

Environment





Environmental Initiatives Policy

Guided by its Group Environmental Policy, the 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 April 1, 2018)

Environmental Principles

We at Mitsui Fudosan are committed to social and economic development as well as global environmental preservation under the principles of coexisting in harmony with society, linking diverse values, and achieving a sustainable society 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.



Scope of Report

Numerical data and other information relating to environmental efforts profiled in the ESG Report 2020 apply mainly to the following Group companies.

Office Buildings Business

Mitsui Fudosan Building Management Co., Ltd.

Mitsui Fudosan Facilities Co., Ltd.

Retail Properties Business

Mitsui Fudosan Retail Management Co., Ltd.

Hotels and Resort Business

Mitsui Fudosan Hotel Management Co., Ltd.

Housing Business

Mitsui Fudosan Residential Co., Ltd.

Mitsui Fudosan Residential Service Co., Ltd.

Mitsui Fudosan Residential Lease Co., Ltd.

Mitsui Fudosan Realty Co., Ltd.

Mitsui Home Co., Ltd.

Mitsui Fudosan Reform Co., Ltd.

Real Estate Solutions Business

Mitsui Fudosan Investment Advisors, Inc.

Other Businesses

Tokyo Midtown Management Co., Ltd.

Mitsui Fudosan Architectural Engineering Co., Ltd.

Daiichi Engei Co., Ltd.



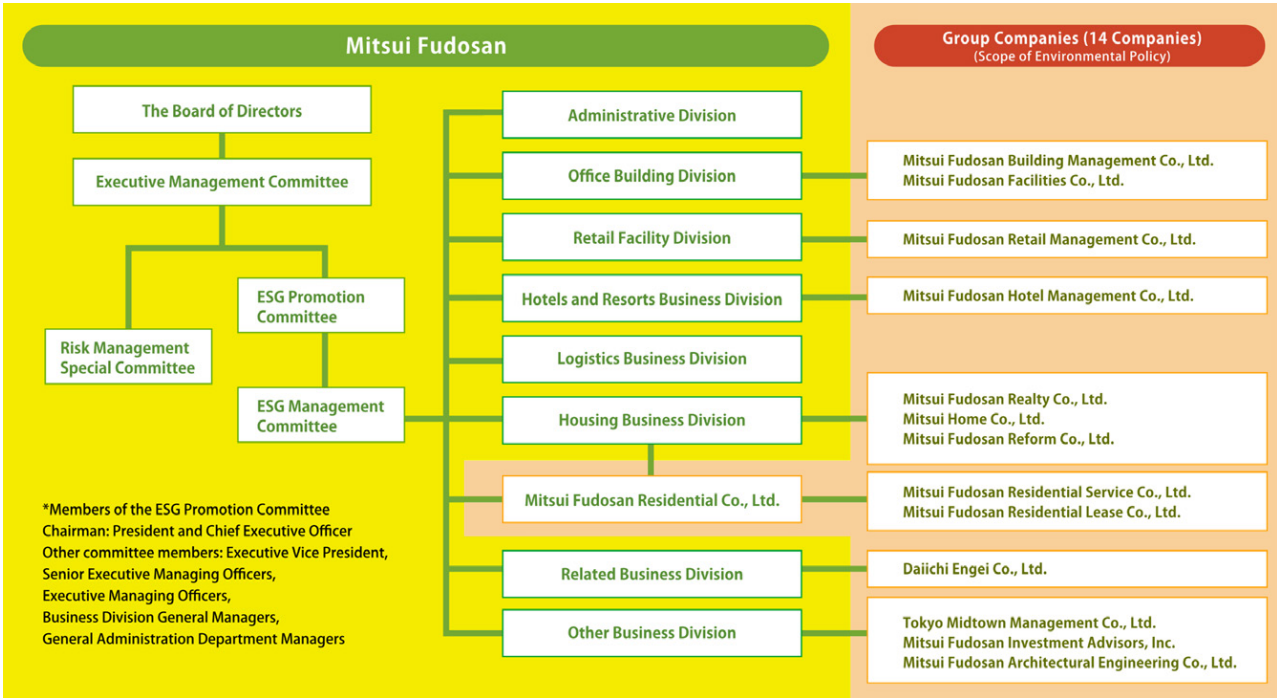
Environmental Management System

Mitsui Fudosan has established an ESG Promotion Committee (headed by the President and Chief Executive Officer) to promote measures relating to the environment, including climate change. The company has also established ESG Management Committee, subordinate to the ESG Promotion Committee (headed by the Director in Charge of ESG). The ESG Promotion Committee manages environmental principles and policy formulation for environment-related activities, including climate change response. The committee also coordinates the goals and planning of environmental promotion activities for each business division, and oversees and evaluates the progress of those activities. To promote these efforts, the ESG Management Committee establishes fiscal year targets for each division in accordance with the Group Environmental Policy, and is carrying out tasks such as progress management. With respect to climate change risk, the ESG Management Committee gathers information through a variety of channels relating to domestic and international trends and demands. Information sources include the Japanese government; regional public organizations; the Japan Federation of Economic Organizations (Keidanren); and real estate associations. The ESG Management Committee, which is equipped with highly specialized expertise, identifies climate-related risk for each business division, while the ESG Promotion Committee evaluates potential adverse effects of that risk. Where there is significant risk, the Risk Management Special Committee considers the potential influence on the company's business and possible responses through the company's operations.

Reports on environmental issues including climate change are transmitted to the Board of Directors on a regular basis. Environmental goals and progress are monitored, and as needed, the Board considers whether action may be required. In addition, environmental goals, including those relating to climate change, are considered in determining management evaluation and compensation.

Moreover, environmental initiatives are carried out in a planned fashion alongside Group companies subject to environmental policies. As of April 1, 2020, there are 14 Group companies that fall within the scope of the environmental policy.

Organization of the ESG (Environmental) Management System of the Mitsui Fudosan Group (as of April 1, 2019)



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.

Policy

Based on our Group Environmental Policy, we develop buildings and create neighborhoods that help preserve the water environment through measures like effective utilization of water and replenishment of subterranean aquifers. We also preserve water resources through water conservation and effective use of water resources together with our business partners, tenant companies and stores, and customers.

Goals and Progress in Achieving Them

We shall strive to reduce clean water and industrial water usage per base unit (of floor area) from the previous fiscal year through measures such as installing water-saving equipment in our newly constructed buildings or switching to such equipment when renovating existing buildings.

Clean water and industrial water usage per base unit (of floor area) in fiscal 2019 was 0.851 m³/m² per year, a 0.3% increase over the previous fiscal year (0.848 m³/m² per year).

(For details on clean water and industrial water usage per base unit [of floor area], please see P17 "Water Usage.")

Major Initiatives

Water Conservation

The Group installs water-saving equipment in newly constructed office buildings and retail facilities. 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 together with our business partners, tenants, stores, and customers.

Adoption of Water-Saving Equipment

At Tokyo Midtown (Minato-ku, Tokyo), we are saving water by installing water-saving sanitary equipment, automatic faucets and similar facilities.

Large-scale renovation took place at MITSUI OUTLET PARK JAZZ DREAM NAGASHIMA (Kuwana City, Mie), and in the extended area we installed 49 ultra- water-saving toilets (flush volume 5.5 liters).

The built-for-sale and rental condominiums and built-for-sale detached housing which Mitsui Fudosan Residential sell use water-saving toilets and bathing room shower heads with a water stop button.

Use of Well Water for Irrigation

To reduce the use of clean water, well water (ground water) is used to irrigate the greenery areas of Park City Kashiwa-no-ha Campus The Gate Tower (Kashiwa City, Chiba). Water used in this way returns to subterranean aquifers, helping to reduce the impact of water usage.

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 properties and built-for-sale condominium buildings.

At TOKYO MIDTOWN HIBIYA (Chiyoda-ku, Tokyo), we collect rainwater and drainage water* from air-conditioners in a rainwater utilization tank (water storage capacity approximately 400m³), and after treatment use it as general service water for toilet flushing and similar purposes. We also use grey water, obtained by treating kitchen wastewater, miscellaneous wastewater, and cooling tower blowdown water, as general service water in the same way.

*Drainage water: Excess wastewater from humidifiers of air-conditioners, and water cooled and condensed on cooling pipes.

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.

Water Usage

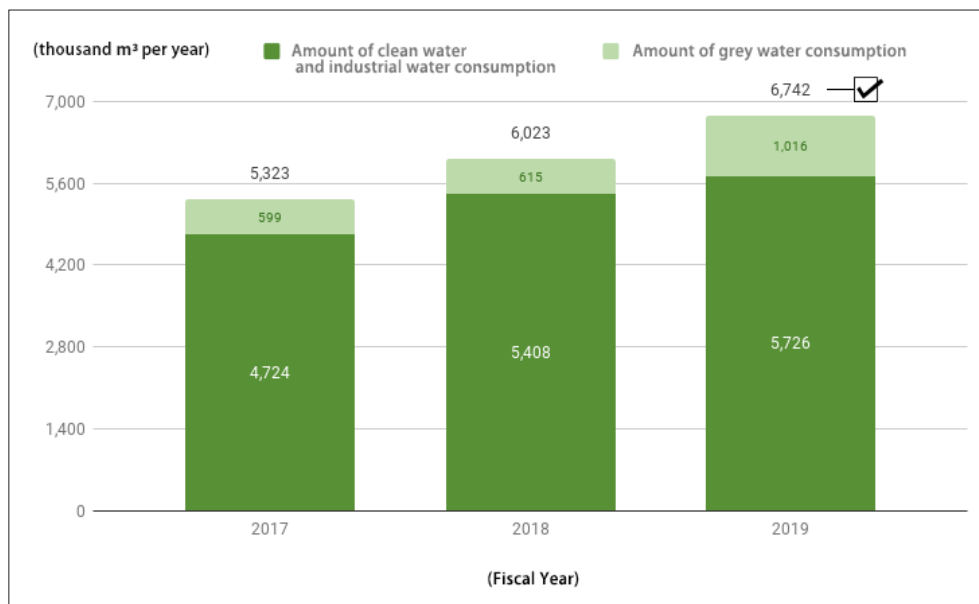
*1 Total water usage: The total of clean water, industrial water, and grey water usage.

*2 Clean water and industrial water usage: Clean water and industrial water usage includes well water usage.

*3 Amount of grey water usage: Amount of grey water usage is the total of kitchen and miscellaneous wastewater, some rain and other water processed, and recycled water purchased from the outside.

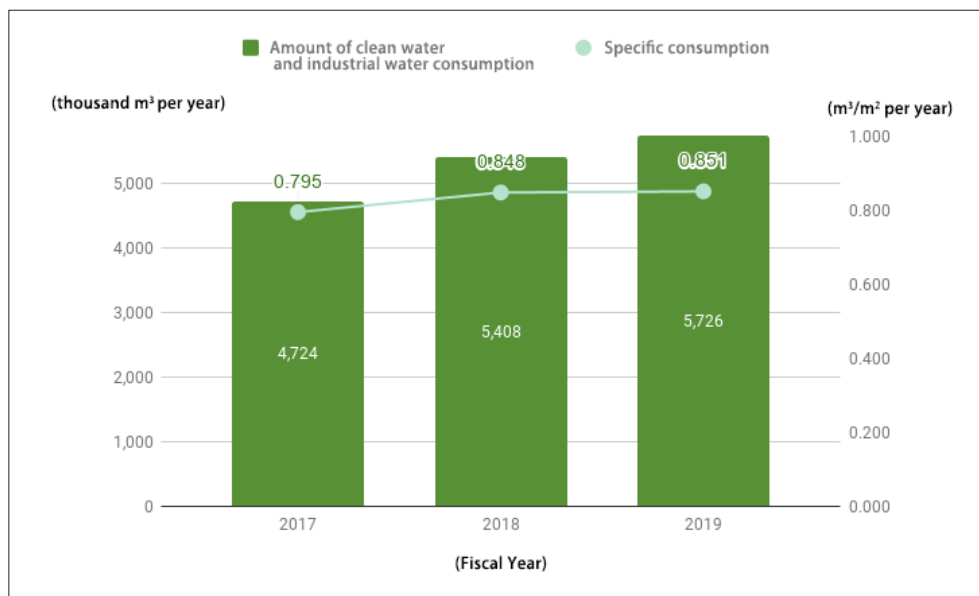
*4 Starting in fiscal 2019, we enhanced the accuracy of reporting data received from each facility relating to usage of grey water and clean and industrial water.

