube" Wins Excellence Award at First Wood Design Award 2015

The Wood Cube at LaLaport Ebina (Ebina City, Kanagawa Prefecture) is an area where kids can play freely with wooden toys while experiencing wood's warmth. Based on the concept of "learning though interaction, conversation, and play," kids learn about the importance of nature and the regeneration of forests as they play. Tree thinnings from the Group-owned forests were utilized in the making of the pillars and floor coverings.

In December 2015, Wood Cube won the Excellence Award (Agriculture, Forestry and Fisheries Secretary Award) in the lifestyle design category at the First Wood Design Award 2015 (Ministry of Agriculture, Forestry and Fisheries [MAFF] Subsidized Business) hosted by the Wood Design Award Management Secretariat. The facility was acclaimed as a "commercial facility in the form of a wooden unit space that promotes 'a lifestyle in which trees are familiar' both for children and for child-raising and for being a proposal of a social nature that can be flexibly utilized for events" as well as for "providing a real sense of the benefits and pleasure to be gained from trees and, through the design excellence of its fixtures, the possibility that the facility would lead to the utilization of more wood in the home."

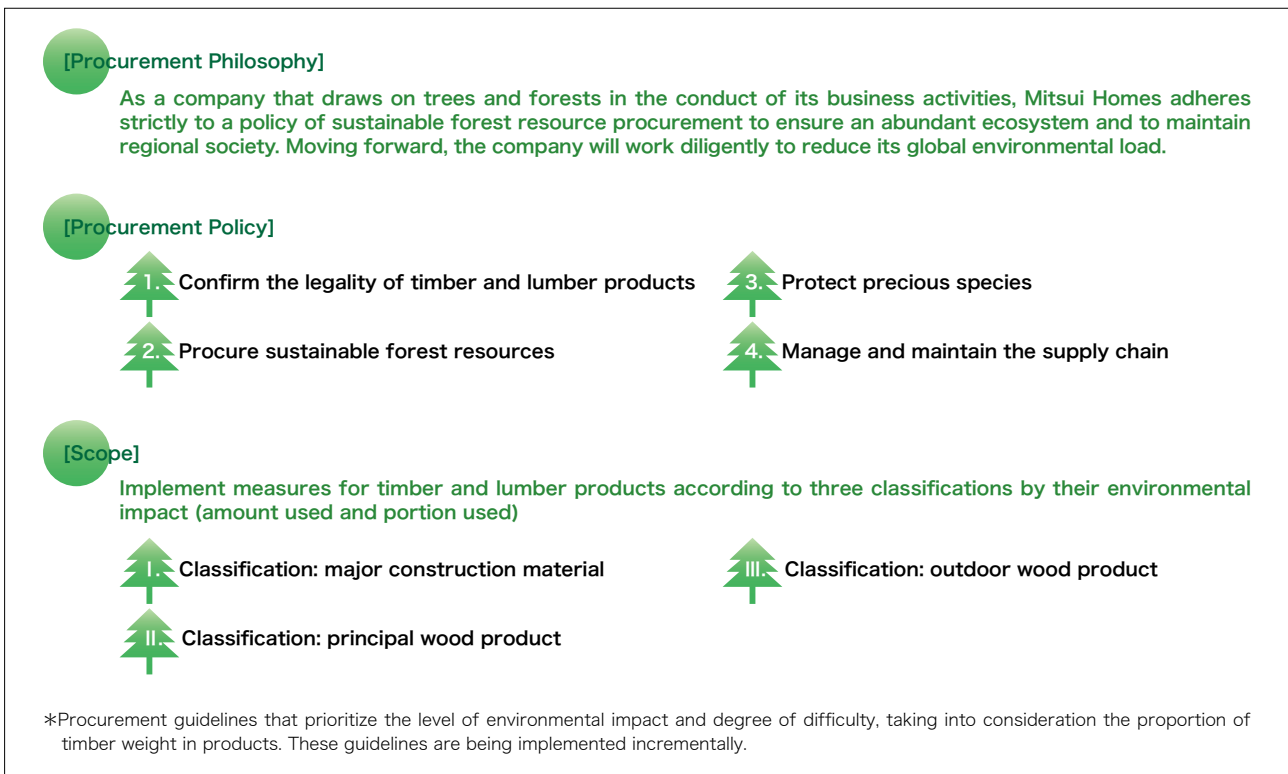


Wood Cube (LaLaport Ebina)

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 resource procurement guidelines for the Group and posted details on its website (in Japanese only).

The Mitsui Home Group Resource Procurement Guidelines (Overview)



Preserving and Integrating Landscapes and Streetscapes

The Mitsui Fudosan Group has established its own guidelines for remaining in harmony with the surrounding environment and creating bustling spaces when forming neighborhoods, with the aim of preserving and integrating landscapes and streetscapes.

Landscape Formations That Make Most of Local Attributes

◆ Mitsui Home "Kyomachiya Project"

In April 2015, Mitsui Home Co., Ltd. became the first major home manufacturer to receive "Heisei no Kyomachiya"*⁵ certification from the City of Kyoto for its architectural plans to build four ready-built leasehold homes in Shokokuji-Monzencho, in Kyoto's Kamigyo Ward. In designing the homes, efforts were made to reproduce their historical aspect in the finish of their Kyomachiya facades, for example by installing latticed windows (lattice that is made to protrude outwards from the exterior wall) and joists on the side facing the road. (The construction of the buildings was completed in September 2015). In the years to come, Mitsui Home Co., Ltd. will continue to work on broadening the popularity of safe, secure and comfortable Heisei no Kyomachiya, which shows consideration for the historical landscape of Kyoto.

*5 Heisei no Kyomachiya

Promoted by the City of Kyoto, Heisei no Kyomachiya is a construction project involving homes that show consideration for the Kyoto environment and that combines a sense of traditional Kyomachiya with modern environmental technologies.



Artist's impression of the Kyomachiya Project's facade



Latticed windows (artist's impression)

◆Sapporo Mitsui JP Building/Sapporo Kita 3-Jo Plaza

The Sapporo Mitsui JP Building/Sapporo Kita 3-Jo Plaza won the highest prize for fiscal 2015 at the Hokkaido Akarenga Architectural Awards*⁶ sponsored by the Hokkaido Prefecture Construction Department and five organizations involved in construction in Hokkaido.

As a public contribution in association with the development of the Sapporo Mitsui JP Building, an office building located in the city's Chuo-ku that was completed in August 2014, Mitsui Fudosan upgraded the Sapporo Kita 3-Jo Plaza (nicknamed Akarenga [Red Brick]). At that time, it was decided to adopt the adjoining red-bricked government buildings (the former Hokkaido government building) as a design motif, thereby bringing about the rebirth of the building and the plaza in an integrally linked space. Design aspects that brought regeneration to an area that possessed a combination of bustling style and an historic appearance, in a location important in the cityscape's aesthetic sense, were highly commended in the bestowing of this award.

These activities were also awarded a fiscal 2015 Good Design Award (see Value—02) in addition to the prize for excellence in the Urban Space category in the fiscal 2015 Urban Landscape Awards and the fiscal 2016 57th Special Building Constructors' Society (BCS) Prize.

*6 Hokkaido Akarenga Architectural Awards:

Established in 1988 with the aim of working to promote the creation of neighborhoods that are embedded in a region by recognizing highly creative buildings that contribute to the development of regional society.



Sapporo Mitsui JP Building



Sapporo Kita 3-Jo Plaza (Akarenga Plaza or Akapura)



Hokkaido Akarenga Architectural Awards presentation ceremony
(February 4, 2016)

Improvement of 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 for Built-for-Sale Detached Residences

◆"Smart Wellness Residences"

As "smart wellness residences," consideration was given toward the realization of health (wellness) at Mitsui Fudosan Residential Co., Ltd.'s built-for-sale detached residences at Fine Court Todoroki Okeitei (in Setagaya-ku, Tokyo, completed in March 2016). (see Environment—08 and Quality—04.)

■Consideration toward Realization of Health (Wellness)

◎Maintenance of Appropriate Thermal Environment

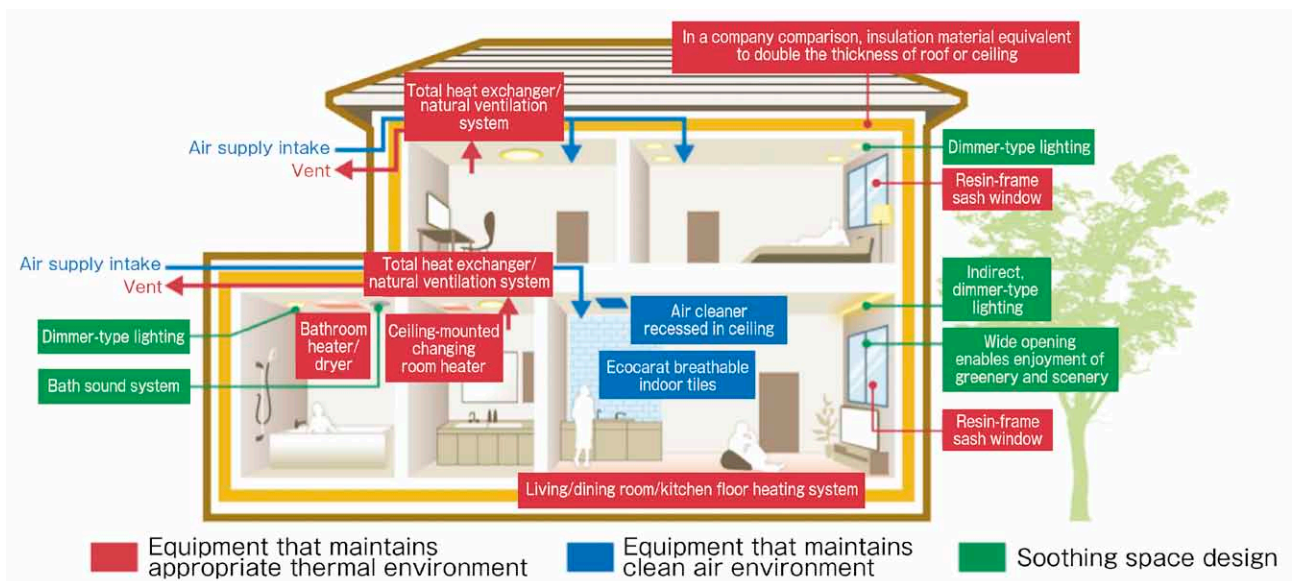
In addition to curbing the risk of contracting cardiovascular or respiratory diseases, like the heat shock caused by temperature differences in winter, by eliminating interior temperature differences, maintaining the proper thermal environment has a positive effect on health by increasing the daily amount of activity.

◎Maintenance of Clean Air Environment

Decreases the risk of contracting respiratory diseases by reducing pollutants, such as house dust, pollen and fine particulate matter (PM2.5).

◎Realization of Soothing Space Design

Designed to reduce the stress as well as maintain and promote the health of residents by comprehensively designing not only the interiors but also the entire block.



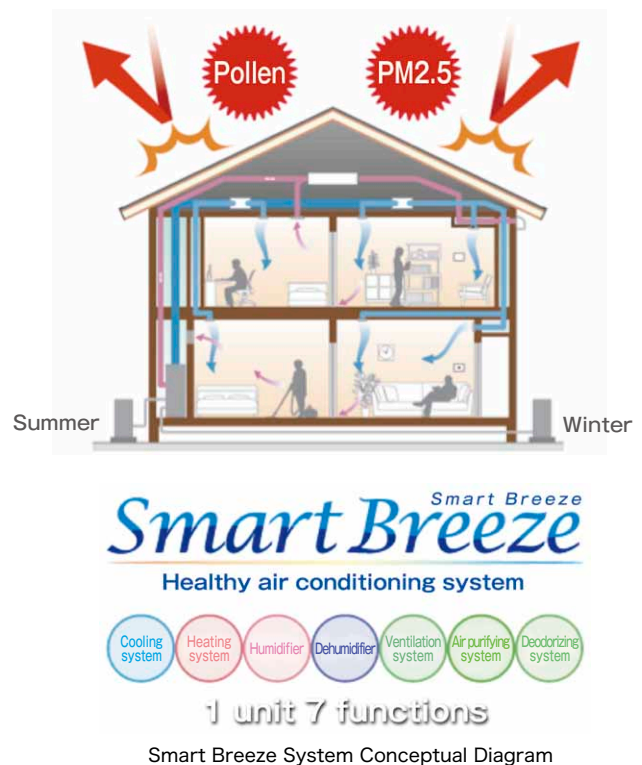
Smart Wellness Residence Conceptual Diagram

Measures for Custom-Built Detached Residences, etc.

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 saving resources are all necessary for creating a sustainable society.

◆Smart Breeze Healthy Air-Conditioning System

Mitsui Fudosan's Smart Breeze healthy air-conditioning system uses less energy than conventional systems and helps create highly flexible, healthy and comfortable living environments. As a residential developer, Mitsui Fudosan develops highly airtight, highly thermally insulated structural framework technologies and air-conditioning systems. 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.



