

# &EARTH REPORT 2017

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 2017, 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 RESORT, AMANEMU and HAIMURUBUSHI).

■ Group Companies Covered by the Report

<b>◆ Office Buildings Business</b>	
Mitsui Fudosan Building Management Co., Ltd.	Mitsui Fudosan Facilities Co., Ltd.
<b>◆ Retail Properties Business</b>	
Mitsui Fudosan Retail Management Co., Ltd.	
<b>◆ Hotels and Resorts Business</b>	
Mitsui Fudosan Hotel Management Co., Ltd.	
<b>◆ Housing Business</b>	
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.
<b>◆ Real Estate Solutions Business</b>	
Mitsui Fudosan Investment Advisors, Inc.	
<b>◆ Other Businesses</b>	
Tokyo Midtown Management Co., Ltd.	Mitsui Fudosan Architectural Engineering Co., Ltd.
Daiichi Engai Co., Ltd.	

## Period Covered by the Report

This report mainly covers activities undertaken from April 1, 2016 to March 31, 2017. However, details are also provided for certain ongoing development projects both at the design and construction phase. In principle, quantitative data relates to fiscal 2016, the fiscal year from April 1, 2016 to March 31, 2017. The period covered for quantitative data outside fiscal 2016 is identified in each instance.

## Reference Guidelines

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

## Publication Date

September 2017 (Previous report: September 2016)

## Message from the President

# 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 straightforward manner through its Group statement, which 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 us 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.

### Creating Urban Neighborhoods that Utilize Further Smart City Evolution and the Power of Sports

In 2015, the Mitsui Fudosan Group established its Innovation 2017 Stage II medium-term business plan. Our vision for the next decade is to be a leader that creates markets and grows continuously, and to secure a solid position globally. We are creating value by implementing three immutable strategies: customer-centered management, business model innovation, and full implementation of Group management.

Our promotion of neighborhood creation, such as the Nihonbashi Revitalization Plan and Kashiwa-no-ha Smart City, is one of the major efforts under Innovation 2017, and smart cities are a core element. The Mitsui Fudosan Group's smart cities vision aims to address a wide range of challenges facing humanity, including not only energy problems but issues of safety and security, health and longevity, the aging society, and business creation. These goals have enormous significance, not only for us as a private enterprise, but as contributions to society.

Under Innovation 2017 Stage II, the Mitsui Fudosan Group is focusing on advancing initiatives that help create the smart cities of the future. As a business and lifestyle solutions partner, we provide services that are a fusion of both “hard” and “soft” elements. Tangible services include mixed-use spaces for a variety of purposes, and intangible services include those that make living more convenient, enjoyable and pleasant. In this way, we are able to maximize the value of communities for everyone.

In addition, as the Olympic and Paralympic Games Tokyo 2020 Gold Partner in the category of Real Estate Development, Mitsui Fudosan is undertaking to create opportunities ahead of the hosting of the Olympic and Paralympic Games Tokyo 2020. Sports not only improves the mental and physical health of people through actions such as doing, watching, and supporting, it also creates new connections and has the power to revitalize communities. We believe that sports is an important element in the creation of neighborhoods whose attractiveness increases as they mature and age, and we are also using the power of sports to promote the creation of neighborhoods.

### **Continuing Promotion of Global Environment Conservation and Contributions to Regional Society**

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

For example, the Mitsui Fudosan Group maintains and manages approximately 5,000 hectares of forests in Hokkaido as a part of its effort to protect the 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 lumber from thinning operations in our housing businesses, we are contributing across a wide range of areas, such as the use of domestically produced resources, the preservation of biodiversity, and the absorption and fixation of CO<sub>2</sub> over the long term.

Mitsui Fudosan also actively supports reconstruction efforts following the Great East Japan Earthquake as Chair of the Special Committee on Reconstruction, established by the Japan Federation of Economic Organizations (Keidanren). Mitsui Fudosan employees visit the disaster areas regularly to engage in reconstruction support activities and interact with local residents as part of CSR training. Moreover, Watasu Nihonbashi Center—established to share information and promote human exchange to achieve sustained assistance for the reconstruction of the Tohoku region—celebrated its first anniversary of operation. Mitsui Fudosan is leveraging its unique resources to contribute to society, including enhancing the Center’s capabilities to act as a bridge between people in the Tohoku region and in Tokyo.

### **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, the logistics facility and venture support businesses that form the focus of our current efforts are nothing less than efforts to create new value and markets, based on the motivation to take on challenges that is part of our DNA. In fiscal 2016, the Nihonbashi area, where revitalization is currently under way, was equipped as a center for our Life Science Innovation Promotion Project, and we established LINK-J (Life Science Innovation Network Japan, Inc.) with interested members of academia. In these and other ways, we are promoting open innovation through collaboration between industry, government, and academia, and redoubling our activities to support the creation of new businesses. Kashiwa-no-ha Smart City is also increasing its importance as an international center for innovation.

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.

Internally, we are striving to achieve workstyle reform based on reforming awareness, improving infrastructure, and reforming work in organizational units, to provide employees with environments that allow them to work in diverse ways in accordance with their changing life stages.

In the areas of corporate governance, risk management, and compliance, we will continue to bolster and thoroughly practice our internal control structures as an important basis for our business activities and efforts to contribute to society. In this manner, we will fulfill our social responsibilities as an enterprise.

In this **&EARTH REPORT 2017**, we provide details of the Group's multifaceted social and environment activities, mainly in fiscal 2016. 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 forthright 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 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 preservation of the global environment.  
 — 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

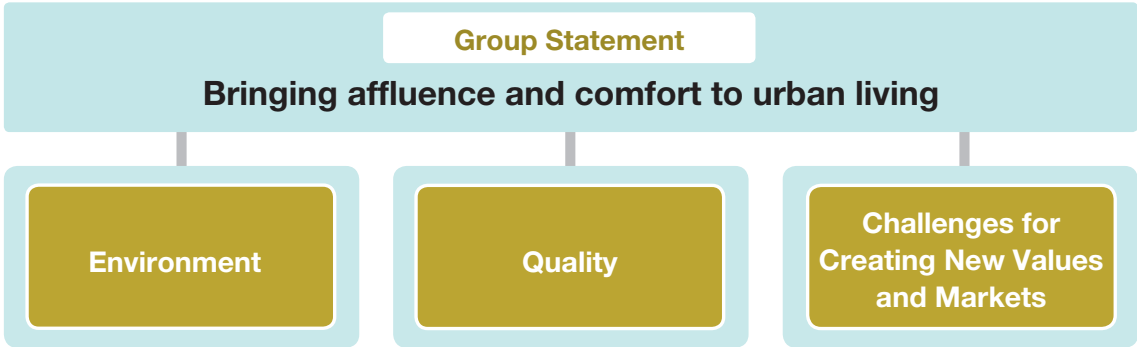
- 1 **Provide business and lifestyle-related solutions and services**
  - Maximize urban value creation by providing secure, safe, and attractive urban spaces and soft services that bring enrichment and comfort to urban living.
  - Provide variable and innovative solutions that stimulate the real estate 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 a 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 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 November 1, 2001; Revised 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.

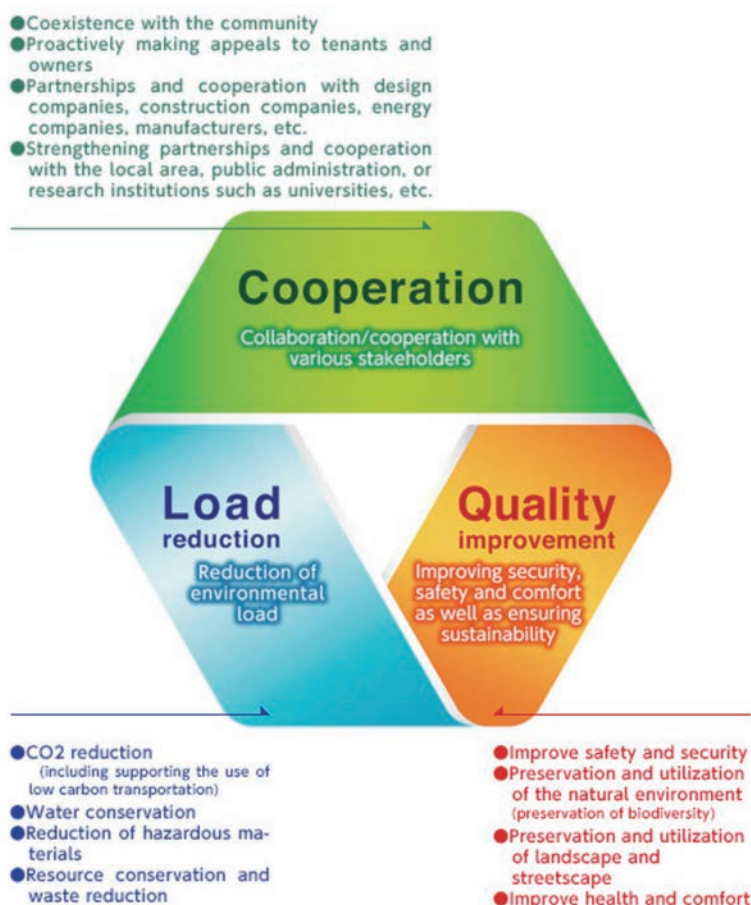
Under the principles of the  logo, **&EARTH** represents our Group Vision.

**&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 and cooperation with the community, reduction of environmental burden and improvement of security, safety, and 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, and comfort with widespread and comprehensive promotion of water and biodiversity conservation and introduction of diversified and independent energy sources, in addition to low carbon.
3. In collaboration and 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 follows a common and uniform direction. Based on this policy, each and every member of the Group looks to contribute to society in four core areas: the global environment, local communities, culture and education, and international exchange.

### The Mitsui Fudosan Group's Policy for Social Contribution Initiatives

(Formulated 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 four areas: 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 CO<sub>2</sub> emissions, conserving water resources, reducing hazardous substances, and saving resources while reducing waste.

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

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

#### Energy Conservation, Creation, and Storage

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

#### ◆ Four Office Buildings Certified Again as Excellent Designated GHG Offices by the 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 2017, four Mitsui Fudosan office complexes successfully complied with the stringent certification standards for the second stage of the Tokyo Metropolitan Government's environmental preservation regulations (fiscal 2015-2019), as follows: two office complexes in Chiyoda-ku, Tokyo (Gran Tokyo North and South Towers) were recertified as Top Level Offices, and two office complexes (Gate City Ohsaki, in Shinagawa-ku, Tokyo, and the subleased Akasaka Biz Tower, in Minato-ku, Tokyo) were certified as Semi-Top Level Offices, based on the standards established by the Tokyo Metropolitan Government for Excellent Designated GHG Offices.\*<sup>1</sup>

As of March 31, 2017, 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.

\*<sup>1</sup> 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 CO<sub>2</sub> emissions. Office buildings that receive this designation are singled out for their exceptional promotion of global warming countermeasures. The system alleviates liability for CO<sub>2</sub> 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).

■ Certification history, Tokyo Metropolitan Government's Excellent Designated GHG Offices (as of March 2017)

Year of certification	Top Level Offices	Semi-Top Level Offices
Fiscal 2010	<ul style="list-style-type: none"> <li>•Nihonbashi Mitsui Tower</li> <li>•Tokyo Midtown</li> <li>•Ginza Mitsui Building</li> </ul>	<ul style="list-style-type: none"> <li>•Nihonbashi 1-chome Mitsui Building</li> <li>•Shiodome City Center</li> </ul>
Fiscal 2011	<ul style="list-style-type: none"> <li>•Gran Tokyo North Tower</li> <li>•Gran Tokyo South Tower</li> </ul>	<ul style="list-style-type: none"> <li>•Gate City Ohsaki</li> <li>•Akasaka Biz Tower (sub-lease)</li> </ul>
Fiscal 2012	—	<ul style="list-style-type: none"> <li>•Kasumigaseki Building* (Tokyo Club Building)</li> <li>•Shinjuku Mitsui Building</li> </ul>
Fiscal 2014	<ul style="list-style-type: none"> <li>•Muromachi Higashi Mitsui Building* (Muromachi Furukawa Mitsui Building, Muromachi Chibagin Mitsui Building)</li> <li>•Sumitomo Mitsui Banking Corporation Building</li> </ul>	—
Fiscal 2015 (recertified)	<ul style="list-style-type: none"> <li>•Nihonbashi Mitsui Tower</li> <li>•Tokyo Midtown</li> <li>•Ginza Mitsui Building</li> </ul>	<ul style="list-style-type: none"> <li>•Nihonbashi 1-chome Mitsui Building</li> <li>•Shiodome City Center</li> </ul>
Fiscal 2016 (recertified)	<ul style="list-style-type: none"> <li>•Gran Tokyo North Tower</li> <li>•Gran Tokyo South Tower</li> </ul>	<ul style="list-style-type: none"> <li>•Gate City Ohsaki</li> <li>•Akasaka Biz Tower (sub-lease)</li> </ul>
Total: 13 office complexes (16 buildings)	7 office complexes (9 buildings)	6 office complexes (7 buildings)

\*Note: Kasumigaseki Building and Tokyo Club Building are two buildings considered to be one office complex. Muromachi Higashi Mitsui Building, Muromachi Furukawa Mitsui Building, and Muromachi Chibagin Mitsui Building are three buildings considered to be one office complex.

◆ Cogeneration System Installed in LaLaport SHONAN HIRATSUKA

LaLaport SHONAN HIRATSUKA, located in Hiratsuka City, Kanagawa, opened in October 2016. Two cogeneration systems (generation capacity of 370 kW each, total 740 kW), which generate electric power and heat from gas, were installed to promote efficient energy use.



LaLaport SHONAN HIRATSUKA cogeneration system

◆ TOBA HOTEL INTERNATIONAL Enhances Energy Conservation Efficiency with Heat Pump Upgrade

In March 2017, TOBA HOTEL INTERNATIONAL, located in Toba City, Mie, upgraded three heat pump chillers to inverter control for greater energy conservation efficiency. As a result, energy consumption is expected to be reduced by 37.8 kiloliters per year (crude petroleum equivalent), equal to 99 tons of CO<sub>2</sub>, over the previous system.\*<sup>2</sup>

\*<sup>2</sup> Conversion to CO<sub>2</sub> emission:

Calculation of crude petroleum heat generation and emissions coefficient based on Manual for Calculating and Reporting Greenhouse Gas Emissions (Ver. 4.2), issued by Japan's Ministry of the Environment.

## ◆Offering Built-For-Sale Condominiums with Advanced Energy Conservation and Other Environmental Performance

Mitsui Fudosan Residential offers built-for-sale condominiums with advanced environmental performance and energy conservation, including LED lighting in common and private areas, high-efficiency water heating systems, and Grade 4 insulation performance as standard.

Park City Kashiwa-no-ha Campus The Gate Tower (Kashiwa City, Chiba), completed in December 2016, also uses Grade 4 insulation, LED lighting in common and private areas, and high-efficiency EcoJyozu water heaters, and has earned a top-level (Grade 4) Housing Performance Indication System\*<sup>3</sup> rating for its energy conservation measures in the design phase. It also received the top S Rank from CASBEE Kashiwa (2010 Edition), of the city of Kashiwa's system for rating building environmental performance.

Park City Musashikosugi The Garden, to be completed in Nakahara-ku, Kawasaki City in December 2018, features high-level insulation as standard in the building framework, as well as a solar power system (generating capacity: 16 kW) and lithium-ion batteries (storage capacity: 80 kWh) for electric power in common areas. CO PLAZA, located in the center of the site, has two solar-powered lampposts. Other energy-saving features include Low-E glass and LED lighting in common areas, cooling and heating trench systems\*<sup>4</sup>, and 24-hour thermal exchange ventilation systems designed to bring external air close to the temperature and humidity of interior air before introducing it into the building.



Representation of Park City Kashiwa-no-ha Campus The Gate Tower



Kashiwa City building environmental performance labels for Park City Kashiwa-no-ha Campus The Gate Tower



Planned representation of completed Park City Musashikosugi The Garden

### \*3 Housing Performance Indication System:

Based on the Housing Quality Assurance Law, this system evaluates housing performance according to unified standards, and indicates the grade of each performance feature and metric in an easily understood manner. The system was established with the goal of forming a market in which good-quality housing could be obtained reliably. Evaluations of newly-built housing can take place at the design stage as well as on-site, during construction and at the completed construction stage.

### \*4 Cooling and heating trench:

Underground temperatures are nearly flat year round. Relative to outside air, they are cool in summer and warm in winter. Trench heating systems provide heat and cooling by utilizing the difference between underground and outside air temperatures. Natural geothermal heat is considered to have excellent energy conservation effectiveness.

◆ **Fine Court Built-For-Sale Detached Housing Featuring EneFarm Household Fuel Cell Systems**

Beginning in March 2014, Mitsui Residential began using EneFarm household fuel cell systems in all of its Fine Court built-for-sale detached housing that are located in Tokyo Gas municipal gas supply districts in metropolitan Tokyo, Kanagawa, Chiba, and Saitama. In October 2016, the 1,000th residence using EneFarm systems was sold. This milestone means that CO<sub>2</sub> household emissions can be expected to fall by an annual total of 1,200 tons.\*5



EneFarm fuel cell-equipped Fine Court residence

\*5 Household CO<sub>2</sub> emissions reduced by 1,200 tons: based on calculations by Tokyo Gas Co., Ltd., as follows.

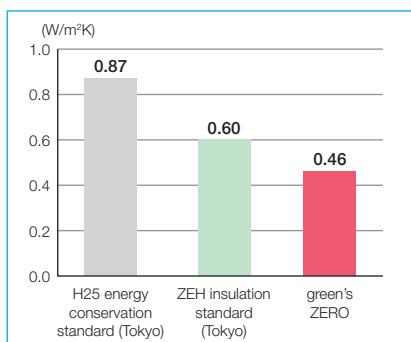
- Four-person family living in detached residence (120 m<sup>2</sup>).
- CO<sub>2</sub> emission coefficient: electric power, 0.65 kg-CO<sub>2</sub>/kWh (2013 average annual thermal coefficient, in the May 2016 plan to combat global warming by Ministry of the Environment), gas 2.29 kg-CO<sub>2</sub>/m<sup>3</sup>. Tokyo Gas data.)
- Annual impact: water heating, 16.6 GJ; bath temperature maintenance, 1.3 GJ; cooking, 2.2 GJ; air conditioning (cooling), 6.4 GJ; floor heating, 12.7 GJ; air conditioning (heating), 5.5 GJ; lighting and other, 12.5 GJ.
- Power demand, gas and electric power residence (using conventional system): 4,223 kWh (including electric power used by gas-powered water- and air-heating equipment)
- The following conventional systems are used: gas-powered water- and air-heating equipment; gas-powered hot-water underfloor heating system (living room); gas stove; rooms other than living room using electric air conditioning equipment for heating and cooling.
- EneFarm system: EneFarm; gas-powered hot-water underfloor heating system (living room); gas stove; rooms other than living room using electric air conditioning equipment for heating and cooling.

◆ **green's ZERO Zero-Energy House (ZEH)**

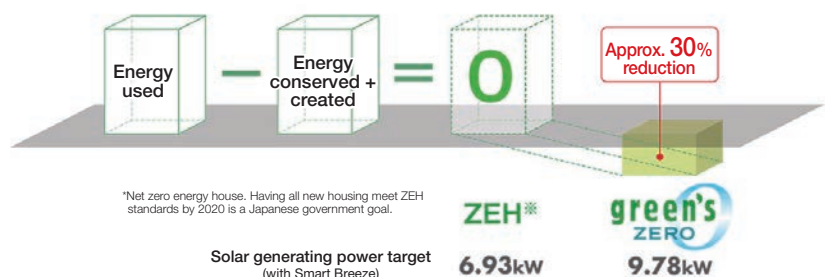
In 2011, Mitsui Home began offering green's housing, which combines eco-design allowing for natural greenery, wind, and sun, with smart facilities including solar power generating systems. In our MIDEAS field test housing in Kashiwa-no-ha Smart City (Kashiwa City, Chiba), we have been performing tests aimed at optimizing smart energy technologies that combine the latest environmental technologies with smart systems. We used the expertise gained through these tests to begin offering green's ZERO housing, which meets ZEH\*6 zero energy housing standards.

green's ZERO housing combines our highly thermally insulated, highly airtight Premium Monocoque Construction with vacuum triple glass-resin shutters to achieve a surface average heat transfer coefficient (UA value)\*7 of 0.46 W/m<sup>2</sup>K. This superior insulation performance is over 20% lower than the ZEH insulation standard value of 0.6 W/m<sup>2</sup>K equivalent or less. Moreover, the use of energy reduction and generating systems, including our Smart Breeze healthy air-conditioning system, LED lighting, HEMS,\*8 and solar power generating system, enable a further energy budget improvement (energy consumption reduction) of approximately 30% compared to a typical ZEH energy budget. This energy budget improvement makes possible a lifestyle with zero electric power costs, even with the use of home appliances.

■ **UA Value Comparison**



■ **Energy Budget Comparison**



Note: Trial calculation using Mitsui Home prototype.

\*6 ZEH:

Net Zero Energy House. By enhancing energy conservation performance in the framework and equipment of the structure, the use of renewable energy, and other measures, the house can produce as much or more energy than the primary energy it consumes, resulting in net zero energy use. Primary energy includes heating and cooling, water heating, ventilation, and lighting. It does not include energy consumed by home and kitchen appliances including televisions, audio systems, and vacuum cleaners. The government of Japan has set as a national goal the application of ZEH standards to all new housing construction by 2020.

\*7 Surface average heat transfer coefficient (UA value):

This is an insulation performance metric of the outer surface of a structure. It is set at different levels by region, and is one important element of ZEH, which will require higher insulation performance than currently required by energy conservation standards anywhere in Japan.

\*8 HEMS:

Home Energy Management System

**◆ Promoting Installation of Solar Power Systems in Large-Scale Logistics Facilities**

Mitsui Fudosan has been installing large-scale solar power generation systems on the roofs of its large-scale logistics facilities. Systems completed in 2016 include MFLP\*<sup>9</sup> Funabashi I (Funabashi City, Chiba, 2.0 MW) and MFLP Komaki (Komaki City, Aichi, 1.0 MW).



MFLP Funabashi I



Solar power panels at MFLP Funabashi I



MFLP Komaki



Solar power panels at MFLP Komaki

\*9 MFLP: Mitsui Fudosan Logistics Park



## ◆Megasolar Projects

Mitsui Fudosan engages in megasolar power projects. As of the end of fiscal 2016, we operate five megasolar power stations. Planned total generating capacity for the five stations is 72 MW, with approximately 70 million kWh generated in fiscal 2016, equivalent to the annual power needs of approximately 20,000 typical households.

### ■List of Mitsui Fudosan Solar Power Stations (As of the end of fiscal 2016)

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

## ■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.

### ◆Energy Management System at Park City Kashiwa-no-ha Campus The Gate Tower

The Kashiwa-no-ha AEMS<sup>\*10</sup> controls energy use in Kashiwa-no-ha Smart City, where Park City Kashiwa-no-ha Campus The Gate Tower is located. This energy management system efficiently generates and stores electric power for the entire City, and is the first smart grid in Japan to flexibly allocate power to communities bisected by a public highway.

Park City Kashiwa-no-ha Campus The Gate Tower uses home energy management systems (HEMS) in each dwelling unit, and mansion (condominium) energy management systems (MEMS) in each condominium to achieve efficient energy management throughout. Furthermore, by connecting these systems to Kashiwa-no-ha AEMS, which manages the overall energy requirements of Kashiwa-no-ha Smart City, residents can compare their energy use to that of the City as a whole. This encourages residents to make efforts to reduce CO<sub>2</sub> emissions, for example by reducing their electric power use.