Trends in the Amount of Water Usage



Data with the third-party verification mark has been independently verified.

Trends in Clean Water and Industrial Water Consumption



Scope of Data Calculation

The scope of data calculation for water usage encompasses, in principle, facilities for which disclosure is required under the Act on the Rational Use of Energy. However, some facilities are excluded.

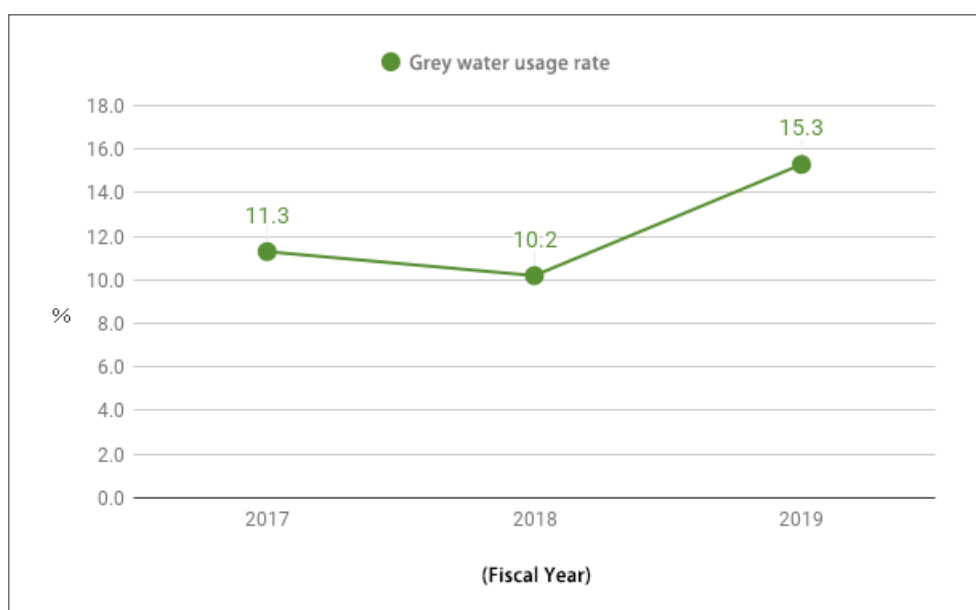
Business Division	Type	Fiscal year		
		2017	2018	2019
Overall	No. of target facilities (facilities)	139	139	146
	Total floor area (m ²)	5,938,901	6,379,120	6,7253,556
Office buildings	No. of target facilities (facilities)	76	70	67
	Total floor area (m ²)	2,648,216	2,886,933	3,036,374
Retail facilities	No. of target facilities (facilities)	43	46	45
	Total floor area (m ²)	2,864,433	2,973,917	2,981,975
Hotels	No. of target facilities (facilities)	12	14	21
	Total floor area (m ²)	150,619	158,761	239,844
Logistics	No. of target facilities (facilities)	3	3	8
	Total floor area (m ²)	265,059	300,630	454,066
Other	No. of target facilities (facilities)	5	6	5
	Total floor area (m ²)	10,574	58,879	11,298

Note:

- Office buildings include Tokyo Midtown (Roppongi) and Kashiwa-no-ha Smart City Gate Square shops and the office building KOIL.
- Resort hotels are included in the scope for hotels.
- Facilities under the control of the General Administration Department as well as each branch have been included in Other.
- Water usage in offices is included.

Water Recycling Ratio

Trends in Water Recycling Rate (Grey Water Usage Rate)



Note:

- Grey water usage rate = Amount of grey water consumption/Amount of water usage x 100
- Scope of Data Calculation is the same as for "Water Usage." Values may change depending on revisions to methods and scope of calculation, etc.

Policy

Based on its Group Environmental Policy, the Group prevents environmental pollution by observing laws, regulations, and ordinances relating to air pollution, water pollution, soil contamination, and hazardous materials, and we work hard to curb emissions of pollutants and contaminants that are not subject to regulation by laws, regulations, and ordinances. We also ensure appropriate management and disposal of hazardous materials when acquiring land as well as in the building design stage, thereby preventing hazardous materials impacts on the environment or building users. Based on our Group Environmental Policy, we aim to create a recycling society by working, together with our business partners, tenant companies and stores, and customers, to conserve resources and reduce waste. At the same time, we will prevent impacts on the environment due to waste through appropriate disposal of any waste that cannot be reused or recycled.

Goals and Progress in Achieving Them

Environmental Pollution

At facilities managed and operated by the Group that are subject to regulation in accordance with laws, regulations, and ordinances relating to air and water pollution, its goal shall be to take appropriate measures in accordance with laws, regulations, and ordinances, comply with regulatory values, and reach even more stringent values. No violations of laws, regulations, and ordinances occurred during fiscal 2019. Our goal shall be to take appropriate measures in accordance with laws, regulations, and ordinances relating to soil contamination, and prevent, as much as possible, soil contamination and dispersal. No violations of laws, regulations, and ordinances occurred during fiscal 2019. Our goal shall be to take proper measures in accordance with laws, regulations, and ordinances relating to chlorofluorocarbons and asbestos, and prevent, as much as possible, adverse impacts on the environment due to these hazardous materials. No violations of laws, regulations, and ordinances occurred during fiscal 2019.

Resources and Waste

We shall promote the 3Rs (reduce, reuse, recycle) and work to reduce general and industrial waste emissions per base unit, and we shall appropriately dispose of wastes in accordance with laws, regulations, and ordinances relating to waste disposal. In addition, our goal is to raise the waste recycling ratio at our headquarters office to 90% by 2030.

In fiscal 2019 for details on emissions, please see P25 "Waste Emission". Wastes are appropriately disposed of in accordance with laws, regulations, and ordinances relating to waste disposal, and there were no violations in fiscal 2019.

Major Environmental Pollution Initiatives

Prevention of Air Pollution

Measures to Address Exhaust Gas at Facilities Producing Soot and Smoke

Boilers, cogeneration systems, and other soot and smoke producing facilities larger than a certain size and installed at office buildings, retail properties, hotels, large-scale logistics facilities, and other properties managed and operated by the Group, are subject to regulation under laws, regulations, and ordinances relating to air pollution. At these regulated soot and smoke producing facilities, we have installed exhaust gas treatment equipment, and we are working to prevent air pollution by curbing emission of air pollutants such as nitrogen oxides and sulfur oxides.

Measures to Address Exhaust Gas at Mitsui Repark Parking Lots

At the Mitsui Repark pay-by-the-hour parking lots of Mitsui Fudosan Realty Co., Ltd., we are working to reduce the in-lot effects of automobile exhaust gas by installing exhaust gas panels on the perimeter. At Mitsui Repark's Enkobashi-cho No. 3 Parking Lot in Hiroshima, exhaust gas panels with photocatalytic filters were installed. When light such as sunlight strikes these panels, a powerful oxidizing effect is produced, and this enables removal of organic compounds and other hazardous materials which come into contact with the panel.



Exhaust gas panel with photocatalytic filter installed at Mitsui Repark's Enkobashi-cho No. 3 Parking Lot in Hiroshima

Prevention of Water Pollution

Wastewater Treatment at Office Buildings, Retail Facilities, and Hotels/Resorts

Restaurants above a certain size in office buildings and retail properties, as well as hotels and resort facilities managed and operated by the Group are subject to regulation under laws, regulations, and ordinances relating to water pollution. At these regulated facilities, we install wastewater treatment equipment, and discharge wastewater into sewage systems, rivers, the ocean, or other public waters only after treatment that ensures it meets regulatory standards.

Lowering Environmental Impact of Cleaning Solutions

Mitsui Fudosan Facilities Co., Ltd. has been using 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 March 2020, the usage rate of eco-chemicals has risen to more than 90%. Mitsui Fudosan Residential Service Co., Ltd. in principle uses cleaning solutions with low environmental impact based on its own standards for cleaning condominiums, with the exception of some managed properties.

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

Cleaning solutions that satisfy the following conditions:

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

Responding Appropriately to Soil Contamination

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

Reduction of Hazardous Substances

Appropriate Disposal of Chlorofluorocarbons and Asbestos

When equipment containing chlorofluorocarbons is disposed of at our office buildings, retail properties and hotels, it is handled in an appropriate manner in accordance with relevant laws and regulations. In addition, in demolition and repair of buildings, retail facilities, condominiums and other structures, we observe laws and regulations relating to asbestos, and take proper measures such as notifying government agencies, and preventing the dispersion of asbestos.

Sick Building Countermeasures

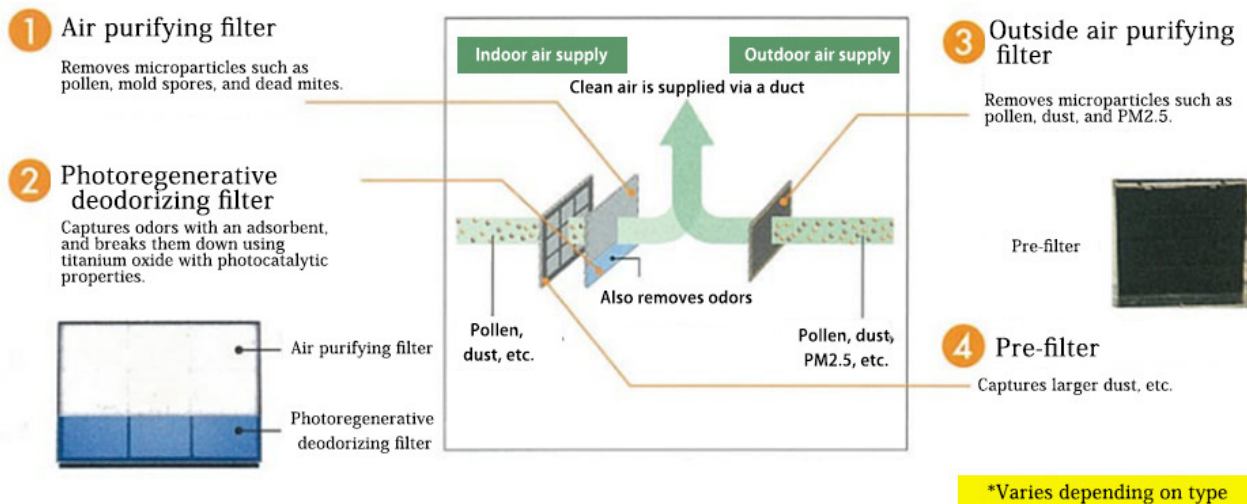
For our office buildings and retail facilities, we have added guidelines for combating sick building symptoms to our eco-specifications (for design, etc.). We make concerted efforts to prevent formaldehyde and other volatile organic compounds (VOCs) from entering our buildings, because they are a cause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

*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.

Measures to Address Indoor PM2.5 Pollutants

Mitsui Home Co., Ltd. offers Smart Breeze, a healthy air-conditioning system for its custom-built detached residences. Smart Breeze is a 24-hour ventilation system, equipped with a high-performance filter that captures particulate matter of around 2.5 μm in size. This prevents infiltration not only of pollen and dust, but also of PM2.5, an air pollutant thought to have effects on health.