◆Health Effects of Large Wooden Facilities

Mitsui Home Co., Ltd. is working on the construction of large-scale wooden facilities, such as medical and welfare facilities, by using the two-by-four construction method (frame construction method). In addition to being a method that has little impact on the global environment, positive effects on health and safety can be expected, such as the health effects due to the heat and humidity adjustment function served by trees and the effects of the moderate elasticity in a wooden floor that prevents fractures in a fall. Examples of these kinds of large-scale wooden structures are At Home Kamakurayama (Kamakura City, Kanagawa Prefecture) that was completed in June 2015 and Hanahata Asuka-en, a special nursing home for the elderly in Adachi-ku, Tokyo, completed in May 2016. (see Quality—05)

Quality Management

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 quality-based security, safety, and comfort 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. Reviews of safety-related matters are carried out from time to time and following a disaster.

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
- CO₂ 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)

Built-for-Sale Detached 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, compiled in fiscal 2007 and revised in March 2013, is still being used.

◎ Custom-Built Detached Residence Business

- Design Standards
- Product Specifications

◎ 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 (Total Quality Project Management [TQPM])

Having the seller's responsibility to hand over the condominiums promised to its customers by the dates promised, Mitsui Fudosan Residential Co., Ltd. utilizes the TQPM System, its proprietary quality management system, to fulfill that responsibility. The system serves to confirm whether the design and construction management have been undertaken in accordance with the respective roles of the designer, supervisor and builder.

Mitsui Fudosan works to ensure a consistent level of quality management at all Mitsui built-for-sale condominiums. Under the TQPM System, there is compliance with design and construction standards and a design gate management process at the design stage as well as the witnessing of Key Quality Items (KQIs) and document verification at the construction stage.

■ Performance Evaluations by Evaluation Bodies

With the exception of certain properties, 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.

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.

"Mama with LaLaport" Initiative Expansion

At LaLaport retail facilities, the Mitsui Fudosan Group is developing its "Mama with LaLaport" initiative. So that mothers can enjoy their shopping experience without feeling constrained, even when they have small children, the Group is making efforts with the aim of making its retail facilities more convenient and more comfortable for families that are raising children. Based on internal and external advice and feedback from customers, the Group is upgrading the "hard" and "soft" aspects of its operations, such as facility functions and services, respectively, and rolling out unique menus and services in partnership with shops.



Having commenced with the fiscal 2014 opening of LaLaport IZUMI (Izumi City, Osaka Prefecture), "Mama with LaLaport" has been introduced to a total of 12 facilities, including LaLaport FUJIMI (Fujimi City, Saitama Prefecture), LaLaport Ebina (Ebina City, Kanagawa Prefecture) and LaLaport TACHIKAWA TACHIHI (Tachikawa City, Tokyo), all of which commenced operations in fiscal 2015. "Mama with LaLa garden" will be progressively introduced at four LaLa garden facilities from the spring of 2016.

◆Presented with Kids Design Association President's Prize

LaLaport FUJIMI won the Kids Design Association President's Prize at the fiscal 2015 (Ninth) Kids Design Awards*7. Sponsored by a non-profit organization, the Kids Design Association, the prize on this occasion recognized the creation of facilities, including "Mama with LaLaport," which are geared toward the child-rearing generation.

■Reasons for Awarding Prize

At retail facilities visited by customers of varying age groups who bring children, the clear trend is to consider what to provide in the form of spaces and facilities from the viewpoints of children and those raising children. Focusing on creating spaces tailored to children's growth and development brought together the know-how that each company has accumulated in specialist areas. The design is a high-quality, pioneering example that will serve as a model of large-scale facility support for giving birth to and rearing babies.

*7 Jointly won by: Mitsui Fudosan Co., Ltd.; Hazama Ando Corporation; Tanseisha Co., Ltd.; teamLab Inc., and Kotobuki Corporation.



Exterior of LaLaport FUJIMI



Kids Terrace



Baby & Kids Room

Customer Service Role-Playing Contest Held

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

The Seventh Customer Service Role-Playing Contest was held in September 2015. 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 Contest

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. Three shop staff members from Company-managed facilities participated in the nationwide contest held in January 2016. One of them, from Mitsui Outlet Park Jazz Dream Nagashima (Kuwana City, Mie Prefecture), won the Grand Prize and the Minister of Economy, Trade and Industry Prize.

Initiatives Aimed at Enhancing Customer Satisfaction through Employee Satisfaction

Based on the thinking that improving employee satisfaction (ES) is linked to customer satisfaction (CS), Mitsui Fudosan Retail Management Co., Ltd., which manages retail properties, is introducing an incentive scheme to raise motivation and making improvements to the facilities used by employees. As one example of this initiative, the employee lounge was renovated at LaLaport Yokohama (Tsuzuki-ku, Yokohama City), which re-opened after refurbishment in March 2016.



Renovated employee lounge

Arranging plants and round tables in a bright-colored interior created a café-like space. Consideration having been given to enable them to feel refreshed, such as equipping single-person counters with outlets for charging mobile phones, store staff members can spend their break times in comfort.

"Mitsui Office" Membership Website Updated

WORKERS FIRST WEB, a website that had been provided for people working for tenant companies in Mitsui office buildings, was updated as COMMONS PAGE in July 2015. The aim is for a community that encourages exchanges between business people that transcend corporate frameworks, a community that creates innovative business opportunities and abundant day-to-day lifestyles. The website also provides information, including on environmental activities at the office building as well as on disaster preparedness measures and business continuity plans.



COMMONS PAGE homepage screen (Japanese)
<https://commons-web.jp/>

Building Operations Management Staff Issued New Uniforms

In July 2015, three companies—Mitsui Fudosan Co., Ltd.; Mitsui Fudosan Building Management Co., Ltd.; and Mitsui Fudosan Facilities Co., Ltd.—issued new, redesigned uniforms to approximately 5,000 office building operations management staff engaged in building services and cleaning. The aim of the three companies in issuing the redesigned uniforms was to enhance their organizational capabilities, as a way of making building operations management staff more visible, and to provide tenants and visitors with a sense of safety, security and comfort. Out of consideration for the environment, the partially plant-based polyester fiber ecodearTMPET manufactured by Toray Industries, Inc. was adopted for the uniforms.



Member of building services staff



Member of cleaning staff

Providing Spaces That Realize Diverse Lifestyles

The Housing Business focuses on developing and providing dwelling spaces that meet needs, such as modern lifestyle diversification.

◆Built-for-Sale Condominium Initiatives

Mitsui Fudosan Residential Co., Ltd. has developed the "Imagie" floor free plan that enables changes to a dwelling's interior to match the lifestyles and stages of life of its residents. The changeable arrangements of the rooms, which even encompass the location of the living/dining rooms and kitchen, are made possible by flat ceilings and floors, partitioned storage that moves on casters and kitchen units.

In addition, a dwelling unit plan known as a "Semi-outdoor Space," which caters for a (non-normal) outdoor lifestyle within a (normal) dwelling lifestyle, has been jointly developed with the outdoor brand, Snow peak Inc. Imposing continuity on the living room interior and private garden section of a single-story dwelling, the plan enables living scenes—such as relaxing, eating and sleeping—in a semi-outdoor space that is an intermediate area.

In the years to come, Mitsui Fudosan Residential Co., Ltd. will be working to introduce these plans into its built-for-sale condominiums.



Imagie show home



Representative "Semi-outdoor Space"

◆Custom-Built Detached Residence Initiatives

Since December 2015, Mitsui Home Co., Ltd. has been offering its "WESTWOOD" free design product that proposes a new bungalow lifestyle. As the number of people per household declines, the product is designed to meet the increasing need for compact, flat housing. Featuring an interior that comprises a spacious living area and an attic, the "WESTWOOD" incorporates throughout proprietary technologies and know-how, such as the adoption of a Smart Breeze Healthy Air-Conditioning System (see Quality—20) that realizes comfortable, energy-saving spaces.



Exterior of a "Westwood" bungalow



Spacious living area

◆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 Eighth All-Out CS Contest held on February 10, 2016, 20 individuals representing their hotels used role-playing to simulate interactions with customers.



All-Out CS Contest

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, *CREDO Communication* is published and a CREDO prize awarded to employees that exhibit outstanding customer service. Through these and other means, every effort is being 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.

◆Customer Support by Service Assistants

At Mitsui Fudosan Group facilities, such as Mitsui Garden Hotels, LaLaport and Tokyo Midtown, staff in possession of the Service Assistant^{*8} qualification offer support to the elderly or people with disabilities. The operating company at each facility recommends the gaining of the Service Assistant qualification to customer contact employees. As of the end of June 2016, 31 employees at Mitsui Fudosan Hotel Management Co., Ltd. had gained the qualification. As of the end of March 2016, the qualification had been acquired by 262 people at Mitsui Fudosan Retail Management Co., Ltd. and by eight people at Tokyo Midtown Management Co., Ltd.

*8 Service Assistant:

Certified by the Nippon Care-Fit Education Institute, the Service Assistant qualification covers the assistance techniques needed to help the elderly and people with disabilities in their everyday activities.

■ Implementing Such Initiatives as Customer Questionnaires

The Mitsui Fudosan Group undertakes a variety of activities as a part of efforts to listen to customers' comments. CS surveys are conducted encompassing a wide area including tenant companies, residents 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. At retail properties, the opinions and comments of customers are collected from customer feedback boxes and through "Coffee Break" group interviews in conjunction with the LaLa Club customer membership organization. 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

- Crime prevention
- 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 kids 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
- Changes to rules on pets (reassess areas where pets are allowed)

◎ Logistics Facilities

- Maintain smoking areas in common areas
- Increase vehicle/bicycle parking areas
- Enhance shared amenities
(setting up of Christmas trees, Kadomatsu Japanese New Year's decorations, etc.)
- Improvements to shops inside facilities
- Improvements to restroom environments

Our Efforts at Cooperation and Integration

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

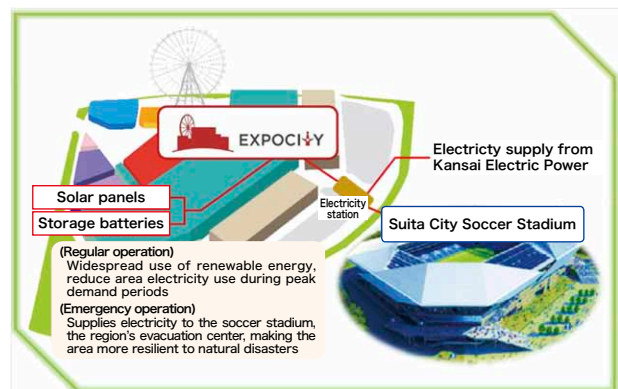
We are working to coexist and cooperate with local communities and build new communities based on the Group's philosophy of coexisting in harmony with society and linking diverse values in response to the distinctive characteristics of each area, the scale of development, and other factors.

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.

◆Expo Smart Community

In collaboration with Gamba Osaka Co., Ltd., the designated administrator of the adjacent Suita City Soccer Stadium, as well as Kansai Electric Power Co., Inc., Mitsui Fudosan Co., Ltd. has been working to create an environmentally friendly community with renewable energy that is also resilient to natural disasters at EXPOCITY (Suita City, Osaka), a large-scale complex facility that opened in November 2015.



Expo Smart Community rendering

During regular operations, renewable energy is used across the entire community, and electricity use is reduced during peak demand periods (see Environment—04). In the event that electricity from the power grid is cut off in a widespread natural disaster, both facilities supply electricity as emergency power generators. In the event that electricity use is cut off for a prolonged period, the solar panels and storage batteries at EXPOCITY supply electricity to the soccer stadium, which is a designated evacuation center, thereby increasing the disaster prevention capabilities of the region over the long term.

◆Fine Court Tanashi Keyaki Koen

Mitsui Fudosan Residential Co., Ltd.'s detached for-sale housing Fine Court Tanashi Keyaki Koen (Nishitokyo City, Tokyo) was developed as a community of 35 detached homes. The land was developed while paying attention to road access conditions*¹ in light of concerns about convenience and the possibility of roads being blocked during natural disasters. Mitsui Fudosan Residential Co., Ltd. cooperated with Nishitokyo City, which manages the parks in the community, and Tokyo Electric Power Company, which owns the bypass roads, while creating an integrated development plan for the community. The bypass roads are considered "parks" that anyone can use, and the creation of an East-West passage through the area improved convenience while ensuring an evacuation route in an emergency, thereby enhancing the disaster prevention characteristics of the region.



Bypass road cuts an East-West path across the area

These initiatives are geared toward the surrounding area, and not just new residents of the community. In recognition, we received the Good Design Award in fiscal 2015 (see Value—02).

*1 Road access conditions:

Road access conditions are defined by the Act for how an area is connected to roads.