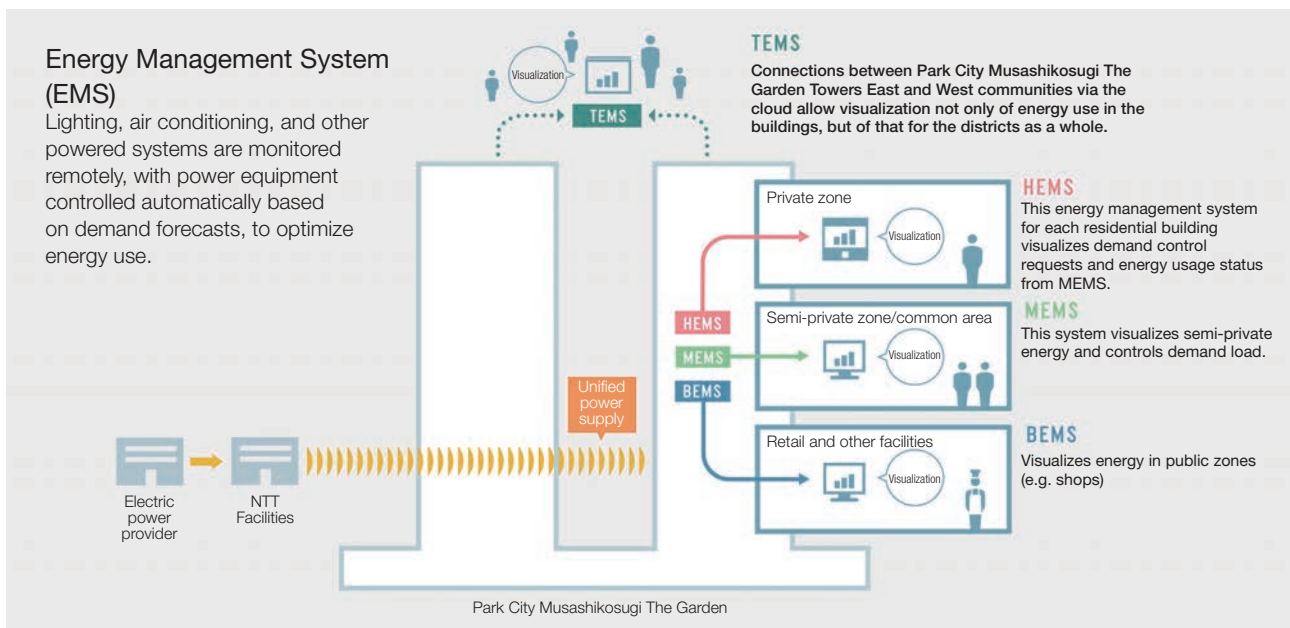
\*10 AEMS:  
Area Energy Management System

◆ **Installation of Four Energy Management Systems at Park City Musashikosugi The Garden**

Park City Musashikosugi The Garden is equipped with four energy management systems: TEMS, BEMS, MEMS,\*11 and HEMS.

TEMS links the two communities within the site via a cloud, visualizing and managing energy use across the entire site. BEMS performs the same functions for public zone energy use on the lower floors of the buildings, such as for shops; MEMS similarly handles shared areas in residential zones, while for individual residences, HEMS provides visualization and management of power usage as well as gas and water used in water heating systems. MEMS and HEMS coordinate to control demand loads and efficiently manage energy use for residential zones as a whole.

These four systems efficiently manage energy use for the overall site and undertake to conserve it.



Four energy management systems in use at Park City Musashikosugi The Garden

\*11 TEMS: Town Energy Management System  
BEMS: Building Energy Management System  
MEMS: Mansion Energy Management System

## Providing Opportunities and Settings for Learning about CO<sub>2</sub> Reduction and Energy Conservation

At Mitsui Fudosan Group retail facilities, children can find opportunities to learn about CO<sub>2</sub> reduction, energy conservation, and related topics.

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

Let's Make Something! Let's Play! Eco Learning Space holds workshops for families in retail facilities where children can learn about environmental themes. In fiscal 2016, we held workshops as part of our Smart Life Project in three locations (LAZONA Kawasaki Plaza in Sawai-ku, Kawasaki City; LaLaport TOKYO-BAY in Funabashi City, Chiba; and Urban Dock LaLaport TOYOSU in Koto-ku, Tokyo). The workshops give children a chance to consider eco-friendly lifestyles by learning about CO<sub>2</sub> reduction and energy conservation, introducing them to efficient LED lighting and such concepts as food mileage,<sup>\*12</sup> and allowing them to experience powering a toy car with the hydrogen energy in fuel cells. We also offered quizzes dealing with local cuisines using local products, eco-friendly food preparation and an area where children can play with building blocks made from trees thinned to maintain sustainable forest use, to convey its effectiveness. Total attendance for the three locations was 1,031.

#### ■Workshop on CO<sub>2</sub> reduction and energy conservation at Let's Make Something! Let's Play! Eco Learning Space (fiscal 2016)

Venue	Workshop	Description
LAZONA Kawasaki Plaza	Discover the Secrets of LED! Home Lighting Laboratory	With the familiar theme of lights in the home, children can conduct experiments to learn about the characteristics and mechanisms of eco-friendly LED lighting, build an LED-lit tower, and engage in other activities.
LaLaport TOKYO-BAY	A challenge from community mascot Funawari-kun! Let's play a shopping game	With the goal of having children consider what eco-friendly shopping is, we hold game-type workshops. Participants learn about the hidden cost (environmental load, or food mileage) of transporting daily food products from all over the world to the end consumer.
Urban Dock LaLaport TOYOSU	Let's power a car with hydrogen	Participants make molecular model key holders as they learn the special features of hydrogen energy and why it is eco-friendly. They can also generate hydrogen by pedaling a stationary bicycle, and use it in an experiment to power a toy car.



Discover the Secrets of LED!  
Home Lighting Laboratory



A challenge from Funawari-kun!  
Let's play a shopping game



Let's power a car with hydrogen

\*12 Food mileage:

This metric multiplies amount of food times distance shipped to estimate the amount of CO<sub>2</sub> generated due to shipping. It is used as a quantitative indicator of the impact of shipping food on the global environment.

### ◆ Explorations for Parents and Children: Eco-Tours

Every year during the school summer vacation, we hold a hands-on experience event for children at Tokyo Midtown (Minato-ku, Tokyo). As part of the event, we have been conducting Explorations for Parents and Children: Eco-Tours to introduce Tokyo Midtown's environmental measures. In fiscal 2016, we offered to tour twice and had 49 participants.

## Curbing CO<sub>2</sub> Emissions from Automobiles

To restrict CO<sub>2</sub> emissions from automobiles, the Mitsui Fudosan Group installs electric vehicle recharging stations and provides services at its retail facilities that encourage the use of public transportation.

### ◆ Promoting Charging Station Installation

Mitsui Fudosan promotes installation of charging stations for electric vehicles (EVs) at its retail facilities. At LaLaport SHONAN HIRATSUKA, which opened in fiscal 2016, we installed three standard and three high-speed charging stations at the rooftop parking lot.

We are also planning to install one charging station in each of the two residents' parking lots at Park City Musashikosugi The Garden, a built-for-sale condominium complex constructed by Mitsui Fudosan Residential and scheduled for completion in December 2018. Furthermore, there will be a total of five EVs for car-sharing and 40 rental bicycles for the use of residents of the two buildings, which will help to reduce vehicle-related CO<sub>2</sub> emissions.



EV charging station at LaLaport SHONAN HIRATSUKA

## Conserving Water Resources

The Mitsui Fudosan Group strives to effectively use water resources, including rainwater and grey water, and conserve water to preserve the water environment. We also make an effort to allow rainwater to reach the soil and prevent rainfall runoff 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. We have also been switching to water-saving equipment in existing buildings when they are renovated, and are making efforts to conserve water during routine building management and operations.

#### ◆ Using Subsurface Water for Foliage at Park City Kashiwa-no-ha Campus The Gate Tower

At Park City Kashiwa-no-ha Campus The Gate Tower, subsurface water (well water) is used to water the foliage, reducing the use of clean water. Although subsurface water is used, it returns to the ground after being applied to foliage, reducing the impact on the water table.

### 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 built-for-sale condominium buildings.

#### ◆ Rainwater Collection System Installed at Park City Musashikosugi The Garden

At Park City Musashikosugi The Garden, we are planning to install a rainwater collection and storage system to filter rainwater and direct it to a storage tank where it will be available for such non-drinking use as watering outdoor foliage, and for use in residential toilets in case of any interruption in water supplies. Plans include storing 189 liters per household in case of a water cutoff.

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

In our office buildings and retail facilities, we direct rainwater 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 to prevent rainwater runoff in large volumes.

#### ◆ Interlocking Blocks as Water-Permeable, Water-Retaining Ground Cover

At LaLa City SHONAN HIRATSUKA (Hiratsuka City, Kanagawa), we are using interlocking blocks as ground cover on the walking paths along partition roads one and two. These blocks feature superior water permeability, which will help direct rainwater into the ground, and water retention properties, which replicate the effects of spraying the surface with water, mitigating the heat island effect.

## Reducing Hazardous Substances

The Mitsui Fudosan Group uses cleaning solutions with minimal environmental impact and low-formaldehyde building materials 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 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 2016, the company had transitioned 87.2% of its chemicals to eco-chemicals, excluding those designated by customers.

Mitsui Fudosan Residential Service 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'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 disposed of at our office buildings, retail facilities and hotels, it is handled in an appropriate manner in accordance with relevant laws and regulations.

In fiscal 2016, we upgraded three heat pump chillers at TOBA HOTEL INTERNATIONAL (March 2017), appropriately disposing of 84 kg of designated hydrochlorofluorocarbon (HCFC). We also upgraded one employee dormitory refrigerator, one freezer case, and four air conditioning units at NEMU RESORT (Shima City, Mie), and disposed appropriately of one type of designated fluorocarbon and four types of alternative fluorocarbon.

At our office buildings, we collected, and disposed of appropriately, a total of approximately 590 kilograms of fluorocarbon, including two types of designated fluorocarbon and two types of alternative fluorocarbon, in the process of upgrading air conditioning units and refrigeration and freezing equipment at eight locations.

At our retail facilities, approximately 2,295 tons of CO<sub>2</sub> equivalent of chlorofluorocarbons were emitted at a total of 17 locations during the fiscal year, mainly during air conditioning unit maintenance and repair. These emissions were appropriately handled and reported.

## **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 2016, we disposed of three units of equipment with low concentrations of PCB at one office building. We also disposed of one discharge coil and approximately 900 kg of lighting ballast equipment with high concentrations of PCB at one office building. In addition, as of the close of fiscal 2016, there were 15 units of equipment in storage at one retail facility, and three units at one Garden Hotel, registered for and awaiting disposal, which have high concentrations of PCB, and we are continuing to appropriately manage and store this waste. As for equipment with low concentrations of this substance, five units are currently held under appropriate ongoing management and storage at NEMU RESORT, and one at TOBA HOTEL INTERNATIONAL.

## **Sick Building Countermeasures**

For our office buildings and retail facilities, we have added guidelines for combating sick building 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 building syndrome. Mitsui Garden Hotels uses low-formaldehyde building materials\*<sup>13</sup> including building components, adhesives, and paints.

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

\*13 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.

## 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

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

#### ◆ Metering System at Retail Facilities

In an attempt to reduce waste from stores, our retail facilities feature a metering system that charges for the volume of waste generated. There are a total of 41 retail facilities with this waste metering system, with one facility added in fiscal 2016.



Application of stickers



Scale



Taking measurements

#### ◆ Reduction Efforts at Park City Kashiwa-no-ha Campus The Gate Tower

During the construction of Park City Kashiwa-no-ha Campus The Gate Tower, pillars, beams, and floors were precast in a specialist production facility and assembled on site using precast construction techniques. Reducing the amount of concrete poured on the site enabled an overall reduction of 73% in waste mold materials, relative to standard construction techniques. Furthermore, precast, “no foothold” construction techniques were also used to finish the exterior of the building, reducing the amount of temporary scaffolding material required.

In addition, drywall construction was used for interior residential partitions, eliminating concrete structural members with the option of flexible interior space restructuring.

### Reuse

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



## Recycle

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

### ◆ Recycling Food Waste

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

#### ■ Recycled Food Waste (fiscal 2016)

Category		Office buildings (30)	Retail facilities (27)
Food waste	Waste volume	3,318 tons/year	6,401 tons/year
	Recycled volume	2,853 tons/year	6,308 tons/year
	Recycling ratio	86.0%	98.5%
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 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 2016, we recycled approximately 0.8 tons of coffee grounds. Other food waste is processed on the premises with a food waste processor that uses microbes.

At TOBA HOTEL INTERNATIONAL, used cooking oil is collected and handed over to an industrial waste disposal company for recycling as fuel. During fiscal 2016, 2.1 m<sup>3</sup> of such oil was recycled. Similarly, NEMU RESORT has been recycling used cooking oil since fiscal 2005, and in fiscal 2016, a total of 2.7 m<sup>3</sup> of oil was recycled.

### ◆ Recycling of Environmentally Friendly Tile Carpeting

Used tile carpeting 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 resources and reduce incineration waste, which in turn helps reduce CO<sub>2</sub> emissions.

#### ■ Tile carpeting recycling (fiscal 2016)

Volume of used tile carpeting collected	Approx. 100,000 m <sup>2</sup>
Volume of environmentally friendly tile carpeting supplied	Approx. 40,000 m <sup>2</sup>
Cumulative volume supplied since fiscal 2002	Approx. 1,020,000 m <sup>2</sup> (980,000 m <sup>2</sup> through fiscal 2015 + 40,000 m <sup>2</sup> in fiscal 2016)

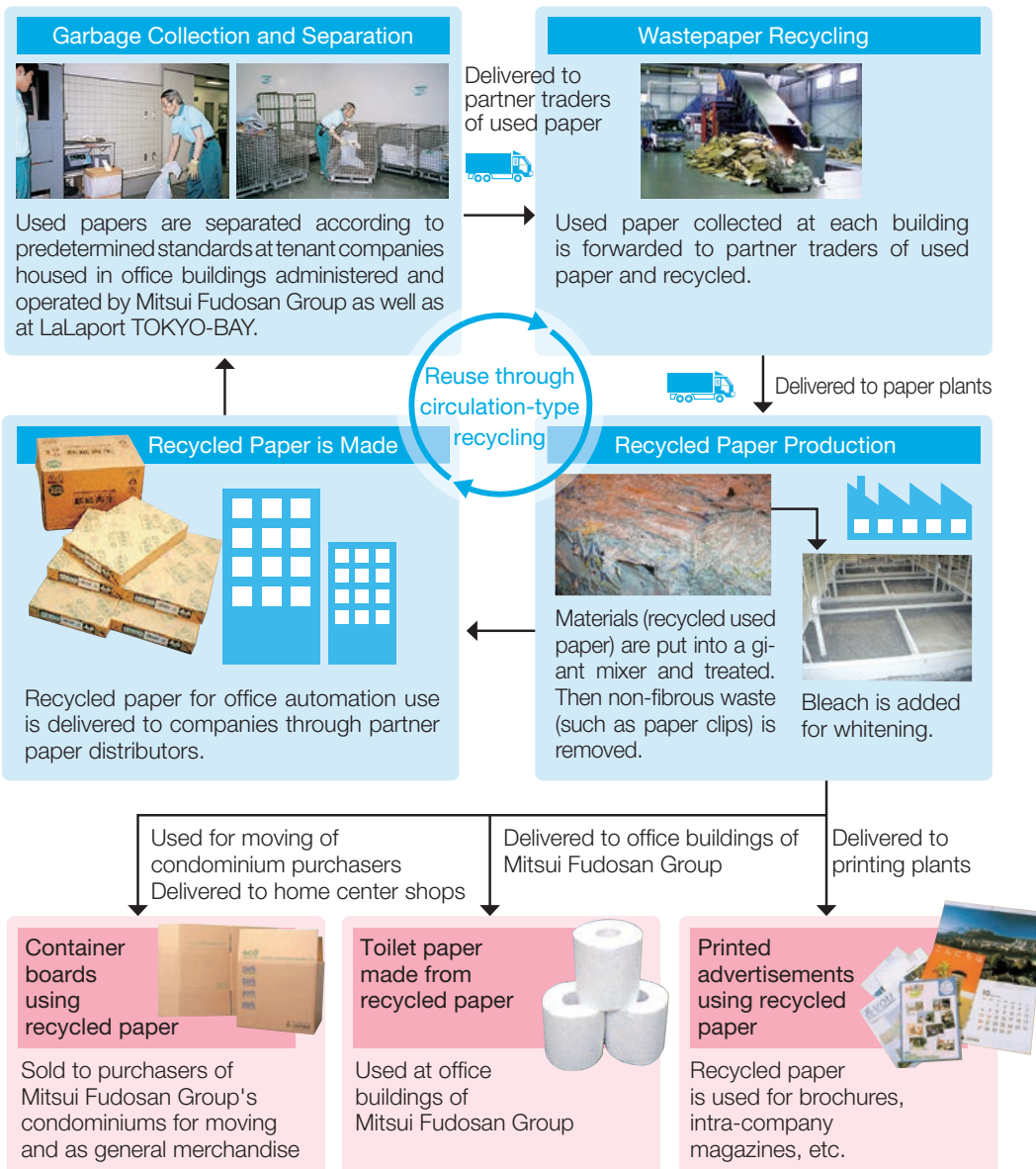
### ◆Wastepaper Recycling Loop System

The Mitsui Fudosan Group has created a unique recycling loop system for wastepaper, which is collected from office buildings managed by the Group in Tokyo, and from LaLaport TOKYO-BAY (Funabashi City, Chiba). The wastepaper is recycled into original recycled office paper and is reused as toilet paper. In fiscal 2016, we collected approximately 9,603 tons of wastepaper, and purchased about 954 tons of recycled paper.

#### ■Wastepaper recycling (fiscal 2016)

Volume of wastepaper collected	64 office buildings in Tokyo	Approx. 8,462 tons	Total approx. 9,603 tons
	LaLaport TOKYO-BAY	Approx. 1,141 tons	
Recycled paper purchased	Mitsui Fudosan Group's purchase volume	Recycled paper for office use: approx. 225 tons procured Toilet paper: approx. 729 tons procured	

#### ■Outline of Wastepaper Recycling Loop System





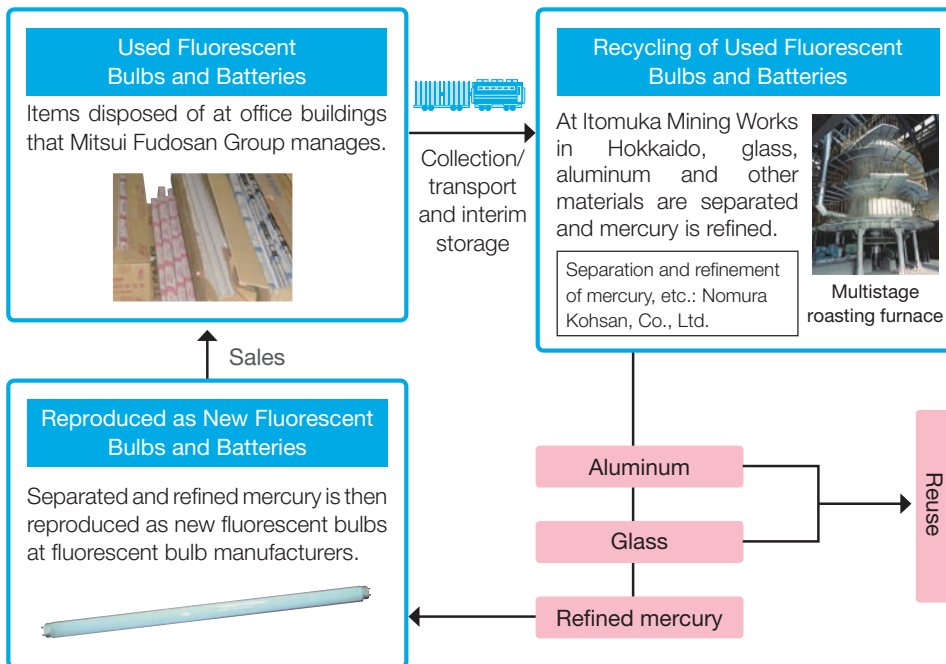
◆ Used Fluorescent Bulb and Battery Recycling System

Mitsui Fudosan has established a recycling system for used fluorescent bulbs and batteries in cooperation with four subcontractors including a recycling company and a transport company. Used fluorescent bulbs and batteries at office buildings 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 for new fluorescent bulbs. Separated aluminum and glass are also reprocessed into recycled aluminum and glass to recycle everything that can be recycled. In fiscal 2016, 27.6 tons of used fluorescent bulbs and 7.7 tons of batteries were collected and recycled from a total of 38 buildings.

■ Used fluorescent bulb and battery recycling (fiscal 2016)

Number of buildings covered for collections	Total 38 buildings (32 in Tokyo, 6 in Kansai)
Collection volume	Fluorescent bulbs: approx. 27.6 tons Batteries: approx. 7.7 tons

■ Outline of Used Fluorescent Bulb and Battery Recycling System



◆ Recycled Office Paper Usage Ratio in Mitsui Fudosan's Offices

In fiscal 2016, about 97% of the business paper used\*14 was recycled paper in Mitsui Fudosan's offices.

\*14 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 (built-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.

### Extending the Useful Life of Buildings with Interfloor Seismic Isolation Equipment

Anti-deterioration measures taken at Park City Kashiwa-no-ha Campus The Gate Tower has been rated Grade 3 (the top level) of the Housing Design Performance Indication System. Furthermore, we have also undertaken to extend the building's useful life by installing seismic isolation equipment between the first and second floors, reducing the risk of seismic damage to the building.



Seismic isolation structure using deep piles

### Park City Musashikosugi The Garden Receives Long-Life Quality Housing Certification

In addition to having a seismically resistant framework, Park City Musashikosugi The Garden's anti-deterioration measures have received a top-level Grade 3 rating from the Housing Design Performance Indication System. The structure satisfies nine national standards for anti-deterioration of framework and other components and seismic resistance as well as ease of maintenance, management, and upgrade, and has been certified as Long-Life Quality Housing.

#### Summary of Certification Standards for Long-Life Quality Housing

Performance item	Summary of certification standards
Anti-deterioration measures	The building framework must be useable for multiple generations.
Seismic resistance	Damage from rarely-occurring earthquake magnitudes must be mitigated to be easily repairable and allow continuous use.
Ease of maintenance and upgrade	Interior fittings and facilities, which have a shorter life than the structural framework, must be designed to be easy to maintain and manage (clean, inspect, repair, and upgrade).
Flexibility	Residential units must be designed to allow floor plan changes to match, for example, changes in resident lifestyles.
Barrier-free	Corridors and other common areas must include sufficient space to allow future barrier-free upgrades.
Energy conservation	The building must incorporate energy-efficient features such as insulation.
Residential environment	The building must be designed to present a pleasing appearance and otherwise support and enhance the local residential environment.
Residential floor area	The building must have sufficient scale to ensure a favorable residential standard.
Maintenance and preservation plan	There must be a formulated plan to maintain and repair the building from completion into the future.

## **Appropriate Waste Disposal**

In the Office Building Division, we make every effort to ensure that 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 the Retail Facility Division, from fiscal 2011 to fiscal 2012, we confirmed that waste was properly disposed of at our retail facilities in Japan, completing any adjustments to our agreements with waste management subcontractors. From fiscal 2013 to 2015, we audited and inspected approximately 20 retail facilities annually to ensure compliance with adjusted waste disposal agreements, but in fiscal 2016 we carried out on-site inspections of waste management sites for all of our retail facilities. 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 countermeasures.

#### Disaster Countermeasures and BCP (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 countermeasures and BCP measures in its existing and newly built buildings to improve preparedness during normal times and responsiveness during emergencies.

#### ◆ Multilanguage PA System Installed at Nihonbashi 1-chome Mitsui Building

Mitsui Fudosan and TOA Corporation have collaborated to develop a multilanguage PA support system, one of which was installed in February 2017 in Nihonbashi 1-chome Mitsui Building (COREDO Nihonbashi). The system was added to the emergency PA system for this large-scale multifaceted facility, making possible delivery of information relating to disaster evacuation in Japanese, English, Chinese, and Korean. In addition to the many foreign visitors to its retail facilities, Nihonbashi 1-chome Mitsui Building includes the offices of numerous foreign enterprises, and previously delivered emergency announcements live, in multiple languages. The newly-developed multilanguage PA support system, however, is capable of delivering approximately 500\*1 discrete announcements in a synthetic voice, and facility managers can easily select announcements to fit the situation via a PC interface. Automating the delivery of evacuation guidance announcements, which previously had been carried out live over the facility's PA system, makes possible clear and reliable delivery of emergency information to visitors and tenants. In March 2017, the system was used for a disaster countermeasures drill, proving its effectiveness for safe, reliable management of the facility.

Going forward, we plan to install this system in other office buildings, retail facilities, hotels, and other facilities to meet the need for multilingual PA support.



Nihonbashi 1-chome Mitsui Building



Screen-based system control

\*1 Approx. 500 types:

Approx. 125 announcements in four languages (Japanese, English, Chinese, Korean)

**◆ Mitsui Fudosan General Disaster Countermeasure Training**

The Mitsui Fudosan Group carries out disaster countermeasure training based on its disaster countermeasure manuals and business continuity plan (BCP). In coordination with group companies and tenants, companywide disaster countermeasure training for a large-scale earthquake is carried out twice a year, mainly on September 1 (Disaster Prevention Day) and March 11.