Overview of High-Performance Filter



Principal Resource- and Waste-related Efforts

Initiatives for Sustainable Forest Resource Procurement

To ensure sustainable procurement of forest resources, Mitsui Home Co., Ltd. as a company using such resources has formulated the Mitsui Home Group Resource Procurement Guidelines. The guidelines outline Mitsui Home's procurement policies and their scope of applicability, and are aimed at maintaining abundant ecosystems, sustaining local communities, practicing strictly sustainable procurement of forest resources, and contributing to reducing our global environmental load.

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.

Extending the Useful Life of Buildings and Revitalizing Structures Built to Outdated Earthquake Resistance Standards

The 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 designing them so that maintenance and upgrading of plumbing and other equipment can be carried out easily. In addition, we engage in appropriate maintenance and renovations after buildings go into service. For example, Mitsui Home Co., Ltd. offers the Keep Well long-term building support system to maintain quality and performance over the long-term, through a combination of inspection and upkeep every 10 years after building delivery.

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

According to a survey by Japan's Ministry of Internal Affairs and Communications, approximately 17% of the nation's housing does not meet current earthquake resistance standards (as of November 2019). In January 2019, the Ministry of Land, Infrastructure, Transport and Tourism released an updated plan for coping with a major earthquake in or near Tokyo. The plan promoted renovation of structures with substandard earthquake resistance. Dealing with the problem represented by these deteriorating structures has become a pressing social challenge. The Company offers consulting services for revitalizing older buildings. We can show customers how to avoid tearing down structures, instead making them as sound as new buildings. Roughly 80% of the original structural members are retained, which greatly reduces the amount of construction material required compared to a full rebuild. Two structures have been revitalized, one in 2017 and one in 2018, and two more projects are under way.



3Rs Initiatives

The Group is working, together with business partners, tenant companies and stores, and customers, 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 appropriately dispose of wastes.

Reduce

To reduce the generation of waste, we make every effort to restrict the use of disposable products, and have introduced a metering system. In an attempt to reduce waste from stores, our retail facilities feature a metering system that charges for the volume of waste generated.

Reuse

The Group aims to reuse materials instead of throwing them away to conserve resources and reduce waste. Every year since 2008, we have held the &EARTH Clothing Support Project — Bring a Smile to the World with Your Clothes — at retail properties operated by the Mitsui Fudosan Group. In this project, unneeded clothing is collected, and then donated to refugees and disaster victims in countries all over the world through the NPO Japan Relief Clothing Center. By promoting reuse of clothing, we contribute to the reduction of waste, and by working collaboratively with NPOs active on the international stage, we also help support people who need assistance due to poverty, natural disasters brought on by climate change, and conflicts. (Further details can be found at the following URL.)

⇒ <https://and-earth.mitsuifudosan.co.jp/clothes/> (Japanese version only)



Volunteers

Recycle

Recycling Food Waste

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

Recycled Food Waste (fiscal 2019)

Category		Office buildings (33)	Retail facilities (28)
Food waste	Waste volume	2,119.6 tons/year	6,023.8 tons/year
	Recycled volume	1,314.1 tons/year	5,936.1 tons/year
	Recycling ratio	62.0%	98.5 %
Recycling applications		Feedstock, power generation	Fertilizer, feedstock, gasification, incineration power generation, carbonization

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. Other food waste is processed on the premises with a food waste processor that uses microbes. In addition, at TOBA HOTEL INTERNATIONAL (Toba City, Mie), used cooking oil is collected and handed over to an industrial waste disposal company for recycling as fuel. Similarly, NEMU RESORT (Shima City, Mie) has been recycling used cooking oil since fiscal 2005.

At TOKYO MIDTOWN (Minato-ku, Tokyo), we classify wastes into 21 types, and we are working together with shops and tenants to recycle and appropriately dispose of waste. We have a total of 10 separated garbage storage spaces, by building and application, and appropriately store and manage waste until it is carried away from the site. In addition, we are working to ensure proper separation and recycling by installing garbage stations with easy-to-understand separation instructions in the office buildings of Tokyo Midtown Management Co., Ltd.

Recycling of Environmentally Friendly Tile Carpeting

Used tile carpeting from office buildings managed by the 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 CO₂ emissions.

Tile carpeting recycling (fiscal 2019)

- Volume of used tile carpeting collected: 93,759m²
- Volume of environmentally friendly tile carpeting supplied: 224,614m²
- Cumulative volume supplied since fiscal 2002: approx. 1,350,000m²
(1,130,000 m² through fiscal 2018 + 220,000 m² in fiscal 2019)

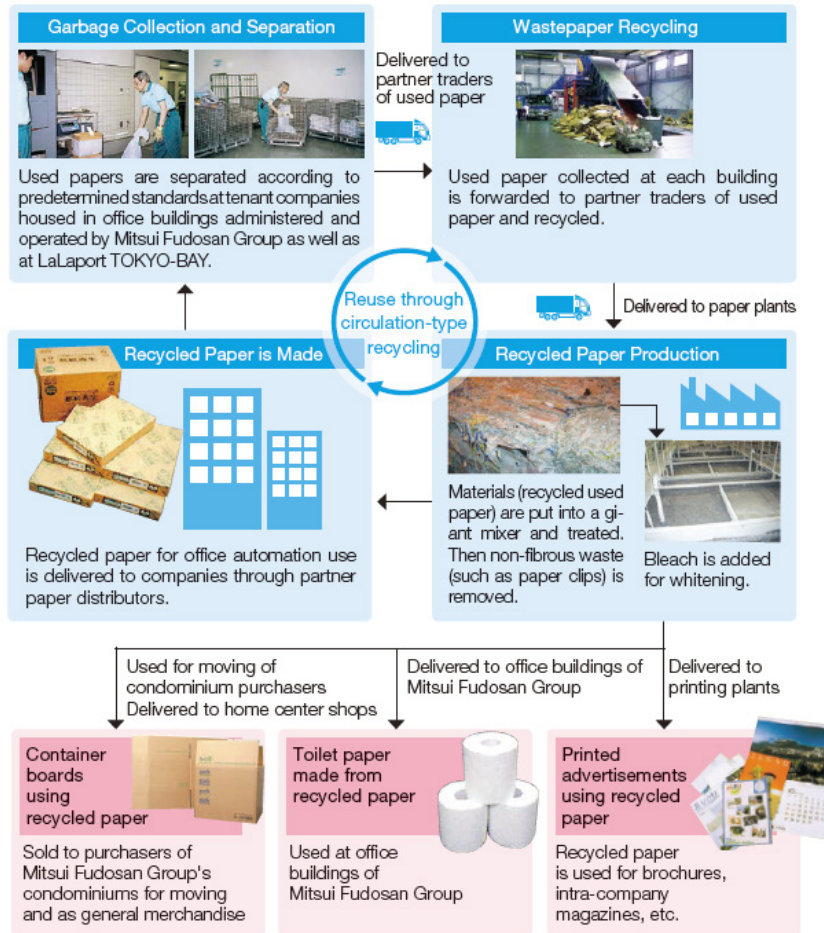
Wastepaper Recycling Loop System

In collaboration with traders of used paper, paper manufacturers, and paper distributors, the 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 TOKYOBAY (Funabashi City, Chiba). The wastepaper is recycled into original recycled office paper and is reused as toilet paper.

Wastepaper recycling (fiscal 2019)

- Volume of wastepaper collected: total approx. 10,012 tons
(Breakdown) 85 office buildings in Tokyo: approx. 6,833 tons
LaLaport TOKYO-BAY: Approx. 3,179 tons
- Recycled paper purchased (Group's purchase volume) Recycled paper for office use: approx. 172 tons
- Recycled office paper usage ratio (in the Company's offices): 93%

Recycled Food Waste (fiscal 2019)

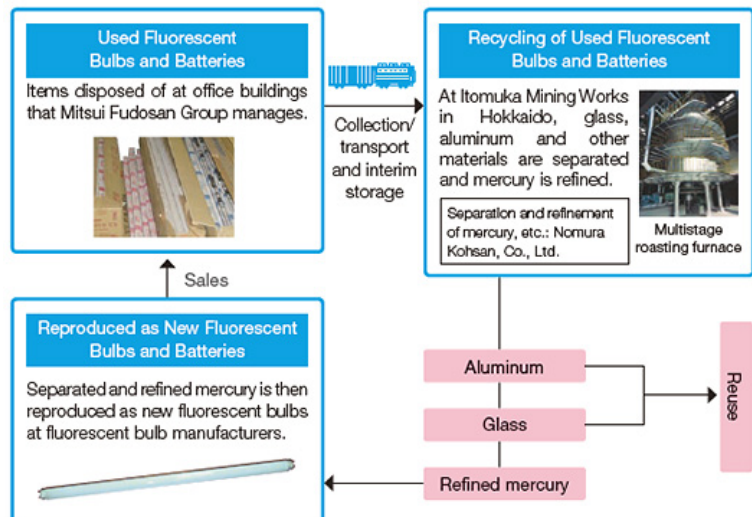


Used Fluorescent Bulb and Battery Recycling System

The Company 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 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.

Used fluorescent bulb and battery recycling (fiscal 2019) and schematic

- Number of buildings covered for collections
Fluorescent bulbs: Total 51 buildings (41 in Tokyo, 10 in Chukyo / Kansai area)
Batteries: Total 40 buildings (36 in Tokyo, 4 in Chukyo / Kansai area)
- Collection volume
Fluorescent bulbs: approx. 31.0 tons
Batteries: approx. 11.6 tons



Efforts to Appropriately Dispose of Waste

The Group promotes the 3Rs, and appropriately disposes of wastes that cannot be reused or recycled based on laws, regulations, and ordinances relating to appropriate disposal of wastes. In the Office Building Division, we make every effort to ensure that waste is disposed of appropriately, and to this end we conduct on-site inspections of our industrial waste management subcontractors, which are required to cooperate based on the Waste Disposal and Public Cleansing Act. In the Retail Properties Division, from fiscal 2011 to fiscal 2012, we confirmed that waste was properly disposed of at our retail properties in Japan, completing any adjustments to our agreements with waste management subcontractors. We audit and inspect numerous retail properties annually to ensure compliance with adjusted waste disposal agreements.

Appropriate Storage, Management, and Disposal of PCB Waste

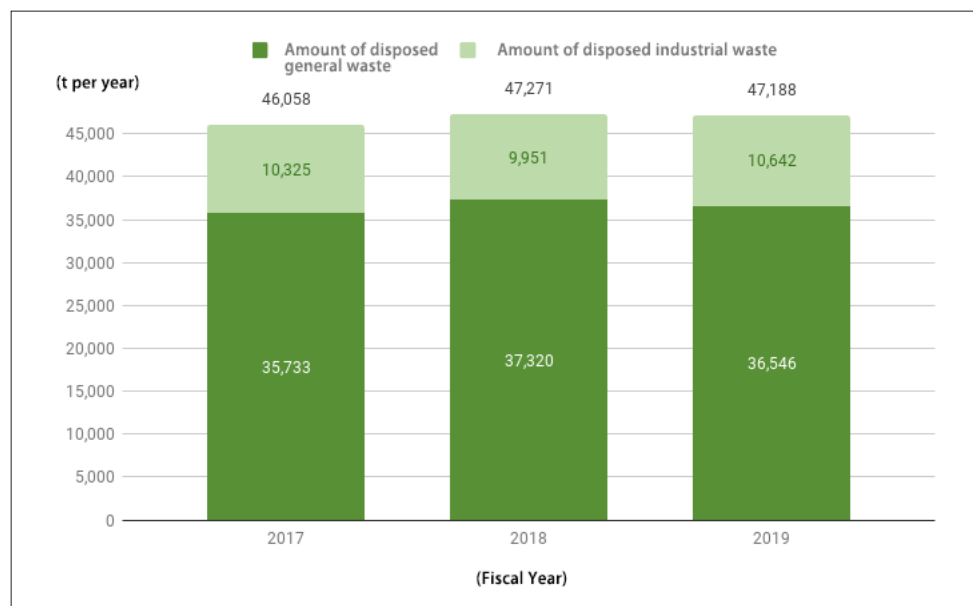
Appropriately stores, manages, and disposes of PCB waste at its office buildings, retail facilities, and hotels based on the Law Concerning Special Measures Against PCB Waste.