◆Our Efforts to Take in People Who have Difficulties in Returning to Their Homes

At our managed and operated facilities, we have updated systems for taking in commuters unable to return home during a natural disaster.

In April 2015, the JEXER FITNESS & SPA SHIN-KAWASAKI (Saiwai-Ku, Kawasaki City) opened as a designated temporary shelter for people unable to return home during a natural disaster based on an agreement between Kawasaki City, JR EAST SPORTS Co., Ltd., which operates the facility, and Mitsui Fudosan as the owner of the property. The facility has enough space, emergency supplies, water and toilets to accommodate about 240 people who are unable to return home after a natural disaster.

In addition, space for taking in people who have difficulties in returning to their homes was also set up at retail facilities opened in 2015 (see Quality—06).

◆ **Mitsui Repark Emergency Parking Lots**

Mitsui Fudosan Realty Co., Ltd. has been installing disaster assistance functions at its Mitsui Repark parking lots as a part of its efforts to develop parking lots with features that serve as social infrastructure. By installing hybrid solar systems, solar-powered LED lighting, vending machines that work after disasters, and stockpiling emergency supplies (first aid, aluminum blankets, toilets, etc.), we aim to help make communities more resilient to natural disasters (the equipment installed differs by location).

Mitsui Fudosan cooperates with local governments in each region, as demonstrated by its signing of the E-KIZUNA Project Agreement with Saitama City to upgrade and expand environmentally friendly parking lots that are equipped to handle natural disasters (see Environment—10).



Hybrid solar system



Solar-powered LED lighting

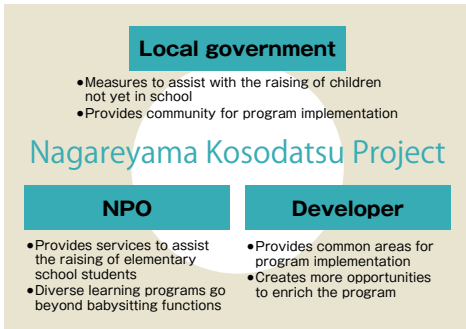
Our Efforts to Support Communities

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

◆ **Park Homes Nagareyama Otakanomori The Residence**

Mitsui Fudosan Residential Co., Ltd. is implementing the Nagareyama Kosodatsu Project while collaborating with the local government (Nagareyama City) and an NPO (Houkago NPO After School). At the for-sale condominium building Park Homes Nagareyama Otakanomori The Residence (Nagareyama City, Chiba Prefecture), common areas are made available for programs that support childrearing, and combined with government services, the project assists raising children aged 0-12. Mitsui Fudosan Residential Co., Ltd. offers a program for providing access to the common areas of the condominium building, the NPO manages the experience-based learning curriculum, and the local government provides activity space (public facilities within the city) while promoting the service to local residents.

The Nagareyama Kosodatsu Project received the fiscal 2015 Good Design Award in the recognition that by providing assistance for childrearing, a social issue across the region, the value of the condominiums improves (see Value—02)



Outline of Management Structure



Program implementation

◆"WANGAN ACTION"

Mitsui Fudosan Residential Co., Ltd. seeks to not only develop condominiums, but also to create flourishing neighborhoods by encouraging community formation through town management. In fiscal 2014, Mitsui Fudosan Residential Co., Ltd. launched "WANGAN ACTION," a program 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 fiscal 2015, one of Japan's largest urban Marche "Sun Marche," was held for two days each month (except August), drawing 15,000-20,000 visitors each time. Ahead of the major sport event to be held in 2020, The Corporate Games Tokyo 2015 Asia Pacific*2 was held over November 14-15, 2015, with roughly 10,000 people participating as 737 teams representing 213 companies and organizations in 13 competitions. The event served to invigorate the gulf area.



"Sun Marche"



The Corporate Games Tokyo 2015

*2 Corporate Games:

The Corporate Games is a sports festival for citizens that originated in the U.K. in the 1980s. Since then, it has spread to 60 cities in 30 countries around the world, with more than one million people participating in the games. The Corporate Games Tokyo has been held since 2014 as a part of WANGAN ACTION, with support from Sports For Life Japan Foundation and Mitsui Fudosan Residential Co., Ltd.

◆ **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.

"LaLaport Ebina" (Ebina City, Kanagawa Prefecture) opened in October 2015 with the aim of creating a retail environment that serves as a community center for holding local events and other activities, with the Ebina Ogicho Area Management Foundation participating as the promoter of community formation on the west side of Ebina Station.

◆ **Initiatives in Logistics Facilities**

In the logistics business, we develop large-scale logistics facilities that contribute to the formation of local communities. MFLP Hino (Hino City, Tokyo), which completed construction in October 2015, features greenery covering 20,000 square meters on the premises, as well as open areas and pathways that local residents can use. A childcare center certified by the Tokyo Metropolitan Government is also located on the premises, and it began accepting local children after opening in April 2016.



Open spaces and pathways at MFLP Hino

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), the Shinjuku Mitsui Building (Shinjuku-ku, Tokyo) and the Chiba Chuo Twin Building (Chuo-ku, Chiba City), 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.

◎Logistics Facilities

Local staff at MFLP Yokohama-Daikoku (Tsurumi-ku, Yokohama City) and MFLP Sakai (Sakai-ku, Sakai City) participate in activities to clean up the local community as a part of activities to contribute to the region.

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.

Initiatives at Office Buildings

◆ Tanabata-related Social Event Held

From June 29 to July 7, 2015, we held special Tanabata events at 18 office buildings in the Tokyo metropolitan area. Office workers and local residents were encouraged to participate in Tanabata Ornaments by writing their thoughts on short strips of paper, as well as in Tanabata Marche to support the reconstruction of the Tohoku region, with the ultimate aim of providing time and space to relax and mingle with new people.



Tanabata ornaments at Kasumigaseki Building

◆ Local Events 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.

At the Water Sprinkling at Kasumi 2015 held on July 30, 2015, 57 government entities and private-sector companies participated in the operation of the event, which drew around 400 adults and 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.

Over October 5-8, 2015, Kasumi Terrace Flower Festival 2015, a display of flowers in public spaces, and Kasumi Marche 2015, a market for locally made produce from around Japan, drew large crowds of people, including tenants in the Kasumigaseki Building and office workers from nearby companies. 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.



Water Sprinkling at Kasumi 2015



Kasumi Marche 2015

◆ **Initiatives at the Sapporo Mitsui JP Building**

In the development of the Sapporo Mitsui JP Building (Chuo-ku, Sapporo City), the Mitsui Fudosan Hokkaido Branch Office has renovated the Sapporo City North San-jo Plaza (nicknamed Akapla) next to the building as a service to the public. A variety of events are held at Akapla with the participation and cooperation of office workers from the building and local residents with the aim of fostering a lively community.

In fiscal 2015, events held at Akapla included the "Enjoy Food, Craft and Movies—Living in the North Marche," "SAPPORO Flower Carpet 2015," and "Akapla Company-vs-Company Singing Contest" in June, as well as the "PMF Akapla Akarenga Terrace Concert" in July.



Sapporo Flower Carpet 2015



Akapla Company-vs-Company Singing Contest

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.(→The Mitsui Fudosan Group's Approach to CSR, see CSR—04)

Contributions to the Global Environment

◆&EARTH DAY and &EARTH Classroom

The &EARTH DAY – Three Days for Everyone to Think about People and the Earth, a workshop held every year at Mitsui Fudosan Group retail facilities for children to have fun thinking and learning about forests and the earth's environment, was held at the Urban Dock LaLaport TOYOSU (Koto-ku, Tokyo) from July 31 to August 2, 2015. Events included a workshop for making things out of timber from forest thinnings at Group-owned forests, and a tour of organisms living in the water at the biogarden on the premises. Including children, a total of 4,584 people participated.

As an outdoor classroom that has as its goal the creation of neighborhoods that coexist with the environment, Mitsui Fudosan Residential Co., Ltd. also offers the &Earth Classroom at retail facility and elementary school venues on an ongoing basis. The &Earth Classroom was offered at 19 locations in fiscal 2015.



&EARTH DAY



&Earth Classroom
(Koto-ku'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 learn about forest conservation and other activities.

In September 2015, 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 system*³ of the Tokyo Metropolitan Government. A total of 25 people comprising employees and their families participated and experienced the felling of bamboo trees, cutting of undergrowth, creating name tags for conservation area trees and shrubs, and making log benches, which are all maintenance activities of conservation areas.

In October 2015, 74 new employees of Group companies carried out Experiential Reforestation Training in Hachioji City.

The employees observed the difference between well-maintained forests and untouched forests, learned about the role of Satoyama, and gained first-hand experience in conservation activities, improving their understanding of the toughness of nature and the importance of timber resources.



Satoyama conservation activities



Experiential Reforestation Training

*3 Tokyo Greenship Action system:

Under this system, companies, NPOs and the Tokyo Metropolitan Government coordinate conservation activities for the natural environment at some protected areas designated by the government, based on the Ordinance for Preserving and Restoring Nature in Tokyo, such as prime natural land and forests that are a part of areas with historical legacies.

◆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 2015 was ¥464,150 and, as of March 31, 2016, the cumulative total was ¥5,653,800.

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

◆ Support for Reconstruction after the Great East Japan Earthquake

Mitsui Fudosan continues to support reconstruction efforts in areas affected by the Great East Japan Earthquake.

Watsu Nihonbashi (Chuo-ku, Tokyo) opened in March 2015 as a center for disseminating and exchanging information that supports reconstruction efforts in the Tohoku region. Various events are held there, such as photo exhibitions and round-table talks about reconstruction, and remote learning classes are held using a teleconference system connected to junior high schools in Minamisanriku Town, Miyagi Prefecture. As a part of the Watsu Nihonbashi project, in December 2015, we donated around 160 calendars to people affected by the Great East Japan Earthquake in Otsuchi Town, Iwate Prefecture, and in September 2015 to people in Joso City, Ibaraki Prefecture who were affected by torrential rainfall across eastern Japan.

In fiscal 2015, as a part of the Yui no Ba Project (sponsored by the Miyagi Reconstruction Bureau of the Reconstruction Agency) that matches donations for reconstructing regions struck by natural disasters, we continued to offer "reconstruction support lunches" in the cafeterias of our office buildings, as well as hold the Tohoku Reconstruction Marche for companies in affected regions to sell their wares.

In May and November of fiscal 2015, employees (26 in May and 25 in November) participated in the Great East Japan Earthquake Affected Region CSR Training in Minamisanriku Town, Miyagi Prefecture, with the aim of raising their awareness about disaster preparedness while learning about the experiences of people living in these disaster-stricken regions.



Remote learning at Watsu Nihonbashi



Great East Japan Earthquake Affected Region CSR Training



◆ **Award Received for Donations of Emergency Supplies for Office Buildings**

At office buildings managed and operated by Mitsui Fudosan, there are stockpiles of emergency supplies in the event of a disaster. The emergency food and water supplies have expiration dates that come around every year, and before these expiration dates are reached, the food and water is donated to the Nihonbashi Fire Department and other organizations for use at drill sites and other venues.

This initiative has been implemented every year since fiscal 2005. As of fiscal 2015, a total of 47,000 meals and 50,000 bottles of preserved water (100 kiloliters) have been given away. On June 22, 2015, we received a letter of gratitude from the Tokyo Fire Department for these donations.

◆ **Regional Contributions of Hotels**

Mitsui Fudosan Hotel Management Co., Ltd. contributes to society with the aim of coexisting with the region. In fiscal 2015, the company engaged in eco-cap activities and offered "charity curry" at a local festival. By using locally produced ingredients in breakfast dishes and other meals, we conserved transportation energy and reduced CO₂ emissions. We will continue efforts to invigorate the regional economy and support traditional Japanese cuisine.

At the resort hotel Haimurubushi (Taketomi, Yaeyama, Okinawa Prefecture), we invite the elderly to an annual meeting and serve them food at the hotel.



Clean Up Activities
(Shiba Tokyo Branch Office)

◆ **Meet a Service Dog Campaign at Retail Facilities**

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 10 facilities in fiscal 2015. 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

Contributing to Education and Culture

◆ Experience-based Educational Events an Opportunity to Think about Energy and Environmental Issues

Mitsui Fudosan collaborates with local governments and other companies to put on experience-based educational events that give children an opportunity to think about energy and environmental issues. In fiscal 2015, the following events were held at retail facilities managed by Mitsui Fudosan.

◎ Everyone Learn! GREEN POWER

On July 25, this event was held at the LAZONA Kawasaki Plaza in Kawasaki City, Kanagawa Prefecture in cooperation with TOKYO GAS Co., Ltd.

◎ Learn while Playing! Eco Craft Space

On September 21, this event was held at Urban Dock LaLaport Toyosu in Koto-Ku, Tokyo with cooperation from TOKYO GAS Co., Ltd.

◎ Let's Make Something! Let's Play! Eco Learning Space

On October 4, this event was held at LaLaport TOKYO-BAY in Funabashi City, Chiba Prefecture with help from Panasonic Corporation.