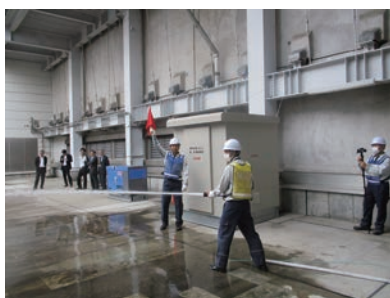
We also collaborate with tenant companies to carry out disaster countermeasure training in our major buildings. In accordance with the principles of self-help, mutual assistance, and public assistance, we are taking steps to boost our disaster countermeasure capabilities by broadening awareness of cooperative efforts being taken by tenant companies, individual tenants, and building managers. On September 8, 2016 and March 16, 2017, we conducted drills in the underground plaza of Edo Sakura-dori Avenue that involved sheltering those unable to return home after a disaster.



Joint general disaster countermeasures drill for tenants of Shinjuku Mitsui Building (Shinjuku-ku, Tokyo)

**◆ Disaster Response and Fire Drills Using a Vacant Building**

In July 2016, Mitsui Fudosan Facilities used a vacant building to carry out disaster response and fire drills. The goal was to strengthen participants' ability to respond to emergencies by practicing in an environment that provided an experience they could not have had in the building where they normally worked. The drills were realistic and included actual use of fire extinguishers, evacuation amid smoke to replicate conditions during a fire, practice moving others with stretchers and an EvacChair, and activation of the foam fire extinguishing system in the underground parking lot.



Indoor fire hose drill



Foam fire extinguisher system drill



Powder fire extinguisher drill



EvacChair

## Disaster Countermeasures and BCP (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 countermeasure initiatives at our facilities.

At LaLaport SHONAN HIRATSUKA (Hiratsuka City, Kanagawa), which opened in fiscal 2016, we installed an emergency generator capable of operating for approximately 24 hours, and emergency supply stockpiles as well as space for sheltering those unable to return home after a disaster, to help provide our customers with safety and peace of mind.

## Disaster Countermeasures and BCP (Logistics Facilities)

At Mitsui Fudosan Logistics Parks (MFLP), which are large-scale logistics facilities managed by Mitsui Fudosan, we are engaged in a wide range of efforts to bolster our BCP measures. For example, in fiscal 2016 we installed a subsurface (well) water facility at MFLP Funabashi I (Funabashi City, Chiba). We are also pursuing the following disaster countermeasures and BCP measures at other facilities, including MFLP Hino (Hino City, Tokyo).

### Mitsui Fudosan Logistics Park Key Disaster Countermeasures and BCP Measures

#### Seismic Isolation Structure

Placing a layer of special rubber in a building's foundations insulates them 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 free drinks during disasters.

#### Disaster Stockpiles

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

#### Remote Monitoring Using Surveillance Cameras

We have installed a cloud-based surveillance camera system operated by Crew Systems that enables disaster countermeasure headquarters to determine the situation on the ground (see Quality—05).



Emergency generator at MFLP Funabashi I



MFLP Hino seismic isolation pit

## Disaster Countermeasures and BCP (Hotels)

To help ensure business continuity in our hotels, we have ensured that all of the elevators we operate are seismically resistant. All hotels are equipped with emergency backup generators capable of operating for approximately 24 hours, and a surveillance system connected with headquarters to monitor conditions at each site.



## Disaster Countermeasures and BCP (Other)

### ◆ Structural Upgrade Consulting Service

One major reason aging structures are not upgraded for seismic resistance is because the cost of such upgrades cannot be recovered. In August 2016, through a tie-up with Shigeru Aoki Architect & Associates Inc., Mitsui Fudosan began providing structural upgrade consulting services for structures built to previous seismic standards.\*2 This service coordinates the overall project, including adjustments relating to ownership succession and rights, as well as verifying and resolving any real estate issues, such as commercial performance. We then use REFINING ARCHITECTURE methods to upgrade seismic resistance and renovate the structure internally and externally, including any required additional equipage, to create what is essentially a new building for approximately 70% of the cost of reconstruction. To ensure stable operation of the renovated building as a rental property, Mitsui Fudosan Residential Lease subleases the building, which enables long-term financing for the renovation and enhances the prospects for restoration of the building as an ongoing rental operation. Mitsui Fudosan Reform can also provide renovation services directly, including seismic upgrades.

The Mitsui Fudosan Group's one-stop structural upgrade consulting service is contributing to the solution of a range of problems. It promotes seismic upgrading of aging structures, which contributes to meeting seismic resistance targets established by the national and local governments as well as to disaster mitigation. It also is helping to solve the problem of an increasing number of unoccupied residences due to Japan's shrinking population, and promotes circulation in the secondary real estate market.

\*2 Former seismic standard:

Standard applied to building inspections carried out prior to May 31, 1981.

REFINING ARCHITECTURE renovation of rental housing (Shigeru Aoki Architect & Associates Inc.)



Before construction



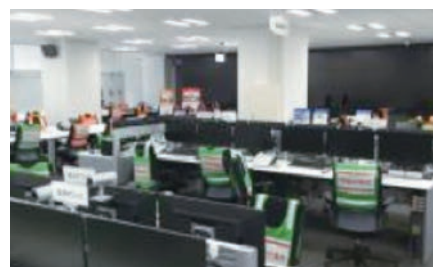
After construction

## Disaster Countermeasures 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 countermeasures. 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 for approximately 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



Disaster Countermeasure Headquarters Office (Mitsui Building No. 2)



Crisis Management Center (Ginza 6-Chome-SQUARE)

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.

## Security and Anti-Crime Measures

To provide its customers with safety and security, the Mitsui Fudosan Group makes every effort to ensure security and prevent crime at its properties.

### ◆ Advanced Security System Installed at Mitsui Fudosan Logistics Park (MFLP)

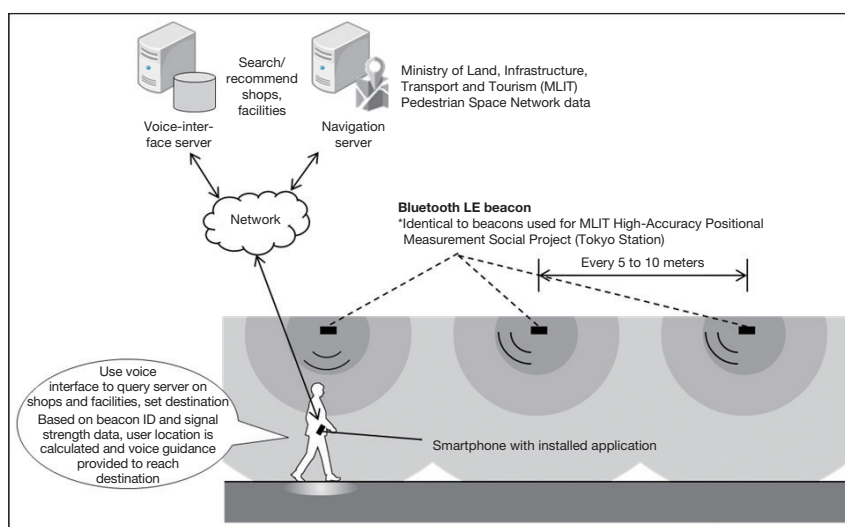
As part of its efforts to ensure safe, reliable logistics management, Mitsui Fudosan has installed advanced security systems in its logistics facilities, including MFLP Funabashi I and MFLP Hino. Mitsui Fudosan jointly developed this camera surveillance system with Crew Systems, Inc., thereby realizing high functionality and low cost based on the latter's proprietary cloud technology. This system is being installed at numerous Mitsui Fudosan office buildings and other large facilities, and is contributing to enhancing customer safety and peace of mind.

## Barrier Free

The Mitsui Fudosan Group is promoting the creation of neighborhoods that are barrier free and stress free in all aspects of life: work, home life, recreation, and relaxation.

### ◆ Field-Testing Navigation System with Voice Interface

To attract a wide range of visitors to a designated area and provide them with the information and guidance they require, Mitsui Fudosan, in collaboration with Shimizu Corporation and IBM Japan, Ltd., began field testing an advanced voice-interface navigation system in Tokyo's Nihonbashi Muromachi district in February 2017. The tests are verifying the ability of any visitor, including wheelchair users and persons with visual impairment, to use a smartphone app to obtain indoor and outdoor voice guidance (Japanese and English) for clear, convenient directions to his or her destination. Test results will be analyzed using a variety of metrics, including positional accuracy, voice guidance timing, ease of comprehension, and appropriateness of information provided, with the goal of practical application.



Interior/exterior voice-interface navigation using smartphone app

## Preserving and Utilizing the Natural Environment (Preserving Biodiversity)

The Mitsui Fudosan Group strives to preserve and utilize trees and forests 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 to 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.

#### ◆ Park City Musashikosugi The Garden Includes 2,800 m<sup>2</sup> of Green Space

The development concept for Park City Musashikosugi The Garden (Nakahara-ku, Kawasaki City) is that of a town in the middle of a garden. The concept includes roof and wall greenery, with total green area of approximately 2,800 m<sup>2</sup>, equal to roughly 40% of the site area. Planted foliage will harmonize with the area's natural environment, and a line of *tabunoki* trees will be planted alongside the zelkova trees lining the road on the south edge of the site, creating a double line of trees. Azalea bushes are also being planted. In addition, cherry trees will be planted along the eastern edge of the site, creating a unified space with those already situated on the other side of the road, and these trees will be extended along the north edge of the site. The cedar trees that stood on the site prior development are being relocated to the west side.



#### ◆ Over 20% of Park City Kashiwa-no-ha Campus The Gate Tower's Site Reserved for Greenery

Approximately 22% of the site area of Park City Kashiwa-no-ha Campus The Gate Tower (Kashiwa City, Chiba) is reserved for greenery, including wall and roof greenery.

Image of complete-stage greenery at Park City Kashiwa-no-ha Campus The Gate Tower



◆Peaceful Space Recreates Japanese Nature and Nihonbashi's History and Traditions

Mitsui Fudosan developed Fukutoku Garden as part of the Nihonbashi Honcho 2-chome Designated Block Development Plan (tentative name) in Chuo-ku, Tokyo. This restful green plaza stretches over more than a thousand square meters, surrounded by office buildings including COREDO Muromachi. Fukutoku Garden encloses Fukutoku Shrine and recalls a traditional Japanese cultivated woodland, planted with a variety of representative deciduous broadleaf trees such as hill cherry, Japanese maple, aohada, and snowbell, as well as sawthorn oaks like those on the grounds of the shrine. The plaza and its greenery convey a sense of nature, tradition, and comfort, and symbolize the forest that used to enclose the shrine. The greenery surrounding Yakuso Shrine includes weeping cherry and weeping plum trees as well as Japanese nutmeg, an evergreen conifer that will express the contrasting beauty of the trees with and without leaves during the winter. The greenery will add a touch of color to the culture and heritage of the site.

Greenery symbolizing Fukutoku Garden

Greenery richly accents the famous site



Fukutoku Garden



Greenery symbolizing Fukutoku Garden

◆Creating a Greenway Along a Trunk Road on a Former Factory Site

LaLa City SHONAN HIRATSUKA (Hiratsuka City, Kanagawa), is a large-scale development area on the site of a former Nissan Shatai autobody factory, and includes a commercial sector, a residential sector, a medical and welfare sector, and an industrial sector. Hiratsuka Road (Sector Road I) connects the eastern and western areas, and a greenway has been situated along the south side of this road. Ten zelkova trees already located on the site were transplanted to this greenway on the site of LaLaport SHONAN HIRATSUKA. In addition, we are engaged in efforts to create green areas with two parks (LaLaport Aozora and LaLaport Sukoyaka Parks, both to be transferred to municipal administration) and by planting a green belt around the industrial sector.



Transplanted zelkova trees along the greenway on the south side of Hiratsuka Road (Sector Road 1) (LaLaport SHONAN HIRATSUKA)



LaLaport Aozora Park



LaLaport Sukoyaka Park

### ◆ Preserving Existing Trees

Tokyo Midtown (Minato-ku, Tokyo), built on the site of a former Japan Defense Agency (JDA) facility, and neighboring Hinokicho Park feature a total of 150 cherry trees, including 48 Yoshino cherry trees preserved by transplanting them from their former location on the JDA site.

Yoshino cherry trees have a comparatively short life, and it is expected that trees from the JDA site will eventually wither and die. Consequently, since 2013, the Cherry Continuity Project has been using layering and grafting techniques to create new saplings of the trees transplanted to Tokyo Midtown Garden. These saplings were raised in Ibaraki and transplanted to the Tokyo Midtown site in March 2017, the tenth anniversary of its opening.



Cherry seedlings raised in Ibaraki



Tree-planting ceremony

At Park City Musashikosugi The Garden, built on the former site of a dormitory of JX Nikko Nisseki Energy Co., Ltd. (now JXTG Nippon Oil & Energy Corporation), the cedars that were originally on the site have been transplanted on the west side of the site for preservation.



Cedars before transplanting  
(former JX Nikko Nisseki Energy Co., Ltd. dormitory)

### ■ Restoring and Creating Wildlife Habitats

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

A joint project on the part of industry, government, academia, and the local community is restoring the tidal wetlands and seaweed beds around Ago Bay (Shima City, Mie). Wetland restoration efforts have been ongoing since 2012 on a two-hectare coastal plot of open land at NEMU RESORT, which is situated overlooking the bay.

In addition, at AMANEMU Resort Hotel (jointly developed with resort hotel brand Aman), which opened on the same site in March 2016, the principal trees of the existing woodland were planted to create a forest in harmony with the natural environment.

## Provision of Venues and Opportunities for Activities in Touch with Nature

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

### Green Tours

Mitsui Fudosan holds Green Tours in Tokyo Midtown that allow parents and children to learn about trees and flowers as they walk through Midtown Garden.

In May 2016, we held a New Green Edition of our Green Tour, with participation by 35 parents and children who observed trees and other vegetation, with guidance from the managing gardener, and the opportunity to plant flowers on the site. Participants also received kits for growing plants at home.



Green Tour in Tokyo Midtown

### ◆ Programs to Experience Nature

NEMU RESORT is located in Ise-Shima National Park. The resort carefully manages the natural heritage on its site, and offers guests a variety of programs to experience nature.

Programs offered in fiscal 2016 included woodpecker watching in the on-site forest; a guided nature experience with a dedicated guide at the Tree Terrace; a sea creatures exploration party to the shore to observe sea life; and a cruise to observe nocturnal marine fire flies.

In addition, the site includes an aquatic park set among hills, and a tidal wetlands lake with walking paths for exploring.

### ◆ Built-for-Sale Condominium Where Residents Can Experience Farming and Food

Park City Kashiwa-no-ha Campus The Gate Tower features a hydroponic Green Factory, where food is grown indoors without soil. The factory is open to residents and their friends who wish to experience farming and food.



Green Factory at Park City  
Kashiwa-no-ha Campus The Gate Tower

### ◆ Providing Relaxing Green Spaces

An area equivalent to approximately 40% of the site area of Park City Musashikosugi The Garden is reserved for foliage. Trees that change with the four seasons are planted on site, and walking paths, benches, and small plazas create areas for relaxation amid the greenery.

## Initiatives for Sustainable Forest Resource Procurement

Under its Eco-Action Plan 2016, Mitsui Home Co., Ltd. has adopted a policy of ensuring legal and sustainable forest resource procurement while aiming to increase the use of sustainable forest resources for all lumber in fiscal 2016 to 100%.

We also formulated and are implementing the Mitsui Home Group Resource Procurement Guidelines. As a result, we reached our medium-term goal of 100% compliance with legally harvested resource procurement. However, compliance with sustainable procurement of such resources was 83%.

In fiscal 2017, we introduced our second medium-term environmental plan, Eco-Action Plan 2020. Going forward, we will continue working to procure only legally harvested forest resources.

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

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

**Procurement Policy**

**1 Confirm the legality of timber and lumber products**  
When procuring from countries and regions where the possibility of illegal harvesting exists, the legality of timber and lumber procured are confirmed in advance.

**2 Procure sustainable forest resources**  
We promote procurement of forest resources from sources that practice sustainable harvesting, to protect precious forests, their environments and biodiversity.

**3 Protect precious species**  
We work to protect valuable and endangered tree species.

**4 Manage and maintain the supply chain**  
We work with partners to manage and promote legal, sustainable supply chains.

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

**Classification I**  
**Major construction material**  
Applicable material: lumber, I-joint, LSL, OSB, plywood, laminated wood, LVL, foundations, etc.

**Classification II**  
**Principal wood product**  
Applicable\* material: Doors, windows and screens, flooring and stairway materials, fixtures, wood exterior materials, kitchen, wash stand, storage, etc.

**Classification III**  
**Outdoor wood product**  
Applicable\* material: wood decking, wood fencing, major imitation wood items made from molded resin, etc.

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

### Summary of second Medium-Term Plan: Eco-Action Plan 2020 \*Selected items relating to materials procurement

Major Theme	Environmental Goals	Medium-Term Goal (2020)	Major Activities
1. Forest Resource Utilization	<b>Materials Procurement</b> We ensure that all procured forest resources were legally harvested, and promote sustainable procurement of such resources.	Maintain 100% internal compliance with legal procurement standards	Strict adherence to procurement guidelines
			Effective use of domestically-produced materials

## Preserving and Utilizing 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 utilizing landscapes and streetscapes. Building Neighborhoods by Building Roads in Nihonbashi is one example of such efforts.

### Retaining, Revitalizing, and Creating Cityscapes Rich in Historic Culture and Tradition

#### ◆ Creating Neighborhoods by Creating Roads in Nihonbashi

During the early Edo era, Nihonbashi in Edo was designated as the starting point of the five major highways leading to other parts of Japan. People and goods from all over the country gathered here, making it a major center of commerce and culture. The Mitsui Fudosan Group's over three-hundred year history is closely associated with this area. To express our love and appreciation for Nihonbashi, we have begun the Nihonbashi Revitalization Plan with the concept of retaining, revitalizing, and creating the future, to stimulate the area and make it even more attractive. We are collaborating with the government, private enterprise, and local residents to create a new neighborhood that combines tradition and renewal.

We are following a policy of Building Neighborhoods by Building Roads to avoid unplanned redevelopment and ensure coexistence with the culture and tradition that is a product of Nihonbashi, with its historic buildings. As a first step, we are preserving the appearance of the area by unifying the height of the lower floors of buildings along Nihonbashi's iconic main street. Moreover, by developing facilities and creating green spaces along four additional well-loved streets in the district in accordance with their characteristics, we are creating spaces for people to gather and enjoy themselves. Edo was known for its extensive network of canals, and by restoring some of this network as well, we are using the creation of roads as a point of departure to create the Nihonbashi of the future.

#### ◆ GATE SQUARE KOSUGI-JINYACHO Receives Good Design Award

GATE SQUARE KOSUGI-JINYACHO (Nakahara-ku, Kawasaki City) is a project to build low-rise housing on the former site of the 400 year-old mansion owned by the Hara family, which has contributed to the development of the area since the Edo era. Based on the concept of continuing the local spirit, many precious legacies of the mansion have been preserved, including its gate, the shrine, and trees that are over a century old, while the housing design incorporates motifs from the original main mansion. Every effort has been made to restore the look of the original structures and the craftsmanship that went into them. For example, foundation stones remaining on the site have been used in the new design. GATE SQUARE has drawn praise for sustaining regional history and the culture of past generations while providing a new housing environment, and during fiscal 2016 it received the Good Design Award.



## Creating Space Design That Reflects Local Cultures

The Mitsui Fudosan Group strives to create compelling space designs, devoting meticulous attention to interior design details in its hotels so that domestic and international tourists and business travelers can experience the distinctive characteristics of the regional culture and natural environment.

### Space Design Full of Unique Regional Atmosphere

#### ◆ Large-Scale Renovation of Existing Hotels

On April 1, 2016, Mitsui Fudosan Group reopened two renovated hotels under its management—Mitsui Garden Hotel Kyoto Sanjo (Nakagyo-ku, Kyoto City) and Mitsui Garden Hotel Hiroshima (Naka-ku, Hiroshima City)—with each renovation taking into account the special characteristics of the locality.

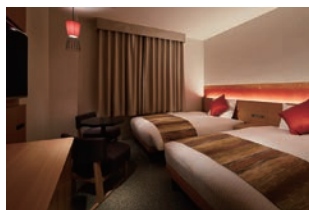
For Mitsui Garden Hotel Kyoto Sanjo, we selected a scarlet hue, highly prized since ancient times, as the hotel's interior theme color. The renovated design is a fusion of traditional Japanese character with an exotic atmosphere that international travelers will appreciate. The inner garden is replete with Japanese atmosphere and the colors of the changing seasons, while printed silk wall art conveys the flavor of Kyoto, transforming the hotel into a place of refuge for the heart.

For the renovation of Mitsui Garden Hotel Hiroshima, the fresh breeze from the Inland Sea and the local specialty, oysters, were used as a design motif throughout the hotel, creating a characteristic Hiroshima interior atmosphere.

Mitsui Garden Hotel Kumamoto (Chuo-ku, Kumamoto), closed from April to October, 2016, due to the earthquakes that struck that year, also reopened its doors in April 2017. The new design incorporates the rich natural environment and culture of Kumamoto, and guest room layouts were modified to create even more functional, comfortable spaces. Guest rooms have a Land of Fire or Land of Water motif, and for families, there are the popular guest rooms with a Kumamon (the mascot of Kumamoto) motif. Lobby and restaurant furniture and fabrics were completely renewed, with artwork with motifs of temari balls, a traditional craft product of Kumamoto, as well as other folk craft toys.



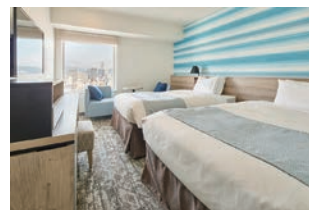
Lobby,  
Mitsui Garden Hotel Kyoto Sanjo



Guest room,  
Mitsui Garden Hotel Kyoto Sanjo



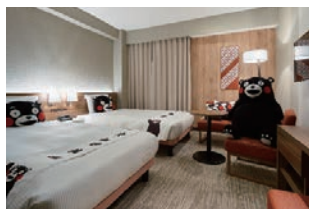
Lobby,  
Mitsui Garden Hotel Hiroshima



Guest room,  
Mitsui Garden Hotel Hiroshima



Lobby,  
Mitsui Garden Hotel Kumamoto



Guest room,  
Mitsui Garden Hotel Kumamoto

◆ **Local Lumber Used in Renovation of TOBA HOTEL INTERNATIONAL**

After a renovation, TOBA HOTEL INTERNATIONAL (Toba City, Mie) reopened in March 2017. Mondo Misaki, the hotel's Japanese restaurant, features local wood products and ceramic materials, and an interior design that features traditional craft techniques of the prefecture. Tiles are traditional Mie banko ware, while the single-plank counter was fashioned from an Ise cypress over 300 years old. Interior fittings include traditional Japanese woodwork decorations.



Single-plank Ise cypress counter

## Improving 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 services in comfort.

### ◆Mitsui Home Receives Kids Design Award

Mitsui Home had three entries in the 10th Kids Design Awards competition, hosted by the Kids Design Association\*<sup>3</sup> (with support from the Ministry of Economy, Trade and Industry and the Consumer Affairs Agency): Premium Monocoque Construction, an advanced wooden frame construction method; Smart Breeze, a healthy air-conditioning system; and Myocho Kindergarten. All three received awards in the category of Contributions to Child Safety and Peace of Mind.

Premium Monocoque Construction is an advanced wood framing technique using proprietary technology that can enhance the functioning of roofs, exterior walls, and foundations. It delivers significantly strengthened resistance to seismic shock, fire, and wind. Its basic features protect children and contribute to easing children's fears when disasters occur. Construction using this technique is highly airtight and thermally insulated, and helps resist condensation that can be a cause of mold and mites. These features result in enhanced air quality and a better environment for protecting the health of children with asthma and allergies.

By maintaining not only temperature but humidity at uniform levels, our Smart Breeze air-conditioning system maintains a healthy environment resistant to the spread of allergy-causing mold and mites. It contributes to prevention of the propagation of colds and influenza during winter, which often happens when air is excessively dry, and its advanced-performance filters are highly effective in filtering PM2.5 pollutants, which helps provide a healthier environment for nursing infants and children.