Waste Emissions

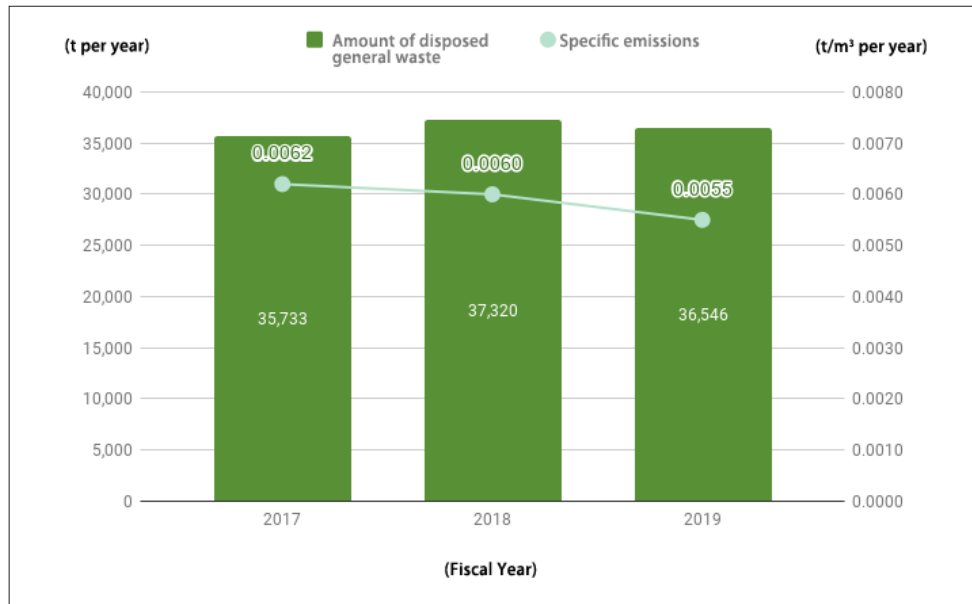
Hazardous Waste (Specially Controlled Waste) Emissions

Emissions in fiscal 2019 of PCB waste, a type of hazardous waste (specially controlled waste), were 0 kg/year.

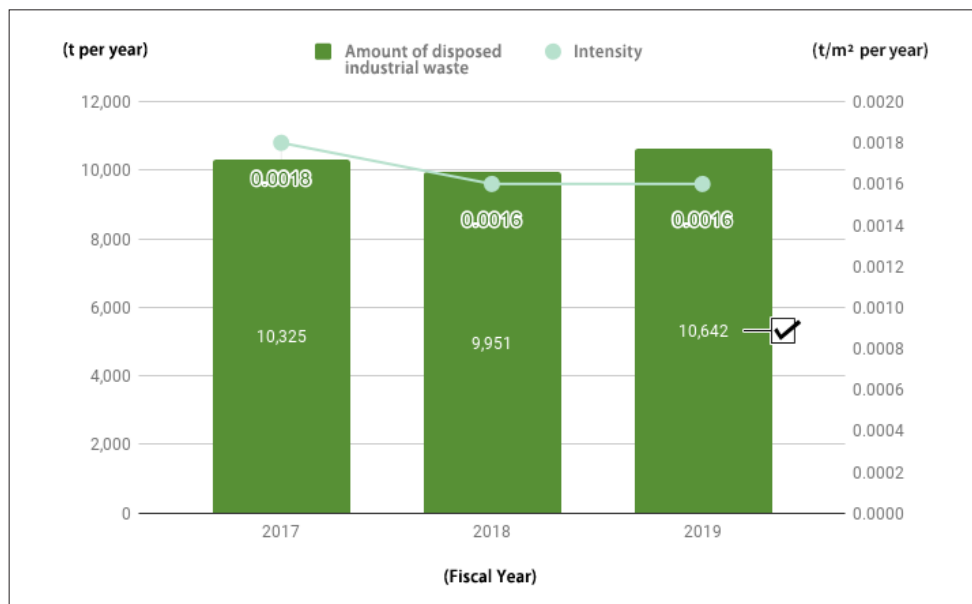
Trends in the Amount of Disposed Non-Hazardous Waste



Trends in Amount of Disposed General Waste



Trends in Amount of Disposed Industrial Waste



Data with the third-party verification mark has been independently verified.

Note: The amount of disposed industrial waste is that which is in accordance with the Waste Management and Public Cleansing Act.

Scope of Data Calculation for Waste Emissions

The scopes of data collation for hazardous and non-hazardous waste emissions encompasses, in principle, facilities for which disclosure is required under the Act on the Rational Use of Energy. However, some facilities are excluded.

Business Division	Type	Fiscal year		
		2017	2018	2019
Overall	No. of target facilities (facilities)	118	121	132
	Total floor area (m ²)	5,803,409	6,247,209	6,665,965
Office buildings	No. of target facilities (facilities)	63	60	63
	Total floor area (m ²)	2,628,289	2,857,052	3,039,590
Retail facilities	No. of target facilities (facilities)	37	39	38
	Total floor area (m ²)	2,754,780	2,872,148	2,958,869
Hotels	No. of target facilities (facilities)	12	14	20
	Total floor area (m ²)	150,619	158,761	237,442
Logistics	No. of target facilities (facilities)	2	3	7
	Total floor area (m ²)	259,537	300,630	419,879
Other	No. of target facilities (facilities)	4	5	4
	Total floor area (m ²)	10,183	58,618	10,183

Note:

1. Office buildings include Tokyo Midtown (Roppongi) and Kashiwa-no-ha Smart City Gate Square shops and the office building KOIL.
2. Resort hotels are included in the scope for hotels.
3. Facilities under the control of the General Administration Department as well as each branch have been included in Other.
4. Waste emissions in offices are included.

Annual Cost for Fines and Penalties Relating to the Environment

In fiscal 2019, annual cost for fines and penalties relating to the environment was 0 yen in areas such as air pollution, water pollution, soil contamination, hazardous materials, and wastes.

Awareness of Climate Change

Since the Industrial Revolution, an increase in energy consumption has heightened the concentrations of greenhouse gases, such as carbon dioxide (CO₂), in the atmosphere, and global warming is progressing. If warming continues without taking any effective countermeasures, there will be major changes in the earth's climate. This will cause phenomena such as rising sea levels and abnormal weather patterns, and have a great impact on the living environments of people and other organisms. Abnormal weather patterns will also increase the risk of damage to the business activities of the Group.

To curb global warming, reduce the risk to the Group due to climate change, protect environments where people and other organisms can live, and build a sustainable, carbon-free society, the Group believes that one of its key social missions as a real estate developer is to create, supply, and operate buildings and neighborhoods which curb energy consumption, and have low emissions of greenhouse gases.

Policy

Based on our Group Environmental Policy, we create buildings and neighborhoods with low energy consumption and reduced emissions of greenhouse gases, and we aim to build a carbon-free society by taking steps together with our business partners, tenant companies and stores, and customers, to address global warming, such as conservation of energy.

Activity Indices and Goals, and Progress in Achieving Them

The Group's indices and goals with respect to climate change as well as progress toward achieving them are as follows.

Item	Objective (KPI)	Fiscal 2019 Level of Progress
[Short-term goal] Energy consumption per base unit	Annual 1% reduction	3.4% reduction (0.04056 kℓ of oil equivalent/m ² per year)
[Short-term goal] CO ₂ emissions (Energy-derived CO ₂ emissions by large offices designated to undertake measures with regards to global warming by a Tokyo Metropolitan Government ordinance)	Reductions in energy consumption exceeding those mandated under the Tokyo Metropolitan Environmental Security Ordinance (Plan 1: 8%, Plan 2: 17%, Plan 3: 27%)	Achieved total reduction of 28.4% against mandated reduction of 11.2%* during the period of Plan 2
[Medium-term goal] Reduction of greenhouse gas (GHG) emissions	30% by fiscal 2030 (compared to fiscal 2019) SBT initiative certification	-
[Long-term goal] Reduction of greenhouse gas (GHG) emissions	Net zero greenhouse gas emissions by fiscal 2050	-
[Long-term goal] RE100 (Proportion of electric power used in business activities derived from renewable energy)	100% by fiscal 2050	-

*Average value of reductions by Company reporting offices, after taking into account mitigation of mandated reduction rate under Tokyo Metropolitan Government's Excellent Designated GHG Offices certification

Participation in Initiatives Concerning Adaptation to Climate Change

Participation in the United Nations Global Compact

The Group supports the UN Global Compact comprising 10 principles relating to human rights, labor, the environment, and anti-corruption advocated by the UN. We signed the compact in December 2018, and participate in the Global Compact Network Japan. In 2001, we established a Group Environmental Policy, and we have helped curb global warming by creating buildings and neighborhoods which conserve energy and have low greenhouse gas emissions, and we have also made efforts in areas such as prevention of environmental pollution, reduction of waste, and conservation of water and biodiversity. As a corporate group supporting office buildings, housing, and other infrastructure necessary for daily life, we will fulfill our social responsibility at an even higher level by making even greater efforts in the future in areas such as environmental conservation. For details on the UN Global Compact, please see the following: ⇒ <https://www.unglobalcompact.org/>

Affiliation with RE100

The Group is a member of RE100, a global initiative committed to utilizing 100% renewable energy. We are also proud to be fighting climate change as a recognized member of the JCLP (Japan Climate Leaders' Partnership), a local partner of RE100.

For more detailed information about RE100, please refer to the following link.

⇒ <http://there100.org/companies>



Supporting the Task Force on Climate-related Financial Disclosures (TCFD)

The Group agrees with the disclosure of the associated risks and opportunities regarding climate change proposed by the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, we are also active as a member of the TCFD Consortium, a collective of Japanese companies supporting the TCFD.

For more detailed information about the TCFD, please refer to the following link.

⇒ <https://www.fsb-tcfid.org/tcfid-supporters/>



Acquired SBT initiative certification for greenhouse gas (GHG) emission reduction targets

Greenhouse gas (GHG) emission reduction targets for the whole group have been set in line with science-based findings from the international Science Based Targets (SBT) initiative.

(For more detailed information about the SBT initiative, please refer to the following link.)

⇒ <https://sciencebasedtargets.org/companies-taking-action>



Climate Change Management System

Please see the Company's Environmental Management System.

⇒ To P15 the "Environmental Management System" page

Major Initiatives

Energy Conservation, Creation, and Storage

In addition to energy conservation, the Group is actively engaged in energy creation using solar power and cogeneration systems, and energy storage using large-scale storage batteries. In this way, we create buildings and neighborhoods with low energy consumption and reduced emissions of greenhouse gases. We are also involved in energy-saving activities together with our business partners, tenant companies and stores, and customers.

