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Environmental Initiatives Policy

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)

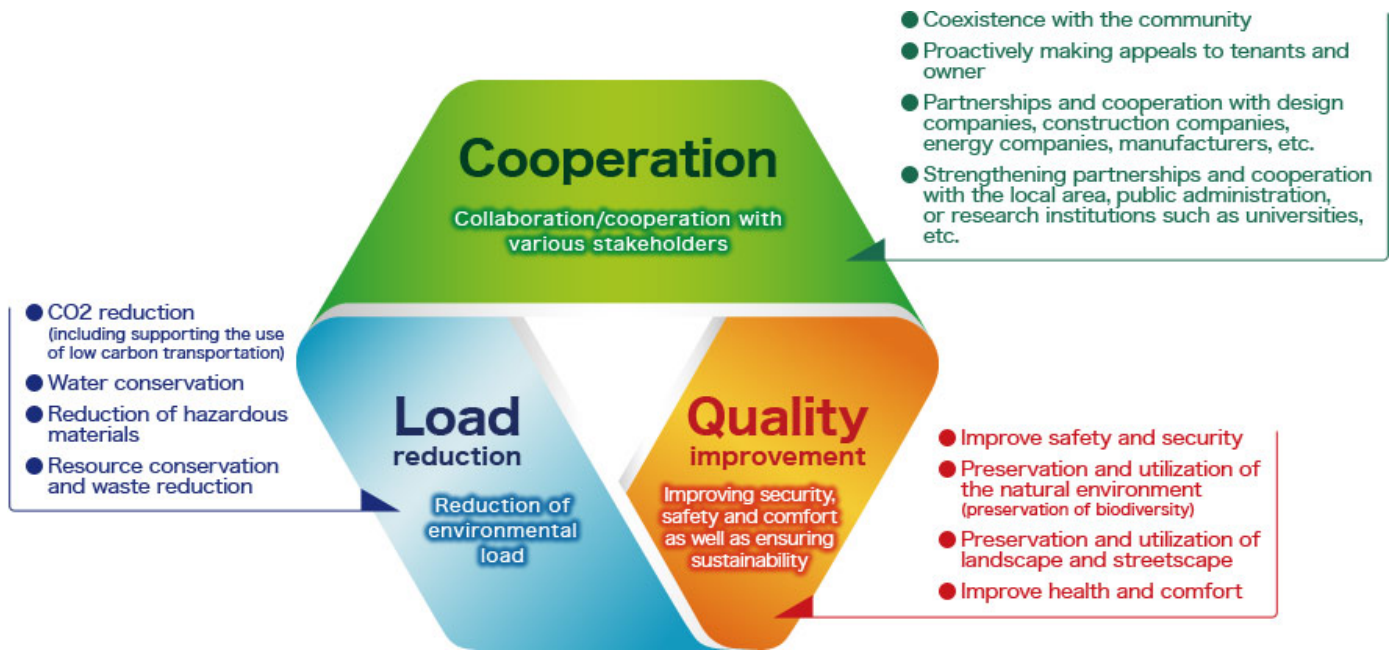
Environmental Principles

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.



Environmental Management System >>

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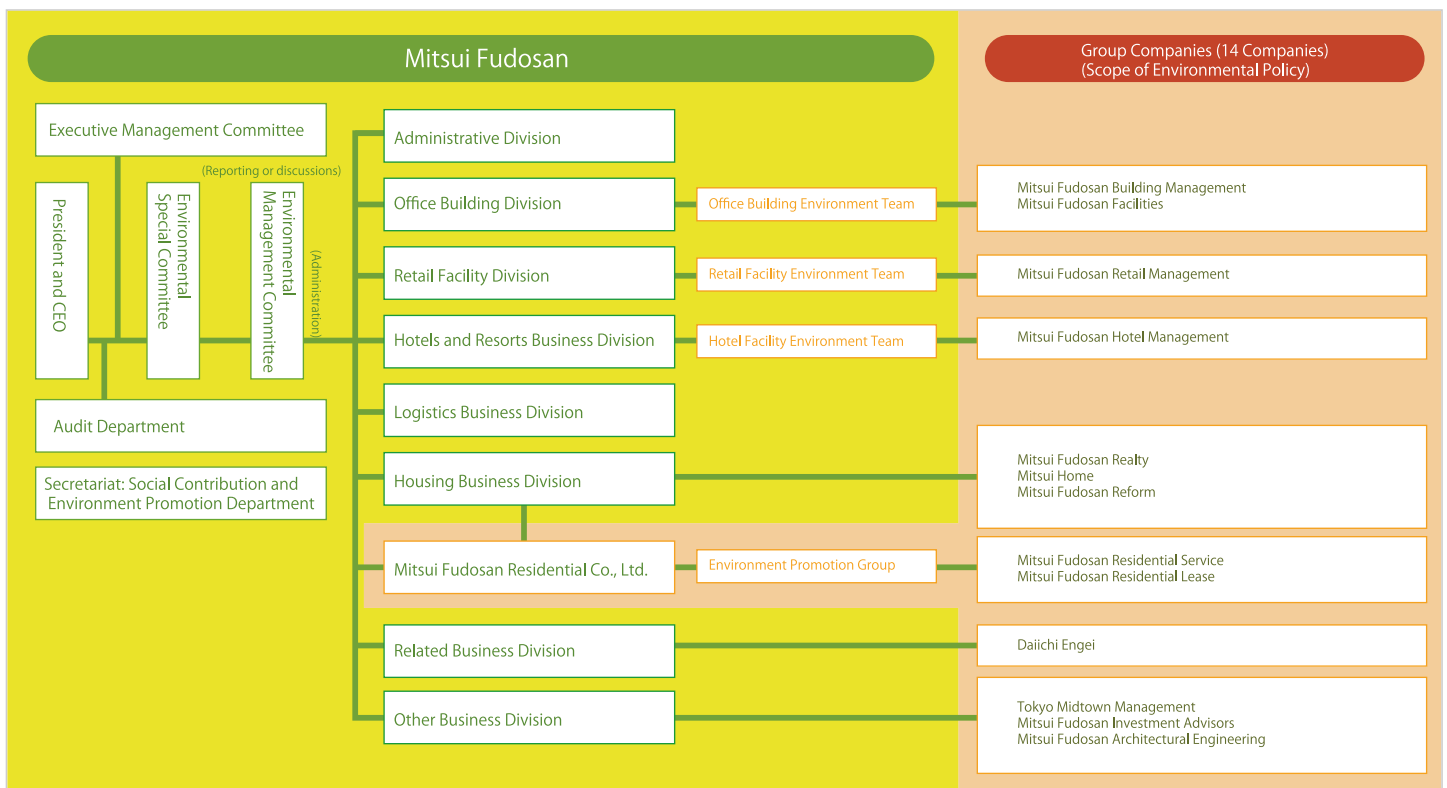
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Environmental Management System

Mitsui Fudosan has established an Environmental Management Committee (headed by the Officer in Charge of the Environment) subordinate to the Environmental Special Committee (headed by the President and CEO), established fiscal year targets for each business division in accordance with the Group Environmental Policy, and is carrying out tasks such as progress management. Priority issues in these tasks are reported to the Board of Directors, and environmental initiatives are carried out in a planned fashion alongside Group companies subject to environmental policies. As of April 1, 2018, 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, 2018)



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.

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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

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.

Progress in Achieving Goals

Clean water and industrial water usage per base unit (of floor area) in fiscal 2017 was 0.785 m³/m² per year, a 5.3% reduction from the previous fiscal year (0.828 m³/m² per year).

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

Major Initiatives

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 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. For example, we have installed 1,031 toilets with a flush volume of 8 liters in offices and retail areas, and this achieves water savings of about 40% compared to ordinary types (flush volume 13 liters).

Large-scale renovation took place in fiscal 2017 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) which conserve even more water than the conventional water-saving types (flush volume 8 liters).

The built-for-sale and rental condominiums and built-for-sale detached housing which Mitsui Fudosan Residential began to sell (or where tenants began to move in in the case of rentals) in fiscal 2017 use water-saving toilets and bathing room shower heads with a water stop button.

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.

Use of Rainwater and Grey Water at Tokyo Midtown Hibiya

At Tokyo Midtown Hibiya (Chiyoda-ku, Tokyo), we are planning to collect rainwater and drainage water^{*} from air-conditioners in a rainwater utilization tank (water storage capacity approximately 400m³), and after treatment use as general service water for toilet flushing and similar purposes. The plan also calls for grey water, obtained by treating kitchen wastewater, miscellaneous wastewater, and cooling tower blowdown water, to be used 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

Total water usage^{*1} by Mitsui Fudosan (see Scope of Data Calculation) has been almost flat since fiscal 2015, and in fiscal 2017 was 5,323,000 m³ per year. Clean water and industrial water usage^{*2} was almost unchanged from the previous fiscal year at 4,724,000 m³ per year, but per base unit (of floor area), there was a year-on-year decrease of 4.0% to 0.795 m³/m² per year.