Local, solid unpainted cypress floors and cedar walls and ceilings were used extensively in the construction of Myocho Kindergarten in Futtsu, Chiba. The use of solid wood in floors, walls and ceilings creates a distinctively gentle atmosphere. The solid lumber has excellent insulating and humidifying properties, which helps maintain a healthy interior environment that protects the children from allergies and influenza.

Mitsui Home will undertake to raise awareness of the beneficial technologies and construction applications of wood behind these awards, and will work to develop products and techniques that contribute to the society that is the goal of the Kids Design Association.



Premium Monocoque Construction



Smart Breeze Residence Conceptual Diagram



Myocho Kindergarten recreation room



Kids Design Award logo

\*<sup>3</sup> Kids Design Association

This NPO brings together the Ministry of Economy, Trade and Industry and interested organizations and enterprises from across many industries with the aim of creating a social environment that will foster enhanced safety, peace of mind, and healthy growth and development for the next generation. The Kids Design Award is given to promote the broad propagation throughout society of outstanding products, environments, and services that help children live in safety and develop rich sensibilities and creatively, and that foster a society conducive to raising children.

## 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 safety, security, 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 Construction Quality Management Forms
- CO<sub>2</sub> Reduction Measure Explanation Sheet

##### Retail Properties Business

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

##### Built-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, and our abundant experience and achievements, 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 utilizes the TQPM System, its proprietary quality management system, to fulfill that responsibility. The system serves to confirm whether 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 built-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 constructed to perform 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.

### WORKSTYLING Multi-Site Shared Office for Corporate Clients

Mitsui Fudosan's Multi-Site Shared Office WORKSTYLING Project provides company employees with a wide variety of worksite choices that meet the needs of their workstyle or life stage, while enhancing the quality of security and other services.

We are planning to open WORKSTYLING shared offices in roughly 30 prime locations. Going forward, the Mitsui Fudosan Group will monitor user comments carefully to identify hidden needs, and by leveraging our comprehensive capabilities, will work to bring these workspaces and related services not only to office buildings, but to a wide range of life scenes.



WORKSTYLING Shinagawa  
(Shinagawa-ku, Tokyo)



WORKSTYLING Yaesu  
(Chuo-ku, Tokyo)



WORKSTYLING Shinjuku  
(Shinjuku-ku, Tokyo)

#### WORKSTYLING Advantages

##### 1. Corporate client contract system

- Contracting entities are limited to corporations; employees can use any location on a timeshare basis in 10-minute units
- Each corporation's monthly metered time is totaled across all sites for invoicing
- A dedicated web-based app unifies management of users' entry and exit history and usage by type of room (personal or conference room), enabling easy client management of employee offsite work attendance

##### 2. Security

- A concierge is on duty at all times and a high level of security is maintained
- Communications are also secure, including the use of Wi-Fi encryption

##### 3. User experience

- A variety of spaces are available, including private offices, conference rooms, and open space. Space that enables seamless merging of personal work with team meetings facilitates interaction and input
- The web-based app offers search and reservation functions for private and meeting spaces at all locations, with user recommendation features, easy availability confirmation, and shared calendar functions

##### 4. Locations Throughout Japan

- We plan to open WORKSTYLING shared offices in roughly 30 conveniently-located, prime urban locations throughout Japan

## Ongoing Mama with LaLaport Initiative

Mitsui Fudosan Group has begun offering Mama with LaLaport services at its LaLaport commercial facilities, to meet the needs of mothers and fathers with small children who want to enjoy casual shopping. Based on internal and external advice and customer opinion, we have developed facilities and services, and have worked with shops to create unique menus and services, with the aim of evolving toward commercial facilities that can be used more conveniently and comfortably by parents with children.



Mama with LaLaport was rolled out at LaLaport Izumi (Izumi City, Osaka), which opened in fiscal 2014. Today it is offered at all 13 LaLaport locations, most recently at LaLaport SHONAN HIRATSUKA, launched in fiscal 2016. Since fiscal 2015, we have been leveraging the highly localized advantages of all four of our LaLa Garden facilities, offering facility and service support reflecting customer needs, to make shopping more convenient and comfortable for parents and children.

## Work-Life Bridge

Work-Life Bridge is a project for people who are employed in Mitsui office buildings. Its goal is to reimagine the role of offices within daily life, which includes not only work but such tasks as housekeeping and child rearing.

The project team is centered on women involved in our office building business. Our goal is to contribute to better work styles for everyone by planning and implementing a variety of measures to bridge the concepts of Work and Life, and formulating them from a uniquely female perspective.

In October and November 2016, we collaborated with Oisix.daichi Inc. to hold sales events for Kit Oisix. These kits consist of a recipe and ingredients to prepare a main and side dish in 20 minutes. The events took place at Nihonbashi 1-chome Mitsui Building (COREDO Nihonbashi) and the Kasumigaseki Building (both in Chiyoda-ku, Tokyo), and were held in response to comments from people employed in Mitsui office buildings, such as “I’d like to prepare safe, healthy meals myself, but I don’t have the time to cook or go to the market,” and “I’d like to try my hand at cooking, as long as the recipe is simple.” Response to the events was gratifying.

Work-Life Bridge is designed to provide support for meeting the challenges faced by people working in Mitsui office buildings, and is planning and implementing a wide range of measures. It provides support relating to rearing infants and young children and reducing time needed for housekeeping; provides spaces that facilitate working; holds events for working women; offers services that give children first-hand experience in a variety of areas during long school vacations; and women’s support rooms at our WORKSTYLING multi-site shared office facilities.

Going forward, we will introduce additional measures based on the concept that solving the challenges that working women face can lead to better working environments for everyone.



Kit Oisix sales booth



Work-Life Bridge logo



## **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 8th Customer Service Role-Playing Contest was held in August 2016 to promote enhanced customer interaction and service. Preliminary competitions to select contest finalists were held at 44 new and continuing Mitsui facilities, and the 44 individuals selected to go on to the finals vied with other competitors to be number one in customer service by portraying customer service challenges drawn from actual experience.



Role-Playing Contest participants



## Initiatives Aimed at Enhancing Customer Satisfaction at Hotels

Mitsui Fudosan Hotel Management, which manages the Mitsui Garden Hotel network, holds a CS contest and all-out greetings campaign at all of its hotels annually.

At the Ninth All-Out CS Contest held on February 8, 2017, 21 individuals representing their hotels used role-playing to simulate interactions with customers.

Steps have been taken to put in place a CREDO, which outlines behavioral guidelines for all Mitsui Garden Hotel employees. Hotel managers and CS captains take the lead in ensuring that all employees practice the six behavior guidelines, outlined in this CREDO, that are aimed at improving customer and employee satisfaction. In addition, CREDO Communication is published and a CREDO prize awarded to employees who 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.

To enhance service at TOBA HOTEL INTERNATIONAL and NEMU RESORT, employees of Tokyo's Imperial Hotel are providing customer service training.

## Listening to Customers

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. We carefully monitor customer feedback received through boxes placed for this purpose at our commercial properties. These opinions and comments are used to improve operations in facilities and other areas, including store planning and design.

### Examples of Improvements Based on User Opinions

#### Office Buildings

- Crime prevention
- Improvements to common-use areas
- Improvements to restroom facilities
- Tours to observe building facilities
- Smoking area separation
- Improvements to elevator operating programs
- Meetings to observe elevator rescue drills

#### 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
- Replacement of flooring materials and wallpaper in nursing rooms
- Refurbishments to women's restrooms
- Increase in number of stroller pick-up locations (increase number of strollers)
- Increase in stroller drop-off locations
- Increase in 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

- Improvements to smoking areas in common areas
- Enhancement of shared amenities (setting up of Christmas trees, Kadomatsu Japanese New Year's decorations, message cards, etc.)
- Increase in vehicle/bicycle parking areas

## Providing Spaces That Realize Diverse Lifestyles

We are striving to develop and provide offices and residential environments that meet diverse needs arising from lifestyle diversification.

### ◆ Mitsui Office Building Social Events

The Mitsui Fudosan Group works closely with regional communities to create the foundations and opportunities to vitalize society by creating neighborhoods that mature with age. In addition, under the slogan Beyond the Office, we are striving to provide offices that are not simply places where work takes place, but places that bring together workers, enterprises, and regional communities to create high value-added communities. To realize this goal, we held events to promote social interaction between the employees of enterprise tenants of Mitsui Fudosan buildings, from June to July 2016.

#### • MONSTER HUNTER Social Event

Held with the supervision and support of Capcom Co., Ltd., one of our tenants, this social event utilizes the highly popular hunting action game MONSTER HUNTER X.

#### • In-building Networking and Matchmaking Parties

These social mixing events exclusively for individuals working in Mitsui buildings are popular and always well-attended.

#### • Business Get-Togethers

These events provide not only a setting to exchange business cards and uncover opportunities, but include seminars to stimulate participants' intellectual curiosity.

#### • Futsal tournament

Teams were recruited from tenant companies in selected buildings and a futsal tournament was held.

#### • Dialog in the Dark Event

These events, organized by Dialog in the Dark Japan, an NPO, give participants the opportunity to realize the importance of communication by sharing an experience in specially equipped, darkened environments.



Futsal tournament

### ◆ Car-Sharing Service for Office Building Tenants

As the sharing economy becomes more pervasive, Mitsui Fudosan and Mitsui Fudosan Realty have introduced a car-sharing service for tenants of World Business Garden (Mihama-ku, Chiba City), which is managed by Mitsui Fudosan. This corporate membership-based service was inaugurated on March 13, 2017, to further enhance the added value of this office building. In addition to the convenience of having cars available for sharing at the on-site parking lot, the cars are eco-friendly hybrid vehicles with EyeSight driver assist systems to enhance safety, including brake assist features, lane-keeping functions, and drive recorders as standard. As part of our services to tenant enterprises, we are promoting membership in, and utilization of, this car-sharing service.



World Business Garden



Sharing service vehicles

**◆Offering Diverse Lifestyles**

The Mitsui Fudosan Group is working to create spaces that respond to the ongoing diversification of individual lifestyles. In addition, by providing security with abundant hospitality, we are offering lifestyles suiting the needs of individual customers through housing.

An example of this is Park Axis PREMIER MINAMI AOYAMA (Minato-ku, Tokyo), which won the Good Design Award in fiscal 2016. During the planning stage of this building, we used user interviews and observation to get closer to latent awareness and needs, and this approach enabled us to provide unprecedented value. We discovered that what users wanted was quality, home-like environments with a connection to the community, rather than hotel-like accommodations. This is the kind of true luxury users are seeking in housing. The Good Design Award was the result of our meticulous design of activities that customers expect from their housing, which was highly evaluated.

Our WESTWOOD detached housing also received the Good Design Award. WESTWOOD features an innovative one-story design to deliver efficient, roomy accommodations for small households. The design responds to trends toward smaller households and an aging resident population, and provides all basic living functions on one floor. The award also recognized construction techniques, such as the use of roof insulation, in stabilizing the environment in each room.

Going forward, Mitsui Fudosan will continue to provide cozy, comfortable living spaces that respond flexibly to individual lifestyles, and will offer housing that is healthy, safe, reliable, and in harmony with the local environment.



Park Axis PREMIER MINAMI-AOYAMA



WESTWOOD



**◆Enhanced CS Through Enhanced ES**

At Mitsui Shopping Park LaLa Garden KASUKABE (Kasukabe City, Saitama) and Mitsui Shopping Park LaLa Garden KAWAGUCHI (Kawaguchi City, Saitama), we renovated our employee lounges in spring 2017 to promote employee satisfaction (ES). The renovation includes a restful, café-style area and for the first time, a powder corner, to enable employees at these facilities to spend comfortable break time. We also undertook to enhance the lounge functions, including the provision of mobile phone charging plugs.

By providing better work environments for employees in Mitsui Fudosan Group facilities, whom we regard as important partners, we believe we can also enhance the level of customer service (CS) provided to visitors to those facilities. Based on this concept, we will continue working to create worker-friendly environments.



Renovated café-style employee lounge

## Our Efforts at Coexistence and Collaboration

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 collaborate 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 Countermeasures

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.

##### ◆ Operation and Management of the Kunitachi City Hall Parking Lot by Mitsui Repark

Mitsui Fudosan Realty is developing the business of parking lot operation and management under the “Mitsui Repark” brand. Based on the four key concepts of safety/security, innovation, environmental awareness, and disaster recovery assistance, we have developed parking lots throughout Japan which are committed to function as social infrastructure—through environmental awareness, emergency response and contribution to the community. One example is the main building parking lot of the Kunitachi City Hall in Tokyo Prefecture, which started operations in December 2016. To allow the parking lot to be useful in a disaster or emergency situation, it is equipped with solar LED street lighting that functions even in a power outage, as well as disaster readiness supplies such as an AED (Automated External Defibrillator), first aid kit, and blankets. Furthermore, Mitsui Repark has installed the first recycled wood bench storing a simple tent and toilet. In the event of a disaster, the facility can play a role in protecting the safety and security of nearby residents as well as users of the parking lot. With features such as an electric vehicle charger and an “air station” that allows bicycle tires to be filled with one-touch operation, the design focusing on disaster preparedness and the environment was well received by Kunitachi City, and thus we were selected as the contractor.

Going forward, we will continue contributing to society and the community through parking lots, while working hand in hand with local authorities.



Recycled wood bench storing a simple tent and toilet



Solar LED street lighting

◆ **Disaster Countermeasure Drills Conducted with Tenant Participation in Collaboration with Fire Department in Nihonbashi**

In March 2017, Mitsui Fudosan held disaster countermeasure drills with tenant participation, in collaboration with the Nihonbashi Fire Department and local volunteer firefighters. This event was held to coincide with Fire Prevention Campaign Week in the spring.



Disaster drill

■ **Retail Facilities at the Center of Regional Communities**

In the retail facilities business of the Mitsui Fudosan Group, our facilities aim to be more than just venues for shopping. They strive to be focal points of the local community, bringing together various service functions needed by the community, and serving as venues for mingling of people and information.

◆ **Striving to be Facilities People Choose as Their Third Place**

The phrase “third place” refers to a comfortable spot between the home, and one’s company or workplace. These spots are garnering attention as spaces where people can disengage from the complications of their job and daily life, spend fulfilling time, and meet and interact with other people. At LaLaport SHONAN HIRATSUKA (Hiratsuka City, Kanagawa), which opened in October 2016, and Mitsui Shopping Park LaLa Garden TSUKUBA (Tsukuba City, Ibaraki), which underwent large-scale renovation for one year starting in the spring of 2016, we have incorporated into the facility concept evolution into a third place where people of all ages can pleasantly spend time. While playing a role in revitalizing the community as a center for disseminating local information, these will evolve into facilities chosen by customers as their third place.



Treehouse at LaLaport SHONAN HIRATSUKA



Community Room at the Mitsui Shopping Park LaLa Garden TSUKUBA

◆ **New Spaces for Community Interaction at Mitsui Shopping Park LaLa Garden TSUKUBA**

At Mitsui Shopping Park LaLa Garden TSUKUBA, we created a new space for community interaction called TsukuLabo (Tsukuba Laboratory) in November 2016 as part of renovations. TsukuLabo is a venue for holding events, workshops, exhibitions, and other gatherings through collaboration between shops in the facility and local residents. At the first event, a Tsukuba Style fair was held for about one month from November 1 to December 7 through a collaboration between Mitsui Shopping Park LaLa Garden TSUKUBA, Tsutaya, and Ei Publishing Co., Ltd., publisher of the regional lifestyle magazine Tsukuba Style.

A space where customers can enjoy ping pong between shopping has also been opened for a limited time only in Mitsui Shopping Park LaLa Garden TSUKUBA. The space is known by the nickname LaLaTaku and is very popular among customers.



TsukuLabo (Tsukuba Laboratory)



LaLaTaku (ping pong)

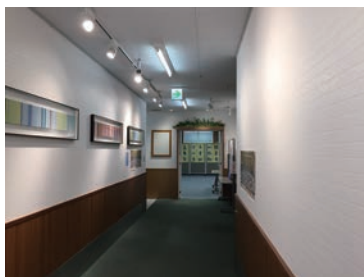
◆ **An Open Facility is the Aim of Mitsui Shopping Park LaLa Garden KAWAGUCHI and Mitsui Shopping Park LaLa Garden KASUKABE**

At Mitsui Shopping Park LaLa Garden KAWAGUCHI (Kawaguchi City, Saitama) and Mitsui Shopping Park LaLa Garden KASUKABE (Kasukabe City, Saitama) operated by Mitsui Fudosan in Saitama Prefecture, event spaces were improved through renovations carried out in spring 2017, and these spaces are contributing to revitalization of their local communities.

Mitsui Shopping Park LaLa Garden KAWAGUCHI created a new BOOK LOBBY, a community space that provides learning, encounters and interaction with people, things, and events. An initiative called the Kawaguchi Laboratory (KawaLabo for short) has been started to disseminate local information and promote interaction by effectively using this space, and the space is also used for events, workshops, exhibitions, and other functions. Mitsui Shopping Park LaLa Garden KASUKABE has also launched a Kasukabe Laboratory (KabeLabo for short), renovated its previous community room, and planned a variety of events including *rakugo* (Japanese comic storytelling) and exhibitions. The aim is to be a facility that is open to and beloved by the local community through providing opportunities for a more enriching daily life, and a venue for interaction.



*Rakugo* performance held in community room of Mitsui Shopping Park LaLa Garden KASUKABE



Japanese Calligraphy Exhibition in community room of Mitsui Shopping Park LaLa Garden KASUKABE



BOOK LOBBY at Mitsui Shopping Park LaLa Garden KAWAGUCHI

**Support for Community Formation**

Mitsui Fudosan Group actively supports formation of local communities through fun events and neighborhood creation based on the power of sports.

◆ **WANGAN ACTION Sports Academy Offers Fun for Parents and Children**

Mitsui Fudosan Residential launched the WANGAN Action Sports Academy in the Tokyo Wangan (bay) area in May 2016. This is a sports school for local children, primarily elementary school students living or going to school in Chuo-ku, and the programs, led by top athletes, can be enjoyed together by parents and children. The academy was established by Chuo-ku in 2013 in accordance with the Basic Act on Sports, and is operated by the Chuo-ku Community Sports Club Oedo Tsukishima which holds courses on swimming, tennis, futsal, basketball, and many other sports. Mitsui Fudosan Residential is promoting neighborhood creation through the power of sports, and in that role identifies with the activities of the Chuo-ku Community Sports Club Oedo Tsukishima. We will continue to provide support by producing original programs led by top athletes.

Mitsui Fudosan Residential is promoting WANGAN ACTION, a project that supports facilities such as MIFA Football Park and holds Sun Marche to help revitalize Kachidoki, Tsukishima, Toyosu and other communities in the Wangan area. The WANGAN ACTION Sports Academy also aims to build community in the local area through sports, so social interaction becomes a legacy for the next generation.



WANGAN ACTION Sports Academy



### ◆Opening of Maggie's Tokyo, A Cancer Patient Care Facility from the UK

In October 2016, Maggie's Tokyo opened in Shin-Toyosu in the Wangan (bay) area of Tokyo. This facility can be used anytime without an appointment by anyone affected by cancer, including cancer patients, family, and medical staff, regardless of the cancer type, stage, or treatment. Mitsui Fudosan Residential is engaged in the WANGAN ACTION Project aiming to revitalize the Wangan (bay) area, and has supported Maggie's Tokyo project, helping to attract the facility for the operating organization Maggie's Tokyo NPO. Here, visitors can receive guidance on counseling, nutrition, and exercise, and discuss issues relating to daily life such as work, child-rearing, and utilization of subsidies and the healthcare system. Through the activities of Maggie's Tokyo, Mitsui Fudosan Residential and Maggie's Tokyo NPO aim to realize a spiritually affluent society rich in warmth and serenity.



Exterior view of Maggie's Tokyo



Dining room

### ◆Mirai Kodomo Gakko Receives Good Design Award

The Mirai Kodomo Gakko (future children's school) operated mainly by Mitsui Fudosan Residential is a platform for learning that provides experience-based content for students ranging from infants to high school students in the Kashiwa-no-ha Campus area of Kashiwa City, Chiba. With the backing of Kashiwa City, the Kashiwa City Board of Education, the Kashiwa Campus of the University of Tokyo, and Chiba University, a variety of people act as instructors, including teaching staff from elementary schools and universities, students, artists, residents, workers, and others from the local area. With a neighborhood-wide approach transcending the boundaries of an ordinary school, a diverse curriculum has been provided as a setting for nurturing skills for the future. Since opening in 2015, the school has offered 53 types of curricula, and 6,013 children have participated. In recognition of the school's efforts in neighborhood creation and the many results it has achieved from the perspective of education, it received a Good Design Award in 2016.



Mirai Kodomo Gakko

◆ **The Aqua Terrace at the Kashiwa-no-ha Innovation Campus Creates Community Interaction**

The Aqua Terrace is a water amenity for coexistence with nature created in the Innovation Campus area under development in Kashiwa-no-ha Smart City (Kashiwa City, Chiba). It was designed to be a setting for creating open innovation through interaction of local residents and employees of companies that will move into the area in the future.

In March 2017, a mixed-use retail facility, Kashiwa-no-ha T-SITE, was opened by Culture Convenience Club Co. Ltd., for strengthening function as an interaction space. Taking living in the presence of children as its main concept, the facility generates day-to-day bustle with bookstores and shops, and events and activities are planned in cooperation with the community. In addition, a T-KIDS Share School has been opened for children and their parents. This school develops education programs for children living in the era of emergent AI.



Kashiwa-no-ha T-SITE

■ **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.

■ **Efforts in Each Business**

◎ **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 month to several times a year.

◎ **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 Town, Yaeyama District, Okinawa Prefecture), we cleaned up the beach with local residents in Kohamajima where this facility is located.

At the Toba Hotel International (Toba City, Mie), the local staff participate in shoreline cleanup activities as part of efforts to contribute to the community.

◎ **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.



◆**Group to Make Roppongi Beautiful**

Our employees and staff from tenants in Tokyo Midtown participate in a group to make Roppongi beautiful, in which local volunteers (public, private) clean up around the Roppongi intersection.

This group was formed in 1996, and marked its 20th anniversary in 2016.

The cleanup on October 14 was the 800th time, and on October 19, a commemorative ceremony was held in Tokyo Midtown.

Mitsui Fudosan will continue these activities to help improve the value of the neighborhood as a whole, while treasuring continuing relationships with the community formed when planning Tokyo Midtown.



Cleanup activities

## Collaboration 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.

### ◆Kasumi Marche 2016

At the Kasumigaseki Building (Chiyoda-ku, Tokyo), various events are held to strengthen communication between office workers and local society.

Kasumi Marche 2016 was held on October 17–21, 2016. This market for locally grown produce from around Japan drew large crowds, including tenants in the Kasumigaseki Building and office workers from nearby companies.



Kasumi Marche 2016



Sales

### ◆Social Events at Mitsui Offices

The Mitsui Fudosan Group aims for its Mitsui Offices to be more than just a place to work, and to function—through the venues provided by our group—as settings where working people, companies, and the local area meet, connect, and create a new community. For that reason, we have adopted the slogan Beyond the Office, and we hold a variety of events throughout the year such as business get-togethers, in-building networking and matchmaking parties, and futsal tournaments.

As part of this, between December 5 and December 15, 2016, we selected the theme as Links of Christmas: Linking and Broadening the Circle of Connection, and held Christmas gift sharing and a Christmas market at the Shinjuku Mitsui Building, Gran Tokyo North Tower (Chiyoda-ku, Tokyo), and the Kasumigaseki Building.

Furthermore, from February to March of 2017, we held events to enrich office life at Mitsui Offices in various areas, based on the keywords interaction and prosperity.

Going forward we will continue to plan and hold a variety of events, and thereby contribute to a fulfilling office life for workers in Mitsui Offices, development of our corporate tenants, and prosperity of the local area.



Links of Christmas

■ List of Events Held

Event name	Overview	Venue
In-building Networking and Matchmaking Party	Social gathering limited to people working in a Mitsui Office	Gate City Ohsaki
General Affairs Get-together	Get-together for persons in charge of general affairs, with seminar by editor of General Affairs Monthly	Iidabashi Grand Bloom
Cooking Get-together	Event for cultivating friendships while learning about cooking in a casual atmosphere at the ABC Cooking Studio	COREDO Nihonbashi (Nihonbashi 1-chome Mitsui Building)
Futsal Tournament	A futsal tournament that achieves greater interaction by holding a get-together before the tournament	Futsal Club Tokyo Toyosu Tent Dome
Craft Beer Get-together	An event for cultivating friendships while enjoying bargain prices for approximately 20 brands of craft beer	Kasumigaseki Building
Sakura Event 2017	An event for welcoming the coming of spring, with <i>sakura</i> (cherry blossom) decorations, and a food and drink menu inspired by themes of springtime	Shinjuku Mitsui Building, Yokohama Mitsui Building
Running Get-together	A social get-together for runners with a seminar on running technique and a clinic for runners	31 Builedge YAESU (Yaesu Mitsui Building)



Futsal Tournament



Running Get-together

### ◆ Collaboration with Office Building Tenants and Others

Mitsui Fudosan is engaged in various collaborations aimed at strengthening relations as a business partner with the tenants of the office buildings we operate.