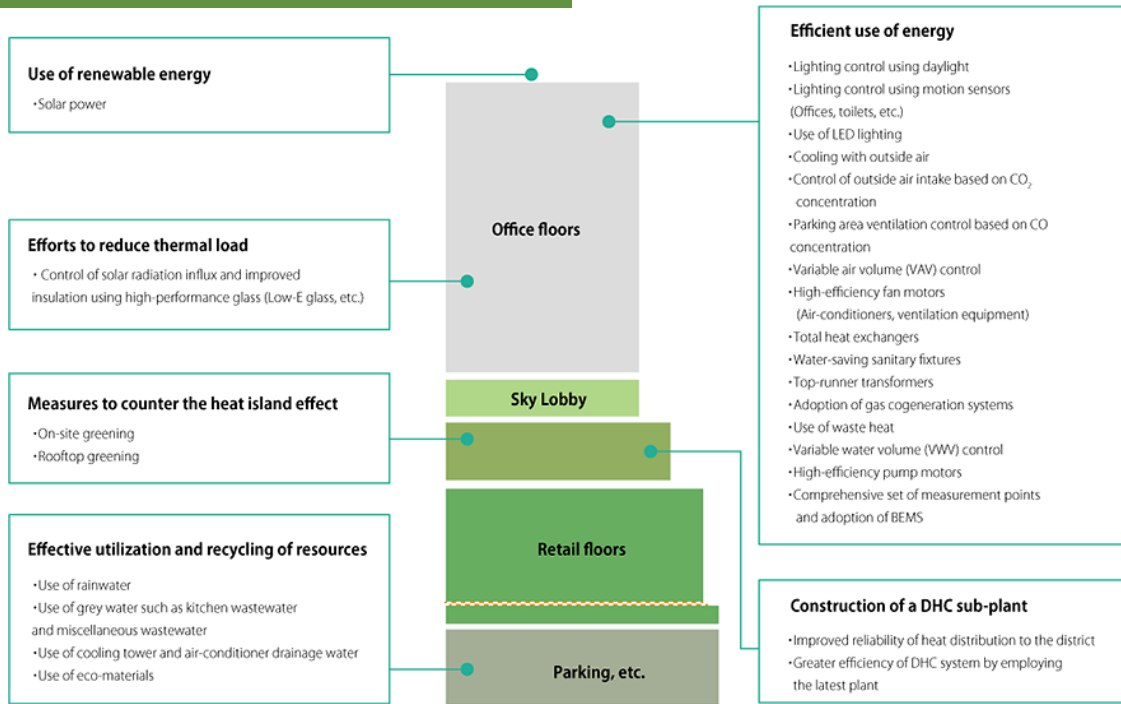
Energy Conservation, Creation, and Storage in Office Buildings

Efforts at TOKYO MIDTOWN HIBIYA

At TOKYO MIDTOWN HIBIYA (Chiyoda-ku, Tokyo), we employ an exterior covering and high-performance glass to reduce thermal load, use high-efficiency systems and energy-saving equipment such as lighting control systems that utilize daylight, and make use of waste heat from a gas cogeneration system. We also create energy through the installation of a solar power system (generation capacity approx. 20 kW). By using these energy conservation and creation systems, we have attained Level 3 for Perimeter Annual Load (PAL) and Energy Reduction Ratio (ERR) evaluation in the Tokyo Metropolitan Building Environmental Planning System, and the S Rank in self-assessment under the CASBEE (Comprehensive Assessment System for Built Environment Efficiency) scheme.

We have also installed a new sub-plant for district heating and cooling (DHC), and by linking it with an existing DHC plant in the Hibiya area, we have helped realize a high-efficiency energy supply for the entire district.

Overview of Environmental Efforts at TOKYO MIDTOWN HIBIYA



Efforts at the Nihonbashi Takashimaya Mitsui Building

The Nihonbashi Takashimaya Mitsui Building (Chuo-ku, Tokyo) has attained Level 3 for PAL/ERR evaluation in the Tokyo Metropolitan Building Environmental Planning System.

Office Buildings in Tokyo Certified Again as Excellent Designated GHG Offices by the Tokyo Metropolitan Government

Since fiscal 2010, we have been acquiring and renewing certification for office buildings in the Tokyo metropolitan area based on the standards established by the Tokyo Metropolitan Government for Excellent Designated GHG Offices*.

At these office buildings, we are switching to energy-saving equipment, holding meetings to promote CO₂ reduction, strengthening systems for collaboration with tenants, and promoting energy conservation activities.

As of April 1, 2020, the Company has six office complexes (six buildings) designated as Top Level Offices and eight office complexes (eleven buildings) as Semi-Top Level Offices under the Excellent Designated GHG Offices program.

*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.

List of Tokyo Metropolitan Government's Excellent Designated GHG Offices Certifications (as of April 1, 2020)

Top Level Offices	Semi- Top Level Offices
<ul style="list-style-type: none"> • Nihonbashi Mitsui Tower (Update) • Tokyo Midtown (Update) • Ginza Mitsui Building (Update) • Gran Tokyo North Tower (Update) • Gran Tokyo South Tower (Update) • Sumitomo Mitsui Banking Corporation Building (Update) 	<ul style="list-style-type: none"> • Nihonbashi 1-chome Mitsui Building (Update) • Shiodome City Center (Update) • Gate City Ohsaki (Update) • Akasaka Biz Tower (sub-lease)(Update) • Kasumigaseki Building* (Tokyo Club Building)(Update) • Shinjuku Mitsui Building (Update) • Muromachi Higashi Mitsui Building * (Muromachi Furukawa Mitsui Building, Muromachi Chibagin Mitsui Building) • Iidabashi Grand Bloom
6 office complexes (6 buildings)	8 office complexes (11 buildings)
Total: 14 office complexes (17 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.

Energy Conservation at Large-Scale Logistics Facilities

At its large-scale logistics facilities, Mitsui Fudosan Logistics Parks (MFLP), the Company is installing LED lighting and solar power systems.



Solar power panels at MFLP Inazawa (generation capacity approx. 1,500 kW)



Solar power panels at MFLP Ibaraki (generation capacity approx. 2,000 kW)

Energy Conservation at Mitsui Repark Parking Lots

Under the Mitsui Car Park Leasing brand of Mitsui Fudosan Realty Co., Ltd., we are creating next-generation parking lots based on the four key concepts of safety/security, innovation, environmental awareness, and disaster recovery assistance.

For instance, we have installed a hybrid solar system at the Mitsui Car Park Leasing Minatomachi Niigata Parking Lot (Chuo-ku, Niigata City) which generates and stores solar power, and then illuminates the LED lighting of signage at night. Not only does the system reduce CO₂ emissions, it also acts as an emergency power source in case of a disaster or power outage.



Solar power panels of the hybrid solar system at the Mitsui Repark Minatomachi Niigata Parking Lot

Megasolar Projects

The Company engages in megasolar power projects. As of April 1, 2020, we operate five megasolar power stations. Planned total generating capacity for the five stations is 72 MW, with approximately 70 million kWh generated in a year, equivalent to the annual power needs of approximately 20,000 typical households.

List of Company Solar Power Stations (As of April 1, 2020)

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 Group is installing optimal energy management systems at each type of property: office buildings, retail properties, condominiums, and detached housing. We are also introducing area energy management systems to link the energy management systems of individual buildings, and manage energy over an entire block.

Examples of Energy Management System Adoption

Type of building	Type of energy management system	Buildings with Energy Management Systems Installed
Office buildings	BEMS	<ul style="list-style-type: none"> • TOKYO MIDTOWN HIBIYA • Nihonbashi Takashimaya Mitsui Building, etc.
Commercial facilities	BEMS	<ul style="list-style-type: none"> • LaLaport TOKYO-BAY • LaLaport KOSHIEEN • MITSUI OUTLET PARK KITAHIROSHIMA etc.
Built-for-sale condominiums	HEMS (each condominium), MEMS (communal areas, overall)	<ul style="list-style-type: none"> • Mitsui Fudosan Residential's • Park Tower Nishi-shinjuku M's Port • Park City Kashiwa-no-ha Campus The Gate Tower • Park City Musashikosugi The Garden • HARUMI FLAG etc.
Built-for-sale detached housing	HEMS	<ul style="list-style-type: none"> • Mitsui Fudosan Residential's • Fine Court Keihanna Koen Toshi • Fine Court Todoroki Okeitei etc.
Custom-built detached residence	HEMS	<ul style="list-style-type: none"> • Mitsui Home's • green's II Series • green's ZERO Series etc.
Entire block	AEMS, TEMS, etc.	<ul style="list-style-type: none"> • Kashiwa-no-ha Smart City (Kashiwa-no-ha AEMS) • Nihonbashi Smart Energy Project • Toyosu Smart Energy Project • Park City Musashikosugi The Garden etc.

Note:

BEMS : Building Energy Management System
MEMS : Mansion Energy Management System
HEMS : Home Energy Management System

AEMS : Area Energy Management System
TEMS : Town Energy Management System

Curbing CO₂ Emissions from Automobiles

To restrict CO₂ emissions from automobiles, the Group installs electric vehicle recharging stations and provides services at its retail properties that encourage the use of public transportation. Mitsui Fudosan Realty Co., Ltd. is installing charging stations for electric vehicles (EVs) and plug-in hybrid vehicles (PHVs) at the Mitsui Car Park Leasing pay-by-the-hour parking lots. Charging stations for EVs and PHVs are also being installed in the parking lots of retail properties like LaLaport SHONAN HIRATSUKA (Hiratsuka City, Kanagawa) and built-for-sale condominiums like Park City Musashikosugi The Garden (Nakahara-ku, Kawasaki City).

EV and PHV charging station at the Mitsui Repark Henn na Hotel Maihama Tokyo Bay Parking Lot (Urayasu City, Chiba)

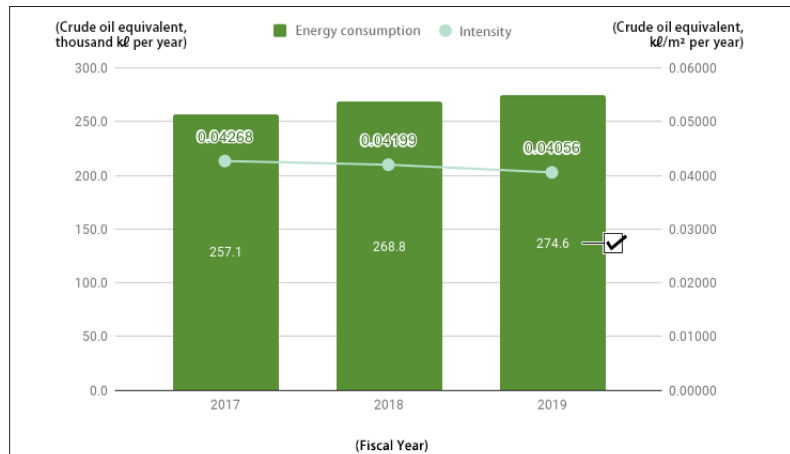


Energy Consumption Greenhouse Gas Emissions

Energy Consumption

Company energy consumption (see Scope of Data Calculation) has been on a slight rising trend since fiscal 2015, and in fiscal 2019 was 274,600 kl of oil equivalent per year, for a 2.1% increase year on year. However, energy consumption per base unit (of floor area) was 0.04056 kl (oil equivalent)/m² per year, a reduction of 3.4% from the previous fiscal year.

Trends in the Amount of Energy Consumption



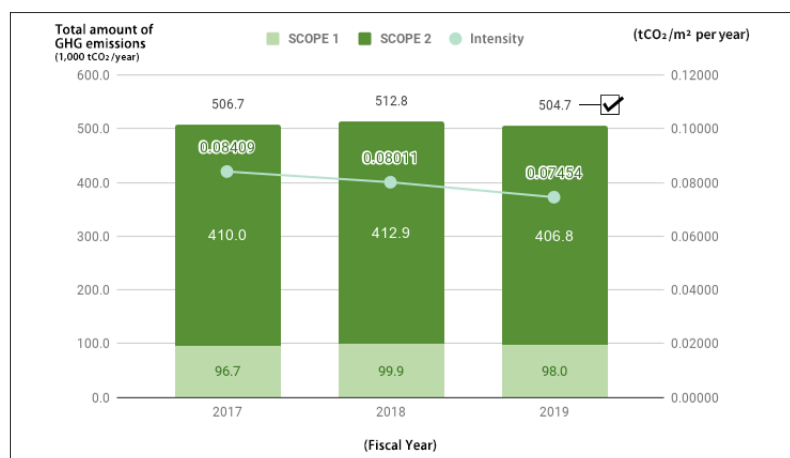
Data with the third-party verification mark has been independently verified.