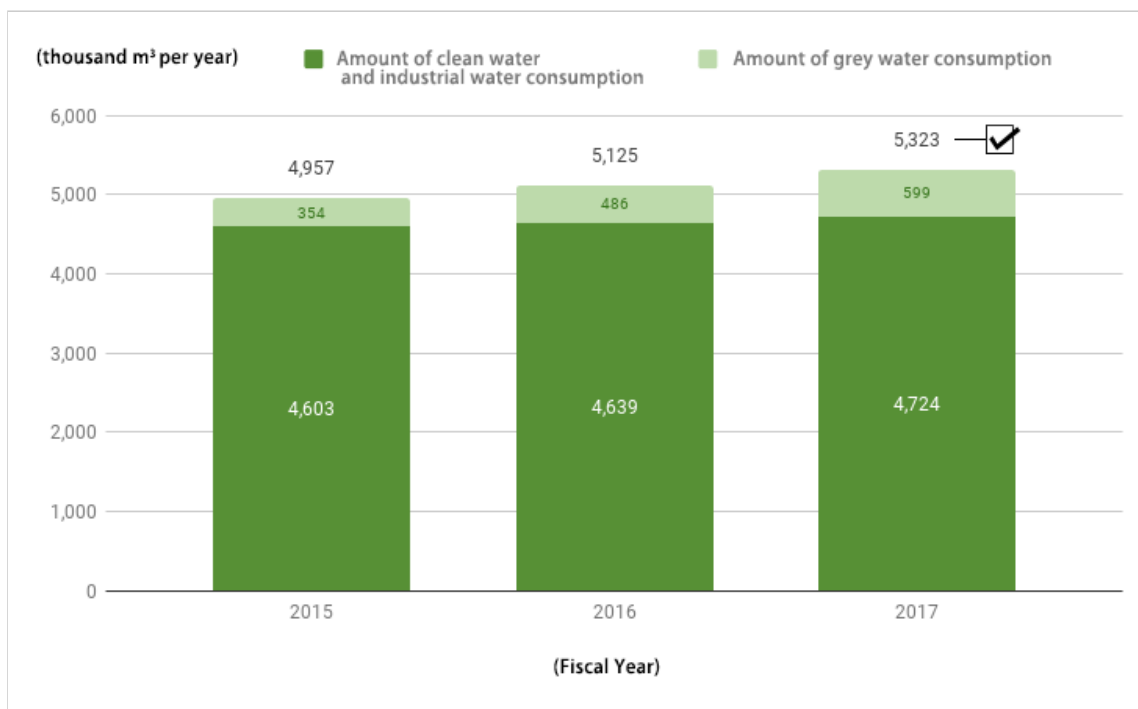
Grey water usage^{*3} increased by 23.3% from the previous fiscal year to 599,000 m³ per year.

^{*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.

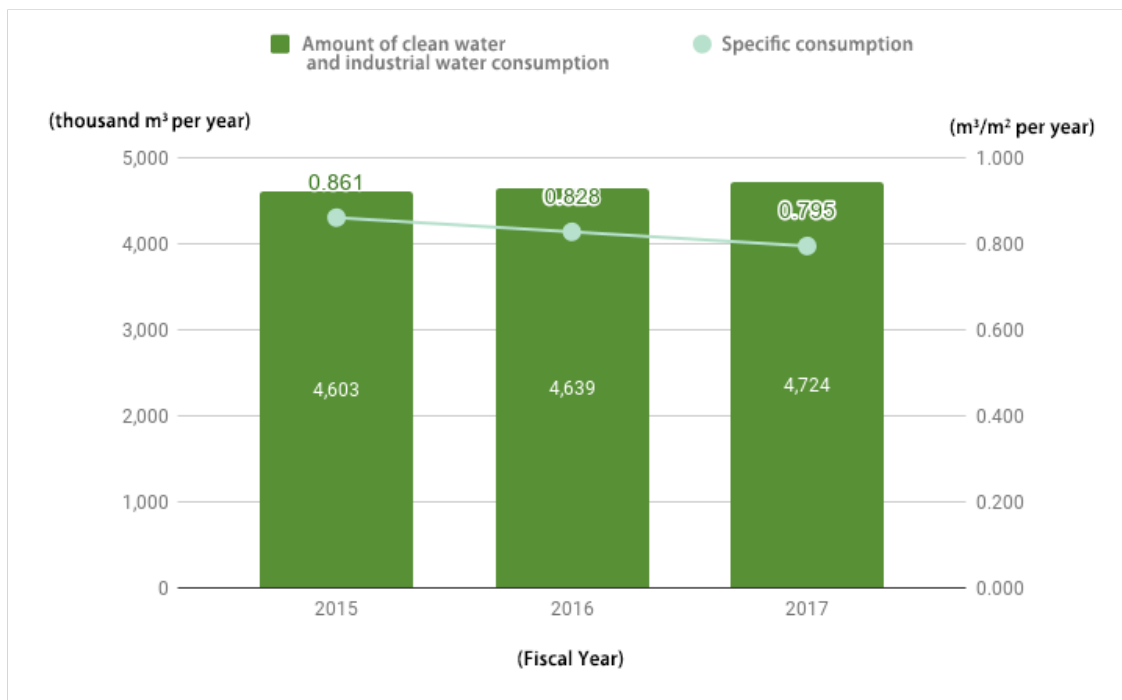
^{*3} Amount of grey water usage: Amount of gray water consumption includes kitchen and miscellaneous wastewater, and some rain and other water processed.

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.

Scope of Data Calculation (Water Usage)

Business Division	Type	Fiscal year		
		2015	2016	2017
Overall	No. of target facilities (facilities)	135	137	139
	Total floor area (m ²)	5,345,069	5,599,861	5,938,901
Office buildings	No. of target facilities (facilities)	73	75	76
	Total floor area (m ²)	2,538,723	2,462,672	2,648,216
Retail facilities	No. of target facilities (facilities)	44	43	43
	Total floor area (m ²)	2,596,732	2,851,201	2,864,433
Hotels	No. of target facilities (facilities)	12	12	12
	Total floor area (m ²)	157,097	151,626	150,619
Logistics	No. of target facilities (facilities)	1	3	3
	Total floor area (m ²)	41,943	124,225	265,059
Other	No. of target facilities (facilities)	5	4	5
	Total floor area (m ²)	10,574	10,138	10,574

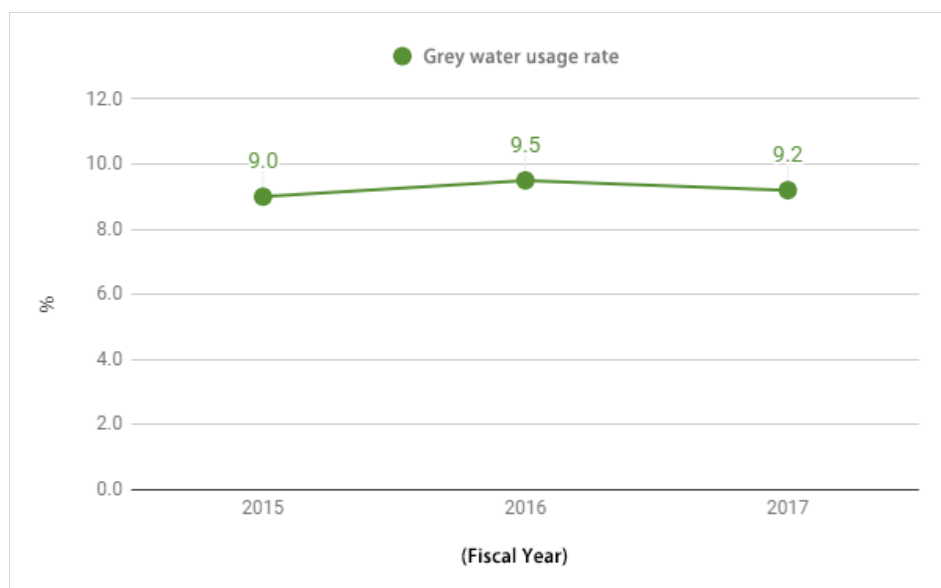
Note:

- 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

The water recycling rate (grey water usage rate) of Mitsui Fudosan (Scope of Data Calculation is the same as for "Water Usage") has stayed at roughly 9% since fiscal 2015. In fiscal 2017 it was 11.7%.

Trends in Water Recycling Rate (Grey Water Usage Rate)



Note:

1. Grey water usage rate = Amount of grey water consumption/Amount of water usage x 100
2. Scope of Data Calculation is the same as for "Water Usage."