As one example, we organized an official cruise on a famous Japanese passenger liner, the Nippon Maru, to view the Setouchi Triennale 2016 in October 2016. This event was planned and held jointly with Mitsui O.S.K. Passenger Line Ltd. The project was realized by organically fusing the strengths of our office building tenants, their group companies, firms in the Mitsui Group, and the Setouchi Triennale\*, of which we are a supporting partner. This highly satisfying cruise included private viewings of the Chichu Art Museum on Naoshima Island, Teshima Art Museum on Teshima Island, and Inujima Seirenscho Art Museum on Inujima Island, a full program of onboard events such as special lectures and camera lessons, and a well-received special menu incorporating plenty of ingredients from Setouchi.

Going forward, the Mitsui Fudosan Group will continue to offer new added value unique to Mitsui Offices through collaborations centered on tenant firms.

#### \*Setouchi Triennale

Taking as its campus the islands dotting the beautiful Seto Inland Sea, this contemporary art festival is held once every three years to showcase the works of talented artists. With Restoration of the Sea as the theme, this initiative aims to achieve regional revitalization of the Setouchi islands.

## 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 broadly to 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 August 5 to 7, 2016. We held a variety of events as opportunities to learn about forest conservation, based on being thoughtful toward people, and thoughtful about wood for the sake of the earth. These included a workshop for creating musical instruments and bookmarks using tree thinnings, a workshop featuring picture-card shows, a wheelchair experience workshop for learning about the importance of helping each other, an event for meeting and interacting with service dogs, and a quiz rally. Approximately 4,250 people participated, including children.

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 facilities and elementary school venues on an ongoing basis. The &EARTH Classroom was offered at 12 locations in fiscal 2016.



&EARTH DAY



&EARTH Classroom

### Contributions to Regional Society

#### ◆Regional Contributions of Hotels

Mitsui Garden Hotels contributes to society with the aim of coexisting with the region. In fiscal 2016, the company engaged in Eco-cap (bottle cap recycling) 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 CO<sub>2</sub> 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.

**◆Support for Reconstruction after the Great East Japan Earthquake**

Mitsui Fudosan is continuing its activities to support reconstruction in areas impacted by the Great East Japan Earthquake.

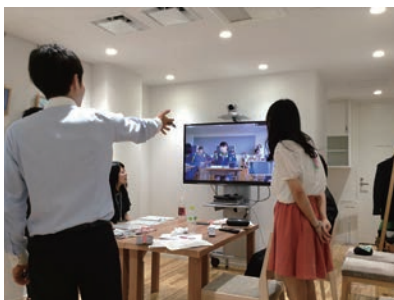
Watasu Nihonbashi (Chuo-ku, Tokyo) is a center for disseminating and exchanging information in the Tohoku region, opened in response to the Great East Japan Earthquake. Since its inception in March 2015, it has made continuous efforts, such as remote learning classes with Shizugawa Junior High School in Minamisanriku Town. Following on from a similar event in October 2015, the center held a photo contest in October 2016 for junior high school students with the theme Minamisanriku Town Today: Things I'd Like to Show Japan, to publicize the current situation in disaster-affected areas. In April 2017, some students from this junior high school visited Watasu Nihonbashi on their school trip, and initiatives like this also help to strengthen exchange between Tohoku and Tokyo. Under the name Watasu Theater, the center also screens movies, documentaries, and other videos on Tohoku and the disaster-affected regions.

In the Watasu Dining & Bar on the first and second floors, new menu items have been added featuring Tohoku ingredients. These are obtained by utilizing connections with local producers, and reflect the concept of publicizing the current situation in Tohoku through food.

Every year since 2014, we have conducted Great East Japan Earthquake Affected Region CSR Training with the aim of hearing ideas from people in disaster-stricken areas, and improving our own disaster preparedness, and on May 27 and 28, 2016, this training was held again in Minamisanriku Town and other areas in Miyagi Prefecture, with the participation of 19 employees.



Exterior view of Watasu Nihonbashi



Remote learning at Watasu Nihonbashi



Great East Japan Earthquake affected region CSR Training

**◆Donated 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 Tokyo 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 2016, a total of 47,000 meals and 50,000 bottles of drinking water (100 kiloliters) have been given away. In fiscal 2016 too, more than 12,000 portions of stockpile bread for emergencies, and about 10,000 bottles of drinking water (over 20 kiloliters) were donated to the Tokyo Fire Department.

**◆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 15 times at 8 facilities in fiscal 2016. 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

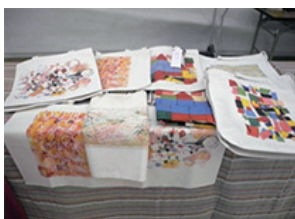
**◆Event Held to Support People with Disabilities**

The Mitsui Fudosan Group periodically holds events to support the social participation of people with disabilities at mixed use facilities where large numbers of people gather.

Between May 7 to May 12, 2016, we held a fair featuring products of the social welfare corporation Itaru Center at COREDO Nihonbashi (Chuo-ku, Tokyo). The venue was filled with high-quality products such as bread, confections, clothing, and sundries, and the fair was a great success. Sales from this event were returned to people with disabilities, and a portion was also donated for the Kumamoto Earthquake.



Event to support the disabled



Items sold at event to support the disabled



**◆Efforts by the Halekulani**

At the Halekulani Hotel operated in Hawaii (USA) by the Mitsui Fudosan Group, we are engaged in community-based volunteer activities in partnership with Aloha United Way, an organization that provides opportunities for fund-raising and volunteer activities. In May 2016, we removed weeds and planted taro in an ancient taro field called Waihe'e Lo'i with the aim of revitalizing Hawaiian culture and teaching children about its importance. On December 3, 2016, we held a charity golf tournament called Swings for Charity to raise funds in support of disadvantaged children. Twenty-four current and former employees participated, and 630 dollars were raised through donations.



Activities in a taro field



Charity golf tournament

## Contributing to Education and Culture

### ◆ Nihonbashi Kids Town — Exciting Work Experience!

In cooperation with the Nihonbashi Kids Town Executive Committee, Mitsui Fudosan held the event, Nihonbashi Kids Town — Exciting Work Experience!, for elementary schoolchildren on May 14 and 15, 2016.

Nihonbashi is a Tokyo neighborhood that brings together companies with diverse histories, fields, and sizes, including long-established stores dating back to the Edo period, companies in various industrial fields that drive the Japanese economy, and retail facilities that have opened in response to redevelopment. The purpose of this event was to communicate the appeal and deepen understanding of the area among children and their parents or guardians, through a work experience program exploiting the local characteristics of Nihonbashi. In fiscal 2016, eight new programs including a Shinto Priest Program to experience working at Fukutoku Shrine were added for a total of 29 programs, including a Finance Program to experience bank teller work and learn about stocks and investment; a Commerce Program to experience working in venerable, long-established Nihonbashi stores, and shops and restaurants in the COREDO Muromachi department store; a Chemistry Program for experiencing work at a pharmaceutical company; and a Tourism Promotion Program working in local government shops selling regional goods.

### ◆ Experience-Based Care Services and Research Project Tours for Elementary School Children on Summer Vacation

In August 2016, Mitsui Fudosan and Mitsui Fudosan Building Management offered an experience-based program for children (elementary school or younger) of people working in Mitsui Offices.

In homes where both parents work and raise children, a major problem is how children can spend their long summer vacations. This project aims to be a chance to solve this problem, through steps such as preparing meals every day, ensuring safety when parents are gone, and providing educational follow-up during the vacation. We offer fee-based care services for children, with a menu of options for experience-based learning that goes beyond classroom learning, so that children can enjoy learning and create fun memories while their parents are working. We also plan and provide research project tours to assist children with their summer vacation research projects and deepen ties between parents and children.

## Experience-Based Care Services for Schoolchildren

### ◎ Nihonbashi Summer School

In this event, kids learned while having fun through a quiz game perusing the history of Nihonbashi based on old maps, and a workshop by calligraphy artists. These classes gave students a keen sense of Nihonbashi history and culture they couldn't experience anywhere else. The school was held on August 19 and 22.



Summer School



### Summer Vacation Research Project Tours

#### ◎3rd Research Project Tour of Kashiwa-no-ha Smart City

This Research Project Tour was planned in collaboration with local educational institutions and student groups for people who work at Mitsui Offices in the Nihonbashi area. It allows them to spend a fulfilling day of their summer vacation with family, away from the noise of the city, in the rich natural surroundings of Kashiwa-no-ha Smart City. The tour was held on August 6.



Research Project Tour

#### ◎Disaster Countermeasure Family Tour for Kasumigaseki Building Tenants

Through tours of the inside of the Kasumigaseki Building, we are working to deepen understanding of efforts to realize disaster prevention in office buildings. Participants can learn about disaster prevention while having fun, through projects where they make disaster prevention supplies themselves, and a disaster prevention *karuta* (card) contest. This event was held on August 7.



Disaster Countermeasure Family Tour

**◆6th &EARTH Learn About Disaster Prevention! — BOSAI Stamp Rally**

Mitsui Fudosan and Mitsui Fudosan Retail Management, in collaboration with government and other groups, held a series of events for raising awareness of community disaster countermeasures starting on February 18, 2017. These events were called the 6th &EARTH Learn About Disaster Prevention! — BOSAI Stamp Rally and were held at 10 facilities throughout the Tokyo Metro area. To stage these events, 88 employees of the Mitsui Fudosan Group participated as volunteers, and a total of 6,250 guests participated at all of the facilities.

■Event Overview

Date	Venue	Cooperating government agencies, etc.
2/18 (Sat.)	LaLaport TACHIKAWA TACHIHI	Tachikawa City (support), Tachikawa Fire Department
2/19 (Sun.)	LaLaport YOKOHAMA	Tsuzuki-ku, Yokohama City (cosponsor); Tsuzuki Fire Department, Yokohama City; North Office, Resource Recycling Agency, Yokohama City
	Lazona KAWASAKI PLAZA	Kawasaki City (support)
2/25 (Sat.)	LaLa Garden KAWAGUCHI	Kawaguchi City (support), Kawaguchi City Fire Department
	Urban Dock LaLaport TOYOSU	Koto-ku (support)
2/26 (Sun.)	LaLaport KASHIWANOHA	Kashiwa City (support), Kashiwa City Fire Department
	LaLaport EBINA	Ebina City (support), Ebina City Fire Defense Headquarters, Ayase City, Zama City, Ebina Ogi-cho Area Management (General Incorporated Association)
3/4 (Sat.)	LaLaport FUJIMI	Fujimi City (support), East Iruma District Firefighting Association, East Fire Department
	LaLaport TOKYO-BAY	Funabashi City (cosponsor)
3/5 (Sun.)	LaLaport SHIN MISATO	Misato City (support)



LaLaport SHIN MISATO



LaLaport FUJIMI

**◆Held Disaster Prevention Education Event: Toyosu Disaster Prevention EXPO 2016**

The Toyosu Disaster Prevention EXPO 2016 is an annual disaster countermeasure event in the Toyosu area, held for the 9th time in fiscal 2016. Following on the event held in 2015, a BO-SAI Living School was held at Urban Dock LaLaport TOYOSU. An experience-based program and marche were held incorporating elements such as the “economy class syndrome” and “shelters.” The event was well-received by participants who were able to naturally master disaster countermeasure knowledge while having fun.



**◆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 Memorial Museum inside the Mitsui Main Building (Chuo-ku, Tokyo), which is itself an Important Cultural Property of Japan. The Mitsui Memorial Museum stores numerous artifacts that are national treasures or Important Cultural Properties. Mitsui Group companies provide support for the museum.

**◎Tokyo Midtown Award**

These awards were established in 2008 with the aim of discovering and supporting talent that will be responsible for the next generation. In fiscal 2016, 243 entries were received for the art competition, and 1,249 entries for the design competition, from both inside and outside Japan. The Grand Prix and other prizewinners were decided in October. With the cooperation of the Halekulani Corporation (Mitsui Fudosan Group), Grand Prix winners of the art competition were invited to an art program at the University of Hawaii. Grand Prix winners of the design competition were invited to Milan during Milano Salone. In the design competition, we help winners commercialize their products.



Winners of the Tokyo Midtown Award



Grand Prix Winner of the Tokyo Midtown Award Art Competition

## Contributing to International Exchanges

### ◆Clothing Support Project at Retail Facilities

Every year at retail facilities operated by the Mitsui Fudosan Group, 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. Volunteers recruited from group employees participate in running the project. Transport costs for the donated clothing are also donated to the NPO Japan Relief Clothing Center.

In fiscal 2016, the project was held at 24 facilities nationwide in May, and from October to November. A total of 13,187 participants donated about 70,510 kg of clothing, and ¥706,479 in cash. Since the project's first event in 2008, a cumulative total of 69,773 participants have donated about 375,319 kg of clothing, and ¥4,939,854 in cash.



Collecting clothing



Sorting work

### ◆UN Refugee Assistance Campaign & UNICEF Monthly Supporter Recruiting Campaign

At some of our retail facilities, we held a UN Refugee Assistance Campaign, and for the first time a UNICEF Monthly Supporter Recruiting Campaign.

The UN Refugee Assistance Campaign conducted at 17 retail facilities operated by the Mitsui Fudosan Group supports the refugee aid activities of the UNHCR (United Nations High Commissioner for Refugees). In this campaign, we explained the activities and support situation of the UNCHR, which provides refugee aid in about 125 countries throughout the world, and introduced the Monthly Club, a program for continuous, monthly support.








In the UNICEF Monthly Supporter Recruiting Campaign we introduce efforts to support the lives and growth of children, and recruit participants in the UNICEF Monthly Support Program for continuous monthly fund-raising. This campaign is carried out in more than 150 countries and regions worldwide. At campaign booths set up at 11 retail facilities operated by the Mitsui Fudosan Group, we displayed relief supplies and photo panels, and featured events such as virtual reality experiences of life in a refugee camp.

## 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><b>&amp;EARTH REPORT (Comprehensive Version)</b>  <a href="http://www.mitsui-fudosan.co.jp/english/corporate/csr/2017/index.html">http://www.mitsui-fudosan.co.jp/english/corporate/csr/2017/index.html</a></p>
	<p><b>&amp;EARTH REPORT (Digest Version)</b>  <a href="http://www.mitsui-fudosan.co.jp/corporate/csr/">http://www.mitsui-fudosan.co.jp/corporate/csr/</a></p>
	<p><b>&amp;EARTH Social Contribution and Environmental Activities</b>  <a href="http://www.mitsui-fudosan.co.jp/and_earth/?id=global">http://www.mitsui-fudosan.co.jp/and_earth/?id=global</a></p>
	<p>Mitsui Home Co., Ltd.  <b>Environmental and Social Activities</b>  <a href="http://www.mitsuihome.co.jp/company/kankyo/">http://www.mitsuihome.co.jp/company/kankyo/</a></p>
	<p>Tokyo Midtown Management Co., Ltd.  <b>On the Green</b>  <a href="http://www.tokyo-midtown.com/jp/about/csr/">http://www.tokyo-midtown.com/jp/about/csr/</a></p>
	<p>Mitsui Fudosan Facilities Co., Ltd.  <b>Social and Environmental Initiatives</b>  <a href="http://www.mitsui-fc.co.jp/csr/report/eco-report201">http://www.mitsui-fc.co.jp/csr/report/eco-report201</a></p>
	<p>Mitsui Fudosan Residential Co., Ltd.  <b>Environmental Initiatives</b>  <a href="http://www.mfr.co.jp/environment/">http://www.mfr.co.jp/environment/</a></p>

	<p>Mitsui Fudosan Residential Lease Co., Ltd.  <b>Social Contributions and Environmental Initiatives</b>  <a href="http://mfhl.mitsui-chintai.co.jp/company/about/environment/index.html">http://mfhl.mitsui-chintai.co.jp/company/about/environment/index.html</a></p>
	<p>Mitsui Fudosan Hotel Management Co., Ltd.  <b>Environmental Policy</b>  <a href="http://www.gardenhotels.co.jp/corporate/environment/">http://www.gardenhotels.co.jp/corporate/environment/</a></p>
	<p>Mitsui Fudosan Retail Management Co., Ltd.  <b>Environmental Enhancement and Social Philanthropic Activities</b>  <a href="http://www.mf-shogyo.co.jp/eco/">http://www.mf-shogyo.co.jp/eco/</a></p>

## Tools for Customers

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

	<p><b>Guide Book for Moving In</b>  A guidebook for customers issued by Mitsui Fudosan Residential Lease Co., Ltd. summarizes the points of residential life.</p>
	<p><b>31sumai (Mitsui's residence)</b>  <a href="http://www.31sumai.com/">http://www.31sumai.com/</a>  A comprehensive information website for housing operated by Mitsui Fudosan Residential Co., Ltd.</p>
	<p><b>Everyone's Home</b>  <a href="http://www.37sumai.com/">http://www.37sumai.com/</a>  A communication forum where everyone talks about homes.</p>
	<p><b>Healthy Forests and the Secrets of Trees</b>  This family-oriented pamphlet showcases the Mitsui Fudosan Group's forest conservation activities.</p>

## Tools 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><b>Mitsui Fudosan's intra-company newsletter &amp;you</b></p>
	<p><b>Mitsui Fudosan's intra-group magazine MuFu!</b></p>
	<p><b>Eco Life Handbook</b> Mitsui Fudosan's tool for raising environmental awareness among employees.</p>
	<p><b>LaLaSta</b> 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 mainstay 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.

#### Good Design Award Recipient for 17 Consecutive Years

At the Mitsui Fudosan Group, six projects received the Good Design Award in fiscal 2016 (sponsored by the Japan Institute of Design Promotion). These awards were received in recognition of our efforts to create affluent living spaces and pleasant environments from a variety of standpoints, and our results in creating new value in neighborhood creation.

■ Projects to have received the award in fiscal 2016 \*Award-winning businesses listed in brackets

##### ◎GLOBAL FRONT TOWER

(Minato-ku, Tokyo) Received award in housing and living space category [Mitsui Fudosan Residential and others]

Creation of daily living with enjoyment of the four seasons in the city center, with features such as a water amenity park URBAN SANCTUARY for intellectual education, and a pentagonal tower rising in the center.

##### ◎Park Axis PREMIER MINAMIAOYAMA

(Minato-ku, Tokyo) Received award in housing and living space category [Mitsui Fudosan Residential]

Offers quality living as a home connected with the neighborhood that is not hotel-like. (see Quality—22)

##### ◎GATE SQUARE KOSUGI JINYACHO

(Nakahara-ku, Kawasaki City) Received award in housing and living space category [Mitsui Fudosan Residential and others]

Centered on a courtyard brimming with light and wind, this property inherits the historical and spiritual legacy of the land, and creates a living space with taste and serenity. (see Quality—11)

##### ◎mirai-kodomo-gakko

(Kashiwa City, Chiba) Received award in regional/community development and social contribution activities category

[Mitsui Fudosan Residential and others]

A learning platform involving the whole community, for nurturing future potential and building ties between children and adults through learning.

##### ◎Sakurajosui Gardens

(Setagaya-ku, Tokyo) Received award in housing and living space category [Mitsui Fudosan Residential and others]

Providing a meaningful concept and techniques to serve as a model case for condominium renovation in Japan going forward.

##### ◎WESTWOOD

Received award in housing and living space category [Mitsui Home]

A one-story house that realizes indoor environment comfort and a flat living space suited to smaller household sizes and an aging population. (see Quality—22)

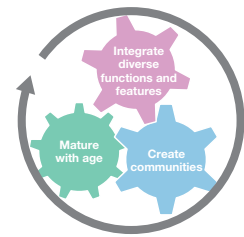


## Basic Stance toward Urban Development

The Mitsui Fudosan Group's basic stance toward urban development encompasses the following three activity goals.

The first is to integrate diverse functions and features, which involves promoting mixed use (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.



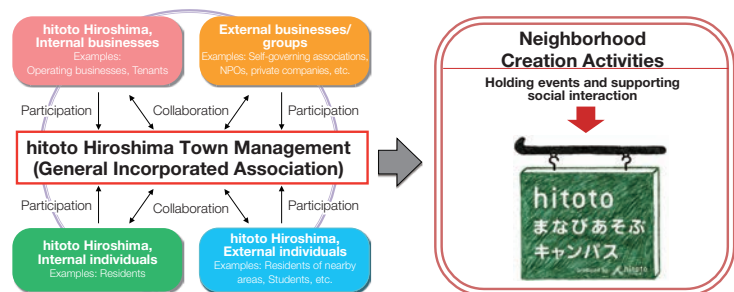
Basic stance toward urban development

### ◆ Creation of the hitoto Hiroshima Neighborhood, Driven by a Town Management Organization

The hitoto Hiroshima neighborhood (Naka-ku, Hiroshima City) was opened in October 2016, and is part of the Hiroshima Knowledge Base Regeneration Project promoted by a group of nine members, including Mitsui Fudosan Residential, on the former site of the Hiroshima University administration building. Development is underway based on the concept of a campus city brimming with “learning through play” for enriching individual lives and Hiroshima as a whole. This will be achieved through person-to-person connections, open to all ages, and suited to the history of an area which has flourished as a neighborhood of education and culture. At hitoto Hiroshima, hitoto Hiroshima Town Management (a General Incorporated Association) has been established to promote collaboration of companies, groups, and individuals involved with the neighborhood from a variety of perspectives, such as operating businesses, tenants, residents, and private companies. By holding events and supporting social interaction activities, the association promotes neighborhood creation rooted in the local community.



Computer graphic showing projected view of hitoto Hiroshima at completion



Conceptual diagram of town management

**◆Received Minister of Land, Infrastructure, Transport and Tourism Award for Nihonbashi Redevelopment**

Mitsui Fudosan is handling part of the Nihonbashi Muromachi East District Development Project and the Nihonbashi-honcho 2-Chome Redevelopment Project, and these projects received the Minister of Land, Infrastructure, Transport and Tourism (MLIT) Award (the highest award bestowed) at the fiscal 2016 Land Use Model Awards of the Institute for Future Urban Development, backed by MLIT. The Land Use Model Awards seek out exemplary cases to serve as successful models of land use where efforts are made to effectively use and properly maintain land. Outstanding examples are commended with an award, and then showcased nationwide to disseminate their concepts.

This project is the second stage of the Nihonbashi Revitalization Plan currently being implemented by a partnership of public, private and local organizations based on the concept of retaining, revitalizing, and creating the future. It received this award in recognition of regeneration as a sustainable city coexisting with the environment while exploiting the area's history and identity, and as an outstanding example of district improvement and redevelopment for realizing the creation of new value. (see Quality—11)



Nihonbashi Muromachi East District Development Project

**◆Kashiwa-no-ha Smart City Received MIPIM Award**

Kashiwa-no-ha Smart City (Kashiwa City, Chiba) is the flagship project of the Smart City Strategy promoted by Mitsui Fudosan, and it won the Best Futura Mega Project Award at the MIPIM Awards 2017 given by MIPIM (*Le marché international des professionnels de l'immobilier* — The international market for real estate professionals). The MIPIM Award is one of the most authoritative awards in the real estate industry, and is bestowed at MIPIM, a gathering of people involved in real estate and architecture from all over the world. In the Futura Mega Project category, Kashiwa-no-ha Smart City was highly regarded for realizing the potential of futuristic neighborhood creation, achieving an environment-conscious city, and contributing greatly to formation of a community rooted in the local area.



Overall appearance of Kashiwa-no-ha Smart City (Near Kashiwanoha-campus Station)

**◆Kashiwa-no-ha Smart City Received the Ishikawa Award**

Urban design management through collaboration between the public, private and academic sectors by the Urban Design Center Kashiwa-no-ha (UDCK) in Kashiwa-no-ha Smart City won the fiscal 2016 Ishikawa Award bestowed by the City Planning Institute of Japan. Design and management of the city through a public, private, academic partnership was rated highly as a model for urban planning in Japan, showing directions for the future.