Note: The amount of energy consumption is calculated in accordance with the Act on the Rational Use of Energy.

Greenhouse Gas Emissions

Greenhouse gases (GHG) emitted due to the Company's business activities (see Scope of Data Calculation) are primarily carbon dioxide (CO₂) resulting from energy consumption. Emitted chlorofluorocarbons (e.g., HFC) also fall under the same category. Company GHG emissions were down 2.2% in fiscal 2019 at 501,400 t-CO₂ per year. In addition, GHG emissions per base unit (of floor area) were 0.07454 t-CO₂/m² per year, representing a 7.0% decrease when compared with the previous fiscal year.

Total greenhouse gas emissionse



Data with the third-party verification mark has been independently verified.

Note: Calculation of CO₂ 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 CO₂ emissions for each fiscal year, we use the definitive values of CO₂ emissions coefficients for electric power use in each previous fiscal year.

Scope of Data Calculation (Energy Consumption, Greenhouse Gas (CO₂)Emissions)

The scope of data calculation for energy consumption and GHG emissions encompasses, in principle, facilities for which disclosure is required under the Act on the Rational Use of Energy.

Business Division	Type	Fiscal year		
		2017	2018	2019
Overall	No. of target facilities (facilities)	163	157	210
	Total floor area (m ²)	6,024,150	6,400,710	6,770,958
Office buildings	No. of target facilities (facilities)	90	81	121
	Total floor area (m ²)	2,728,958	2,897,021	3,071,514
Retail facilities	No. of target facilities (facilities)	45	46	47
	Total floor area (m ²)	2,864,433	2,973,917	2,981,975
Hotels	No. of target facilities (facilities)	12	14	21
	Total floor area (m ²)	150,619	158,761	239,844
Logistics	No. of target facilities (facilities)	3	3	8
	Total floor area (m ²)	265,059	300,630	454,066
Other	No. of target facilities (facilities)	13	13	13
	Total floor area (m ²)	15,080	70,380	23,560

Note:

- Office buildings include Tokyo Midtown (Roppongi) and Kashiwa-no-ha Smart City Gate Square shops and the office building KOIL.
- Resort hotels are included in the scope for hotels.
- Facilities under the control of the General Administration Department as well as each branch have been included in Other.
- Energy consumption and GHG emissions total floor area data takes into consideration the operating month.
- Energy consumption and GHG emissions at offices are included.
- WORK STYLING properties (satellite offices and service offices) are included from fiscal 2019.

Greenhouse Gas Emissions Based on the SBT Initiative (Scope 1, 2, 3)



The Group's emissions for Scope 1, Scope 2, and Scope 3 for fiscal 2019 based on the SBT initiative are as follows.

*Target group companies are based on actual control standard.

*Values may change depending on revisions to the scope and methods of calculation, etc.

Scope	2019FY
	t-CO ₂
Scope1	104,160
Scope2	380,613
Subtotal(Scope1,2)	484,773
Scope3-1 Products and services purchased	1,198,709
Scope3-2 Capital goods	973,821
Scope3-3 Fuel- and energy-related activities that are not included in Scope 1 and 2	94,885
Scope3-4 Transportation and delivery (upstream)	—
Scope3-5 Waste generated by businesses	125,531
Scope3-6 Business trips	2,623
Scope3-7 Employers' commuting	4,755
Scope3-8 Lease assets (upstream)	—
Scope3-9 Transportation and delivery (downstream)	—
Scope3-10 Processing of products sold	—
Scope3-11 Use of products sold	1,155,020
Scope3-12 Disposal of products sold	9,612
Scope3-13 Lease assets (downstream)	567,141
Scope3-14 Franchise	—
Scope3-15 Investments	—
Subtotal(Scope3)	4,132,097
Total(Scope1,2,3)	4,616,869

Climate-related Financial Disclosure in Accordance with TCFD

TCFD and Mitsui Fudosan's Position

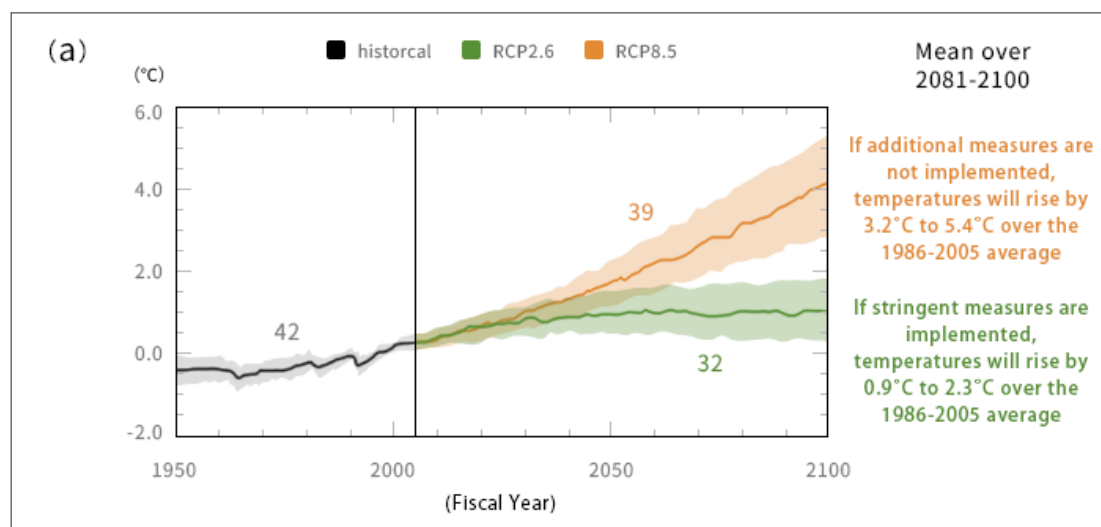
The Mitsui Fudosan Group has announced its endorsement of the agenda of the Task Force on Climate-related Financial Disclosures (TCFD), which promotes corporations and others to disclose information relating to climate-related risks and opportunities. VISION 2025, our group Long-Term Vision, states as one of its aims the successful establishment of a sustainable society through the creation of neighborhoods, and we are deploying neighborhood creation and services that contribute to addressing challenges relating to people, neighborhoods, and society. To mitigate risk through our business activities, including risk of damage from abnormal weather patterns linked to climate change; preserve environments where people and other living creatures can flourish; and establish a sustainable decarbonized society, we are taking the TCFD recommendations as a point of departure to disclose our analysis and response to climate change-related business risks and opportunities, and other related information.

Scenario Analysis

Assumptions and Object of Analysis

Our analysis is based on the 2°C and 4°C Scenarios outlined in the Fifth Assessment Report issued by the United Nations Intergovernmental Panel on Climate Change (see chart below). As the time axis for analysis, we considered the typical life cycle of real estate assets, and calculated the impact of climate change by approximately the year 2050. In this, the first year of our scenario analysis, we used our Housing, Office Buildings, and Retail Properties businesses as the object of analysis, since these three categories represent the principal focus of the commercial activities of the Mitsui Fudosan Group, and are also likely to be major recipients of climate change impact.

Global Average Terrestrial Temperature Change



Source: Prepared with reference to the IPCC Fifth Assessment Report (AR5)

Analysis Process

In accordance with the TCFD final report issued in June 2017, we carried out our analysis in four steps.

(1) Assessment of significant risks and opportunities

Using a variety of relevant sources, we identified climate change-related risks and opportunities having a potentially significant impact on the business of the Mitsui Fudosan Group.

(2) Future world definition

For significant risks and opportunities defined in (1), we used projections from external entities such as RCP 2.6 and RCP 8.5 Scenarios from the Intergovernmental Panel on Climate Change (IPCC), SDS and NPS Scenarios from the International Energy Agency (IEA), and a number of others to project changes in society, government, customers, and suppliers in 2050 for the 2°C Scenario and the 4°C Scenario.

(3) Estimate of business impact

Based on external information gathered in (2), we estimated the financial impact on the Mitsui Fudosan Group's businesses. For risks and opportunities where quantitative data was difficult to obtain, we performed a qualitative analysis.

(4) Review of response measures (planned)

We reviewed response measures to climate change-related risks and opportunities with specially significant potential impact. Further review is planned to identify specific measures for adoption.

Analysis Result 1. Principal Risks and Opportunities

Based on external information, we identified climate change-related risks and opportunities, and gathered future projections for each risk and opportunity. With reference to the TCFD final report as well as other reports and sources relating to climate change, we considered risks and opportunities accompanying the transition to a decarbonized society (measures/regulations, industries/markets, technology) as well as physical risks and opportunities caused by climate change (chronic, acute). The significant risks and opportunities we identified that may have an impact the Mitsui Fudosan Group's three core businesses between now and 2050 are shown in the table below.

Under the 2°C Scenario, our Housing Business could be affected by an increase in carbon taxes, which would push the price of raw materials prices and transport costs higher. While ZEH and energy conservation renovations would become more widespread, under the 4°C Scenario, an increase in the number of extremely hot days would have a variety of impacts, including reduced labor productivity, and the result could be higher new construction costs. Under the 2°C Scenario, our Office Buildings Business is also projected to see an increase in procurement costs. Costs may also rise due to higher GHG emissions taxes and expanded ZEB construction. At the same time, in terms of business opportunities, we would expect increased lease income from properties with superior environmental performance. Under the 4°C Scenario, office air conditioning costs and damage from high tides and flooding are a potential concern. Finally, in our Retail Properties Business, the 2°C Scenario indicates higher costs of the same type as in the other business areas. Lower lighting and heating costs can be expected, thanks to more efficient and renewable energy use by AI-equipped air conditioning and other systems, but under the 4°C Scenario, retail properties situated near the ocean may experience increased risk of damage from high tides and flooding.

Classification		Principal risks and opportunities	Projected future state
Transition	Measure	Major carbon tax increase	In addition to taxes on GHG emissions by the Group, we expect higher costs for raw materials (steel, cement, etc.) which are significant on a base unit basis, as well as for transport and air conditioning. At the same time, low-carbon structures and other properties with superior environmental performance will be better-positioned to compete.
		Energy conservation measures	Energy standards for new and renovated structures will be tightened, requiring additional capital investment. Furthermore, decarbonized energy sources and ZEH will become mandatory, more ZEB properties will be built, and more residential structures will be energy-efficient.
	Market	Customer conduct change	Products with superior environmental performance will be in greater demand and be more competitive.
	Technology	Propagation of technology for renewable energy and energy conservation	The propagation of energy conservation technology will lead to more renovations to enhance energy conservation.
Physical	Chronic	Average temperature increase	On-site operations will be hindered on extremely hot days, leading to higher operational costs and construction delays. In addition, increased use of air conditioning will push up facilities management costs, but these will be offset to some degree by enhanced air conditioning efficiency.
	Acute	Rising sea levels	Certain coastal structures will be damaged by typhoon-generated tidal surges accompanying sea level rise.
		Intensification of abnormal weather patterns	Frequent heavy precipitation and flooding within the confines of levees can result in suspension of on-site operations and construction delays. In addition, customer safety may be threatened, and facilities assets may be damaged.