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■ Prevention of Environmental Pollution

Policy

Based on our Group Environmental Policy, we prevent 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. In addition, we take hazardous materials into consideration when acquiring land as well as in the building design stage. We also ensure appropriate management and disposal, and thereby prevent impacts due to hazardous materials on the environment or building users.

Goals

- At facilities managed and operated by the Mitsui Fudosan Group that are subject to regulation* based on laws, regulations, and ordinances relating to air or water pollution, our goals shall be to take appropriate measures based on laws, regulations, and ordinances, comply with regulatory values, and reach even more stringent values.
- Our goals shall be to take appropriate measures based on laws, regulations, and ordinances relating to soil contamination, and prevent, as much as possible, soil contamination and dispersal.
- Our goals shall be to take proper measures based on 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.

subject to regulation*: Scale and other characteristics of facilities subject to regulation are outlined in laws, regulations, or ordinances of local authorities.

Progress in Achieving Goals

- In fiscal 2017, there were no violations of emissions standards or other requirements based on laws, regulations, and ordinances relating to air pollution and water pollution.
- In fiscal 2017, proper measures were taken based on laws, regulations, and ordinances relating to soil contamination, and there were no violations.
- In fiscal 2017, proper handling was carried out based on laws, regulations, and ordinances relating to chlorofluorocarbons and asbestos, and there were no violations.

Major 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 facilities, hotels, large-scale logistics facilities, and other properties managed and operated by the Mitsui Fudosan 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, we are working to reduce the in-lot effects of automobile exhaust gas by installing exhaust gas panels.

In fiscal 2017, we installed exhaust gas panels on the perimeter of Mitsui Repark parking lots at two location nationwide. 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.



Mitsui Repark's Enkobashi-cho No. 3 Parking Lot in Hiroshima



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 facilities, as well as hotels and resort facilities managed and operated by the Mitsui Fudosan 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 has been using 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 March 2018, the usage rate of eco-chemicals has risen to more than 90%.

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)

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

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 2017, at six Garden Hotels, we appropriately disposed of 72 kg of chlorofluorocarbons.

Responding Appropriately to Asbestos

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.

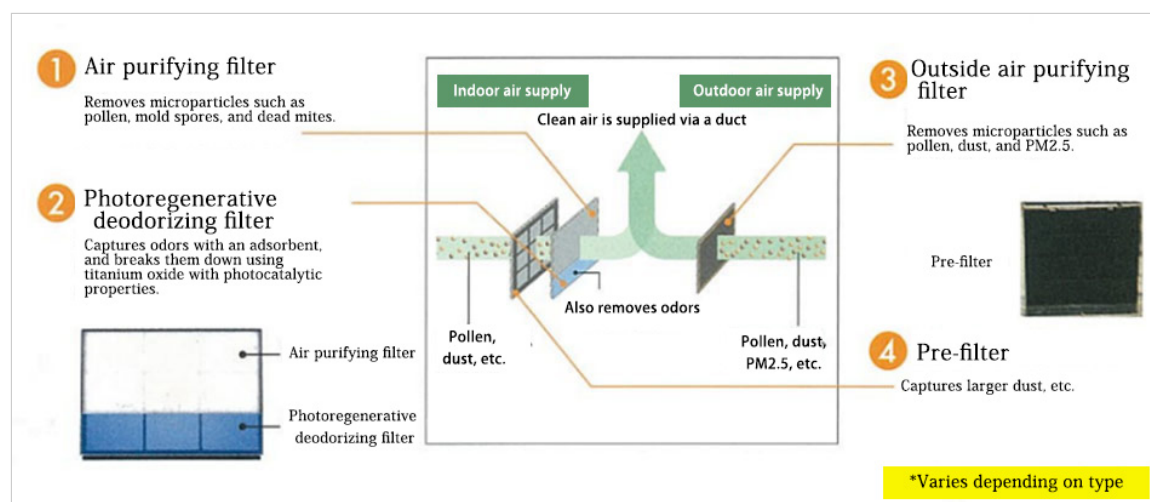
The housing business promotes the use of low-formaldehyde building materials to limit substances that cause sick building syndrome, such as formaldehyde.

*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 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



Saving Resources, Reducing and Appropriately Disposing of Waste

Policy

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

- We shall promote the 3Rs (reduce, reuse, recycle) and work to reduce general and industrial waste emissions per base unit.
- We shall appropriately dispose of wastes based on laws, regulations, and ordinances relating to waste disposal.

Progress in Achieving Goals

- General waste emissions per base unit (of floor area) in fiscal 2017 were 0.0064 tons/m² per year, indicating no change from the previous year. Industrial waste emissions per base unit (of floor area) were 0.0014 tons/m² per year, also showing no change from the previous year.
(For details on emissions of general waste and industrial waste per base unit of floor area, please see "Waste Emissions.")
- Wastes were appropriately disposed of based on laws, regulations, and ordinances relating to waste disposal, and there were no violations.

Major Initiatives

The Mitsui Fudosan 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.

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 as of the close of fiscal 2017.



Application of stickers



Scale



Taking measurements

Reuse

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

&EARTH Clothing Support Project

Every year since 2008, we have held the &EARTH Clothing Support Project — Bring a Smile to the World with Your Clothes — at retail facilities 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.



Reception



Packaging



Volunteers

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, 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 2017)

Category		Office buildings (28)	Retail facilities (28)
Food waste	Waste volume	2,887 tons/year	6,280 tons/year
	Recycled volume	2,404 tons/year	6,189 tons/year
	Recycling ratio	83.2%	98.1%
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. In fiscal 2017, we recycled approximately 0.7 tons of coffee grounds. Other food waste is processed on the premises with a food waste processor that uses microbes.

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. During fiscal 2017, 0.2 m³ of such oil was recycled. Similarly, NEMU RESORT (Shima City, Mie) has been recycling used cooking oil since fiscal 2005, and in fiscal 2017, a total of 2.4 m³ 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 CO₂ emissions.

Tile carpeting recycling (fiscal 2017)

Volume of used tile carpeting collected	Approx. 80,000 m ²
Volume of environmentally friendly tile carpeting supplied	Approx. 70,000 m ²
Cumulative volume supplied since fiscal 2002	Approx. 1,090,000 m ² (1,020,000 m ² through fiscal 2016 + 70,000 m ² in fiscal 2017)

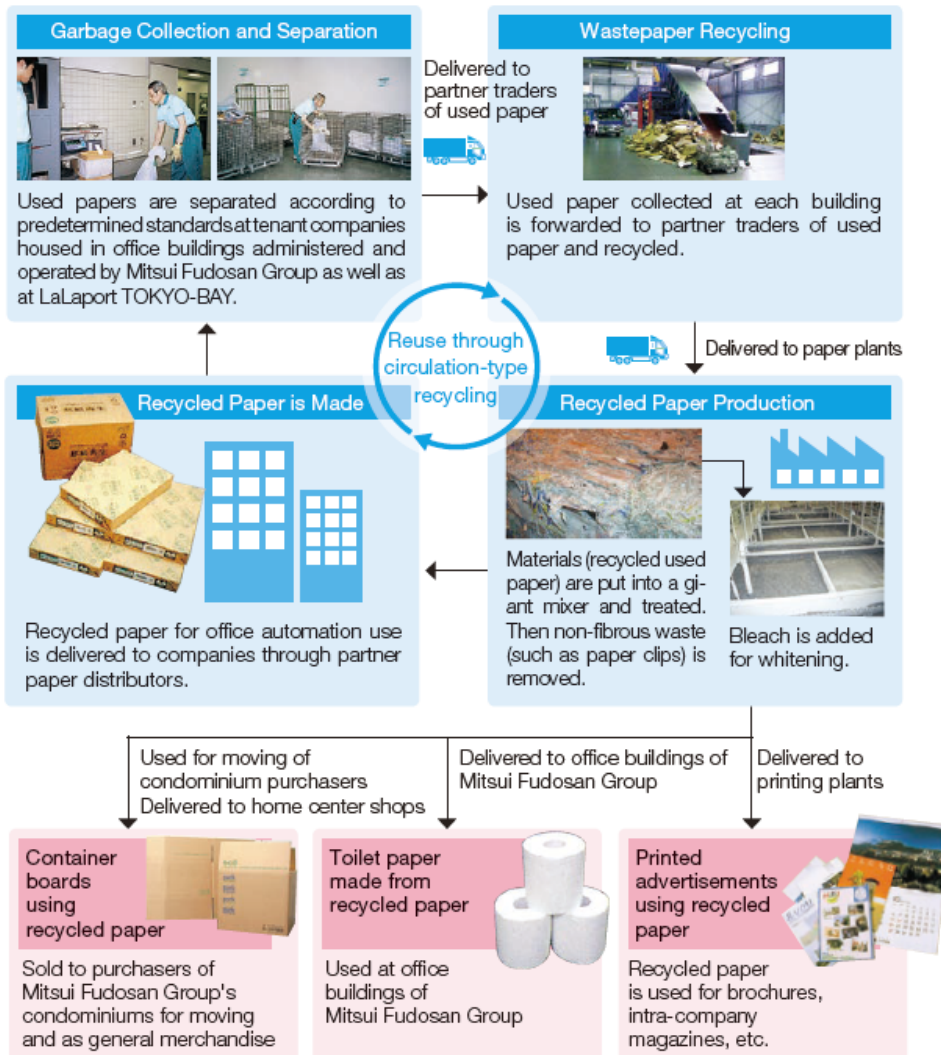
Wastepaper Recycling Loop System

In collaboration with traders of used paper, paper manufacturers, and paper distributors, 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 2017, we collected approximately 9,405 tons of wastepaper, and purchased about 936 tons of recycled paper.