Award recipients



**◆Kashiwa-no-ha Smart City Acquired Japan's First LEED-ND Platinum Certification**

Kashiwa-no-ha Smart City became the first in Japan to acquire Platinum certification under the ND (Neighborhood Development) category of the international LEED system for certifying environmental performance operated by the United States Green Building Council (USGBC). The applicable area which acquired certification, extending over 42 ha centered on the Kashiwa-no-ha Campus, is one of the largest in the world. Neighborhood creation to realize world-class environmental performance aided in the acquisition of this certification.

**◆Kashiwa-no-ha Smart City Received the MLIT Award at the Japan Innovative Cities Awards of MLIT**

Kashiwa-no-ha Smart City won the MLIT Award at the 1st Japan Innovative Cities Awards, where MLIT recognizes advanced neighborhood creation initiatives for solving urban problems and creating next-generation urban spaces. At Kashiwa-no-ha Smart City, Mitsui Fudosan is driving the emergence of innovation through collaboration of the public, private, and academic sectors in order to solve energy problems, issues of the aging society, economic revitalization, and other problems, based on the three themes of environmental harmony, health and longevity, and creation of new industries. Other reasons for receiving this award were the high evaluation of features such as the innovation of using Japan's first smart grid to achieve power pooling between blocks, and dissemination of information for inbound tourism.



Kashiwa-no-ha Smart City is a model for the next-generation environmental cities of the future



Kashiwa-no-ha Open Innovation Lab

## Urban Development Utilizing the Power of Sports

As a Tokyo 2020 Gold Partner in the Real Estate Development category, Mitsui Fudosan is making various efforts to realize change under the slogan BE THE CHANGE: Cities Start World Changes, by sparking positive changes in people, communities, and society starting from neighborhood creation.

### Urban Development Initiatives Utilizing the Power of Sports

#### ◎Mitsui Fudosan Sports Academy for Tokyo 2020 [From April 13, 2016]

Mitsui Fudosan Sports Academy for Tokyo 2020 is a one-day 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 continue until 2020. Events held since the opening of the academy are as follows.

1st workshop (April 13, 2016)	Gymnastics, wheelchair rugby
2nd workshop (August 3, 2016)	Badminton
3rd workshop (October 10, 2016)	Sport climbing
4th workshop (November 20, 2016)	Gymnastics
5th workshop (November 21, 2016)	Athletics
6th workshop (January 5 and February 25, 2017)	Ice skating

#### ◎City Dressing [August, September–October, 2016]

As a Tokyo 2020 Gold Partner in the Real Estate Development category, Mitsui Fudosan carried out City Dressing, where a neighborhood is decorated with large graphics, in Tokyo Midtown (Minato-ku, Tokyo) on August 4–21, and in the Nihonbashi area (Chuo-ku, Tokyo) from September 20 to October 10.

#### ◎WANGAN ACTION Sports Academy [From May, 2016]

Mitsui Fudosan Residential holds the WANGAN ACTION Sports Academy, where elementary school students are supervised by top athletes, in order to revitalize the Wangan (bay) area of Chuo-ku and Koto-ku in Tokyo. In 2016, programs were held for three sports: gymnastics, badminton, and athletics.

\*As one of Mitsui Fudosan's group companies, Mitsui Fudosan Residential is supporting the Olympic and Paralympic Games Tokyo 2020 through neighborhood creation.

#### ◎Mitsui Fudosan Challenge Stadium [November 18–20, 2016]

At the Mitsui Shopping Park Urban Dock LaLaport TOYOSU, Mitsui Fudosan held Mitsui Fudosan Challenge Stadium — An Event for Supporting Tokyo 2020 Paralympic Games where the public could have fun experiencing and learning about Paralympic sports. Participants experienced wheelchair rugby, wheelchair basketball, and other sports, and interacted with players, thereby helping to energize the community, and build up momentum for the Tokyo 2020 Paralympic Games.

#### ◎Ice Rink for Tokyo 2020 [January 5 – March 5, 2017]

At Tokyo Midtown, operated by Mitsui Fudosan, we opened the Mitsui Fudosan Ice Rink for Tokyo 2020, one of the largest outdoor ice skating rinks in the Tokyo metro area, from January to March 2017. This time, the event was certified as a Tokyo 2020 Official Programme (Sport & Health), and a variety of special events were held such as night skating with beautiful illuminations and skating classes.



Opening ceremony of 1st Sports Academy



Nihonbashi City Dressing



**BE THE CHANGE**

さあ、街から世界を変えよう。



TOKYO 2020



三井不動産



TOKYO 2020 PARALYMPIC GAMES

東京2020ゴールド街づくりパートナー

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

**◆Sports Sponsorship**

The Mitsui Fudosan Group is promoting neighborhood creation through the Power of Sports. Sports has the power to make people living, working, or relaxing in a neighborhood healthy in body and mind, and to create new connections. Through doing, watching, and supporting sports, we hope to energize the community in each area. As part of these activities, we support the athletes who represent Japan on the world stage.

●Official Partner for Wheelchair Rugby [From April 2016]

Mitsui Fudosan has signed a contract as an official partner of the Japan Wheelchair Rugby Federation. Wheelchair rugby is an international sport played in wheelchairs that has spread widely in Europe and the USA. Through support for parasports, we will promote proper understanding of disabilities, and contribute to a barrier-free world and acceptance of diversity, so that gender, race, nationality, and disability do not matter.



●Official Sponsor of the Japan Women's National Basketball Team [From April 2016]

Mitsui Fudosan signed an agreement as an official sponsor of the Japan women's national basketball team under the umbrella of the Japan Basketball Association. We are supporting the promotion of sports through efforts such as sponsorship of international practice games to enhance player skills in women's basketball.



©JBA



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●Official Sponsor of Sport Climbing [From April 2016]

Mitsui Fudosan has signed an agreement as an official sponsor of the sport climbing category of the Japan Mountaineering and Sport Climbing Association, and we are contributing to the popularization and promotion of the sport through sponsorship of competitions and support for three women climbers.



©Ikuko SERATA



## 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. In addition to Kashiwa-no-ha Smart City, which aims to be a city of new industry creation, we developed the Nihonbashi area of Tokyo in fiscal 2016 as a hub for projects promoting life science innovation, and thereby strengthened support functions for global business. By helping innovators inside and outside Japan to meet and co-create across field boundaries, we aim to further improve the value of Nihonbashi, and contribute to the solution of issues relating to the health and longevity of the world's people.

#### ◆Asian Entrepreneurship Award 2016

The Asian Entrepreneurship Award 2016, an international business contest held every year in partnership with other Asian nations, took place on June 5–7, 2016, co-hosted by Mitsui Fudosan at Kashiwa-no-ha Smart City which aims to be a global innovation base.

Here, 27 venture companies selected from 14 countries and regions, primarily in Asia, came together and expanded their human networks with partners such as Japanese venture consultants. In the final session on the last day, judging was done by four judges familiar with venture business and active on the global stage. The Grand Prix was awarded to a company from Malaysia, and 2nd and 3rd place to firms from Russia and Taiwan, respectively.



Group photo of award winners

#### ◆UCLA Japan Center Established at Kashiwa-no-ha Smart City

In June 2016, Mitsui Fudosan and UCLA (University of California, Los Angeles) established the UCLA Japan Center in the 31VENTURES KOIL Kashiwa-no-ha Open Innovation Lab at Kashiwa-no-ha Smart City. The UCLA Japan Center was first established as a project commemorating the 100th anniversary in 2019 of the founding of UCLA, and it functions as UCLA's point of contact in Japan, its Japan alumni office, and a base in Japan for UCLA researchers. One of its main purposes is to serve as a base for interaction so that Kashiwa-no-ha Smart City can help drive further development of international relationships involving Japan, Asia, and the USA, and promote mutual international understanding.



Sign of 31VENTURES KOIL



UCLA Japan Center

◆ **Decision Made on 1st Investment of 31VENTURES Global Innovation Fund**

In July 2016, Mitsui Fudosan invested in LivingStyle, Inc. through 31VENTURES Global Innovation Fund I, a fund for venture firms operated by Global Brain Corporation. LivingStyle, Inc. is a service provider offering various solutions with a focus on interior layout simulation systems employing Web3D technology. Going forward, it will expand its lifestyle proposal business centered on interiors by employing co-creation of new ICT tools, in partnership with Mitsui Designtec Co., Ltd., a member of the Mitsui Fudosan Group engaged in space design.



Web3D layout simulation system of LivingStyle

◆ **Program to Support Global Expansion of Unutilized Intellectual Property**

In April 2017, Mitsui Fudosan and IP Bridge, Inc. launched ManGO Factory, a program to support global expansion of Japanese companies focusing on unutilized intellectual property. Among technology for which a patent application has been filed in Japan, unutilized intellectual property refers to intellectual property that has yet to be deployed globally. This type of IP accounts for about 84% of IP at small and medium-sized enterprises, and about 67% at large firms (source: Japan Patent Office Annual Report 2016, Japan Patent Office).

This program formulates clear strategies for international expansion by Japanese technology firms with outstanding, unutilized intellectual property, and provides support to establish footholds for stepping into the international market. Acting as a bridge for delivering outstanding technologies used only in Japan to markets overseas, this program will help to benefit people throughout the world.



Clip Nihonbashi — the base of the program

◆ **Established LINK-J in Nihonbashi as a Base for Life Science Innovation in Japan**

In March 2016, Mitsui Fudosan and interested members of academia established the Life Science Innovation Network Japan, Inc. (LINK-J), based in the Nihonbashi area of Chuo-ku, Tokyo.

Nihonbashi is known as a town of medicine, whose streets have been lined with medicine wholesalers from the Edo period, and even today, there is a concentration of firms in the life science field. Mitsui Fudosan has positioned creation of new industries as a critical strategy for expanding its business domains, and in the Nihonbashi area, we are channeling effort into promoting open innovation in the life science domain through an alliance of industry, government, and academia. The purpose of the newly established LINK-J is to promote domestic and international cross-disciplinary interaction of human resources and technologies through its network, and support commercialization of “seeds” and ideas in the life science fields through industry-government-academia collaboration. Alliances have been established with the University of California, San Diego, and the life sciences association Biocom, and we will contribute to energizing life science innovation in Japan.



LINK-J logo



Press conference

**(1) Held LINK-J Inaugural Symposium**

On October 24, 2016, the LINK-J Inaugural Symposium was held to commemorate the establishment of LINK-J. The symposium was held as Part 3 of the 1st Industry-Academia-Government Regenerative Medicine Symposium, hosted in collaboration with the Japanese Society for Regenerative Medicine (JSRM), and the Forum for Innovative Regenerative Medicine (FIRM). On the day of the event, there were about 500 participants, and the event showed the great expectations and major role LINK-J will play in creating innovation in the life science domain.



Industry-Academia-Government Regenerative Medicine Symposium

**(2) First Base Outside USA Established by University of California, San Diego in Nihonbashi**

On July 26, 2016, the University of California, San Diego opened its first base outside the USA in the Nihonbashi Life Science Building (Chuo-ku, Tokyo). UC San Diego is known for its advanced research and development organization in the life sciences, and it leads the industry in industry-academia collaboration. As a facility whose purpose is limited to the life sciences, the Nihonbashi Life Science Building is used for everything from international conferences to various types of seminars, and is equipped with shared offices that can be used 24 hours a day. This is also a Life Science Hub (Chuo-ku, Tokyo), equipped with features such as audio-visual equipment for supporting conferences and seminars, just like the Nihonbashi Life Science Building. Going forward, we will promote creation of innovation, through cooperation and partnerships with Japanese companies, research institutions, and universities, in a wide range of domains beyond the life sciences.



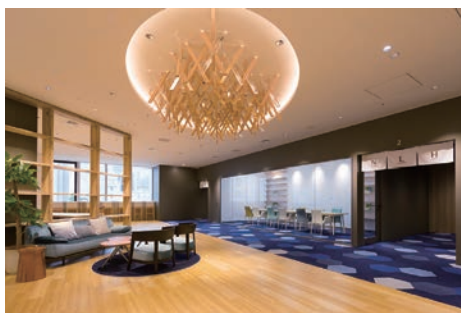
Nihonbashi Life Science Building



Entrance of Nihonbashi Life Science Building



Large conference room at Nihonbashi Life Science Building

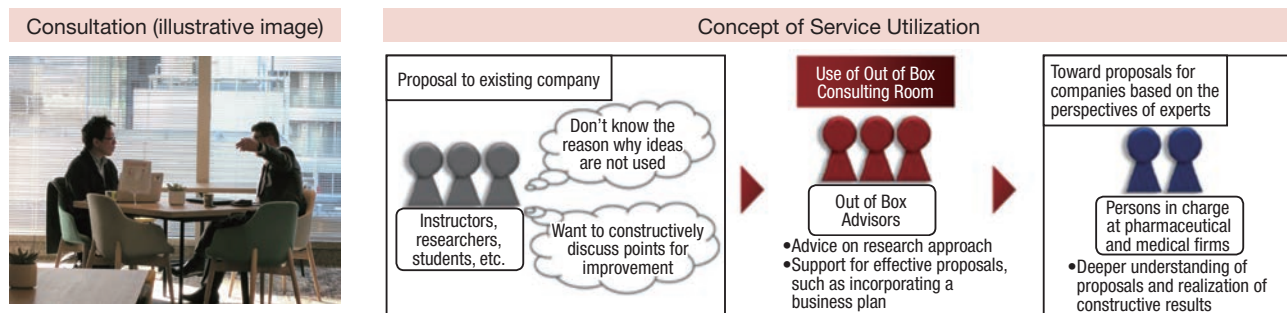


Nihonbashi Life Science Hub



### (3) Held Out of Box Consulting Room for Supporting Researchers

In October 2016, Mitsui Fudosan and LINK-J opened an Out of Box Consulting Room at the Nihonbashi Life Science Building. This is a place where university researchers and others proposing research descriptions and ideas to companies can easily consult with experts. The service closely examines outstanding seeds and ideas from a business perspective, and provides professional advice from a business perspective to deliver the results to the real world.



### (4) Conducted Accelerator Program ZENTECH DOJO NIHONBASHI

From November to December 2016, we collaborated with LINK-J to seek out participants to be supported by the accelerator program ZENTECH DOJO NIHONBASHI. This program is for entrepreneurs in life science industries, and is operated by INDEE Japan. Unlike entrepreneur support through approaches like ordinary venture capital, ZENTECH DOJO NIHONBASHI is a program that emphasizes support beyond just funding—incorporating human factors such as knowledge, experience, and networks—and it also examines the first steps of a startup, from the preliminary stages where the business model is formed. Even when there is no specific business plan, the program provides angel investment from an early stage using its own funds, if the entrepreneur has issues to be solved with his or her own new ideas or technology.

### (5) Opened Tokyo Medical-Industrial Cooperation Innovation Center in Nihonbashi

In November 2016, the Tokyo Medical-Industrial Cooperation Innovation Center was opened in the Nihonbashi Life Science Building. The Tokyo Medical-Industrial Cooperation Innovation Center, a facility operated in collaboration with LINK-J, strives to realize greater medical-industrial collaboration by promoting entry into the medical equipment industry and development of medical equipment by small and medium-sized enterprises in Tokyo.



Ribbon cutting ceremony at opening event

### (6) Participated in BRAVE Acceleration Program

Mitsui Fudosan and LINK-J participated as partner companies in the BRAVE Acceleration Program for engineers and researchers, organized by Beyond Next Ventures, for incubation investment in university-originated technology venture firms. The purpose of the BRAVE Acceleration Program is to provide knowledge, know-how and a network to realize commercialization, by serving as a platform for researchers and entrepreneurs to support commercialization of revolutionary technologies. Mitsui Fudosan and LINK-J agree with the aims of this program, provide venues for training and the Final Pitch Contest, and have established a Life Science Award for the winner of the Final Pitch Contest. Going forward, we will continue to support creation of new industries by promoting open innovation in the life science field.



Press conference

## Aiming to Tap Inbound Tourist Demand

As a comprehensive developer, the Mitsui Fudosan Group manages retail facilities, hotels and resorts across Japan. To advance toward the goal of achieving 40 million foreign visitors to Japan in 2020, as set forth in the Japanese government's Tourism Vision to Support the Future of Japan, we are stepping up efforts to welcome an increasing number of tourists from foreign countries (i.e., inbound tourism).

The Mitsui Fudosan Group (including its retail facilities, hotels, and resorts) is working to expand the tourism market by enhancing ways to meet the needs of foreign tourists, whose number is expected to increase even further in the future.

### ◆Started Multi-Language Display Service for Parking Lot Use Instructions

As a response to the increasing number of foreigners visiting Japan in recent years, Mitsui Fudosan Realty started a service in January 2017 for displaying the use instructions for Mitsui Repark parking lots in multiple languages. If the user scans in the QR code on the parking lot ticket adjustment machine with a smartphone or similar device, then the parking lot use instructions and other information are displayed in the language set for the terminal, and information can also be listened to as audio. With support for five languages—Japanese, English, Korean, simplified Chinese, and traditional Chinese—the system improves convenience for foreigners visiting Japan.



QR Code ticket adjustment machine



Screen of QR Code ticket adjustment machine

### ◆Store Guidance Service in Three Languages Using a Humanoid Robot

The three companies Mitsui Fudosan, Hitachi, and Hitachi Building Systems carried out demonstration experiments for a store guidance service using the multi-lingual dialog and autonomous traveling features of the humanoid robot EMIEW3. The experiments took place at the retail facility Diver City Tokyo Plaza (Koto-ku, Tokyo). In this experiment, the humanoid robot EMIEW3 operates in the food court and mall, providing customers with guidance to their destinations, and information on the stores in Diver City Tokyo Plaza and product lists. To enable response to the increasing number of inbound tourism customers, the robot is set to support three languages: English, Chinese, and Japanese. By making use of the results of demonstration experiments over a total of 12 days, in February and April 2017, we will strive to improve customer reception and guide services for the diverse customers who visit retail facilities.



EMIEW3



## 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 ¥34 per share (comprising an interim dividend of ¥16 and year-end dividend of ¥18 per share), compared with an annual dividend of ¥30 per share in fiscal 2015. Mitsui Fudosan plans to pay an annual dividend of ¥36 per share in fiscal 2017.

#### Information Disclosure Policy

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.

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 inquiries a year.

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



A results briefing for investors and analysts

### ◆ 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 Employees

Mitsui Fudosan aims to bring affluence and comfort to urban living through its group statement, and in that light, we have offered diverse and innovative solutions and services for business and living. Human resources are the most important driving force for creating new value. Our approach to human resources management is to establish a stage for the activities of each employee, with the aim of improving execution abilities of teams through study of professional knowledge and capabilities, and integration of various value systems and capabilities.

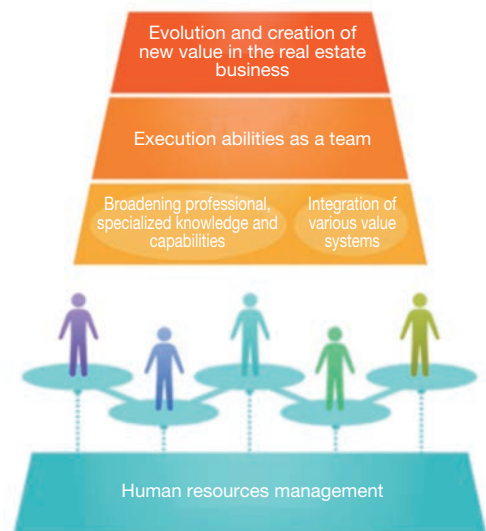
### Diversity Initiatives

The  representing the management principles of the Mitsui Fudosan Group symbolizes the principles of linking diverse values and coexisting in harmony with society. At Mitsui Fudosan, we are building an organization that allows diverse personnel to fully realize their capabilities, so that we can respond to dramatically changing social needs and create new value.

### Efforts to Reform Workstyles

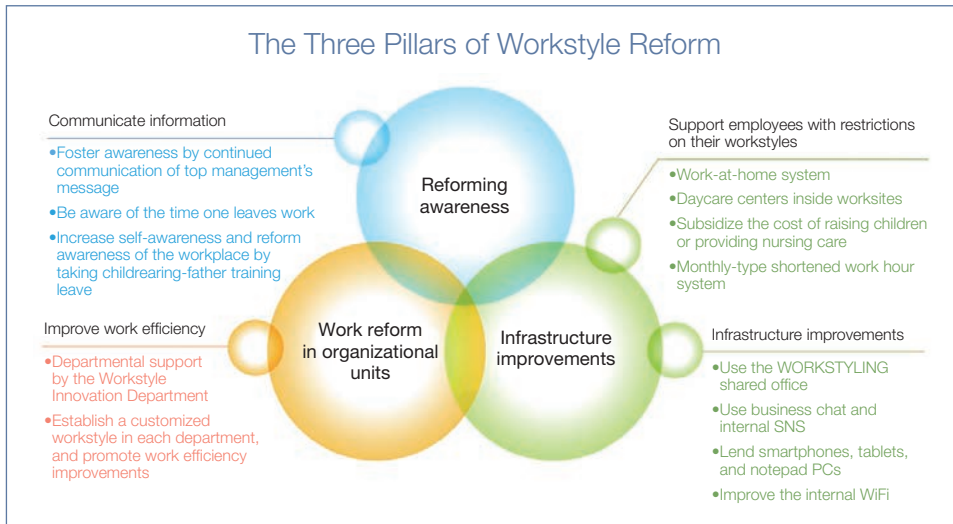
At Mitsui Fudosan, we believe that the ability of each person to select a workstyle suited to their stage in life, and fully realize their capabilities by exploiting their personal experience, is essential for sustained growth of our company. We are promoting workstyle reform to lay a foundation which enables active participation by personnel with diverse values and talents in pursuit of this goal.

In April 2016, we established a Workstyle Innovation Department to consolidate and promote various previous initiatives. We aim to achieve outstanding value creation by changing mindsets to boost workstyle quality in limited working hours, and improving institutional systems and the workplace environment to support that.



**◆ Main Measures to Promote Workstyle Reform**

We are promoting workstyle reform in an integrated fashion, taking as our three pillars: reforming awareness, infrastructure improvements, and work reform in organizational units.



**(1) Reforming awareness**

- Utilize internal publicity magazines and internal broadcasting to conduct educational activities and share expertise, including messages from top management
- From April 2017, all employees must leave work by 8 pm, to raise their awareness of having to work within a limited time
- Provide opportunities for increasing self-awareness and reforming awareness of the entire workplace by boosting male participation in childcare and allowing fathers to take continuous leave through the establishment of a new system for childrearing-father training leave

**(2) Infrastructure improvements**

- Utilize the WORKSTYLING Shared Offices provided by our company
- Introduce work-at-home system
- Support a variety of workstyles of employees by enabling use of daycare centers inside worksites
- Lend laptops, smartphones, tablets, and other devices to employees
- Use a PC use time control system
- Partially subsidize expenses for babysitters, after school care programs, and nursing care services

### (3) Work reform in organizational units

- The Workstyle Innovation Department supports each department's initiatives, establishes customized workstyles, and promotes work efficiency improvements



Dissemination of messages from top management to all employees



Special symposium on workstyle reform

## Promotion of Active Roles for Women

Mitsui Fudosan strives to be an organization where personnel with diverse values, talents, and lifestyles can realize their capabilities to the fullest. From the standpoint of promoting active participation by women, we have established an environment and institutional systems which allow people to work with respect for their individual values and lifestyles, regardless of sex, life events, or the existence of time constraints.

### Goals for Promoting Active Roles for Women

- (1) Promoting workstyle reform to lay the groundwork for active participation by diverse personnel including women.
- (2) Aiming to raise the number of women in management positions to more than 3 times the level in fiscal 2015 by 2020.



Mitsui Fudosan has received Eruboshi certification from the Minister of Health, Labour and Welfare. This system allows companies that have filed based on the Act on Promotion of Active Participation by Women in their Work Life, which came into effect on April 1, 2016, and met certain criteria, to be certified as outstanding in terms of implementation of measures to promote active roles for women.

## Employment of People with Disabilities

We are continually working to employ people with disabilities, based on perspectives such as corporate social responsibility and diversity.

Going forward, we will continue developing an organization where diverse personnel can realize their capabilities to the fullest.

## Employment of Seniors

We are actively working to offer a setting where employees over 60 can continue working and stay active, and many employees contribute to work through their previous experience, even after mandatory retirement.

## Creating Friendly Work Environments

We at Mitsui Fudosan aim to realize creation of higher value by accepting the diversity of our employees, and enabling each person to realize his or her capabilities to the fullest. We believe that increasing private time—where individuals encounter different values through self-improvement, interaction outside the company, and similar activities—helps to ensure sustained growth of the company.