Everyone Learn! Green Power



Learn while Playing! Eco Craft Space



Let's Make Something! Let's Play!
Eco Learning Space

◆ Learn about the Disaster Prevention! Project

From February to March 2016, we held the Fifth &EARTH Learn about Disaster Prevention! —BOSAI Stamp Rally— project event at 10 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. This year, the main topic was safety from flooding and other water damage based on lessons learned from the torrential rainfall in the Kanto and Tohoku regions in September 2015. We sought to further strengthen collaboration with local governments at each facility and expand deployment of local community and disaster prevention information stands.

187 Mitsui Fudosan Group employees took part in the operation and total attendance at each facility came to about 4,869, a 13% increase over the previous year.



Learn about Disaster Prevention! Project

◆ **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 2015, these opportunities were offered at our retail facilities, Mitsui Garden Hotels, and at Tokyo Midtown (Minato-ku, Tokyo). Moreover, at Kashiwanoha Smart City (Kashiwa City, Chiba Prefecture), we hold the Pinocchio Project every year for children to wear Pinocchio costumes and experience working in retail stores around the Kashiwanoha Campus Station, based on the concept of letting children learn more about their communities.

At Toba Hotel International (Toba City, Mie Prefecture), we offer a Chef's Work program for children to participate in the Mie Job Kids Caravan (sponsored by Mie Prefecture) that lets them experience what it is like to work around Mie Prefecture. On November 28, 2015, when this program was implemented, 10 students ranging from fifth grade in elementary school to third grade in junior high school made pancakes with a professional chef at the Toba Hotel International.



Hands-on with Chef's Work

◆ 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 a national treasure 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

The Tokyo Midtown Awards were established in 2008 with the aim of discovering and supporting talent that will be responsible for the next generation. A total of 12,000 teams have applied to be considered for this award.

In the design competition, we help award winners commercialize their products. To date, a total of 12 products have been commercialized, including "Mt. Fuji Glasses" and "Shoe Socks," which have become quite popular. Of these, "Kabuki Face Pack," which won the award in 2008, was selected as the official summit souvenir for the G7 Ise-Shima Summit 2016, and given by the Ministry of Foreign Affairs to around 4,000 summit participants, including representatives of member countries and overseas media.



Mt. Fuji Glasses



Kabuki Face Pack

Contributing to International Exchanges

◆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 2015, the project was implemented at 22 facilities in both May and November 2015. A total of 13,003 people donated about 71,868kg of clothing and ¥739,303 in cash. Since the project's first event in fiscal 2008, a cumulative total of 56,586 people have donated 304,808kg of clothing and ¥4,233,375 in cash. (see &Society in the digest version of this report).

◆U.N. Refugee Assistance Campaign

We agree with the purpose of the U.N. Refugee Assistance Campaign being conducted by the NPO Japan Association for UNHCR. We let the NPO set up campaign booths in event spaces at our retail facilities, and help with promotional activities and solicitations for donations. In fiscal 2015, these events were held at 14 facilities.



U.N. Refugee Assistance Campaign (LaLaport KOSHIEN)

Tools for Communication with Stakeholders

In addition to social and environmental reports, the Mitsui Fudosan Group uses print media and the Web as tools for communicating with all stakeholders. The key tools are introduced here.







Social and Environmental Reports

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.

	<p>&EARTH REPORT http://www.mitsuifudosan.co.jp/english/corporate/csr/2015/index.html</p>
	<p>Mitsui Home Co., Ltd. Environmental and Social Report http://www.mitsuishome.co.jp/company/kankyo/download/pdf/eco_life2015.pdf</p>
	<p>Tokyo Midtown Management Co., Ltd. On the Green http://www.tokyo-midtown.com/jp/about/csr/</p>
	<p>Mitsui Fudosan Facilities Co., Ltd. Social and Environmental Initiatives http://www.mitsui-fc.co.jp/csr/report/eco-report2015.pdf</p>
	<p>Mitsui Fudosan Residential Co., Ltd. Environmental Initiatives http://www.mfr.co.jp/environment/</p>
	<p>Mitsui Fudosan Hotel Management Co., Ltd. Environmental Policy http://www.gardenhotels.co.jp/corporate/environment/</p>
	<p>Mitsui Fudosan Retail Management Co., Ltd. Environmental Enhancement and Social Philanthropic Activities http://www.mf-shogyo.co.jp/eco/</p>





Tools for Customers

To enhance the level of customer satisfaction as well as customer safety and security and improve awareness toward the environment, we engage in information transmission and information exchange via pamphlets, website and other forms suitable for the purpose of communication.

	<p>Guide Book for Moving In</p> <p>A guidebook for customers issued by Mitsui Fudosan Residential Lease Co., Ltd. summarizes the points of residential life.</p>
	<p>Earthquake Preparedness Handbook</p> <p>Mitsui Fudosan Residential Lease Co., Ltd. publishes this handbook for customers with information about ensuring their safety in the event of an earthquake.</p>
	<p>LaLaFan</p> <p>http://lalafan.jp/</p> <p>A fan network that uses Twitter to make LaLaport more fun.</p>
	<p>31sumai (Mitsui's residence)</p> <p>http://www.31sumai.com/</p> <p>A comprehensive information website for housing operated by Mitsui Fudosan Residential Co., Ltd.</p>
	<p>Everyone's Home</p> <p>http://www.37sumai.com/</p> <p>A communication forum where everyone talks about homes.</p>
	<p>Healthy Forests and the Secrets of Trees</p> <p>This family-oriented pamphlet showcases the Mitsui Fudosan Group's forest conservation activities.</p>

Tool for Employees

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.

	<p>Mitsui Fudosan's intra-company newsletter &you</p>
	<p>Mitsui Fudosan's intra-group magazine MuFu!</p>
	<p>Eco Life Handbook Mitsui Fudosan's tool for raising environmental awareness among employees.</p>
	<p>LaLaSta Community magazine for store staff at our retail facilities.</p>

Creating New Value and Markets

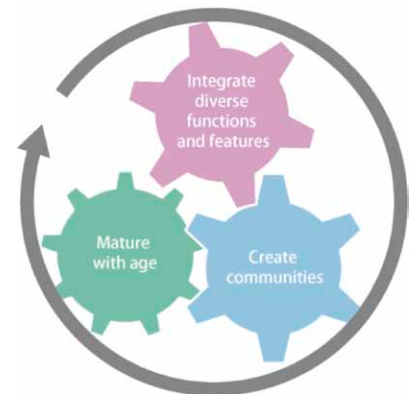
The Mitsui Fudosan Group has positioned the creation of new value and markets that keep abreast of social and economic changes through its core urban development activities as a core theme of its CSR endeavors. In this manner, the Group strives to contribute to the growth and development of society.

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 primary involves promoting mixed use (combining applications and functions) 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

Good Design Award Recipient for 16 Consecutive Years

At the Mitsui Fudosan Group, 10 projects received the Good Design Award in fiscal 2015 (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 2015 *Award-winning businesses listed in brackets

◎**KOIL Kashiwa-no-ha Open Innovation Lab**

(Kashiwa City, Chiba Prefecture) [Mitsui Fudosan, other]

Play a central role within the region as a platform that links people and ideas.

◎**Nihonbashi Muromachi East District Development Project**

(Chuo-ku, Tokyo) [Mitsui Fudosan, other]

A development that exists harmoniously with the area seamlessly blending landmark structures of historical significance with modern buildings.

◎**Sapporo City North 2 West, 4 District**

(Chuo-ku, Sapporo City) [Mitsui Fudosan, other]

SAPPORO KITA3-JO PLAZA (AKAPLA) (see Quality—18) has been refurbished and extends along Kita 3-Jodori from the red-brick prefectural office.

◎**Fujisawa Sustainable Smart Town**

(Fujisawa City, Kanagawa Prefecture) [Mitsui Fudosan, Mitsui Fudosan Residential, other]

Mitsui Fudosan undertook a Smart Town project at a 19 hectare vacant factory site along with 19 partner companies and Fujisawa City.

◎**Park Homes Komazawa The Residence**

(Setagaya-ku, Tokyo) [Mitsui Fudosan Residential]

Residential units that enable anyone to freely adjust floor layouts using movable partition/storage units.

◎**SKYZ TOWER&GARDEN**

(Koto-ku, Tokyo) [Mitsui Fudosan Residential, other]

Working to create next-generation residences in the Tokyo Bay area 「TOKYO WONDERFUL PROJECT」.

◎**Hill court terrace Yokohama-shiomidai**

(Isogo-ku, Yokohama City) [Mitsui Fudosan Residential, other]

Transforming housing complexes into communities. Creating communities for the next 50 years.

◎**Fine Court Tanashi Keyaki Koen**

(Nishi Tokyo City, Tokyo) [Mitsui Fudosan Residential]

A detached housing development project that contributes to the surrounding area by focusing on the creation of local communities and regional disaster prevention capabilities. (see Coexistence—02)

◎**Nagareyama Kosodatsu Project**

(Nagareyama City, Chiba Prefecture) [Mitsui Fudosan Residential, other]

Long-Legged Child Rearing Support Program has forged a three-way partnership with the government, NPOs, and condominium builders. (see Coexistence—03)

◎**2x4 construction seismic vibration control system that realizing both load-bearing walls and seismic resistance**

[Mitsui Home]

Mitsui Home's original 2x4 construction "VAX" seismic vibration control system provides enhanced peace of mind to residents. (see Quality—05)

Urban Development Utilizing the "Power of Sports"

Mitsui Fudosan promotes community development through the power of sports. Sports have the power to promote the physical and mental health of local residents, generate new relationships, and revitalize communities. We think sports are an important element for creating attractive communities that mature well with age.

Examples

◎ **Asia Pacific Corporate Games Tokyo Japan 2015 [November 2015]**

Mitsui Fudosan Residential hosts sporting events as part of activities promoted through the WANGAN ACTION (see Coexistence—04).

◎ **Mitsui Fudosan Ice Rink in Tokyo Midtown [January-March 2016]**

Mitsui Fudosan installs an outdoor ice skating rink at Tokyo Midtown (Minato-ku, Tokyo) in an effort to make sports as central part of people's daily lifestyles as well as create opportunities to enjoy physical activities and build communities.

◆Activities for the Tokyo 2020 Olympic and Paralympic Games as Part of Urban Development Utilizing the "Power of Sports"

As a Tokyo 2020 Gold Partner in the "Real Estate Development" category, Mitsui Fudosan lends its full support to the Tokyo Olympic and Paralympic Games. Under the slogan, "BE THE CHANGE: Cities Start World Changes," Mitsui Fudosan seeks to change itself and engages in various activities by using urban development as a base that will create positive change in the people, communities and society that it aims to transform.

■Examples

◎Nihonbashi City Dressing [From October 2015]

Sponsored by The Tokyo Organising Committee of the Olympic and Paralympic Games, Mitsui Fudosan buildings in Tokyo's Nihonbashi district were adorned with giant banners featuring Olympians and Paralympians from the 2012 London Games, giving the entire neighborhood a superb Olympic and Paralympic makeover. (Please see the digest version of &Nihonbashi for more details)

◎Mitsui Fudosan Sports Academy for Tokyo 2020 [From April 2016]

Mitsui Fudosan Sports Academy for Tokyo 2020 is a children's sports workshop that invites top-class athletes as instructors to introduce and give children the opportunity to experience Olympic and Paralympic sports. This workshop is sponsored by Mitsui Fudosan in cooperation with The Tokyo Organising Committee of the Olympic and Paralympic Games and is slated to be continued until 2020.

◎Mitsui Fudosan Presents Roppongi City Dressing for TOKYO 2020 [August 2016]

We undertook City Dressing at Tokyo Midtown (Minato-ku, Tokyo), which involved adorning the area with giant decorations. This project was intended to lend support to the Japanese team at Rio de Janeiro 2016 Olympic and Paralympic Games.

◎Challenge Park by Mitsui Fudosan [August 2016]

As part of the Urban Development Utilizing the "Power of Sports," Challenge Park is a hands-on sports event that involves three types of sports challenges aimed at creating bonds of friendships through sports while revitalizing local communities. This event was held at Urban Dock LaLaport Toyosu (Koto-ku, Tokyo).

BE THE CHANGE

さあ、街から世界を変えよう。



Mitsui Fudosan Sports Academy for Tokyo 2020



三井不動産



東京2020ゴールド街づくりパートナー

*Mitsui Fudosan supports the Tokyo 2020 Olympic and Paralympics Games as a Tokyo 2020 Gold Partner in the "Real Estate Development" category.