Wastepaper recycling (fiscal 2017)

Volume of wastepaper collected	78 office buildings in Tokyo	Approx. 8,257 tons	Total approx. 9,405 tons
	LaLaport TOKYO-BAY	Approx. 1,148 tons	
Recycled paper purchased	Mitsui Fudosan Group's purchase volume	Recycled paper for office use: approx. 210 tons procured Toilet paper: approx. 726 tons procured	

Outline of Wastepaper Recycling Loop System



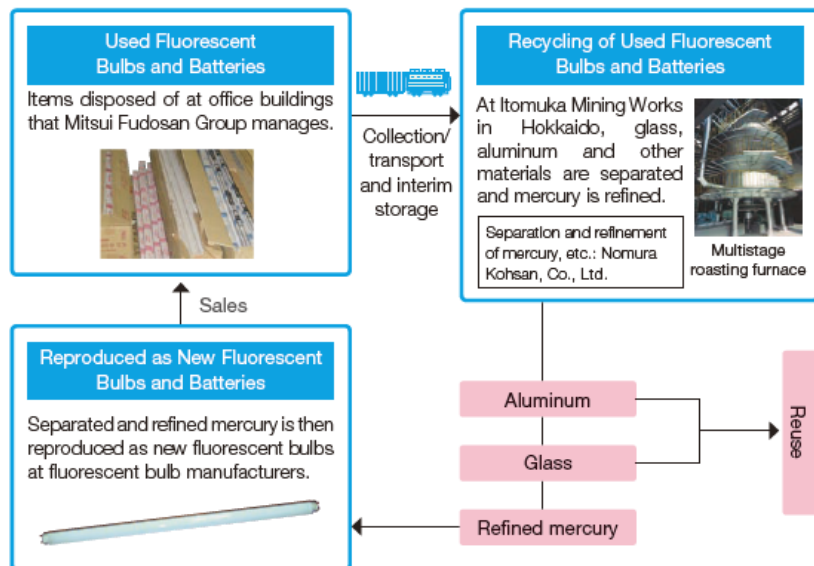
Used Fluorescent Bulb and Battery Recycling System

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 2017, 24.7 tons of used fluorescent bulbs and 7.5 tons of batteries were collected and recycled from a total of 39 buildings.

Used fluorescent bulb and battery recycling (fiscal 2017)

Number of buildings covered for collections	Total 39 buildings (29 in Tokyo, 10 in Kansai)
Collection volume	Fluorescent bulbs: approx. 24.7 tons Batteries: approx. 7.5 tons

Outline of Used Fluorescent Bulb and Battery Recycling System



Recycled Office Paper Usage Ratio in Mitsui Fudosan's Offices

In fiscal 2017, about 96.2% of the business paper used*14 was recycled paper in Mitsui Fudosan's offices.

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

Recycling Efforts at Tokyo Midtown

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 offices of Tokyo Midtown Management.

Classification of Garbage at Tokyo Midtown (21 Categories)

- | | | |
|---------------------------------|--|---|
| (1) Burnable garbage | (8) Mixed paper | (15) PET bottles |
| (2) Food scraps | (9) Shredder waste | (16) Polystyrene foam |
| (3) Food scraps (for recycling) | (10) Cardboard | (17) Glass bottles |
| (4) Cigarette butts | (11) Miscellaneous recyclable paper | (18) Cans |
| (5) Newspapers | (12) Non-burnable garbage | (19) Dry cell batteries, fluorescent lamps, light bulbs |
| (6) Magazines | (13) Fragile items, ceramic waste, glass | (20) Waste oil |
| (7) Office paper | (14) Lunch packaging | (21) Grease trap sludge |

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 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 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.

Efforts to Appropriately Dispose of Waste

The Mitsui Fudosan Group promotes the 3Rs, and we appropriately dispose of wastes that cannot be reused or recycled based on laws, regulations, and ordinances relating to appropriate disposal of wastes.

On-Site Inspection of Waste Management Subcontractors and Disposal Facilities

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 fiscal 2017, we conducted inspections of two industrial waste management subcontractors.

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. After that, we audited and inspected approximately 20 retail facilities annually to ensure compliance with adjusted waste disposal agreements, and in fiscal 2017 we carried out on-site inspections of waste management sites for all of our retail facilities. Going forward, we plan to continue performing audits and inspections to ensure that waste disposal rules are being properly followed.

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 2017, we did not dispose of any high-concentration PCB waste. Regarding low-concentration PCB waste, we disposed of one transformer (180.0 kg) at the TOBA HOTEL INTERNATIONAL (Toba City, Mie).

In addition, as of the end of March 2018, there were 9,937 units (lighting ballast equipment) at six office buildings, 15 units (9 high-concentration condensers, and six units of ballast equipment of unknown concentration) at one retail facility with high concentrations of PCB, registered for and awaiting disposal. In terms of equipment with low concentrations of PCB, there are five units (three transformers, one instrument transformer, and one other piece of electrical equipment) at the NEMU RESORT (Shima City, Mie). These are all currently held under appropriate ongoing management and storage at each facility.

Also, three units of high-concentration PCB waste stored and managed at one Garden Hotel have been shifted to management by the owner, and are no longer under the management of our group.

Waste Emissions

Hazardous Waste (Specially Controlled Waste) Emissions

Emissions in fiscal 2017 of PCB waste, a type of hazardous waste (specially controlled waste), were 180 kg/year.

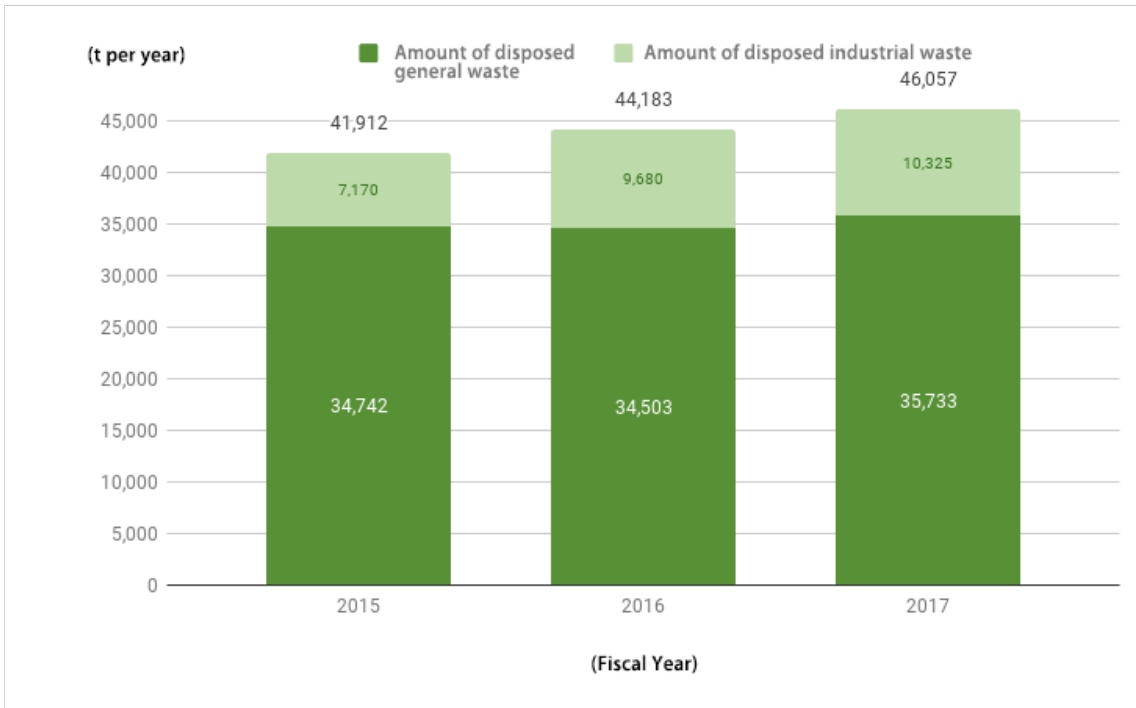
Non-Hazardous Waste Emissions

The total non-hazardous waste emissions of Mitsui Fudosan (see Scope of Data Calculation) have shown a slight rising trend since fiscal 2015, and in fiscal 2017 there was a slight increase to 46,057 tons/year, a 4.2% increase year on year.