Analysis Result 2. Estimate of Business Impact

We reviewed available quantitative data and the significance of risks and opportunities. For selected principal risks and opportunities, we estimated the financial impact on the Mitsui Fudosan Group's business in the year 2050. Under the 2°C Scenario, we projected a comparatively large negative impact on costs associated with higher carbon taxes, and the cost of meeting tightened energy conservation standards. At the same time, we estimated that these impacts would be fully offset by opportunities to construct more buildings with superior environmental performance, an area where the Mitsui Fudosan Group maintains a competitive advantage, and by reductions in heating and lighting costs made possible by advanced energy conservation technology. Under the 4°C Scenario, we projected only limited actual losses from high tides and flooding, and overall, relative to the 2°C Scenario we estimated there would be fewer factors with a major financial impact.

Type		Principal risks and opportunities	Factors with possible business impact	Results of financial impact estimate	
				4°C Scenario	2°C Scenario
Risk	Transition	Major carbon tax increase	Tax applicable to company emissions	Minor	Moderate
			Major increase in raw materials costs	Minor	Moderate
		Energy conservation measures	Increase in energy conservation renovation costs due to strengthened energy conservation requirements for buildings	Moderate	Large
			Increase in ZEH construction costs	Minor	Moderate
	Physical	Average temperature increase	Revenue reduction from construction delays due to greater number of extremely hot days	Moderate	Moderate
			Increase in air conditioning load	Moderate	Moderate
		Rising sea levels/intensification of abnormal weather patterns	Flood damage due to high tides and heavy precipitation accompanying sea level rise	Moderate	Minor
Opportunity	Transition	Major carbon tax increase	Cost control through introduction of low-carbon materials	Minor	Moderate
		Energy conservation measures	Share expansion as a result of ZEH becoming requirement	Minor	Moderate
			Creation and sales of carbon credits as a result of ZEH construction	Minor	Minor
		Customer conduct change	Shift to buildings with superior environmental performance	Minor	Moderate
		Propagation of technology for renewable energy and energy conservation	Expansion of energy conservation renovation business	Moderate	Moderate
	Physical	Average temperature increase	Reduced air conditioning costs through AI	Moderate	Moderate
			Reduced lighting and heating costs due to increased energy conservation performance	Moderate	Moderate
Results Derived from Analysis				Moderate	Moderate

Results Derived from Analysis

We conclude from the results of our scenario analysis that regardless of whether actual global climate change reflects the 2°C Scenario or the 4°C Scenario, the businesses of the Mitsui Fudosan Group are sustainable and display a consistent resilience during the period through to 2050. Through reduction of GHG base units, promotion of energy conservation, and other efforts, the Mitsui Fudosan Group is promoting mitigation of the risk of higher carbon taxes, tightened regulations, and other climate-related risk. In addition, by reinforcing our superior market position, for example by deploying environment-conscious urban development in and outside Japan, such as smart cities in collaboration with everyone in our supply chain, including general contractors with construction technology for superior environmental performance, we will expand the business opportunities resulting from transition to the decarbonized society. Our scenario analysis enabled us to once again confirm the direction of our environmental efforts to date. Going forward, Mitsui Fudosan Group will work to enhance its resilience and maximize its opportunities through even more detailed and extensive scenario analysis and promotion of a wide range of response efforts.

Recommended disclosure items	Disclosure in ESG Report 2020
Governance: Disclose the organization's governance around climate-related risks and opportunities	
a) Describe the board's oversight of climate-related risks and opportunities	Environment > Environmental Management System > P15 Environmental Management System
b) Describe management's role in assessing and managing climate-related risks and opportunities	Environment > Environmental Management System > P15 Environmental Management System
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Environment > Climate Change > P36 Climate-related Financial Disclosure in Accordance with TCFD
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Environment > Climate Change > P36 Climate-related Financial Disclosure in Accordance with TCFD
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Environment > Climate Change > P36 Climate-related Financial Disclosure in Accordance with TCFD
Risk Management: Disclose how the organization identifies, assesses, and manages climate-related risks	
a) Describe the organization's processes for identifying and assessing climate-related risks	Governance > Risk Management > P94 Risk Management System Environment > Climate Change > P36 Climate-related Financial Disclosure in Accordance with TCFD
b) Describe the organization's processes for managing climate-related risks	Governance > Risk Management > P94 Risk Management System Environment > Climate Change > P36 Climate-related Financial Disclosure in Accordance with TCFD
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Environment > Climate Change > P36 Climate-related Financial Disclosure in Accordance with TCFD
Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Environment > Environmental Management System > P15 Environmental Management System Environment > Climate Change > P28 Activity Indices and Goals
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Environment > Climate Change > P36 Climate-related Financial Disclosure in Accordance with TCFD Environment > Climate Change > P28 Activity Indices and Goals
c) Describe the targets used by the organization to manage climate-related risks and opportunities, and performance against targets	Environment > Climate Change > P28 Activity Indices and Goals

Other Environmental data

Environmental Accounting (Company Office Building Division)

Calculation of Environmental Accounting

Investment and expenses required for environmental conservation were calculated in the environmental conservation costs. In addition, fiscal 2002 is regarded as the base fiscal year for comparisons/calculations.

Expenses for environmental conservation costs include depreciation allowance for equipment, etc. invested in.

Among environmental conservation costs related to administrative activities, expenses for conducting occupational knowledge training and other expenses are posted.

The basis for conversion into CO₂ with respect to environmental conservation effects is as follows. To compare with the base fiscal year, the numerical values for the fiscal year under review and the previous fiscal year were also calculated on the following basis.

CO₂ emissions coefficient (other than electricity):

The CO₂ emissions coefficient indicated in the Enforcement Ordinance of the Act on Promotion of Global Warming Countermeasures (revised in December 2002).

CO₂ emissions coefficient (electricity):

The CO₂ emissions coefficient indicated in the Enforcement Ordinance of the Act on Promotion of Global Warming Countermeasures (revised in December 2002) (the numerical value for general electric power suppliers is used).

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

Cost of Environmental Conservation (Fiscal 2019)

Scope of calculations: Office buildings that the Company owns or partially owns (targeted: 66 buildings)

Applicable period: April 1, 2019 - March 31, 2020

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)	—	426,063	1,189,195	14,488,027
	Breakdown	1-1 Antipollution Costs	18,180	41,086	538,208
		1-2 Global Environment Conservation Costs	390,806	839,422	9,452,783
		1-3 Resource Recycling Costs	17,077	308,687	4,497,036
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	107,710	1,527,540
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.	0	88,942	907,960
6	Costs to Handle Environmental Damage (Environmental Damage Costs)	—	0	0	0
Total			426,063	1,385,847	16,965,967

Environmental Conservation Effects (Fiscal 2019)

Scope of calculations: Office buildings that the Company owns or partially owns (targeted: 67 buildings)

Applicable period: April 1, 2019– March 31, 2020

Base fiscal year: Fiscal 2002

Contents of Effects		Current Fiscal Year	Previous Fiscal Year	Base Fiscal Year	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 ²]* ¹	1.93	2.01	3.16	-0.08	-1.23	
	Consumption by Floor Area of CO ₂ Equivalent to Fuel/ Electricity for Administrative Use (after correction based on occupancy ratio) [equivalent t-CO ₂ /thousand m ²]* ²	2.97	3.1	4.87	-0.13	-1.9	
	Break-down of Each Energy	Electricity: Consumption by Floor Area of Electric Power Consumed for Administrative Use (after correction based on occupancy ratio) [thousand kWh/thousand m ²]* ³	6.51	6.69	10.94	-0.18	-4.43
		Gas: Consumption by Floor Area of Gas Consumed for Administrative Use (after correction based on occupancy ratio) [thousand m ³ /thousand m ²]* ⁴	0.26	0.29	0.32	-0.03	-0.06
		DHC: Consumption by Floor Area of DHC Purchased for Administrative Use (after correction based on occupancy ratio) [MJ/thousand m ²]* ⁵	18,368.61	13,616.79	24,258.57	4,751.82	-5,889.96
Water: Consumption by Floor Area of Water Consumed for Administrative Use (after correction based on occupancy ratio) [t/thousand m ²]* ⁶		25.93	40.78	77.96	-14.85	-52.03	
Consumption by Floor Area of Disposed Waste (after correction based on occupancy ratio) [t/thousand m ²]* ⁷		0.43	0.47	1.19	-0.04	-0.76	
Improvement of Recycling Rate to Total Waste [%]		70.7	72.52	44.77	-1.82	25.93	

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

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

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

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

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

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

*7 Amount of disposed waste [t] / (total floor area [thousand m²] x occupancy ratio)

Environmental Data by Prefectural/Municipal Ordinance

The Group wholeheartedly endorses all local government policies relating to climate change, including those of the Tokyo Metropolitan Government, and actively provides environmental data in accordance with prefectural/municipal ordinance.

Environmental Data Based on Ordinances of the Tokyo Metropolitan Government (Bureau of Environment, Tokyo Metropolitan Government Report on Measures against Global Warming)

⇒ <https://www8.kankyo.metro.tokyo.lg.jp/ondanka/ad135gcce/index.php?ac=establishment&type=ent&code=01049&sys=13>
(Japanese version only)

⇒ <https://www8.kankyo.metro.tokyo.lg.jp/ondanka/ad135gcce/>
(Japanese version only)

Environmental Data Based on Ordinances of the Yokohama Municipal Government

⇒ https://www.mitsuifudosan.co.jp/corporate/esg_csr/pdf/2020/env_yokohama_2020.pdf
(Japanese version only)

Environmental Data Based on Ordinances of the Saitama Prefectural Government

⇒ https://www.mitsuifudosan.co.jp/corporate/esg_csr/pdf/2020/env_saitama_2020.pdf
(Japanese version only)

Environmental Data Based on Ordinances of the Hiroshima Municipal Government

⇒ https://www.mitsuifudosan.co.jp/corporate/esg_csr/pdf/2020/env_hiroshima_2020.pdf
(Japanese version only)



Policy

Based on our Group Environmental Policy, we strive to protect the precious natural environment in urban areas and preserve the trees and forests that pass on the memories and history of the land. We also work to create new green spaces in urban areas. Recognizing the maturity that comes with age, we are also working to create and restore greenery and biotopes that are in harmony with the surrounding environment and preserve biodiversity.

Major Initiatives

Member of the Keidanren Committee on Nature Conservation

In fiscal 2014, the Company joined the Keidanren Committee on Nature Conservation. The committee administers a fund that supports nature preservation activities in developing countries as well as Japan. It also encourages such activities on the part of enterprises, and engages in a wide range of related activities.

Biodiverse Regions

Business Activities in National Parks

Among the regions where the Group is engaged in business activities, the resort hotel HAIMURUBUSHI (Yaeyama District, Okinawa) is located in an ordinary zone of Iriomote-Ishigaki National Park, the TOBA HOTEL INTERNATIONAL (Toba City, Mie) in an ordinary zone of Ise-Shima National Park, and the NEMU RESORT and AMANEMU (both in Shima City, Mie) are located in an ordinary zone and a special zone in Ise-Shima National Park. In the regions inside national parks where these four resort hotel facilities are located, we are working to create and restore wildlife habitats lost due to development, and to minimize the impact of business activities on wildlife habitats in these regions. Using these rich natural surroundings, we also strive to provide venues and opportunities for activities in touch with nature.

Group-Managed Forests

The Group owns roughly 5,000 hectares of forest (equivalent to 1,063 Tokyo Domes*) in 31 cities, towns and villages in Hokkaido. Less than 40% is natural forest of trees such as Mongolian oak, and management is kept to a minimum so they can be preserved in their natural state. More than 60% is hand-planted Sakhalin fir and other varieties, and we conduct planned tree-planting and provide appropriate management and care. By using timber from our group-managed forests as building materials, we create "never-ending forests."