### Efforts to Support Childcare

To support work balance for employees involved in childcare, we go beyond legally mandated programs, and provide programs such as in-office nurseries, childcare leave longer than the legally mandated period, and subsidies for the costs of raising children. In these and other ways, we are working to put in place an environment where it is easier to work, and employees can more fully realize their capabilities with peace of mind.

Through these initiatives, we have continually maintained a 100% return rate from childcare leave for more than 20 years among regular Mitsui Fudosan employees.

We are also focusing effort on fostering awareness and understanding of childcare among all members of the workplace. As one example, we have established childrearing-father training leave with the aim of promoting participation by men in childcare and fostering greater understanding of childcare. This program is being used by many employees.

#### Support for Childcare Balance at Mitsui Fudosan (some examples)

##### ◎ In-Office Nurseries

In-office nurseries can be used to support diverse workstyles of employees. They can be used by any employee, male or female and can also be used for temporary childcare

##### ◎ System for Childrearing-Father Training Leave (leave to support men's participation in childcare)

We promote men's participation in childcare by taking a fixed period of leave, and provide opportunities for the man concerned, and the workplace as a whole, to enrich their understanding of childcare. Over 70% of those eligible took this leave in fiscal 2016 when the new system was established

##### ◎ Spouse Maternity Leave

Paid leave is provided to the spouse before and after childbirth

##### ◎ Subsidy System for Babysitter and After-School Childcare Expenses

Assistance for some expenses due to use of babysitters, daycare, or after-school childcare

##### ◎ Work-at-Home System

Employees can work at home for all or part of a day. They can also use the WORKSTYLING shared offices provided at Mitsui Fudosan instead of home

##### ◎ Flex-Time System for Reduced Working Hours During Childcare

System for reduced working hours enabling adjustment of times within the overall working hours for the month, and variation in hours worked depending on the day

##### ◎ Childcare Leave

Childcare leave can be used for up to three years, longer than the legally mandated period

##### ◎ Childbirth and Childcare Interview System

Upon return, an interview is conducted involving the person concerned, superiors, and the Personnel Department



In-office nursery



## Efforts to Support Family Care

To support work balance of employees engaged in family care, we have developed a care environment that goes beyond the legally mandated programs, including a work-at-home system and a system for subsidizing the costs of family care. In addition, we have an in-house Care Design Department and care managers with expertise in family care, and in partnership with the Personnel Department, they hold Care Seminars for employees and their families, and respond to needs for care consulting.

### Support for Family Care Balance at Mitsui Fudosan (some examples)

◎ **Care Consulting System**

Provides consulting for employees on family care

◎ **Subsidy System for Family Care Expenses**

Assistance for some expenses due to use of care services

◎ **Work-at-Home System**

Employees can work at home for all or part of a day. They can also use the WORKSTYLING shared offices provided at Mitsui Fudosan instead of home

◎ **Flex-Time System for Reduced Working Hours During Family Care**

System for reduced working hours enabling adjustment of time within the overall working hours for the month, and variation in hours worked depending on the day

◎ **Family Care Leave**

Leave can be taken in parts, with an overall total of 1 year, exceeding the legally mandated period

◎ **Family Care Seminars**

We regularly hold events such as seminars on care and dementia support training for all employees

## Efforts to Support Work-Life Balance

We have adopted a variety of systems to enable employees to spend fulfilling time at both work and in their private life.

### Efforts to Support for Work-Life Balance at Mitsui Fudosan (some examples)

◎ **Flex-Time System**

Employees can flexibly determine their time for starting and stopping work within a certain range

◎ **Return Entry System**

System for re-employment after resignation due to transfer involving the move of a spouse

◎ **Special Summer Leave, Special Consecutive Leave**

Paid leave that can be taken freely in addition to the legally mandated annual paid leave

◎ **Refreshment Leave**

Leave (5–10 days) and a commemorative prize (travel tickets) award in recognition of a certain number of years worked

◎ **Cafeteria Plan**

A benefit program that can be used by selecting from a variety of options such as self-development or leisure/travel

◎ **Family Day**

A company event held every year with family participation to help deepen ties between employees and their families

### ◆ Mitsui Fudosan Family Day

The fiscal 2016 Mitsui Fudosan Family Day — Employee Thank You Day was held at Kidzania Tokyo in Urban Dock Lalaport TOYOSU (Koto-ku, Tokyo) on November 20. A total of 953 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.



## Efforts to Energize Communication

We have put in place various environments to further energize communication between employees, departments and group companies.

### ◆Cafe

Cafe kakoi is designed to create a space brimming with communication that breaks down barriers within Mitsui Fudosan and between group companies. Employees can freely use conference rooms located next to the cafe.



Cafe kakoi

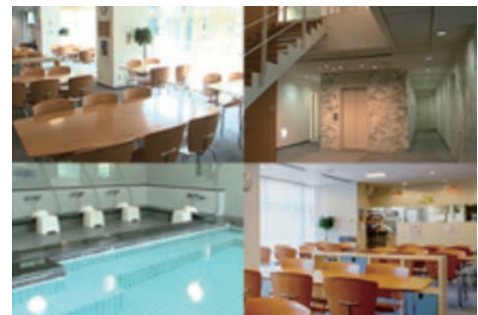


Adjacent conference room

### ◆Dormitory for Single Employees

Every year, many new employees move into Mitsui Fudosan's separate dormitories for single men and women.

With senior and junior employees from various departments living together, the environment generates a lot of conversation, regarding both work and private matters, and leads to growth as working adults.



Inside the dormitory for single employees

### ◆Showa Clubs



These are club activities for employees, recognized and supported by Mitsui Fudosan.

A total of 25 clubs are active in a wide range of fields, from sports to education and culture.

Baseball, tennis, mountaineering, fishing, skiing, soccer, rugby, basketball, *kendo* (Japanese fencing), swimming, volleyball, track and field, ping-pong, diving, bowling, cycling, lacrosse, badminton, *ikebana* (flower arrangement), tea ceremony, music, Japanese calligraphy, *shogi* (Japanese chess), go, movies and drama

## Employee Health Management

At Mitsui Fudosan, we are actively working to maintain and improve the health of employees while striving for a workplace environment where each employee can work energetically in accordance with his or her lifestyle. We have established a Health Committee and Health Management Center—specialized organizations for maintaining and improving employee health—and we are working to achieve goals such as improving the rate at which employees undergo periodic health checkups. We have also set up a Health Consultation Service where employees can freely discuss health issues, and in partnership with the Personnel Department, industrial physicians, public health nurses, and counselors, we are working to improve the working environment and the physical and mental health of employees.

### Health Management Measures at Mitsui Fudosan (some examples)

#### Employee Health Management

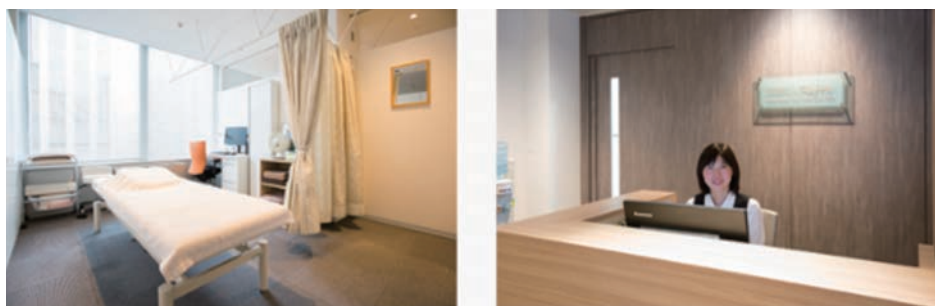
In addition to carrying out yearly health checkups, we also offer thorough health screening for all employees over 35 and their spouses, gynecological exams for female employees and the spouses of male employees, and leave to undergo thorough health screening.

We are also working to ascertain the working situation and health status of employees through yearly personal interviews between Personnel Department staff and all employees, stress checks, interviews with an industrial physician for overworked employees, and other programs.

#### Refreshment Room with Full-Time Massage Specialist

To help employees recover from fatigue and maintain physical/psychological balance, we have established Refre, a facility where they can refresh themselves with a massage or a nap.

A massage specialist is always on-duty to provide massage treatment.



Refreshment Room



As a company actively engaged in health management, Mitsui Fudosan was certified as an Excellent Enterprise of Health and Productivity Management 2017 (White 500) in the large enterprise category.

#### Excellent Enterprise in Health and Productivity Management System

This system is for commending large firms, small and medium-sized enterprises, and other corporations which practice health management with particular excellence, based on efforts responding to local health issues, and efforts to improve health promoted by the Nippon Kenko Kaigi. (Excerpt from home page of the Ministry of Economy, Trade and Industry)

## **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.

Every year, we provide training to all employees on topics such as sexual harassment, abuse of power, and discrimination, and we are continuously promoting awareness-raising activities. We have also established a consultation service for sexual harassment in our Personnel Department that is available by telephone 24 hours a day.

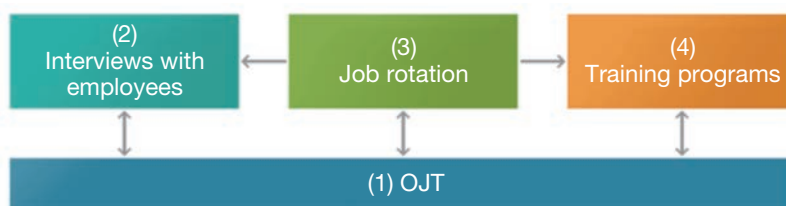
Mitsui Fudosan has established the Fair Employment Screening and Human Rights Awareness Raising Promotion Committee, and each Group company organizes Fair Employment Screening and Human Rights Awareness Raising Liaison Conferences to raise awareness of human rights issues across the Group.

## Human Resource Development: Fostering Human Resources that Possess a Broad Perspective and Expertise

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.

### Personnel Development Policy

Our basic policy on personnel development is to broaden capabilities by combining four opportunities for personnel development.



#### (1) OJT We provide On the Job Training through work on-site as the basis for personnel development

Through specific jobs in the workplace and communication between employees, we develop the capabilities necessary for job performance in a planned, continuous fashion.

#### (2) Interviews with employees We emphasize face-to-face communication with each individual

As part of our system, we provide employees with numerous opportunities to consult/discuss their career and capability development with the Personnel Department or their department manager.

Every year, the Personnel Department conducts individual interviews with each employee, and ascertains information on their problems, development environment, work situation, worries, and other issues. In this way we develop and support capabilities in accordance with the hopes and vision of each employee.

#### (3) Job rotation We have systematic training programs for improving diverse capabilities of employees

We conduct job rotation every few years. Our aim is to develop employees and an organization which can adapt to an ever-changing environment, and this is achieved by further deepening the experience and knowledge of each employee through work experience in multiple areas, while bolstering expertise through focus on work the employee is in charge of.

#### (4) Training programs We have systematic training programs for improving diverse capabilities of employees

We have systematic, diverse training programs, in areas ranging from basic abilities as a working adult to specialized skills and sharing of management awareness, in accordance with the respective role and capabilities of each employee, their personal progress in capability growth, and other factors.

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

##### ◎MEET21 Training

Seminar-style training where directors serve as professors and discuss management issues with several employees from every age group

##### ◎Cross Expert Training

Training that helps employees find their own role model by listening to wide-ranging talks on the experiences of company staff at the executive level



Internal training

■ Examples of Education and Training Programs

Broadening/growth of capabilities and perspectives	Long-term temporary assignment training outside the company, Cross Expert Training, training to develop people, MEET21 Training, assistance to pass the Information Technology Passport Examination
Improving work execution capability and specialization	Registered real estate broker training, financial accounting training, various types of distance learning courses
Broadening basic abilities as global personnel	Overseas trainee programs (English-speaking countries, Chinese-speaking countries), overseas management training, global training for young and mid-level employees
Fostering the mindset needed as a working adult	Compliance training, human rights awareness training, CSR training, harassment training
Deepening understanding as a member of an organization	New employee training, new employee development instructor training, follow-up training in 1st and 2nd years after joining company, diversity management training for newly appointed executives

■ Efforts to Develop Global Human Resources

We provide overseas assignment training and language programs to develop human resources who can act on the global stage, in areas such as the overseas business which is a key element of Mitsui Fudosan's management strategy, and the borderless market that is progressing even inside Japan.

■ System for Developing Global Human Resources



◆ Assignment for Overseas Language Training  
(Global Training for Young and Mid-Level Employees)

To build language skills, the ability to cope with different cultures, and overseas connections, we assign young employees (as a rule, all employees) and mid-level employees to overseas training for periods of 2–8 weeks.



Overseas language training



◆ **Trainee System**

We have an overseas trainee system for internships and language training in Europe, the USA, and Asia, for periods of 6 months to one year. Different employees are assigned to this program every year.



Trainee system

**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 23 employees participated in this training in fiscal 2016. As independent efforts, Mitsui Fudosan Facilities provided environmental training, and Mitsui Fudosan Residential Lease provided environmental education.



Afforestation training (Mitsui Fudosan)

■ **Environmental Training (Fiscal 2016)**

Sponsor	Type of Training	Number of Classes	Subject	Number of Participants
Mitsui Fudosan	Afforestation training	Once	Companywide	23
Mitsui Fudosan Facilities	New employee training	Each time	Newly hired employees	148
	Energy conservation management study group	Seven times	Companywide	172
	e-learning Learning about Environmental Initiatives 2016	-	Full-time and fixed-term employees	1,040



■ Environmental Education Activities (Fiscal 2016)

Provider	Details	Dates Implemented	Number of Participants
Mitsui Fudosan Residential Lease	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 • Introduction to smart leasing properties • Details of the Company's unique social and environmental contribution activities • The merits of LED lighting and cost simulations	Ongoing from March 2016	-

◆ Eco Tours

In fiscal 2016, Eco Tours, in which participants learn about environmental activities from both inside and outside the company, were sponsored once each by Mitsui Fudosan, Mitsui Fudosan Facilities, Mitsui Fudosan Reform, and Tokyo Midtown Management.

■ Eco Tours (Fiscal 2016)

Sponsor	Details	Number of Tours	Number of Participants
Mitsui Fudosan	• Tour of Tokyo Prefecture landfill site, Hydrogen Energy R&D Center of Toshiba Corporation, and LaLaport TACHIKAWA TACHIHI	Once	16
Mitsui Fudosan Facilities	• Tour of Kawasaki Eco-Town, facility for converting food waste into animal feed, waste paper recycling plant	Once	26
Mitsui Fudosan Reform	• Tour of industrial waste recycling facilities	Once	20
Tokyo Midtown Management	• Tour of recycled paper plant	Once	4



Eco Tours (Mitsui Fudosan)



Eco Tours (Mitsui Fudosan Facilities)



Eco Tours (Mitsui Fudosan Reform)



Eco Tours (Tokyo Midtown Management)

◆ Eco Test

Mitsui Fudosan and Group companies encourage employees to take the Certification Test for Environmental Specialists (Eco Test) administered by the Tokyo Chamber of Commerce and Industry. Mitsui Fudosan Facilities and Tokyo Midtown Management have made the Eco Test a required certification.

In addition, Mitsui Fudosan, Mitsui Fudosan Facilities and Mitsui Fudosan Residential Lease 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 2016)

Company name	Positioning of Eco Test	Total number of employees who have passed the test	Pass ratio
Mitsui Fudosan	Recommended	388	Approx. 22.8% of all employees
Mitsui Fudosan Facilities	Required	1,319	Approx. 87% of full-time and fixed-term employees, excluding junior employees
Mitsui Fudosan Building Management	Recommended	303	Approx. 30.1% of all employees
Mitsui Fudosan Architectural Engineering	Recommended	37	Approx. 40.6% of all employees, excluding dispatched employees
Mitsui Fudosan Residential Lease	Recommended	67	Approx. 10% of all employees
Tokyo Midtown Management	Required	61	Approx. 75.3% 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

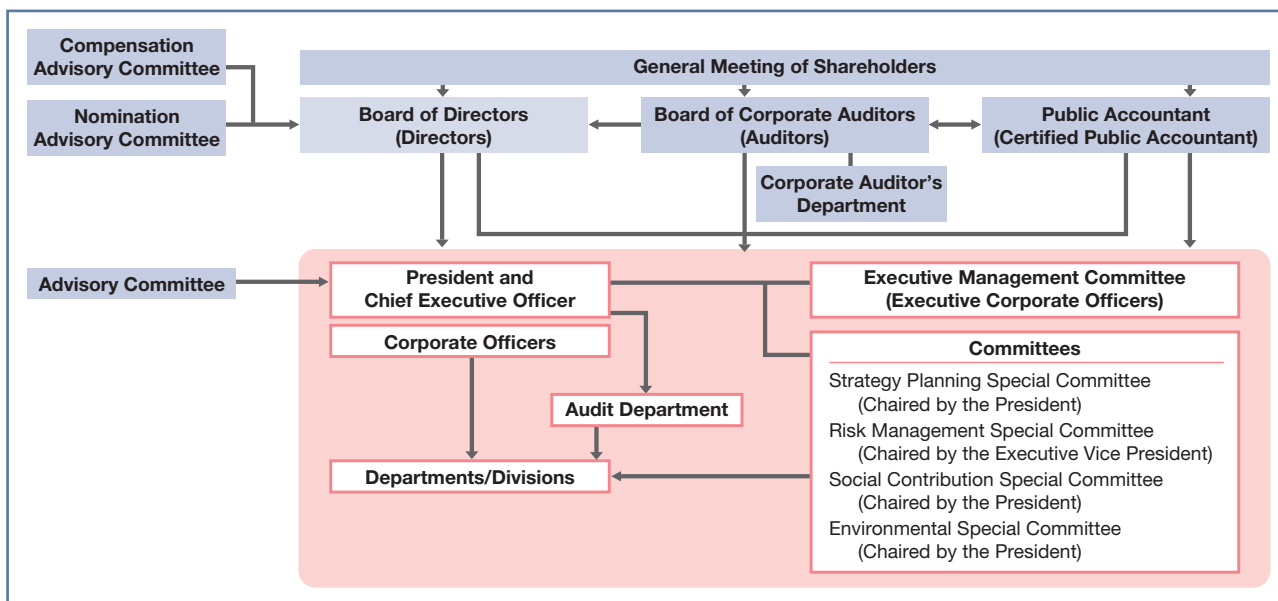
The Executive Management Committee, consisting of directors and executive corporate officers, in principle meets weekly to deliberate and report on important matters related to business execution. Fulltime corporate auditors also attend meetings to stay informed of important decision-making processes 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 undertake in 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, 2017)**

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 outside directors), 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 Auditor's 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 2016, the Risk Management Special Committee met, in principle, 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.

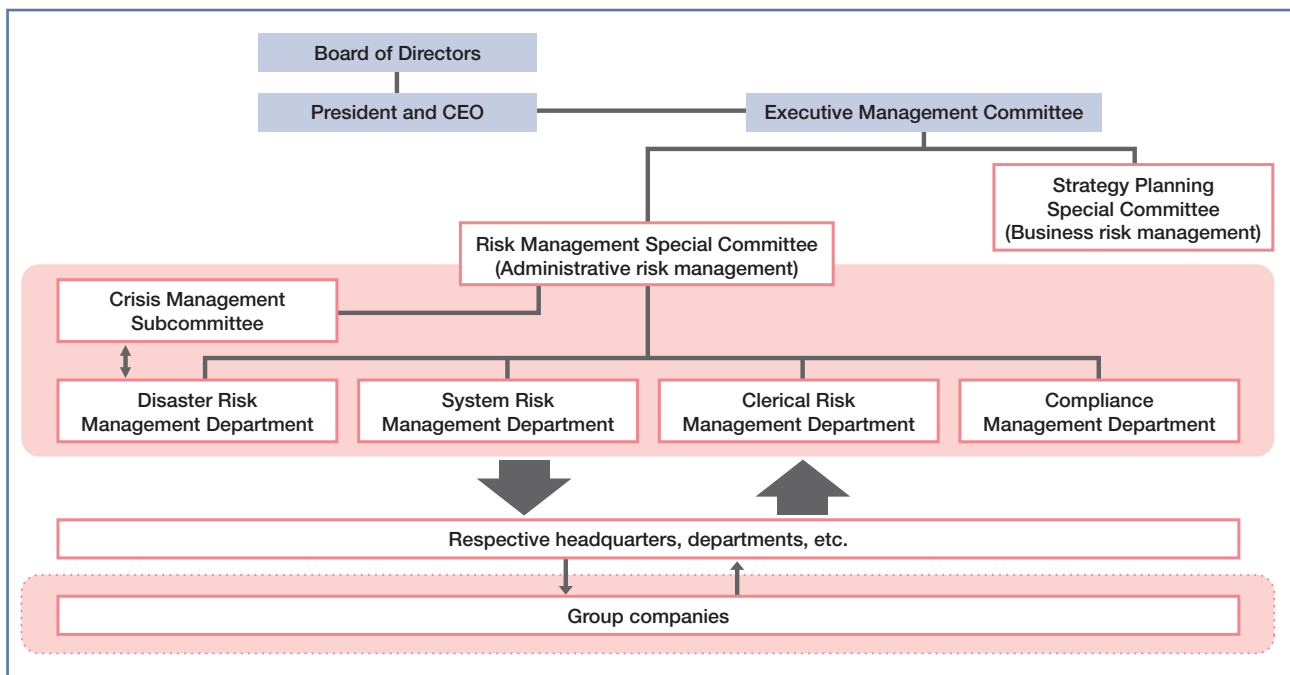
\*1 Business risk:

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, 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.

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 onwards.



Compliance training

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

Mitsui Fudosan, Mitsui Fudosan Realty, Mitsui Fudosan Investment Advisors, Nippon Building Fund Management, Mitsui Fudosan Frontier REIT Management, Mitsui Fudosan Accommodations Fund Management, and Mitsui Fudosan Logistics REIT Management 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

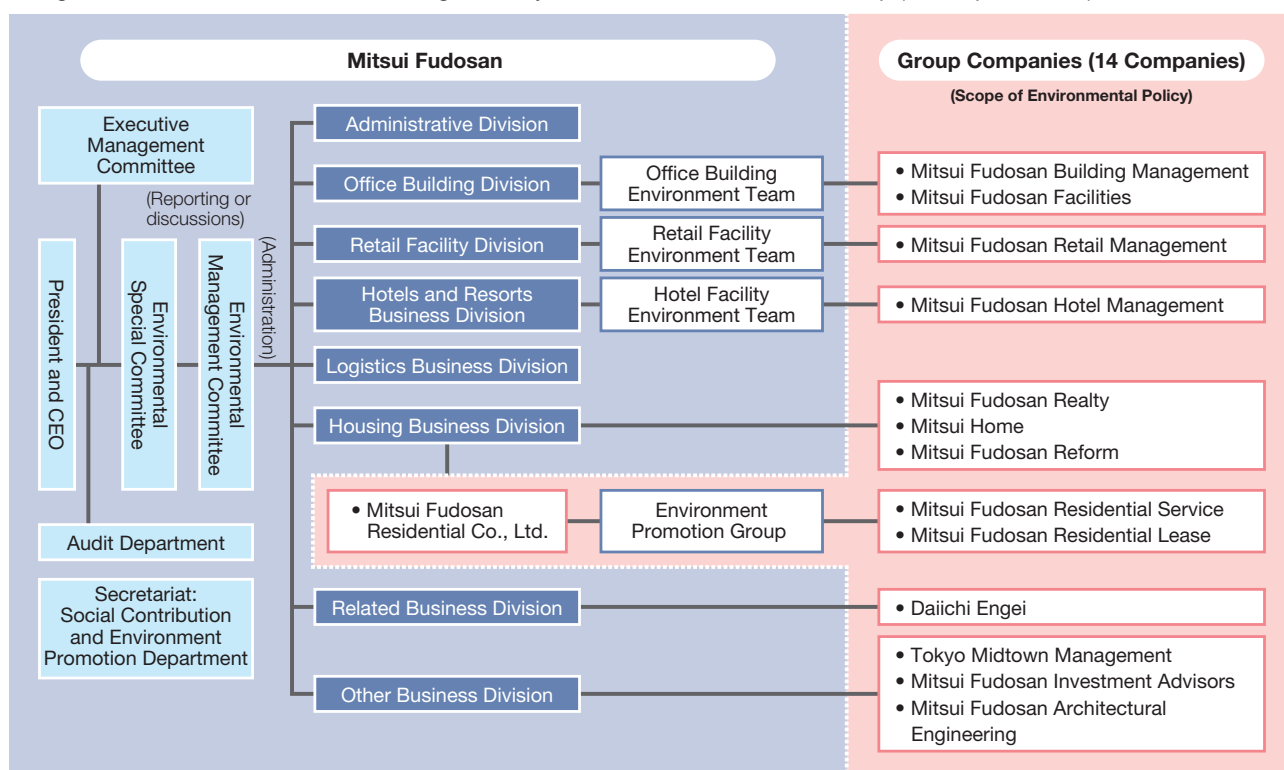
Mitsui Fudosan Group companies share compliance information and work to resolve any issues. By doing so, we are pouring forth effort into raising our compliance level as a Group.