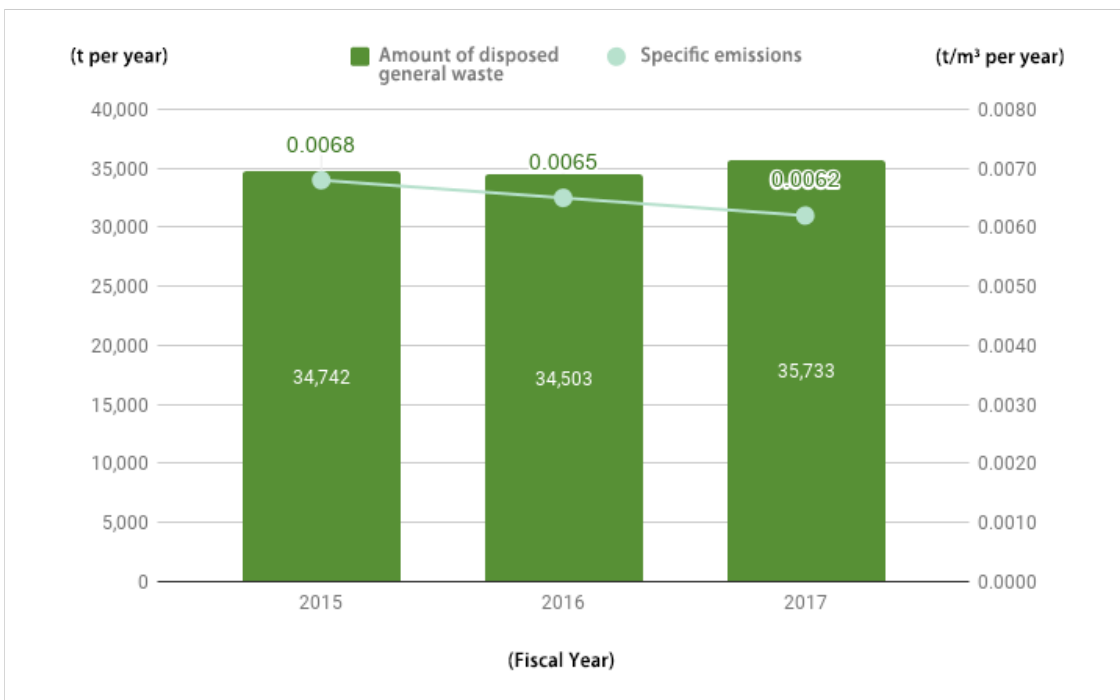
The trend for general waste emissions has been almost flat, and emissions were 35,733 tons/year in fiscal 2017. Industrial waste emissions have been increasing since fiscal 2015, and in fiscal 2017 the figure was 10,325 tons/year, for an increase of 13.2% over the previous year.

However, industrial waste emissions per base unit (of floor area) have been flat at 0.0018 tons/m² per year.

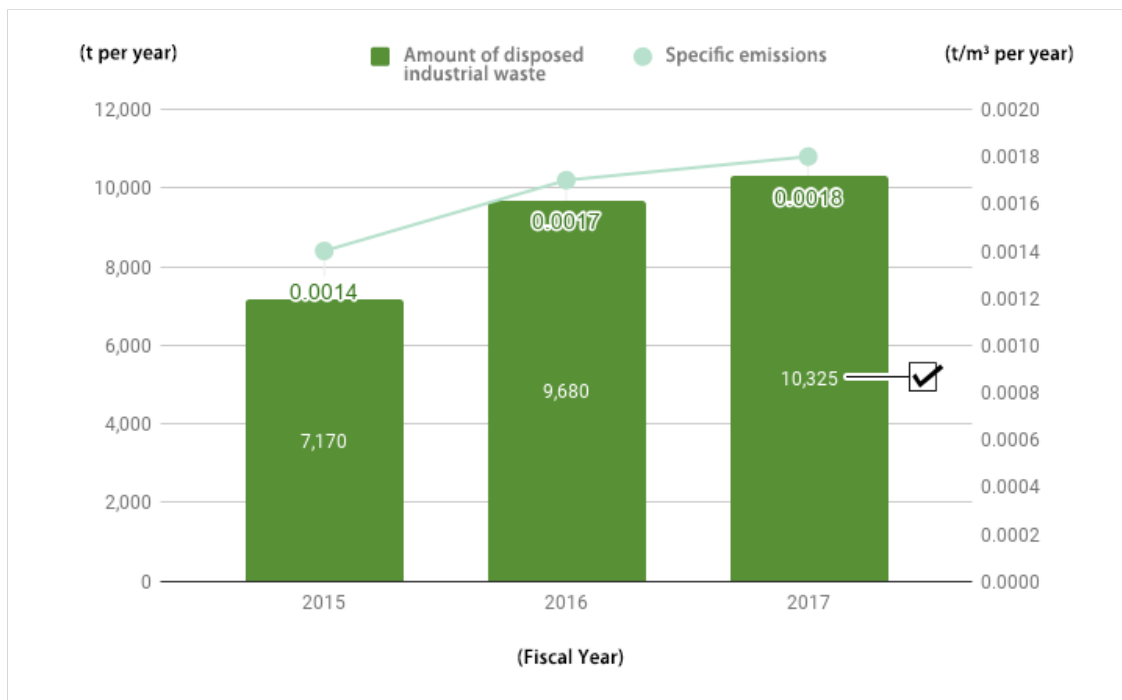
Trends in the Amount of Disposed Non-Hazardous Waste



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 Collation

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.

Scope of Data Calculation (Waste Emissions)

Business Division	Type	Fiscal year		
		2015	2016	2017
Overall	No. of target facilities (facilities)	116	115	118
	Total floor area (m ²)	5,113,642	5,339,523	5,803,409
Office buildings	No. of target facilities (facilities)	66	63	63
	Total floor area (m ²)	2,522,790	2,429,400	2,628,289
Retail facilities	No. of target facilities (facilities)	36	39	37
	Total floor area (m ²)	2,423,572	2,753,039	2,754,780
Hotels	No. of target facilities (facilities)	12	12	12
	Total floor area (m ²)	157,097	151,626	150,619
Logistics	No. of target facilities (facilities)	0	0	2
	Total floor area (m ²)	0	0	259,537
Other	No. of target facilities (facilities)	2	1	4
	Total floor area (m ²)	10,183	5,459	10,183

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.

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 2017, 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.

« Water

Climate Change »

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■ 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 Mitsui Fudosan Group.

In order to curb global warming, reduce the risk to our Group due to climate change, protect environments where people and other organisms can live, and build a sustainable, low-carbon society, the Mitsui Fudosan Group believes that one of our 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 low-carbon society by taking steps together with our business partners, tenant companies and stores, and customers, to address global warming, such as conservation of energy.

■ Goals*

Over the medium to long-term, we shall reduce energy consumption per base unit (of floor area) by an average of 1% every year.

*Goals: The primary greenhouse gas emitted by the Mitsui Fudosan Group is carbon dioxide (CO₂) resulting from energy consumption. Therefore, no reduction goal has been set for greenhouse gas emissions, and our efforts are focused on the goal of reducing energy consumption.

■ Progress in Achieving Goals

On a per unit basis (of floor area), energy consumption in fiscal 2017 was 0.04268 kℓ of oil equivalent/m² per year, a reduction of 4.1% from the previous year.

(For details on energy consumption per base unit [of floor area], please see "Energy Consumption.")

■ Initiatives Concerning Adaptation to Climate Change

Participation in the United Nations Global Compact

The Mitsui Fudosan 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, our group 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 offices, 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/>

Climate Change Management System

Mitsui Fudosan has established an Environmental Management Committee subordinate to the Environmental Special Committee (headed by the President and CEO), and is engaged in environmental initiatives such as measures to address global warming alongside Group companies subject to environmental policies.

(For details on the Mitsui Fudosan Group's Environmental Management System, please see "Environmental Management System.")