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 31 VENTURES KOIL located in Kashiwa-no-ha Smart City (Kashiwa City, Chiba Prefecture), 31 VENTURES Kasumigaseki in the Kasumigaseki Building (Chiyoda-ku, Tokyo), and 31 VENTURES 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. (Please see the digest version of &Future for more details)

◆Asian Entrepreneurship Award 2015

Aiming to make into a global innovation base the Kashiwa-no-ha Smart City (Kashiwa City, Chiba Prefecture), the urban development of which is being promoted as "A City of New Industry Creation," Mitsui Fudosan co-hosts annually the Asian Entrepreneurship Award international business contest in Japan in partnership with other Asian nations at Gate Square during May 24-26 2015. In addition to expanding people networks, such as those of Japanese venture consultants, on the final day the 30 nominated venture companies



Group photo of the Asian Entrepreneurship Award winners

selected from Japan and 12 Asian countries and regions 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 Japan, Singapore, and Malaysia placed first, second and third in the contest.

◆ **Kashiwa-no-ha Smart City "Smart City Innovation Program"**

In July and August, Mitsui Fudosan, Mitsui Fudosan Residential, and Recruit Holdings held the Smart City Innovation Program, a community-based open innovation project that held at Kashiwa-no-ha Smart City. This marks Recruit Holdings' first attempt at undertaking its in-house new business creation initiative Recruit Ventures in cooperation with the Mitsui Fudosan Group.

Recruit Venutres aims to create businesses that help solve issues facing local communities by inviting local organizations and residents to help improve business plans proposed by Recruit employees as well as by giving awards to outstanding business plans submitted by residents employed in the local area.

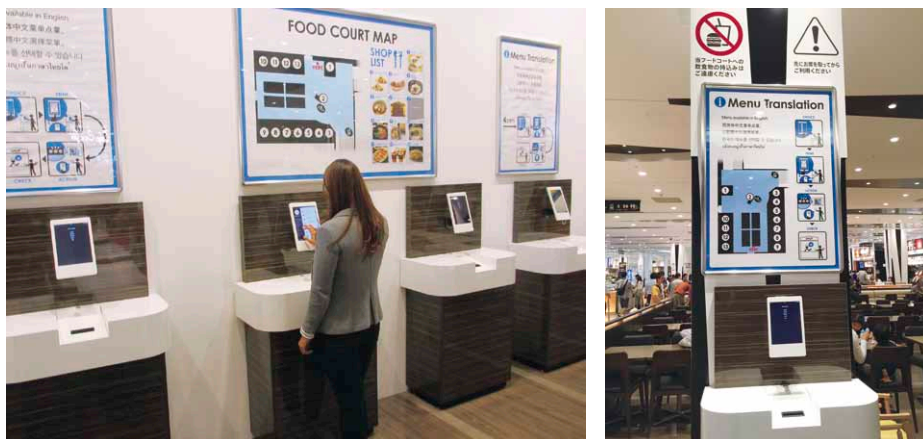
Aiming to Tap Inbound Tourist Demand

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).

At Diver City Tokyo Plaza's (Koto-ku, Tokyo) food court Tokyo Gourmet Stadium in July 2015, we translated into four languages (English, Chinese, Korean, Thai) menus for each restaurant as well introduced a printout-capable system and service staff able to provide catering services. We are working to further boost our ability to address the needs of inbound tourists by installing a foreign currency exchange booth, introducing a Union Pay payment system at all outlets, expanding tax-free stores, dispatching English-, Chinese-speaking information staff, and adding free Wi-Fi.

In addition, we are enhancing our ability to address the needs of inbound tourist at Mitsui Outlet Park HOKURIKU OYABE (Oyabe City, Toyama Prefecture, opened in July 2015), EXPOCITY (Suita City, Osaka Prefecture, opened in November 2015), and other retail facilities mainly by installing multi-language signs, free Wi-Fi, and prayer rooms.

The Mitsui Fudosan Group (including its retail facilities, hotels, and resorts) are working to expand the tourism market by enhancing ways to meet the needs of the ever-growing number of tourists visiting Japan.



Multi-Language Translation System (Diver City Tokyo Plaza)

Our Efforts for Shareholders

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.

Investor Relations Activities: Building Trusting Relationships with Shareholders and Investors

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. The Company targets a dividend yield of 25% of profit attributable to owners of parent.

In fiscal 2016, Mitsui Fudosan distributed an annual dividend of ¥30 per share (comprising an interim dividend of ¥14 and year-end dividend of ¥16 per share), compared with an annual dividend of ¥25 per share in fiscal 2015. Mitsui Fudosan plans to pay an annual dividend of ¥32 per share in fiscal 2017.

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 condition and performance, a library of investor relations materials, an event calendar, data about the stock and our shareholders, and information geared for individual investors.



A results briefing for investors and analysts

For institutional investors and analysts in Japan, we also hold results briefings twice a year, offer tours of our properties, and participate in conferences with institutional investors and analysts. For overseas institutional investors and analysts, we travel overseas several times a year while also responding to individual inquiries. We also work to enhance information disclosure for overseas investors through a variety of initiatives including the streaming of videos of results briefings. As far as our activities in and outside Japan are concerned, we respond to up to around 600 interviews a year.

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.

◆Upgrading and expanding non-financial information in the Company's annual report in an integrated format

For stakeholders to gain a correct understanding of the strategic growth measures presented as our priority issues, in addition to financial information such as financial results, review of operations and management strategies, it is also important to gain a systematic understanding of non-financial information relating to aspects such as society, the environment, human resources and governance. Based on this belief, we issue an Annual Report in both Japanese and English, which features enhanced and integrated non-financial information.

Our Efforts for Our Employees

Recognizing that diversity is a key element of its workforce and efforts to secure sustainable growth and development over the medium-to-long term, Mitsui Fudosan implements a wide range of initiatives that allow employees with diverse values, abilities and lifestyles to select a working style that matches their stage in life and continue their career while maximizing the ability to make the most of individual experience and capabilities.

Work Environment:

Aiming to Be an Organization Where Diverse Human Resources Can Maximize Their Capabilities

Supporting Work-Life Balance

Mitsui Fudosan is promoting workstyle reforms in an effort to become an organization that enables diverse human resources to maximize their capabilities.

From the perspective of promoting an active role for women, Mitsui Fudosan established an environment encouraging childcare and nursing care, including allowing childcare leave longer than legally mandated periods, setting flexible working times for those engaged in both work and childcare or nursing care, opening daycare centers inside worksites and subsidizing the cost of raising children or providing nursing care. In addition, Mitsui Fudosan has introduced a "Return Entry System" that provides the opportunity of re-employment to employees who have been forced to leave the Company due to their partner being transferred. Furthermore, from fiscal 2016, the Company has introduced a childcare leave system for men, promoting male participation in childcare and fomenting understanding of childcare among men.

Going forward, Mitsui Fudosan will promote a variety of support measures to enable employees to continue their careers and permit diverse working styles in response to changing life stages.

■ Examples of Support for Ensuring Work-Life Balance
◎ Support for Childcare

- Maternal leave before and after childbirth
- Childcare leave system
- Shortened work hour system for childcare
- In-office nurseries

◎ Support for Family Care

- Family care leave
- Shortened work hour system for family care
- Flex-time system for employees working shortened hours
- Family care consultations
- Family care seminars
- Nursing care leave

◎ Support for Ensuring Work-Life Balance

- Special summer leave, special consecutive leave
- Refreshment leave
- Return entry system
- Male childcare participation leave (From fiscal 2016)
- Company-wide holiday on the foundation memorial day (From fiscal 2016)

◆ 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. 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.



Kurumin Mark
(Acquired on July 2014)

◆ Established a New Workstyle Innovation Department

In April 2016, Mitsui Fudosan established a new Workstyle Innovation Department, with the goal of putting in place an environment in which personnel with diverse values and lifestyles can be highly successful and continue to drive the creation of new value.

◆ **Mitsui Fudosan Family Day**

Carrying on from the previous year, the Employee Thank You Day, a part of the Mitsui Fudosan Family Day, was held on November 29 at KidZania Tokyo in Urban Dock LaLaport Toyosu (Koto-ku, Tokyo) in fiscal 2015. A total of 841 people participated including employees and family members. The event served as an opportunity for employees and their families to think about work-life balance, for children to experience work together with adults and for employees to build closer ties with their families.



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 2015, we held two seminars, one in July 2015 and the other in March 2016.

◆ **Establishment of an In-Office Nursery in Nihonbashi**

In support of the various ways employees work, Mitsui Fudosan opened an in-office nursery in the Mitsui Building No. 2 (Chuo-ku, Tokyo) in Nihonbashi 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.



In-Office Nursery

Our Efforts to Protect 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 2015, 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 Business and Lifestyle Solutions Partner

Mitsui Fudosan aims to be a business and lifestyle 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, who are able to make full use of their individual attributes, with both specialized and advanced business knowledge, and a broader perspective.

◆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 Mitsui Fudosan. 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 recent years, Mitsui Fudosan has taken steps to continuously expand its foreign language training and overseas tenure training in order to foster employees who are capable of excelling on the world stage.

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 several 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 perspective 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.



Business experience seminar



Mitsui Fudosan Group business forum

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 (tours of environmentally advanced facilities, etc.) and other activities to increase their interest in the environment.

◆Environmental Training and Education Activities

Each year, Mitsui Fudosan conducts afforestation training for employees at forests owned by the Group in Hokkaido. A total of 20 employees participated in this training in fiscal 2015. In addition, independent environmental training and education activities are undertaken at the Office Building Division of Mitsui Fudosan, as well as at Mitsui Fudosan Facilities Co., Ltd., Mitsui Home Co., Ltd. and Mitsui Fudosan Residential Lease Co., Ltd.



Afforestation (Mitsui Fudosan)

■Environmental Training (Fiscal 2015)

Sponsor	Type of Training	Number of Classes	Subject Participants	Number of Participants
Mitsui Fudosan Co., Ltd.	Afforestation	Once	Companywide	20
Office Building Division	Mitsui office nationwide contest Advancing offices to the next level spring contest	Once	Building headquarters, Mitsui Fudosan Building Management Co., Ltd., management company	455
Mitsui Fudosan Facilities Co., Ltd.	New employee training	Once	Newly hired employees	159
	Energy conservation management study group	Five times	Companywide	164
	e-learning 2015 event to learn about initiatives for the environment	-	Full-time and fixed-term employees	1,147
Mitsui Home Co., Ltd.	Afforestation experience-based training	Once	Mitsui Home Group Company Newly hired career track employees	74

■ Environmental Education (Fiscal 2015)

Provider	Details	Dates Implemented	Number of Participants
Mitsui Fudosan Residential Lease Co., Ltd.	Three types of posters that outline details and examples of the Company's environmental initiatives are displayed in the reception areas on the 6th and 7th floors of Mitsui Fudosan's head office. <Poster content> <ul style="list-style-type: none"> · Introduction to smart leasing properties · Details of the Company's unique social and environmental contribution activities · The merits of LED lighting and cost simulations 	From March 2016	-
	A list of the environmental education pages of the information book for employees	Ongoing from February 2011	-

◆ Eco Tours

In fiscal 2015, eco tours were sponsored twice by Mitsui Fudosan and Mitsui Fudosan Facilities Co., Ltd. and once by Mitsui Fudosan Reform Co., Ltd.

■ Eco Tours (Fiscal 2015)

Sponsor	Details	Number of Tours	Number of Participants
Mitsui Fudosan Co., Ltd.	<1st tour (July 2015)> <ul style="list-style-type: none"> · Tour of the Zero Energy Building of Taisei Corporation, Futakotamagawa Rise Tower & Residence and Minato Park Shibaura 	Once	31
	<2nd tour (February 2016)> <ul style="list-style-type: none"> · Tour of Shinagawa Season Terrace, LaLaport Ebina (Wood Cube) and the bio-power generation facility of Bio Energy Corporation 	Once	18
Mitsui Fudosan Facilities Co., Ltd	<1st tour (June 2015)> <ul style="list-style-type: none"> · Tour of a waste intermediate treatment facility, recycling facility and megasolar power generation facility 	Once	38
	<2nd tour (December 2015)> <ul style="list-style-type: none"> · Tour of a waste intermediate treatment facility, recycling facility and district heating and cooling facility (heat source supply system) as well as energy-efficient buildings and equipment · Introduction to an energy-efficient support business in Chuo-ku 	Once	28
Mitsui Fudosan Reform Co., Ltd.	<ul style="list-style-type: none"> · Tours of industrial waste recycling facilities 	Once	23 (for newly hired)



Eco Tours (Mitsui Fudosan)



Eco Tours (Mitsui Fudosan Facilities Co., Ltd)



Eco Tours (Mitsui Fudosan Reform Co., Ltd.)

◆Eco Test

Mitsui Fudosan and Group companies encourage employees to take the Eco Test (a certification test for environmental and social specialists) administered by the Tokyo Chamber of Commerce and Industry. Mitsui Fudosan Facilities Co., Ltd. and Tokyo Midtown Management Co., Ltd. have made the Eco Test a required certification.

In addition, Mitsui Fudosan, Mitsui Fudosan Facilities Co., Ltd. and Mitsui Fudosan Residential Lease Co., Ltd. are identified as companies that promote the Eco Test on the Eco Test information site of the Tokyo Chamber of Commerce and Industry.