Please see below for details on group-managed forests.

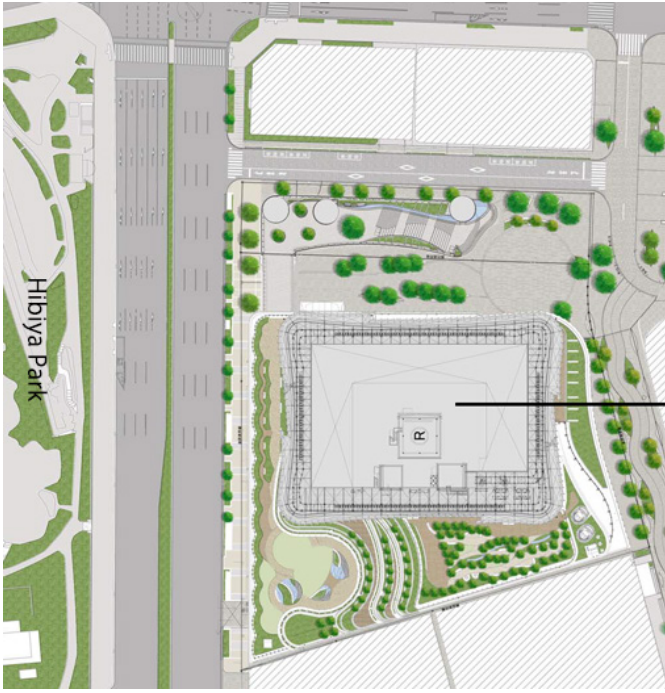
⇒ The Mitsui Fudosan Group's Forest Preservation Activities (https://www.mitsuifudosan.co.jp/and_forest/)

*Calculation based on Tokyo Dome covering 4.7 hectares.

Preserving and Creating Greenery in Urban Settings

At TOKYO MIDTOWN HIBIYA (Chiyoda-ku, Tokyo), the planted foliage incorporates the same local varieties of trees as the adjacent Hibiya Park located across the road, to ensure harmony with the park's lush greenery. The Parkview Garden (sixth floor), Sky Garden (ninth floor) and other amenities provide approximately 2,000 m² of green space (greening rate* 40%).

*Greening rate: Green area is calculated based on the method outlined in the greenery program of the Tokyo Nature Conservation Ordinance.
Greening rate (%) = (Rooftop green area + Ground green area) / (Site area - Building area + Usable rooftop area) x 100



Greenery plan for TOKYO MIDTOWN HIBIYA



Parkview Garden

TOKYO MIDTOWN HIBIYA



Sky Garden

Preserving and Creating Wildlife Habitats

The neighborhood of Tokyo Midtown (Minato-ku, Tokyo) is a redevelopment of a former Japan Defense Agency (JDA) site in Roppongi. Approximately 140 trees remaining on the former JDA site were preserved and transplanted, and in combination with the adjacent Hinokicho Park (Minato-ku) approximately 40% of the development area (roughly 4 hectares) forms a richly green open space, for a green area about 2.7 times that during the JDA era. A wild bird survey was carried out from October 2016 to June 2017 in these green spaces of Tokyo Midtown, and the results confirmed birds of 6 orders, 18 families, and 25 species. These include the Northern Goshawk, Great Egret, Black Kite, and Bull-Headed Shrike, all of which appear on the Red List of the Tokyo Metropolitan Government, indicating important wildlife species for protection. Moreover, within the premises, a handbook introducing the wild birds discovered in the survey is available for visitors to look at.



Wild Bird Handbook for Tokyo Midtown



Green space in Tokyo Midtown (Midtown Garden)



Japanese Pied Wagtail (lawn)

Japanese Pygmy Woodpecker (tree)

Barn Swallow (sky)

Eastern Spot-Billed Duck (water)

Wild birds living in Tokyo Midtown

Restoring Wildlife Habitats

The resort hotel NEMU RESORT (Shima City, Mie) is located in Ise-Shima National Park, which overlooks Ago Bay. Large parts of the tidal wetlands and seaweed beds in Ago Bay have been lost, and efforts to restore the tidal wetlands and seaweed beds, and thereby rejuvenate a flourishing ocean, are moving forward through a joint project by industry, government, academia, and the local community. At the NEMU RESORT, a project has been underway since fiscal 2012 to restore a roughly two-hectare coastal plot of open land in the park (abandoned agricultural land) as a tidal wetland, and after restoration we are checking habitation by wildlife such as Flathead Grey Mullet, Japanese Black Seabream, and Japanese Intertidal Crab. At AMANEMU (Shima City, Mie) which opened in March 2016, a pre on-site vegetation survey was carried out based on the REFOREST development concept (reclaiming nature on land damaged in the past by repeated development and deforestation). Based on the results, we selected the principal trees of existing forests on the site, and carried out priority planting starting from locations artificially developed with no trees, such as lawns. In this way, we worked to restore the forest in harmony with the natural environment of the region.

River and Waterside Regeneration

In Nihonbashi, which the Mitsui Fudosan Group has positioned as an important redevelopment area, we are planning five redevelopment projects with a total area of 6.7 hectares (approx. 20,000 tsubo) and total floor space of approx. 370,000 tsubo along the Nihonbashi River. River and waterside regeneration is one of the priority initiatives of this plan. We will create a water area and pedestrian network as well as contribute to viable biodiversity.



*Possible future image of Nihonbashi; may not correspond to current redevelopment plans as of August 2019.

Certification System for Biodiversity

Harumi 5-chome West District Type 1 Urban Redevelopment Project (HARUMI FLAG, one of the largest comprehensive development projects in Tokyo) has acquired four environmental certifications including ABINC, a certification related to biodiversity.

⇒ <https://www.mitsufudosan.co.jp/corporate/news/2018/1129/download/sumami/20181129.pdf>

(Japanese version only)

*About the ABINC certification

The ABINC certification system aims to promote coexistence between nature and people in corporate activities. Based on guidelines created by Japan Business Initiative for Biodiversity, ABINC (Association for Business Innovation in harmony with Nature and Community) evaluates and certifies corporate initiatives to preserve biodiversity, such as the creation, management, and use of green spaces.

⇒ <https://www3.abinc.or.jp/>

(Japanese version only)

⇒ <http://jbib.org/english/>

Provision of Venues and Opportunities for Activities in Touch with Nature

At the resort hotel NEMU RESORT (Shima City, Mie), we offer programs to experience nature such as Bird Watching Strolls and Satoyama Nature Tours, led by dedicated nature specialists and guides. We also offer programs to experience nature at HAIMURUBUSHI (Yaeyama District, Okinawa) such as Nighttime Park Tours, scuba diving, and snorkeling.

Implementation of Biodiversity Risk Assessments

When carrying out a new development project, the Group confirms the presence of trees, forests, and other elements of the natural environment that should be preserved on development sites, and we preserve, transplant, or conserve trees, forests and other natural features when needed. In developing regions with many natural areas, we assess environmental impact on plants, animals, and ecosystems based on laws, regulations, and ordinances relating to environmental impact assessments and protection of the natural environment.



Policy

As a corporate group supporting office buildings, housing, and other infrastructure necessary for daily life, the Group recognizes its social responsibility to reduce its environmental impact and conserve the environment to an even higher standard. To accomplish this, we believe efforts should be made throughout the entire supply chain to promote environmentally friendly, sustainable procurement. We have formulated Sustainable Procurement Standards summarizing basic guidelines in this area. We published these standards on our website in December 2018, and have notified our main business partners.

Our Sustainable Procurement Standards specify environmental guidelines, as well as basic guidelines on six items—including compliance with laws and regulations and respect for human rights relating to labor—as standards to be complied with or actively promoted by both the Group and its suppliers. The idea is to share these standards within the Group, build and operate an ordering and contract process in line with the nature of its business, and also notify and request the understanding of its business partners. To realize a sustainable society, we will work to promote environmentally friendly sustainable procurement throughout our supply chain.

Procurement Standards for Environmental Awareness(Excerpt from the Mitsui Fudosan Group’s Sustainable Procurement Standards)

5. Consideration for the Environment

- Strive to reduce resource use including energy, CO2 emissions and water use, etc.
- Manage and reduce in an appropriate manner contaminated substances and generation of waste materials
- Show consideration for biodiversity
- Preserve the environment, including the aforementioned items

For details on the Group’s Sustainable Procurement Standards, see P74 Policy under Social Supply Chain.

Building Management System to Measure the Energy Efficiency of Our Real Estate Properties

⇒ Please see P32 "Climate Change" > "Major Initiatives" > "Energy Management System".

Biodiversity Conservation Project at Our Real Estate Properties

⇒ Please see P43 "Biodiversity" > "Major Initiatives".

Water Usage at Our Real Estate Properties

⇒ Please see P17 "Water" > "Water Usage".

Energy Consumption at Our Real Estate Properties

⇒ Please see P34 "Climate Change" > "Energy Consumption"

Greenhouse Gas Emissions at Our Real Estate Properties

⇒ Please see P34 "Climate Change" > "Greenhouse Gas Emissions".

Major Initiatives

Issuance of Green Bond

In September 2019, the Company issued a Green Bond as an initiative to enable a wide array of stakeholders to gain a higher level of awareness of the Mitsui Fudosan Group's ESG policies, to promote the six materialities (goals) the Group formulated as goals for important issues for action under the group Long-Term Vision, VISION 2025, and to contribute to the realization of a sustainable society.

Outline of Green Bond

Name	Mitsui Fudosan Co., Ltd. 68th Unsecured Bond (with inter-bond pari passu clause) (Green Bond)
Date of issue	September 12, 2019
Term	5 years
Total issued	¥50 billion
Date of determining terms and conditions	September 6, 2019
Use of proceeds	The full amount will be used as refinancing capital to acquire reserved floors in Nihonbashi Muromachi Mitsui Tower
Acquired rating	AA- (Rating and Investment Information, Inc.), AA (Japan Credit Rating Agency, Ltd.)
Second opinion*1	A second opinion has been received from Rating and Investment Information, Inc. (R&I) stating that, based on the R&I Green Bond Assessment methodology*2, Mitsui Fudosan's Green Bond Framework is in compliance with Green Bond Principles 2018 and Green Bond Guidelines 2017, and R&I has assigned the top GA1 rating to the bond.

*1: For details concerning the second opinion received from R&I stating that Mitsui Fudosan's Green Bond Framework is in compliance with Green Bond Principles 2018 and Green Bond Guidelines 2017, see the R&I website:

⇒ https://www.r-i.co.jp/en/news_release_gba/2019/09/news_release_gba_20190906_eng.pdf

*2: A methodology using a five-scale evaluation criteria including items under the Green Bond Principles of the degree to which funds raised by the issue of green bonds are invested in a project that helps solve environmental problems, which is monitored until the maturity date. In conjunction with the assessment, R&I may issue a second opinion regarding the issuer's Green Bond Framework, assessing it for compliance with Green Bond Principles and other rules.

Announcement of Investment in Green Bond

For details of investors announcing investment in Mitsui Fudosan's Green Bond, see:

⇒ <https://www.mitsuifudosan.co.jp/english/corporate/news/2019/0906/>

Profile of Nihonbashi Muromachi Mitsui Tower

A profile of Nihonbashi Muromachi Mitsui Tower is available at:

⇒ https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/special/nihonbashi2.html

Impact Reporting

Please see:

⇒ https://www.mitsuifudosan.co.jp/corporate/esg_csr/third-party_verification/index.html#date3_E03

⇒ https://www.mitsuifudosan.co.jp/corporate/esg_csr/environment/04.html#p04

⇒ https://www.mitsuifudosan.co.jp/corporate/esg_csr/environment/03.html#p01