⇒ To the "Environmental Management System " page

Examples of Our Activities

Energy Conservation, Creation, and Storage

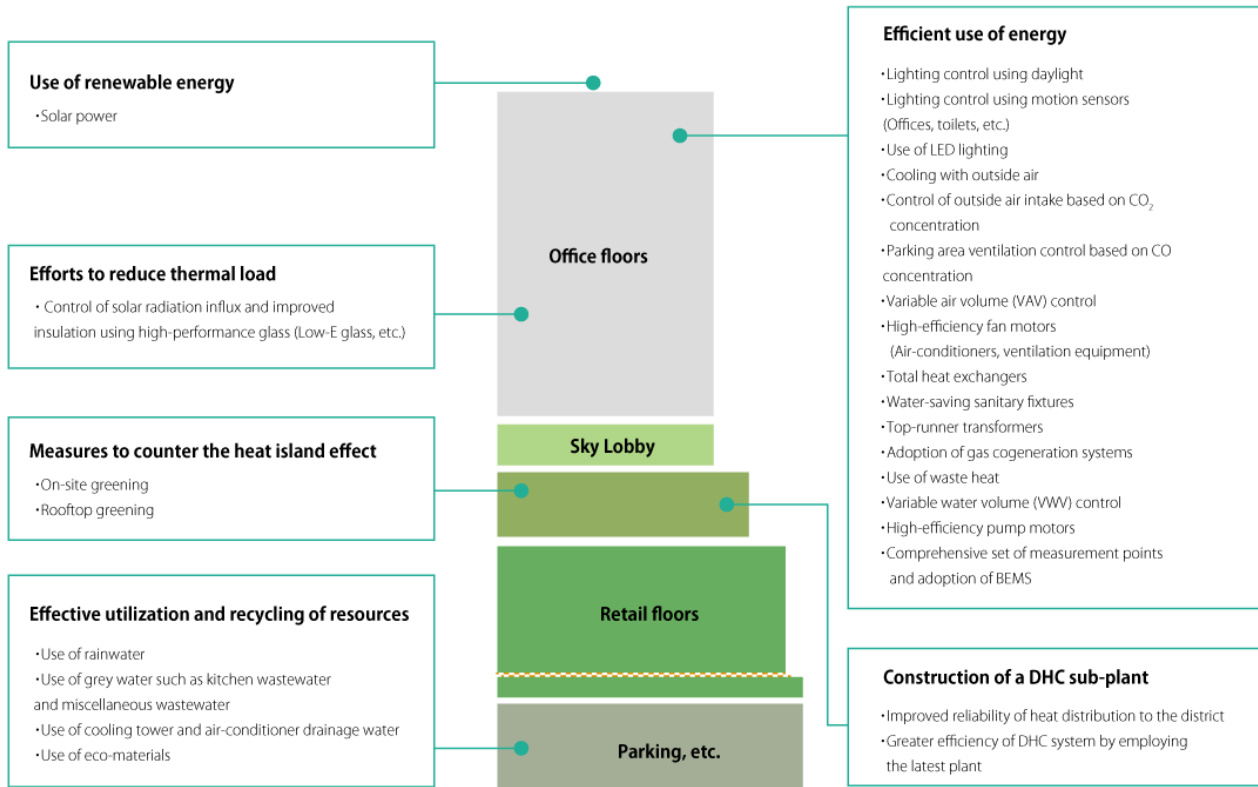
In addition to energy conservation, the Mitsui Fudosan Group is actively engaged in energy creation using solar power and cogeneration systems, and energy storage using large-scale storage batteries. In this way, we create buildings and neighborhoods with low energy consumption and reduced emissions 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.



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.



Nihonbashi Takashimaya Mitsui Building (computer graphic, perspective view)

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*.

In fiscal 2017, two office complexes renewed their certification as Semi-Top Level Offices: the Kasumigaseki Building including the Tokyo Club Building (Chiyoda-ku, Tokyo) and the Shinjuku Mitsui building (Shinjuku-ku, Tokyo). At these existing 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 March 31, 2018, 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.

***Tokyo Metropolitan Government's Excellent Designated GHG Offices:**The Tokyo Metropolitan Government uses 213 criteria for evaluating the impact of management systems, building equipment performance, and office building equipment operations on reducing CO₂ emissions. Office buildings that receive this designation are singled out for their exceptional promotion of global warming countermeasures. The system alleviates liability for CO₂ emissions, and has two ranks: Top Level Office (a score of at least 80 points) and Semi-Top Level Office (a score of at least 70 points).

Certification history, Tokyo Metropolitan Government's Excellent Designated GHG Offices (as of March 2018)

Year of certification	Top Level Offices	Semi- Top Level Offices
Fiscal 2010	<ul style="list-style-type: none"> • Nihonbashi Mitsui Tower • Tokyo Midtown • Ginza Mitsui Building 	<ul style="list-style-type: none"> • Nihonbashi 1-chome Mitsui Building • Shiodome City Center
Fiscal 2011	<ul style="list-style-type: none"> • Gran Tokyo North Tower • Gran Tokyo South Tower 	<ul style="list-style-type: none"> • Gate City Ohsaki • Akasaka Biz Tower (sub-lease)
Fiscal 2012	—	<ul style="list-style-type: none"> • Kasumigaseki Building* (Tokyo Club Building) • Shinjuku Mitsui Building
Fiscal 2014	<ul style="list-style-type: none"> • Muromachi Higashi Mitsui Building* (Muromachi Furukawa Mitsui Building, Muromachi Chibagin Mitsui Building) • Sumitomo Mitsui Banking Corporation Building 	—
Fiscal 2015 (recertified)	<ul style="list-style-type: none"> • Nihonbashi Mitsui Tower • Tokyo Midtown • Ginza Mitsui Building 	<ul style="list-style-type: none"> • Nihonbashi 1-chome Mitsui Building • Shiodome City Center
Fiscal 2016 (recertified)	<ul style="list-style-type: none"> • Gran Tokyo North Tower • Gran Tokyo South Tower 	<ul style="list-style-type: none"> • Gate City Ohsaki • Akasaka Biz Tower (sub-lease)
Fiscal 2017 (recertified)	—	<ul style="list-style-type: none"> • Kasumigaseki Building (Tokyo Club Building)* • Shinjuku Mitsui Building
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.

Energy Conservation at Large-Scale Logistics Facilities

At our large-scale logistics facilities, Mitsui Fudosan Logistics Parks (MFLP), we are installing LED lighting and solar power systems.

At MFLP Inazawa (Inazawa City, Aichi) and MFLP Ibaraki (Ibaraki City, Osaka) completed in fiscal 2017, we have installed LED lighting and solar power equipment throughout.



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 Repark" brand of Mitsui Fudosan Realty, we are creating next-generation parking lots based on the four key concepts of safety/security, innovation, environmental awareness, and disaster recovery assistance.

We have installed a hybrid solar system at the Mitsui Repark Minatomachi Niigata Parking Lot (Chuo-ku, Niigata City) which opened in fiscal 2017. This system generates and stores solar power, and then illuminates the LED lighting of signage at night. It can generate up to a maximum of 3,498 Wh in one day, delivering approximately 62.6% of power necessary for on-site sign lighting. By introducing this system, we expect to achieve an annual reduction of CO₂ emissions of about 817 kg. The system also functions as emergency power 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

Mitsui Fudosan engages in megasolar power projects. As of the end of fiscal 2018, 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 Mitsui Fudosan Solar Power Stations (As of the end of fiscal 2018)

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 is installing optimal energy management systems at each type of property: office buildings, retail facilities, 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 KOSHIEN • MITSUI OUTLET PARK KITAHIROSHIMA etc. (16 facilities)
Built-for-sale condominiums	HEMS (each condominium), MEMS (communal areas, overall)	Mitsui Fudosan Residential's <ul style="list-style-type: none"> • LaLaport TOKYO-BAY • LaLaport KOSHIEN • MITSUI OUTLET PARK KITAHIROSHIMA etc. (16 facilities)
Built-for-sale detached housing	HEMS	Mitsui Fudosan Residential's <ul style="list-style-type: none"> • Fine Court Keihanna Koen Toshi • Fine Court Todoroki Okeitei etc.
Custom-built detached residence	HEMS	Mitsui Home's <ul style="list-style-type: none"> • 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) • 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 Mitsui Fudosan Group installs electric vehicle recharging stations and provides services at its retail facilities that encourage the use of public transportation.

Establishing Infrastructure to Respond to the Increase in Electric Vehicles

Mitsui Fudosan Realty is installing charging stations for electric vehicles (EVs) and plug-in hybrid vehicles (PHVs) at the Mitsui Repark pay-by-the-hour parking lots, and as of the end of March 2018, 122 chargers had been installed at 18 locations throughout Japan.

Charging stations for EVs and PHVs are also being installed in the parking lots of retail facilities like LaLaport SHONAN HIRATSUKA (Hiratsuka City, Kanagawa) and built-for-sale condominiums like Park City Musashikosugi The Garden (Nakahara-ku, Kawasaki City).