■Cumulative total of employees who have taken and passed the Eco Test (As of the end of fiscal 2015)

Company name	Positioning of Eco Test	Total number of employees who have passed the test	Pass ratio
Mitsui Fudosan Co., Ltd.	Recommended certification	385	Around 24% of all employees
Mitsui Fudosan Facilities Co., Ltd.	Required certification	1,207	Around 82% of full-time and fixed-term employees, excluding junior employees
Mitsui Fudosan Building Management Co., Ltd.	Recommended certification	287	Around 51% of all employees
Mitsui Fudosan Architectural Engineering Co., Ltd	Recommended certification	38	Around 44% of all employees, excluding dispatched employees
Mitsui Fudosan Residential Lease Co., Ltd.	Recommended certification	55	Around 9% of all employees
Tokyo Midtown Management Co., Ltd.	Required certification	61	Around 80% of all employees

Business Activity Platform

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 provide the platform for 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.

With a view to further enhancing the soundness, transparency and efficiency of management, the Company put in place the Nomination Advisory Committee and the Compensation Advisory Committee on November 6, 2015.

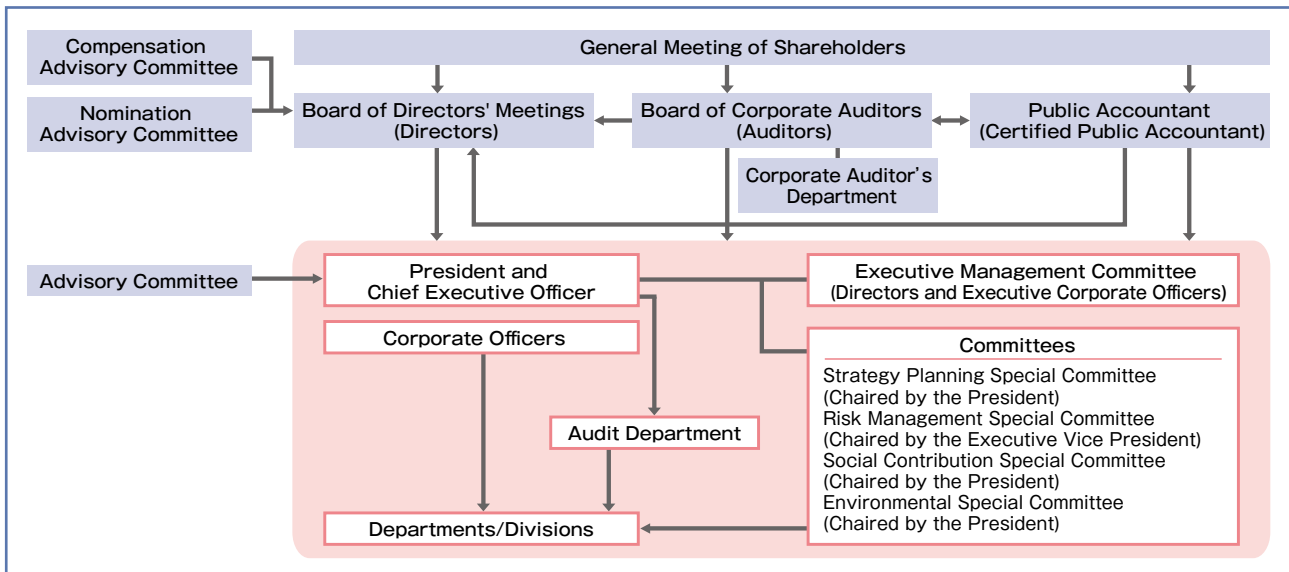
Corporate Decision-Making

The Executive Management Committee, consisting of directors and executive corporate officers, in principle 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.

Corporate Governance Framework (From November 6, 2015)



Number of Directors and Auditors (as of June 30, 2016)

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 following basic policy 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

1. System to ensure that execution of business by directors conforms to laws and regulations and the Company's Articles of Incorporation

The Company is working to ensure compliance through formulation and implementation of a compliance promotion plan, based on its Compliance Rules and other internal rules. The Company has also established a Risk Management Special Committee and put in place a compliance structure to prevent violations of laws and regulations and its Articles of Incorporation.

2. System related to 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 Document Rules, the Information Management Rules and the Information System Management Rules.

3. Regulations and other frameworks related to prevention of losses

Based on Risk Management Regulations and other internal rules, the Executive Management Committee supervises and controls risk management items concerning the Company or 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 management, and the Risk Management Special Committee, which is responsible for management of administrative risk.

In addition, the Crisis Management Subcommittee, which reports to the Risk Management Special Committee, was established to meet when necessary to respond to accidents and other highly urgent matters.

4. Framework for ensuring that the business of directors is executed efficiently

To promote the separation and strengthening of the management and executive functions for which directors are responsible, the Company has adopted a corporate officer system, part of a framework intended to ensure that the business of directors is executed efficiently.

Concerning the execution of business based on decisions of the Board of Directors, internal rules, including organizational rules and rules governing administrative authority, set forth who is in charge and their responsibilities and promote efficient business by also setting forth procedures for execution.

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

The Company is working to ensure compliance through formulation and implementation of a compliance promotion plan, based on its Compliance Rules and other internal rules. The Company has also established a Risk Management Special Committee and put in place a compliance structure to prevent violations of laws and regulations and its Articles of Incorporation.

In addition, based on its Internal Control System Rules, the Company has established a point of contact for consultation regarding compliance problems both inside and outside the Company.

Further, based on Internal Audit Rules, the Internal Audit Department audits the operation of the compliance framework as well as compliance with laws and regulations, and reports to the Board of Directors and the Board of Corporate Auditors.

6. Framework for ensuring appropriate business practices by the corporate group comprising the Company and its subsidiaries

Through appropriate management of its Subsidiaries and Affiliates Administration Rules and Overseas Affiliates Administration Rules, the Company seeks to ensure the efficient execution of business by directors of its subsidiaries, while management is based on approval and monitoring by Mitsui Fudosan.

Each Group company also has in place a compliance framework and Internal Control System based on the Mitsui Fudosan Group Compliance Policies. The Internal Audit Department conducts audits of the subsidiaries' compliance frameworks and their compliance with laws and regulations, and reports to the Board of Directors and the 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

The Corporate Auditor's Department has been established specifically to assist the corporate auditors with their work, and each corporate auditor has been assigned a dedicated employee.

Said employee shall be under the chain of command of the corporate auditor, who shall also evaluate the employee's performance. Transfer of said employee shall take place only upon prior discussion with the corporate auditor.

8. Frameworks for enabling directors and employees to report to the corporate auditors, for other reporting to the corporate auditors, and for ensuring that audits by the corporate auditors are conducted effectively

Corporate auditors attend meetings of the Board of Directors.

Full-time corporate auditors also attend meetings of the Executive Management Committee, which oversees internal controls and risk management, receives reports when necessary, and shares these at meetings of the Board of Corporate Auditors.

In addition, the corporate auditors receive regular audit reports from the Internal Audit Department and the Company's certified public accountant, and exchange information to build cooperation.

Matters that have become subject to internal consulting are reported to the corporate auditors as appropriate via the Risk Management Special Committee, and the Internal Control System Rules contain provisions stating that the act of consulting itself will not be reason for detrimental treatment of the person requesting consultation.

9. Framework for enabling directors, auditors and employees of subsidiaries, or individuals receiving reports from those listed, to report to corporate auditors, and for ensuring that individuals providing such reports will not, by reason of having made said report, be subject to detrimental treatment as a result

Full-time corporate auditors attend meetings of the Executive Management Committee, which oversees internal controls and risk management, receives reports as necessary, and shares them with the Board of Corporate Auditors.

They also work to exchange information as appropriate with the directors and auditors of the Company's subsidiaries, either directly or through relevant departments, and receive progress reports on implementation of internal audits at subsidiaries.

Matters subject to internal consulting under the internal consulting system of each Group company are also reported to the Company's corporate auditors as appropriate via the Risk Management Special Committee. Rules regarding each Group company's internal consulting system contain provisions stating that the act of consulting itself will not be reason for detrimental treatment of the person requesting consultation.

10. Policies regarding procedures for prepayment or reimbursement of expenses arising in the execution of the corporate auditors' duties or related to processing of other expenses and liabilities arising from execution of those duties

Expenses required for the execution of the corporate auditors' duties shall be borne by the Company at cost.

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

Risk Management System

◆ Establishment of the 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*¹ and administrative risk*², 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 2015, the Risk Management Special Committee met 12 times 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.

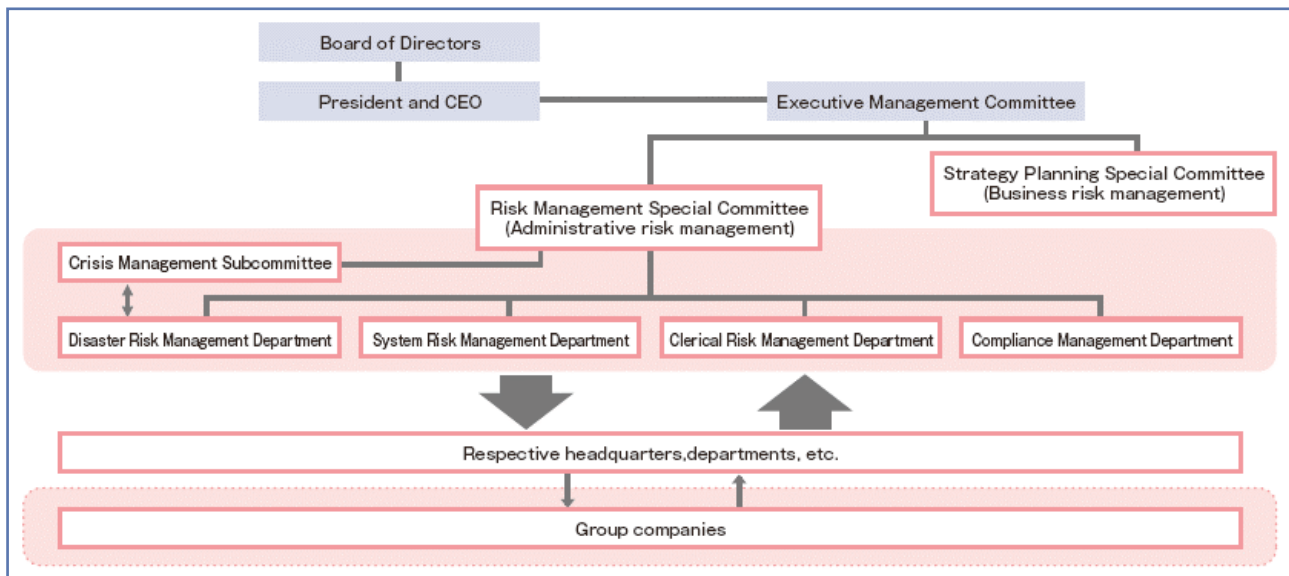
*1 Business risk:

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.

■ Risk Management System (From January 1, 2008)



◆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.

Main Agenda Items of the Risk Management Special Committee

- Incidence of accidents and other incidents and the status of countermeasures
- Status of compliance with laws and regulations
- Status of compliance training implementation
- Incidence of internal rule infringement and preventive measures
- Mitsui Fudosan and Group companies' personal information protection plan
- Horizontal rollout of information related to risks and crisis
- Status of 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. 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.

◆ 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 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 Companywide 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 policies, plans, systems, etc. related to compliance, and gives reports on their practice and operation.

◆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 and engage in monitoring in order to ensure compliance, aiming through this to practice compliance appropriately. The results of activities of each fiscal year are reported at the Board of Directors' meeting.