## Environmental Management System and Social Contribution System

### Environmental Management System

Mitsui Fudosan has established an Environmental Management Committee subordinate to the Environmental Special Committee (headed by the President and CEO), established fiscal year targets for each business division (→ Please refer to Major Achievements Regarding Fiscal 2016 Environmental Efforts and Fiscal 2017 Quantitative Targets) in accordance with the Group Environmental Policy (→ Please refer to The Mitsui Fudosan Group's Approach to CSR, CSR-03) and is planning environmental initiatives alongside Group companies subject to environmental policies. As of April 1, 2017, there are 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, 2017)



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

### Social Contribution System

The Social Contribution Committee under the Social Contribution Special Committee, which is headed by the President and CEO, was established to promote social contributions throughout the Mitsui Fudosan Group.

The Social Contribution Committee formulates the principles and policies that define the social contribution activities of 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 (→Please refer to The Mitsui Fudosan Group's Approach to CSR, 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 Office Building Division)

### Cost of Environmental Conservation

Investments in fiscal 2016 totaled ¥204,461,000 mainly for updating air-conditioning systems and installing new air-conditioning control equipment.

Spending during the fiscal year of ¥1,195,440,000 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 ¥145,554,000 which included efforts to ensure compliance with the Energy Conservation Law and the Tokyo Metropolitan government's environmental regulations. A cumulative total of ¥13,247,456,000 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 CO<sub>2</sub> with respect to environmental conservation effects is as follows. In order to compare with the base fiscal year, the numerical values for the fiscal year under review and the previous fiscal year were also calculated on the following basis.
  - CO<sub>2</sub> emissions coefficient (other than electricity):  
The CO<sub>2</sub> emissions coefficient indicated in the Enforcement Ordinance of the Act on Promotion of Global Warming Countermeasures (revised in December 2002).
  - CO<sub>2</sub> emissions coefficient (electricity):  
The CO<sub>2</sub> emissions coefficient indicated in the Enforcement Ordinance of the Act on Promotion of Global Warming Countermeasures (revised in December 2002) (the numerical value for general electric power suppliers is used).
- ◎ Targeted properties of the fiscal year under review differ from those of the previous fiscal year and base fiscal year.

■ **Cost of Environmental Conservation (Fiscal 2016)**

Scope of calculations: Office buildings that Mitsui Fudosan owns or partially owns (targeted: 70 buildings)

Applicable period: April 1, 2016 – March 31, 2017

Base fiscal year: Fiscal 2002

(thousand yen)

Classification		Contents of Major Initiatives	Investment	Current Expenses	Cumulative Expenses from Base Fiscal Year
1	Environmental Conservation Costs to Reduce Environmental Impact Generated through Production/ Service Activities in Business Areas (costs in business areas)	—	203,969	989,312	11,283,120
	1-1 Antipollution Costs	Effluent Treatment Facility, Smoke Density Measurements, Countermeasures against Legionella Bacteria, etc.	1,217	23,215	448,779
	1-2 Global Environment Conservation Costs	Renovation of Heat Sources, Renovation of Air Conditioners, External CO <sub>2</sub> Control, Renewal of Central Monitoring Stations, Midperformance Filter Cleaning, etc.	188,060	679,783	7,217,779
	1-3 Resource Recycling Costs	Facility to Recycle Wastewater, Expenses to Recycle Food Scraps, Expenses to Recycle Fluorescent Light and Batteries, etc.	14,692	286,314	3,616,562
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	145,554	1,238,189
4	Environment Conservation Cost in Research and Development Activities (Research and Development Costs)	Environmental-related Research and Development Expenses, Depreciation on Facilities Related to Research and Development Personnel Expenses for Environment-related Research and Development	0	0	42,440
5	Environment Conservation Cost in Social Activities (Social Activity Costs)	Planting Refurbishments, Maintenance Expenses for Outdoor Facility Planting, etc.	492	60,574	683,707
6	Costs to Handle Environmental Damage (Environmental Damage Costs)	—	0	0	0
Total			204,461	1,195,440	13,247,456

## Environmental Conservation

In overall terms, environmental load indices for fiscal 2016 were unchanged from the 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, 6,290 kWh of electricity was used per 1,000 m<sup>2</sup> in fiscal 2016, a decrease of 4,650 kWh per 1,000 m<sup>2</sup> (down approximately 43%) compared with the base fiscal year, which was 10,940 kWh per 1,000 m<sup>2</sup>. This represents an improvement in electricity usage per unit of floor area.

For water, water usage per unit of floor area at managed properties, 45.06 tons of water was used per 1,000 m<sup>2</sup>, a reduction of 32.90 tons per 1,000 m<sup>2</sup> (down approximately 58%) compared with 77.96 tons per 1,000 m<sup>2</sup> in the base fiscal year.

From a recycling versus total waste volume perspective, the ratio was 74.60% in fiscal year under review compared with 44.77% in the base fiscal year, for a 29.83 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 0.64 tons per 1,000 m<sup>2</sup> in the fiscal year under review, a reduction of 0.55 tons per 1,000 m<sup>2</sup> (down approximately 46%) or a decline of around one-half compared with the base fiscal year.

### Environmental Conservation Effects (Fiscal 2016)

Scope of calculations: Office buildings that Mitsui Fudosan owns or partially owns (targeted: 70 buildings)

Applicable period: April 1, 2016 – March 31, 2017

Base fiscal year: Fiscal 2002

Contents of Effects		Environmental Load Index				
		Current Fiscal Year (Fiscal 2016)	Previous Fiscal Year (Fiscal 2015)	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 Use						
Consumption by Floor Area of Crude Oil Equivalent to Fuel/Electricity for Administrative Use (after correction based on occupancy ratio) [crude oil equivalent kℓ/thousand m <sup>2</sup> ]* <sup>1</sup>		1.87	1.88	3.16	-0.01	-1.29
Consumption by Floor Area of CO <sub>2</sub> Equivalent to Fuel/Electricity for Administrative Use (after correction based on occupancy ratio) [equivalent t-CO <sub>2</sub> /thousand m <sup>2</sup> ]* <sup>2</sup>		2.88	2.89	4.87	-0.04	-1.99
Break-down of Each Energy	Electricity: Consumption by Floor Area of Electric Power Consumed for Administrative Use (after correction based on occupancy ratio) [thousand kWh/thousand m <sup>2</sup> ]* <sup>3</sup>	6.29	6.42	10.94	-0.13	-4.65
	Gas: Consumption by Floor Area of Gas Consumed for Administrative Use (after correction based on occupancy ratio) [thousand m <sup>3</sup> /thousand m <sup>2</sup> ]* <sup>4</sup>	0.25	0.23	0.32	0.02	-0.07
	DHC: Consumption by Floor Area of DHC Purchased for Administrative Use (after correction based on occupancy ratio) [MJ/thousand m <sup>2</sup> ]* <sup>5</sup>	10,315.35	10,134.32	24,258.57	181.03	-13,943.22



Water: Consumption by Floor Area of Water Consumed for Administrative Use (after correction based on occupancy ratio) [t/thousand m <sup>2</sup> ] <sup>*6</sup>	45.06	48.11	77.96	-3.05	-32.90
Consumption by Floor Area of Disposed Waste (after correction based on occupancy ratio) [t/thousand m <sup>2</sup> ] <sup>*7</sup>	0.64	0.63	1.19	0.01	-0.55
Improvement of Recycling Rate to Total Waste [%]	74.60	70.22	44.77	4.38	29.83

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

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

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

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

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

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

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

## Environmental Activity Data (Mitsui Fudosan)

### Scope of Data Calculation

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 Calculation

Type		Fiscal Year	Energy/CO <sub>2</sub>	Water	Waste
Overall	No. of target facilities (facilities)	2012	153	148	104
		2013	152	132	95
		2014	164	146	101
		2015	153	135	116
		2016	154	137	119
	Total floor area (m <sup>2</sup> )	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
		2016	5,673,109	5,599,861	5,437,685
Office buildings	No. of target buildings (buildings)	2012	87	87	68
		2013	86	78	60
		2014	93	83	59
		2015	84	73	66
		2016	82	75	63
	Total floor area (m <sup>2</sup> )	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
		2016	2,482,891	2,462,672	2,429,400
Retail facilities	No. of target facilities (facilities)	2012	36	34	28
		2013	38	36	27
		2014	45	43	33
		2015	44	44	36
		2016	43	43	43
	Total floor area (m <sup>2</sup> )	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
		2016	2,851,201	2,851,201	2,851,201
Hotels	No. of target facilities (facilities)	2012	7	7	7
		2013	11	11	7
		2014	12	12	8
		2015	12	12	12
		2016	12	12	12
	Total floor area (m <sup>2</sup> )	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
		2016	151,626	151,626	151,626
Logistics	No. of target facilities (facilities)	2012	—	—	—
		2013	—	—	—
		2014	—	—	—
		2015	1	1	0
		2016	3	3	0
	Total floor area (m <sup>2</sup> )	2012	—	—	—
		2013	—	—	—
		2014	—	—	—
		2015	41,943	41,943	0
		2016	124,225	124,225	0



Other	No. of target facilities (facilities)	2012	23	20	1
		2013	17	7	1
		2014	14	8	1
		2015	10	5	2
		2016	14	4	1
	Total floor area (m <sup>2</sup> )	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
		2016	63,168	10,138	5,459

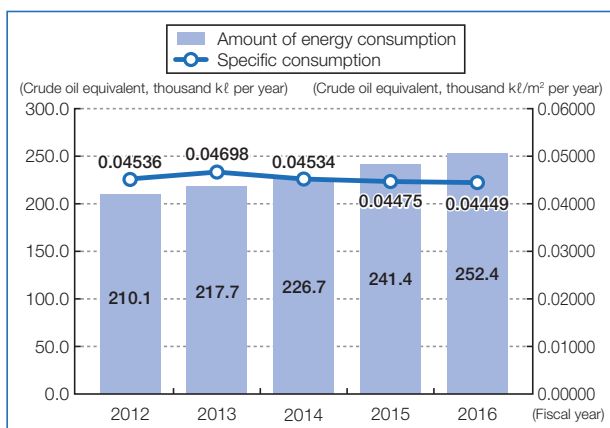
Note:

- Office buildings include Tokyo Midtown, and Kashiwa-no-ha Smart City Gate Square shops and the office building KOIL.
- Resort hotels have been included in the scope of calculation for hotel energy usage, CO<sub>2</sub> emissions and water from fiscal 2013. Resort hotels have also been included in the scope of calculation for hotel waste from fiscal 2015.
- Logistics was included in retail facilities in fiscal 2014. The calculation of data has been undertaken as a separate department 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, rental housing was excluded from the scope of calculation from fiscal 2015.
- Energy usage and CO<sub>2</sub> emission total floor area data takes into consideration the operating month.

## Energy Usage

While total energy usage was 252,400 kℓ of oil equivalent per year overall in fiscal 2016, an increase of 4.6% compared with the previous fiscal year, energy usage per base unit (of floor area) decreased 0.6% year on year to 0.04449 kℓ (oil equivalent) per m<sup>2</sup> annually. The main factors underlying the increase in energy usage were a change in the scope of calculation for retail facilities, and the addition of new large-scale retail facilities. However, energy usage per unit area decreased due to trends such as continued promotion of energy conservation activities, and improvement of environmental performance at new facilities.

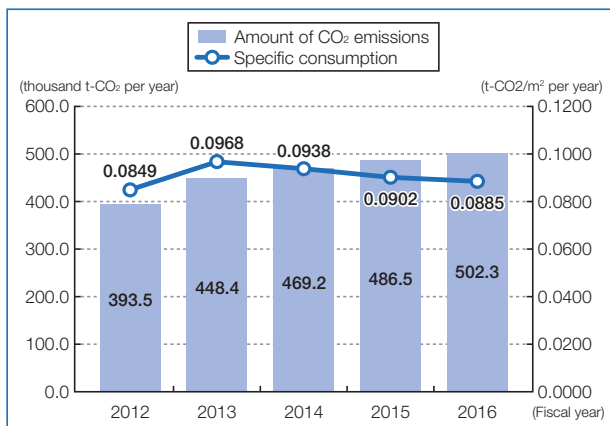
### Trends in the Amount of Energy Consumption



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

In fiscal 2016, CO<sub>2</sub> emissions totaled 502,300 t-CO<sub>2</sub> per year, an increase of 3.2% compared with the previous fiscal year. CO<sub>2</sub> emissions per base unit (of floor area) were 0.0885 t-CO<sub>2</sub>/m<sup>2</sup> per year, down 1.9% compared with the previous fiscal year. This was due to the same factors that led to increased/decreased energy usage and energy usage per base unit.

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



Note: Calculation of CO<sub>2</sub> emissions is done based on the Manual for Calculation and Reporting of Greenhouse Gas Emissions (Ministry of the Environment; Ministry of Economy, Trade and Industry). In calculating CO<sub>2</sub> emissions for each fiscal year, we use the definitive values of CO<sub>2</sub> emissions coefficients for electric power use in each previous fiscal year.

## Water Usage

Water usage\*<sup>1</sup> has shown a slight upward trend while repeatedly fluctuating both up and down. In fiscal 2016, water usage increased 1.3% compared with the previous fiscal year to 5,128,000 m<sup>3</sup> per year. Clean water and industrial water usage\*<sup>2</sup> was 4,639,000 m<sup>3</sup> per year, a slight increase of 0.8% year on year. On a per unit basis (of floor area), there was a reduction of 3.8% compared with the previous fiscal year to 0.828 m<sup>3</sup>/m<sup>2</sup> per year. The main factors underlying the increase in clean water and industrial water usage were a change in the scope of calculation for retail facilities, and the addition of new large-scale retail facilities. However, there was a decrease in usage of clean water and industrial water on a per unit basis due to factors such as initiatives aimed at conservating water.

Recycled water usage increased 7.2% year on year to 489,000 m<sup>3</sup> per year. The ratio of recycled water usage to total water usage also rose to 9.5%.

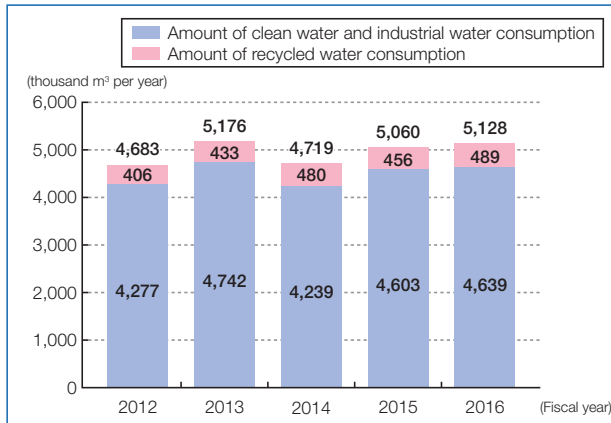
\*1 Water usage:

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

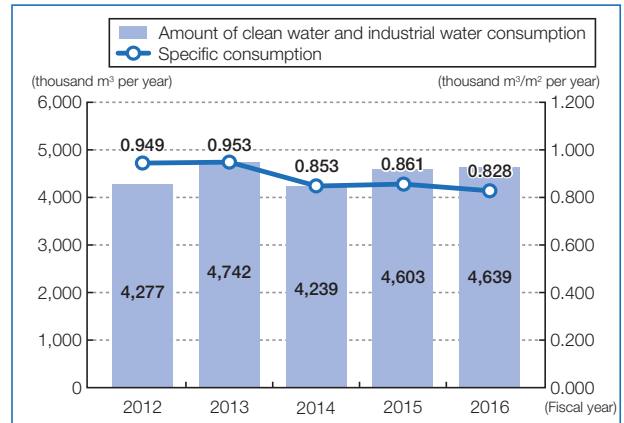
\*2 Clean water and industrial water usage:

Clean water and industrial water usage includes well water usage.

■ Trends in the Amount of Water Usage



■ Trends in Clean Water and Industrial Water Consumption



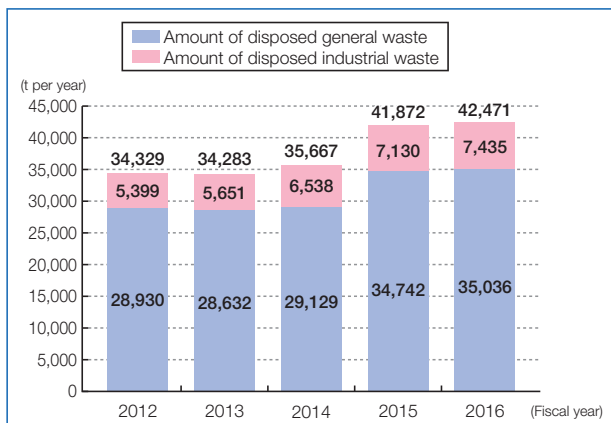
■ Waste Emissions

Waste emissions are on an upward trend and exhibited a large increase in fiscal 2015, but in fiscal 2016 there was only a slight increase to an overall level of 42,471 tons per year (a 1.4% increase year on year).

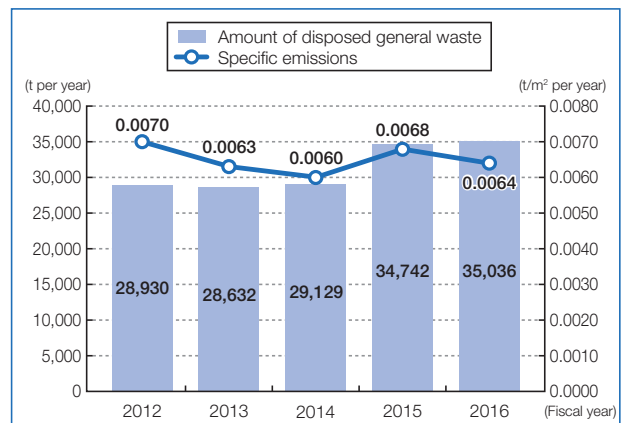
Disposed general waste are in a similar trend, and in fiscal 2016 there was a slight increase of 0.8% over the previous year to 35,036 tons per year. On the other hand, general waste emissions on a per unit basis (of floor area) decreased by 5.9% year on year to 0.0064 tons/m<sup>2</sup> per year. This was because, even though new large-scale facilities subject to calculation were added, there was only a slight increase in disposed general waste due to strong efforts to reduce waste.

Industrial waste emissions are increasing year by year, and reached 7,435 tons per year in fiscal 2016, a 4.3% increase over the previous year. Industrial waste emissions per base unit (of floor area) had been in a declining trend until fiscal 2013, but after rising in fiscal 2014 have been flat at 0.0014 tons/m<sup>2</sup> per year. As with general waste emissions, this was due to the fact that the increase in industrial waste emissions was only a few percent, even though new large-scale facilities subject to calculation were added.

■ Trends in the Amount of Disposed Waste

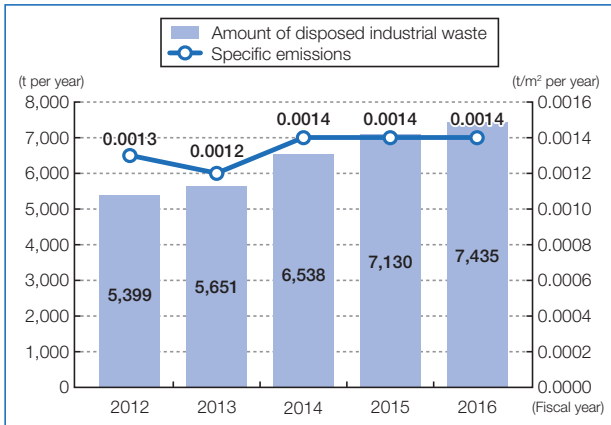


■ Trends in the Amount of Disposed General Waste





■ Trends in the Amount of Disposed Industrial Waste



## The Mitsui Fudosan Group's Social and Environmental Initiatives: Third-Party Comments



### Solving Social Problems Through the Pursuit of Ideal Urban Spaces

**Toshiharu Ikaga**

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

By reading this &EARTH REPORT 2017, I learned about the efforts to achieve “smart wellness” (a smart facility that contributes to the well-being of society), through the Mitsui Fudosan Group’s primary business. The reason why “smart wellness” offices have garnered international attention in recent years is because it has become clear that, if the health status of employees is good, including mental health, this promotes improved intellectual productivity and helps to stabilize corporate management. It is essential to plan spaces that are not only comfortable but also places where people naturally become more energized while working, and which enable reduction in stress and lack of exercise. Mitsui Offices feature painstaking design of indoor environments, public spaces and nearby landscaping, and focus efforts even on human factors such as community creation. These are highly acclaimed as models for the “smart wellness office.”

The next most important item for realizing “smart wellness,” after the office environment, is the environmental grade of housing and the neighborhood. The Mitsui Fudosan Group provides high-grade living environments in both apartments/condominiums and detached housing, and promotes neighborhood creation taking into account the convenience of residents and the fun of living. The culmination of that, I feel, is Kashiwa-no-ha Smart City, which is still under development. I have great expectations for the continuing realization of “smart wellness” through integration of the businesses of the Mitsui Fudosan Group, i.e., office buildings, housing, and neighborhood creation. It will be 10 to 20 years before the results appear in data such as local medical and care costs, but this is the sort of long-term project that is only possible for a real estate business engaged in workstyle reform and that recognizes that maturity comes with age.

Also attracting attention is Mitsui Fudosan’s group-wide efforts, as a Tokyo 2020 Gold Partner in the Real Estate Development category, to create neighborhoods using the power of sports, but I would like to focus on the value of these efforts after the games. I believe the Olympic and Paralympic Games Tokyo 2020 will be an opportunity to turn people’s awareness toward diversity, and to make major changes in urban spaces. In order for newly created communities to remain as a legacy even after the event is over, I would like them to be made easy for anyone to use and live in.

Going forward, I expect to see the Mitsui Fudosan Group make continual efforts through neighborhood creation to address social issues like those indicated in the SDGs (sustainable development goals) that are the global trend.



## Creating Neighborhoods That Allow for a Fulfilling Life and Workstyle

**Ayako Yamakawa**  
Representative, Energy Conscious  
Consumer Lifestyle Advisor

My impression reading this year's &EARTH REPORT 2017 was that Mitsui Fudosan is actively promoting workstyle reform for workers. Setting up WORKSTYLING shared offices and implementing the Work-Life Bridge project for assisting in the daily lives of workers help provide support for the various life stages and workstyles of employees, and I expect to see these continue to expand in the future. Realization of work-life balance will help to cultivate the perspective of a citizen through one's own life and relationships with the community. I believe this approach will also be put to use in neighborhood and residence creation from the standpoint of residents.

Workstyle reform is one approach for supporting diversity, but efforts are also evident in terms of housing and living diversity. Park Axis PREMIER MINAMIAOYAMA, a home connected with the city that provides quality living, and WESTWOOD, a new one-story house for smaller household sizes, provide affluent, comfortable housing and living in an aging society.

It is clear that efforts to reduce environmental impact, which have been underway for some time, are progressing steadily. For custom-built detached residences, green's ZERO is now being offered, exploiting the know-how cultivated with environmentally-oriented housing, green's, and the demonstration housing MIDEAS. Since energy-savings of roughly 30% can be achieved over ordinary Zero-Energy Houses (ZEH), this is a home enabling zero electricity bills, even including energy consumption of appliance products. In the lead up to dissemination of ZEH, as promoted by the national government, I hope Mitsui Fudosan will also provide information on benefits, including improvements in comfort and health.

As a built-for-sale condominium, Park City Musashikosugi The Garden will be completed in 2018 with features for energy conservation (high insulation, high-efficiency equipment), energy production, and energy storage. In addition to Mansion Energy Management Systems (MEMS), Home Energy Management Systems (HEMS), and Building Energy Management Systems (BEMS), adoption of Town Energy Management Systems (TEMS) for visualization of energy over an entire block and energy pooling between blocks is a response to the requirements of society and the needs of residents for optimal use of energy and measures to respond in case of disaster.

Going forward, I expect Mitsui Fudosan to continue creating neighborhoods where people can work and live with fulfillment.