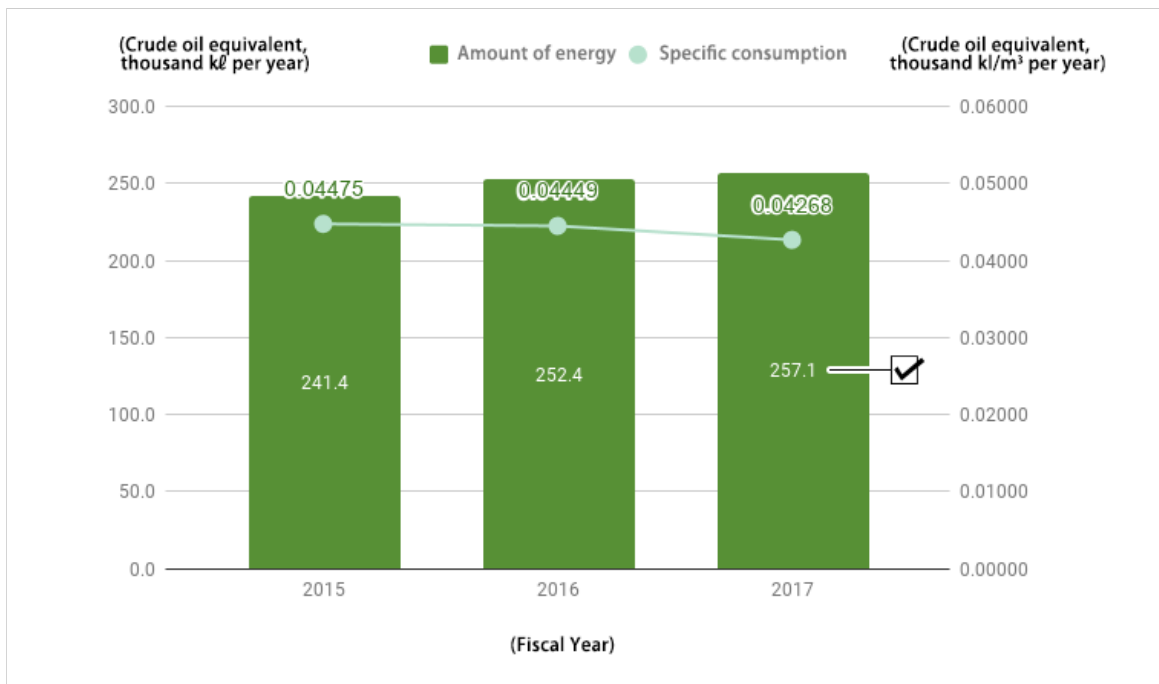


EV and PHV charging station at the Mitsui Repark Henn na Hotel
Maihama Tokyo Bay Parking Lot
(Urayasu City, Chiba)

Energy Consumption

Energy consumption by Mitsui Fudosan (see Scope of Data Calculation) has been on a slight rising trend since fiscal 2015, and in fiscal 2017 was 257,100 kℓ of oil equivalent per year, for a 1.9% increase year on year. However, energy consumption per base unit (of floor area) was 0.04268 kℓ (oil equivalent)/m² per year, a reduction of 4.1% from the previous fiscal year. The main factor underlying the reduction in energy consumption per base unit was a large reduction at retail facilities with high energy consumption per base unit.

Trends in the Amount of Energy Consumption



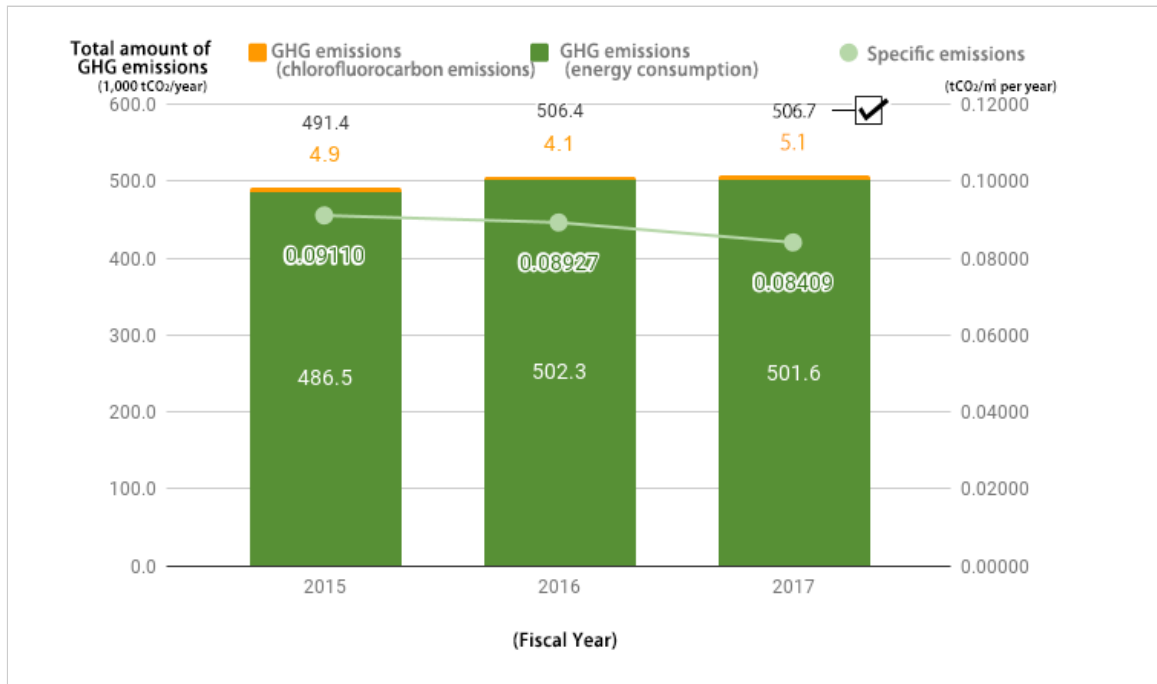
Data with the third-party verification mark has been [independently verified](#).

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 business activities of Mitsui Fudosan (see Scope of Data Calculation) are primarily carbon dioxide (CO₂) resulting from energy consumption. Aside from that, emitted chlorofluorocarbons (e.g., HFC) also fall under the same category. GHG emissions have been almost flat since fiscal 2016, and in fiscal 2017, the figure of 506,700 t-CO₂ per year was almost the same as the previous year. However, GHG emissions per base unit (of floor area) were 0.08409 t-CO₂/m² per year, down 5.8% compared with the previous fiscal year. The main factors responsible for this reduction in GHG emissions per base unit (of floor area) were a large reduction at retail facilities with high energy consumption per base unit, and a decline in the greenhouse gas emissions coefficient of electricity in our main areas of activity.

Trends in the Amount of GHG Emissions



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. Data with the third-party verification mark has been [independently verified](#).

Scope of Data Calculation

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

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

Business Division	Type	Fiscal year		
		2015	2016	2017
Overall	No. of target facilities (facilities)	151	154	163
	Total floor area (m ²)	5,393,971	5,673,109	6,024,150
Office buildings	No. of target facilities (facilities)	84	82	90
	Total floor area (m ²)	2,583,774	2,482,891	2,728,958
Retail facilities	No. of target facilities (facilities)	44	43	45
	Total floor area (m ²)	2,596,732	2,851,201	2,864,433
Hotels	No. of target facilities (facilities)	12	12	12
	Total floor area (m ²)	157,097	151,626	150,619
Logistics	No. of target facilities (facilities)	0	0	3
	Total floor area (m ²)	0	0	265,059
Other	No. of target facilities (facilities)	10	14	13
	Total floor area (m ²)	14,426	63,168	15,080

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.

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Biodiversity

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.

Biodiverse Regions and Our Corresponding Policy

Biodiverse Regions

Business Activities in National Parks

Among the regions where the Mitsui Fudosan 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.

Group-Managed Forests

The Mitsui Fudosan 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."

*Calculation based on Tokyo Dome covering 4.7 hectares.

Policy for Biodiverse Regions

In the regions inside national parks where our four resort hotel facilities are located, we are working to create and restore wildlife habitats lost due to development, and are working 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.