Compliance training

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 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 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

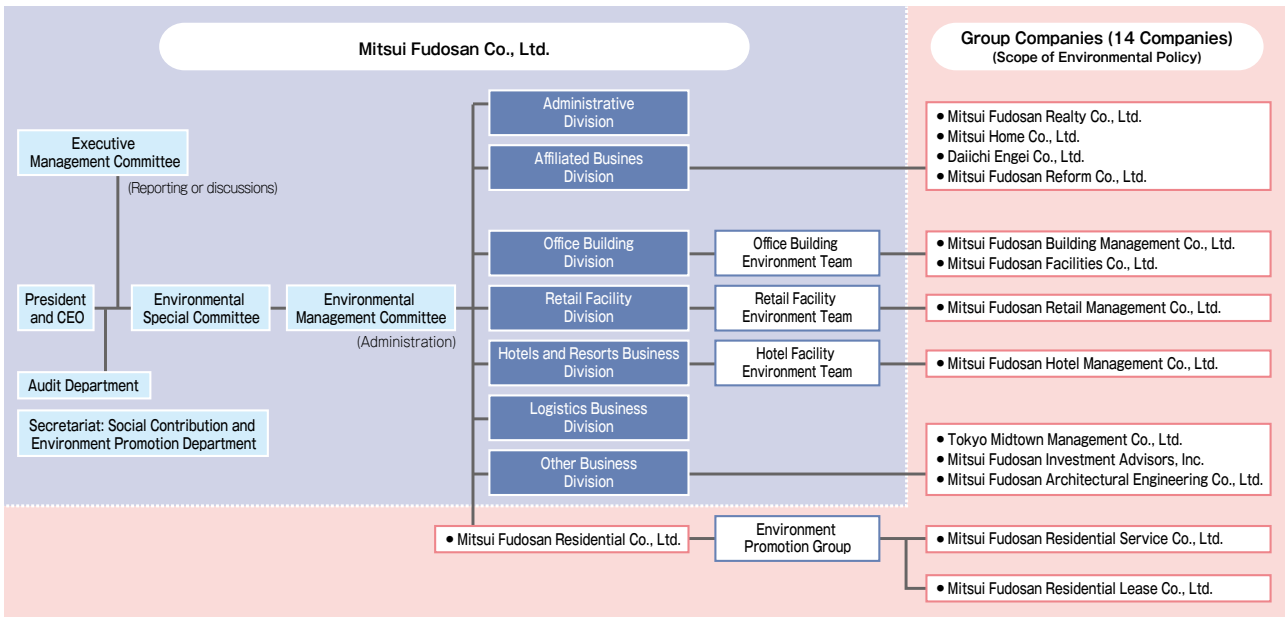
Mitsui Fudosan Group companies share compliance information and work to resolve any issues. By doing so, we are pouring forth effort into raising our compliance level as a Group.

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 for each business divisions (→ Please refer to major achievements regarding fiscal 2015 environmental efforts and fiscal 2016 quantitative targets) and plan environmental initiatives alongside Group companies in accordance with environmental policies. As of April 1, 2016, there 14 Group companies that fall within the scope of the environmental policy.

Organization of the Environmental Management System of the Mitsui Fudosan Group (as of April 1, 2016)



Note:

1. 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.
2. Mitsui Fudosan Residential Co., Ltd. took over the rental housing business of Mitsui Fudosan in October 2015. In addition, Mitsui Fudosan Housing Lease Co., Ltd. also became a group company of Mitsui Fudosan Residential Co., Ltd. from October 2015. Effective from April 1, 2016, Mitsui Fudosan Housing Lease Co., Ltd. changed its name to Mitsui Fudosan Residential Lease Co., Ltd.

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 Mitsui Fudosan and the Mitsui Fudosan Group. It also keeps up to date the social contribution targets, objectives and plans of each division and Group companies while monitoring and evaluating their progress toward targets and plans.

The Social Contribution Activity Policy (→The Mitsui Fudosan Group's Approach to CSR (Please refer to Approach to CSR—04)) 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

Environmental Accounting (Mitsui Fudosan Building Business)

Cost of Environmental Conservation

Investments in fiscal 2015 totaled ¥236,908,000 mainly for updating air-conditioning systems and installing new air-conditioning control equipment.

Spending during the fiscal year of ¥1,681,311,000 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 ¥219,392,000 which included efforts to ensure compliance with the Energy Conservation Law and the Tokyo Metropolitan government's environmental regulations. A cumulative total of ¥12,052,016,000 has been spent 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 CO₂ 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.
 - CO₂ emissions coefficient (other than electricity):
 - The CO₂ emissions coefficient indicated in the Enforcement Ordinance of the Act on Promotion of Global Warming Countermeasures (revised in December 2002).
 - CO₂ emissions coefficient (electricity):
 - The CO₂ 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 2015)

Scope of calculations: Office buildings that Mitsui Fudosan owns or partially owns (targeted: 72 buildings)

Applicable period: April 1, 2015 – March 31, 2016

Base fiscal year: Fiscal 2002

(thousand yen)

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)	–	236,160	1,397,212	10,293,808
	Breakdown	1-1 Antipollution Costs	280	52,501	425,564
		1-2 Global Environment Conservation Costs	231,670	1,017,922	6,537,996
		1-3 Resource Recycling Costs	4,210	326,789	3,330,248
2	Costs to Reduce Environment Load Generated Upstream or Downstream Due to Production/Service Activities (upstream/downstream costs)	–	0	0	0
3	Environment Conservation Cost in Administrative Activities (Administrative Activity Costs)	Expenses to Comply with Environmental Laws and Ordinances, Expenses to Provide Environmental Education, etc.	0	219,392	1,092,635
4	Environment Conservation Cost 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 Research and Development	0	5,400	42,440
5	Environment Conservation Cost in Social Activities (Social Activity Costs)	Planting Refurbishments, Maintenance Expenses for Outdoor Facility Planting, etc.	748	59,307	623,133
6	Costs to Handle Environmental Damage (Environmental Damage Costs)	–	0	0	0
Total			236,908	1,681,311	12,052,016

Environmental Conservation

In overall terms, environmental load indicators for fiscal 2015 were either unchanged from or slightly better than previous fiscal year. Compared with the base fiscal year (fiscal 2002), indicators across-the-board are improving.

Looking at electricity, electricity usage per unit of floor area at managed properties, 6,420 kWh of electricity was used per 1,000 m² in fiscal 2015, a decrease of 4,520 kWh per 1,000m² (down approximately 41%) compared with the base fiscal year, which was 10,940 kWh per 1,000m². This represents an improvement in electricity usage per unit of floor area.

For water, water usage per unit of floor area at managed properties, 48.11 tons of water was used per 1,000m², a reduction of 29.85 tons per 1,000m² (down approximately 38%) compared with 77.96 tons per 1,000m² in the base fiscal year.

From a recycling versus total waste volume perspective, the ratio was 70.22% in fiscal year under review compared with 44.77% in the base fiscal year, for a 25.45 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 0.63 tons per 1,000m² in the fiscal year under review, a reduction of 0.56 tons per 1,000m² (down approximately 47%) or a decline of around one-half compared with the base fiscal year.

■ Environmental Conservation Effects (Fiscal 2015)

Scope of calculations: Office buildings that Mitsui Fudosan owns or partially owns (targeted: 72 buildings)

Applicable period: April 1, 2015 – March 31, 2016

Base fiscal year: Fiscal 2002

Contents of Effects	Environmental Load Index					
	Current Fiscal Year (Fiscal 2015)	Previous Fiscal Year (Fiscal 2014)	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)	
Energy-saving for Administrative Purpose						
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 ²]* ¹	1.88	1.96	3.16	-0.08	-1.28	
Consumption by Floor Area of CO ₂ Equivalent to Fuel/Electricity for Administrative Use (after correction based on occupancy ratio) [equivalent t-CO ₂ /thousand m ²]* ²	2.89	3.02	4.87	-0.13	-1.98	
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 ²]* ³	6.42	6.58	10.94	-0.16	-4.52
	Gas: Consumption by Floor Area of Gas Consumed for Administrative Use (after correction based on occupancy ratio) [thousand m ³ /thousand m ²]* ⁴	0.23	0.26	0.32	-0.03	-0.09
	DHC: Consumption by Floor Area of DHC Purchased for Administrative Use (after correction based on occupancy ratio) [MJ/thousand m ²]* ⁵	10,134.32	10,975.37	24,258.57	-841.05	-14,124.25
Water: Consumption by Floor Area of Water Consumed for Administrative Use (after correction based on occupancy ratio) [t/thousand m ²]* ⁶	48.11	48.13	77.96	-0.02	-29.85	
Consumption by Floor Area of Disposed Waste (after correction based on occupancy ratio) [t/thousand m ²]* ⁷	0.63	0.62	1.19	0.01	-0.56	
Improvement of Recycling Rate to Total Waste [%]	70.22	71.64	44.77	-1.42	25.45	

*1 Crude oil equivalent to fuel / electricity use [kℓ] / (total floor area [thousand m²] x occupancy ratio)

*2 CO₂ equivalent to fuel / electricity use for administrative use [kℓ] / (total floor area [thousand m²] x occupancy ratio)

*3 Electric power consumer for administrative use [thousand kWh] / (total floor area [thousand m²] x occupancy ratio)

*4 Gas consumed for administrative use [thousand m³] / (total floor area [thousand m²] x occupancy ratio)

*5 DHC purchased for administrative use [MJ] / (total floor area [thousand m²] x occupancy ratio)

*6 Water consumed for administrative use [t] / (total floor area [thousand m²] x occupancy ratio)

*7 Amount of disposed waste [t] / (total floor area [thousand m²] 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 ₂	Water	Waste
Overall	No. of target facilities (facilities)	2011	156	148	110
		2012	153	148	104
		2013	152	132	95
		2014	164	146	101
		2015	153	135	116
	Total floor area (m ²)	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
		2015	5,393,971	5,345,069	5,113,642
Office buildings	No. of target buildings (buildings)	2011	93	93	76
		2012	87	87	68
		2013	86	78	60
		2014	93	83	59
		2015	84	73	66
	Total floor area (m ²)	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
		2015	2,583,774	2,538,723	2,522,790
Retail facilities	No. of target facilities (facilities)	2011	36	36	26
		2012	36	34	28
		2013	38	36	27
		2014	45	43	33
		2015	44	44	36
	Total floor area (m ²)	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
		2015	2,596,732	2,596,732	2,423,572
Hotels	No. of target facilities (facilities)	2011	8	8	7
		2012	7	7	7
		2013	11	11	7
		2014	12	12	8
		2015	12	12	12
	Total floor area (m ²)	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
		2015	157,097	157,097	157,097

Logistics	No. of target facilities (facilities)	2011	-	-	-
		2012	-	-	-
		2013	-	-	-
		2014	-	-	-
		2015	1	1	0
	Total floor area (m ²)	2011	-	-	-
		2012	-	-	-
		2013	-	-	-
		2014	-	-	-
		2015	41,943	41,943	0
Other	No. of target facilities (facilities)	2011	19	11	1
		2012	23	20	1
		2013	17	7	1
		2014	14	8	1
		2015	10	5	2
	Total floor area (m ²)	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
		2015	14,426	10,574	10,183

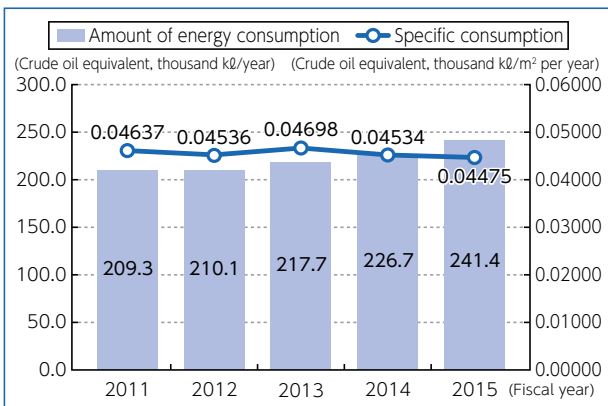
Note:

- Office buildings include Tokyo Midtown and Kashiwa-no-ha Smart City Gate Square shops and office building.
- Resort hotels have been included in the scope of collation for hotel energy usage, CO₂ emissions and water from fiscal 2013. Resort hotels have also been included in the scope of collation for hotel waste from fiscal 2015.
- Facilities under the control of the General Administration Department as well as each branch have been included in Other. Rental housing was also included up to fiscal 2014. Following the transfer of control to Mitsui Fudosan Residential Co., Ltd., rental housing was excluded from the scope of collation from fiscal 2015.
- Energy usage and CO₂ emission total floor area data takes into consideration the operating month.
- Logistics was included in retail facilities in fiscal 2014. The collation of data has been undertaken as a separate department from fiscal 2015.

Energy Usage

While total energy usage was 241,400 kℓ of oil equivalent per year overall in fiscal 2015, an increase of 6.5% compared with the previous fiscal year, energy usage per base unit (of floor area) decreased 1.3% year on year to 0.04475 kℓ (oil equivalent) per m² annually. This reflected the increase in overall energy usage due to the inclusion of newly established large-scale retail facilities in the scope of collation, and the decrease in energy usage per base unit (of floor area) attributable to a variety of measures including initiatives aimed at saving energy.

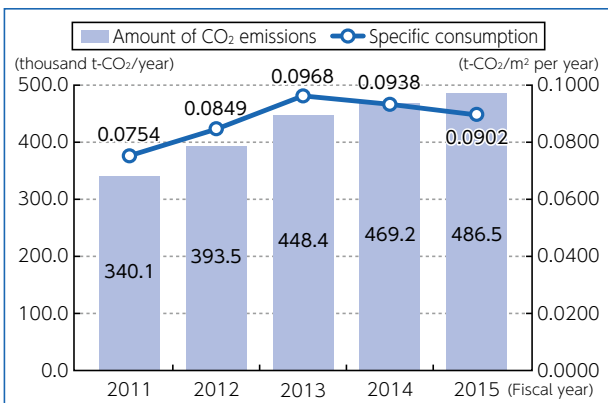
Trends in the Amount of Energy Consumption



CO₂ Emissions

In fiscal 2015, CO₂ emissions totaled 486,500 t-CO₂/year, an increase of 3.7% compared with the previous fiscal year. CO₂ emissions per base unit (of floor area) were 0.0902 t-CO₂/m²/year, down 3.8% compared with the previous fiscal year. This reflects increases and decreases in the total amount of energy used and energy usage per base unit of floor area as well as deterioration in the CO₂ emissions coefficient relating to electricity usage.

Trends in the Amount of CO₂ Emissions



Water Usage

Water usage*¹ has shown a slight downward trend while repeatedly fluctuating both up and down. In fiscal 2015, water usage increased 7.2% compared with the previous fiscal year to 5,060,000m³/year. Clean water and industrial water usage*² was 4,603,000m³/year, up 8.6% year on year. On a per unit basis (of floor area), the increase was held to 0.9% compared with the previous fiscal year to 0.861m³/m²/year. Due to the inclusion of newly established large-scale retail facilities in the scope of collation, overall clean water and industrial water usage increased. Successful efforts were also made to control clean water and industrial water usage on a per unit basis (of floor area) thanks to a variety of measures including initiatives aimed at conserving water.

Recycled water usage decreased 5.0% year on year to 456,000m³/year. The ratio of recycled water usage to total water usage also declined to 9.0%.

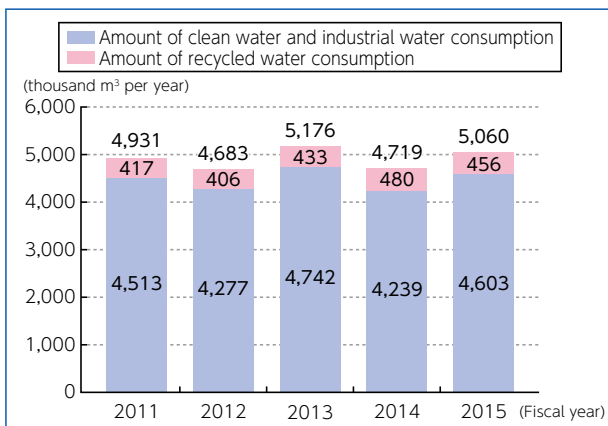
*1 Water usage:

The total of clean water, industrial water, and recycled water usage. It does not include use of rainwater.

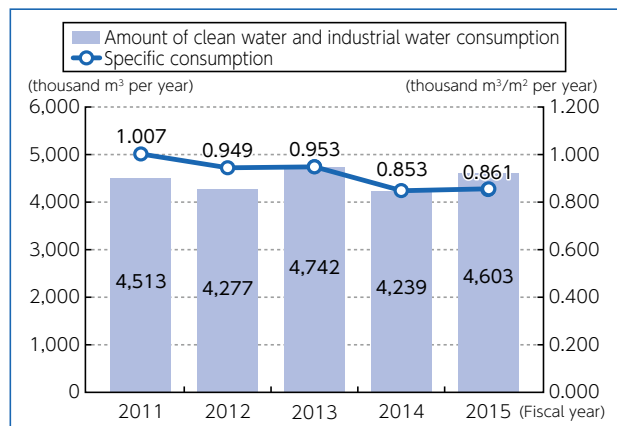
*2 Clean water and industrial water usage:

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



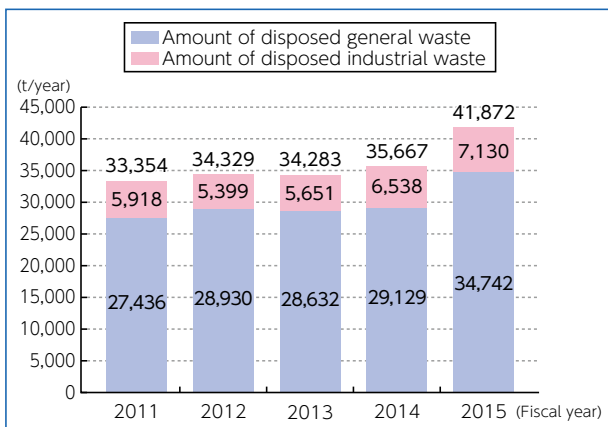
Waste Emissions

Waste emissions have trended upward, increasing 17.4% year on year to 41,872 tons/year in fiscal 2015.

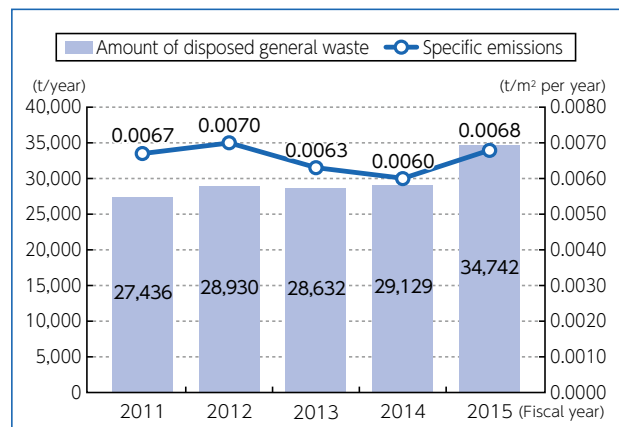
While trends in general waste emissions have also exhibited a slight increase, the amount of emissions jumped a substantial 19.3% compared with the previous fiscal year to 34,742 tons per year in fiscal 2015. On a per unit basis (of floor area), general waste emissions also climbed 13.3% year on year to 0.0068 tons/m²/year in fiscal 2015. This largely reflected the inclusion of newly established large-scale retail facilities and hotels in the scope of collation as well as the upswing in general waste emissions attributable to higher numbers of visitors to retail facilities.

Industrial waste emissions have continued to increase since fiscal 2012 coming to 7,130 tons/year in fiscal 2015, an increase of 9.1% compared with the previous fiscal year. Industrial waste per base unit (of floor area) had been on a downtrend through fiscal 2013, but increased in fiscal 2014 and rose to 0.0014 tons/m²/year in fiscal 2015, in similar fashion to the previous fiscal year. While overall industrial waste emissions increased as a result of the inclusion of newly established large-scale retail facilities and hotels in the scope of collation successful steps were taken to control industrial waste emissions on a per unit basis (of floor area) owing to measures aimed at reducing waste.

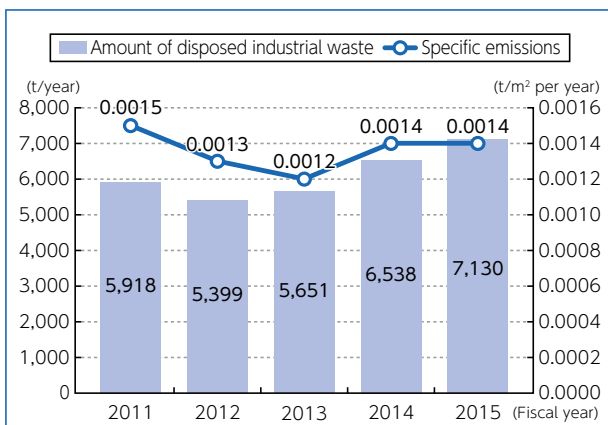
■ Trends in the Amount of Disposed Waste



■ Trends in the Amount of Disposed General Waste



■ Trends in the Amount of Disposed Industrial Waste



Mitsui Fudosan Group's Social and Environmental Efforts

Comments from Third Parties



Expecting Broader Multifaceted Value Creation through Main Businesses

Toshiharu Ikaga

Professor, School of Science for Open & Environmental Systems
 Graduate School of Science & Technology, Keio University

In line with the words that appear on the cover of the digest version— *Creating Neighborhoods Creates Value* —&EARTH REPORT 2016 describes what value creation relating to society and to the environment the Mitsui Fudosan Group undertakes and reports on those efforts in an easily understood manner.

Of these, I would particularly like to focus on the subject of health or, in terms of the latest buzzword, “smart wellness.”

Take as an example the A-Shi-Ta Community Health Promotion Laboratory outlined in the digest version. Like other Kashiwa-no-ha Smart City initiatives, this facility was ambitiously put into practice by collaboration and cooperation between academia, corporations and local residents. A not insignificant example of the successes private companies such as the Mitsui Fudosan Group are having in taking a leadership role in promoting the “smart wellness city,” the A-Shi-Ta laboratory is serving as a model for other smart wellness cities.

With regard to residences, the “Smart Wellness Residence” initiatives that realize more value, such as in the areas of health and the environment as well as in safety and security, are mentioned in the detailed version. As the birthrate declines and the population continues to age amid escalating social security costs, the provision of dwellings where people can lead long, healthy lives is of great significance and further enhancements are anticipated.

In recent years, employees’ physical and mental health has become a major issue for corporations, but I would like the Mitsui Fudosan Group, which provides office buildings and retail facilities, to promote and actively disseminate information on workplace smart wellness initiatives.

Also, you can read in this report that, at the forests the Group owns in Hokkaido, the cycle of “creating never-ending forests” is being enhanced with every passing year. Properly maintaining and managing forests and utilizing the timber and materials obtained from those forests in the Group’s main business of creating neighborhoods can really be said to be sustainable value

creation. The initiatives that make use of the thinnings from the Group-owned forests, such as the “Wood Cube” learning through wood facility at LaLaport Ebina that won the Good Design award and the “&EARTH DAY” retail facility events, are valuable attempts to provide children with opportunities to come into contact with trees. It has been proven that the use of wood for building interiors causes improvements in health and intellectual productivity, and familiarity with trees from an early age is considered to be extremely significant for our children’s futures.

The foregoing took a view centered on “smart wellness,” but *&EARTH REPORT 2016* also reports on the retail facility “Clothing Support Project” and the venture co-creation business that has been gaining momentum since the previous fiscal year. These initiatives are acts for the creation of value that effectively utilizes the Group’s resources as a comprehensive property developer. Naturally, these initiatives are not centered only on the “soft” aspects, and extensive mention is made of the steady activities being undertaken with regard to “hard” aspects, such as the sites certified as Top Level Offices by the Tokyo Metropolitan Government and the standardization of specifications designed to reduce CO₂ emissions from residences.

The Mitsui Fudosan Group is aiming to create value by fusing together these hard and soft aspects, and *&EARTH REPORT 2016* can rightly be said to be a vehicle for conveying those aims to a wide variety of stakeholders. In the years to come, I am expecting the Group to expand its creation of value that is linked to resolving a range of issues by means of the social and environmental contribution activities conducted through its main businesses.



Moving Toward Value Creation That Draws in Local People

Ayako Yamakawa
Representative, Energy Conscious
Consumer Lifestyle Advisor

The digest version of *&EARTH REPORT 2016* brings together Mitsui Fudosan Group initiatives on the theme of “value creation.” I have discovered that, since its establishment, the Mitsui Fudosan Group has been creating value in a variety of forms and has remained ahead of its time.

At the time we moved, there were only isolated housing complexes being built and nothing else in the Keiyo Rinkai area of Chiba Prefecture where I grew up. Since then, the JR Keiyo Line has opened, residential areas and groups of office buildings have been developed and neighborhoods created. The opening of Tokyo Disneyland coincided with my high school graduation and has remained a lasting impression along with the sense of space after the exams were over, and since then I have noticed its popularity with my own eyes from commuter trains. As the new area for having an enjoyable time, I have visited LaLaport TOKYO-BAY any number of times for shopping, eating and seeing a movie, and shopping at a Mitsui Outlet Park is one frame in the film of life. If I look back, I again get the feeling that the Mitsui Fudosan Group has been creating “value ahead of its time” and creating neighborhoods to which peoples’ lives are drawn.

The other day, I took the opportunity to see Kashiwa-no-ha Smart City for myself. There are green areas everywhere, and residences, office buildings and retail facilities have been arranged in a compact manner amid bright, open spaces. In addition to hard aspects, including the operation of a regional energy network that accommodates distributed energy, such as from solar power generation and storage batteries, between city blocks, efforts are under way on soft aspects that cover, for example, the introduction of mechanisms to encourage workers and residents to conserve energy and save power. The result of being based on a clear concept that was ahead of its time, Kashiwa-no-ha is becoming a domestic and international model for smart cities.

At the Town Health Station inside LaLaport Kashiwanoha, the A-Shi-Ta health promotion center that includes medical facilities as well as a fitness club and a culture center are gathered at one location, reflecting the high level of the Town Health Station’s convenience. At the same time, the facilities provide a sense of security by supporting a future in which people, from children to the elderly, will be able to live healthily.

The 31VENTURES business that supports co-creation with venture companies has made a full-fledged start. The vibrant manner and bearing of people that have come together at KOIL—a space that facilitates interaction between a variety of individuals and companies I visited at Kashiwa-no-ha Smart City—has left a lasting impression. Business will expand, and KOIL will continue to create the value of a venue known for taking on challenges.

In its capacity as a pioneer, I am expecting the Mitsui Fudosan Group to be taking the lead at home and abroad while creating new value in the years to come.