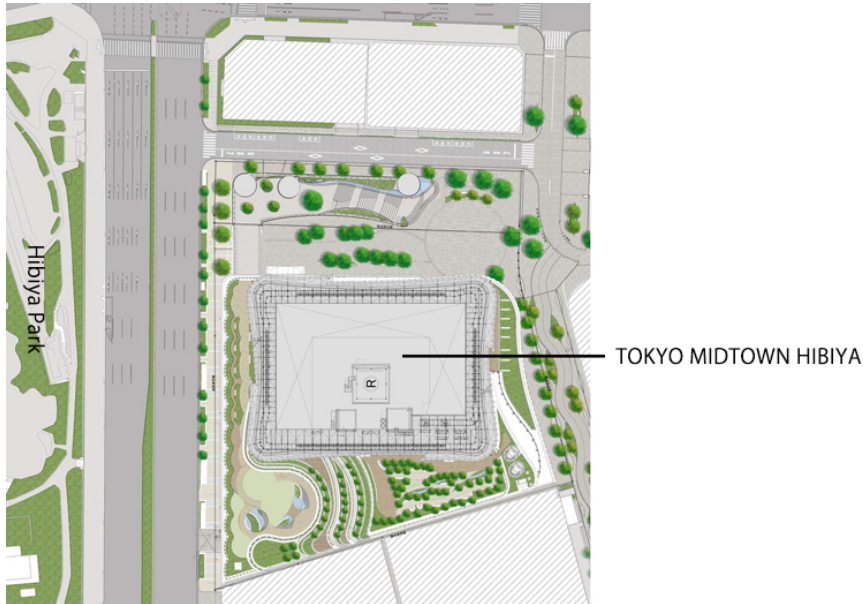
Examples of Our Activities

Preserving and Creating Greenery in Urban Settings

Creation of About 2,000 m² of Green Space in TOKYO MIDTOWN HIBIYA (Greening Rate: 40%)

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



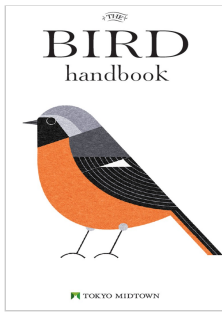
Sky Garden

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.

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.

Initiatives for Sustainable Forest Resource Procurement

To ensure sustainable procurement of forest resources, Mitsui Home—as a company using such resources—has formulated the Mitsui Home Group Resource Procurement Guidelines, which set forth procurement policy and scope of applicability. In the Eco-Action Plan 2020, we set

a medium-term goal (2020) of maintaining 100% achievement of internal procurement standards relating to legality, and we are continuing our efforts within that framework.

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.

Implementation of Biodiversity Risk Assessments

When carrying out a new development project, the Mitsui Fudosan 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.

« Climate Change

Environmentally Friendly Supply Chain »

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Management's Commitment	ESG at the Mitsui Fudosan Group	Regarding the Disclosure of our ESG Report	The Mitsui Fudosan Group: A History of Value Creation
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Environmental Policy for Suppliers

As a corporate group supporting offices, housing, and other infrastructure necessary for daily life, we at the Mitsui Fudosan Group recognize that it is our social responsibility to reduce our 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 Mitsui Fudosan Group and its suppliers. The idea is to share these standards within the Mitsui Fudosan Group, build and operate an ordering and contract process in line with the nature of our business, and also notify and request the understanding of our 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 Mitsui Fudosan Group's Sustainable Procurement Standards, see Promotion of Sustainable Procurement under Social Supply Chain.

⇒ For details on the Mitsui Fudosan Group's Sustainable Procurement Standards

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

⇒ Please see "Climate Change" > "Examples of Our Activities" > "Energy Management System".

Biodiversity Conservation Project at Our Real Estate Properties

⇒ Please see "Biodiversity" > "Examples of Our Activities".

■ Water Usage at Our Real Estate Properties

⇒ Please see "Water" > "Water Usage".

■ Energy Consumption at Our Real Estate Properties

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

■ Greenhouse Gas Emissions at Our Real Estate Properties

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

◀ Biodiversity

Other Environmental Data ▶

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■ Environmental Accounting (Mitsui Fudosan Office Building Division)

Cost of Environmental Conservation

Investments in fiscal 2017 totaled ¥344,334,000 mainly for updating air-conditioning systems and installing new air-conditioning control equipment.

Spending during the fiscal year of ¥1,205,406,000 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 ¥95,990,000 which included efforts to ensure compliance with the Energy Conservation Law and the Tokyo Metropolitan government's environmental regulations. A cumulative total of ¥14,452,862,000 has been spent on environmental conservation since the base fiscal year.

Calculation of Environmental Accounting

- Investment and expenses required for environmental conservation were calculated in the environmental conservation costs. In addition, fiscal 2002 is regarded as the base fiscal year for comparisons/calculations.
- Expenses for environmental conservation costs include depreciation allowance for equipment, etc. invested in.
- Among environmental conservation costs related to administrative activities, expenses for conducting occupational knowledge training and other expenses are posted.
- The basis for conversion into CO₂ with respect to environmental conservation effects is as follows. In order to compare with the base fiscal year, the numerical values for the fiscal year under review and the previous fiscal year were also calculated on the following basis.

CO₂ emissions coefficient (other than electricity):

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

CO₂ emissions coefficient (electricity):

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

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

Cost of Environmental Conservation (Fiscal 2017)

Scope of calculations: Office buildings that Mitsui Fudosan owns or partially owns (targeted: 67 buildings)
 Applicable period: April 1, 2017 – March 31, 2018
 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)	–	344,208	1,048,703	12,331,823
	Breakdown	1-1 Antipollution Costs	3,242	24,577	473,356
		1-2 Global Environment Conservation Costs	330,966	738,288	7,956,067
		1-3 Resource Recycling Costs	10,000	285,838	3,902,400
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	95,990	1,334,179
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.	126	60,713	744,420
6	Costs to Handle Environmental Damage (Environmental Damage Costs)	–	0	0	0
Total			344,334	1,205,406	14,452,862

Environmental Conservation

In overall terms, environmental load indices for fiscal 2017 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, 6,770 kWh of electricity was used per 1,000 m² in fiscal 2017, a decrease of 4,170 kWh per 1,000 m² (down approximately 38%) compared with the base fiscal year, which was 10,940 kWh per 1,000 m². This represents an improvement in electricity usage per unit of floor area.

For water, water usage per unit of floor area at managed properties, 40.15 tons of water was used per 1,000 m², a reduction of 37.81 tons per 1,000 m² (down approximately 48%) compared with 77.96 tons per 1,000 m² in the base fiscal year.

From a recycling versus total waste volume perspective, the ratio was 71.32% in fiscal year under review compared with 44.77% in the base fiscal year, for a 26.55 percentage point improvement in the recycling ratio. Moreover, turning to waste volume per unit of floor area, the

amount of waste generated per unit of floor area declined to 0.63 tons per 1,000 m² in the fiscal year under review, a reduction of 0.56 tons per 1,000 m² (down approximately 47%) or a decline of around one-half compared with the base fiscal year.

Environmental Conservation Effects (Fiscal 2017)

Scope of calculations: Office buildings that Mitsui Fudosan owns or partially owns (targeted: 67 buildings)

Applicable period: April 1, 2017 – March 31, 2018

Base fiscal year: Fiscal 2002

Contents of Effects		Environmental Load Index				
		Current Fiscal Year (Fiscal 2017)	Previous Fiscal Year (Fiscal 2016)	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 kt/thousand m ²]*1	2.00	1.87	3.16	0.13	- 1.16
	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	3.08	2.88	4.87	0.20	- 1.79
	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	6.77	6.29	10.94	0.48	- 4.17
	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	0.25	0.32	0.01	- 0.06
	DHC: Consumption by Floor Area of DHC Purchased for Administrative Use (after correction based on occupancy ratio) [MJ/thousand m ²]*5	10,942.76	10,315.35	24,258.57	627.41	- 13,315.81
	Water: Consumption by Floor Area of Water Consumed for Administrative Use (after correction based on occupancy ratio) [t/thousand m ²]*6	40.15	45.06	77.96	- 4.91	- 37.81
	Consumption by Floor Area of Disposed Waste (after correction based on occupancy ratio) [t/thousand m ²]*7	0.63	0.64	1.19	- 0.01	- 0.56
	Improvement of Recycling Rate to Total Waste [%]	71.32	74.60	44.77	- 3.28	26.55

*1 Crude oil equivalent to fuel/electricity use [kt] / (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

Environmental Data Based on Ordinances of the Tokyo Metropolitan Government (22.8 MB)

https://www.mitsuifudosan.co.jp/corporate/esg_csr/pdf/env_tokyo_2018.pdf

Environmental Data Based on Ordinances of the Yokohama Municipal Government (1.1 KB)


https://www.mitsuifudosan.co.jp/corporate/esg_csr/pdf/env_yokohama_2018.pdf


Environmental Data Based on Ordinances of the Saitama Prefectural Government (736 KB)

https://www.mitsuifudosan.co.jp/corporate/esg_csr/pdf/env_saitama_2018.pdf

Environmental Data Based on Ordinances of the Hiroshima Municipal Government (188 KB)

https://www.mitsuifudosan.co.jp/corporate/esg_csr/pdf/env_hiroshima_2018.pdf

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