# Information Disclosure Based on the TNFD Recommendations

March 31, 2025

Mitsubishi Estate Co., Ltd.

## Contents

## Mitsubishi Estate Group Policy on Nature

Drawing on “The Spirit of Mitsubishi: The Three Principles of the Mitsubishi Group,” the Mitsubishi Estate Group pursues the mission of contributing to creating a truly meaningful society, by building attractive, environmentally sound communities where people can live, work, and relax with contentment. In accordance with this Mission, the Group has been developing the Marunouchi area for more than 130 years and has expanded the area’s spirit and vibrancy to Otemachi and Yurakucho and further afield in and beyond Japan.

In recent years, the world has been rapidly losing nature and biodiversity. At the Fifteenth Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15) held in 2022, the Kunming-Montreal Global Biodiversity Framework (GBF)[1] was adopted to halt and reverse biodiversity loss, establishing an international goal to realize a nature-positive[2] society by 2030. Every aspect of our economy and society depends on nature and biodiversity, and sustainable development is impossible without a rich, natural environment. In addition, corporate activities, including those of the Mitsubishi Estate Group, have an impact on nature, and initiatives by companies through their business activities are also considered to be important in realizing a nature-positive society.

Given these circumstances, the Mitsubishi Estate Group launched its management plan focused on both strategies to increase social value and strategies to increase shareholder value in accordance with Long-Term Management Plan 2030[*1] announced in January 2020. In addition, due to recent changes in the social environment, the Group announced a review[*2] of Long-Term Management Plan 2030 in May 2024, reorganized “Be the Ecosystem Engineers”[*3] into a common basic policy for management with two strategic drivers, and updated its business and management strategies (Figure 1).

In the area of strategies to increase social value, the Group revised its sustainability-related themes and material issues and established “Sustainability of the Mitsubishi Estate Group and Society: Four Key Themes.”[*4] Based on the four themes of urban development and services, the global environment, respect for people, and value creation, the Group will continue with its sincere initiatives to solve social issues through business activities with the aim of realizing sustainable growth for the Group and a society with true value. The Group has identified climate change, greenhouse gas (GHG) and embodied carbon reduction, waste reduction and circularity, and biodiversity as the material issues for the global environment, one of the four key themes. Climate change, loss of biodiversity, waste, and use of resources are all among the drivers that impact nature, and it is necessary to take a broad perspective that includes addressing external diseconomies. Realizing a nature-positive society requires companies to take comprehensive initiatives for properly managing the issues within each sector and the inter-sectoral trade-offs as well as maximizing

[1] An international goal adopted at the Fifteenth Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15) held in 2022, which established 23 global targets based on the vision of a world living in harmony with nature by 2050.
[2] Refers to halting and reversing biodiversity loss to put nature on a path to recovery.

synergies. The Group will also promote an efficient and transparent approach to solving issues by utilizing data and technology while emphasizing an ethical perspective.

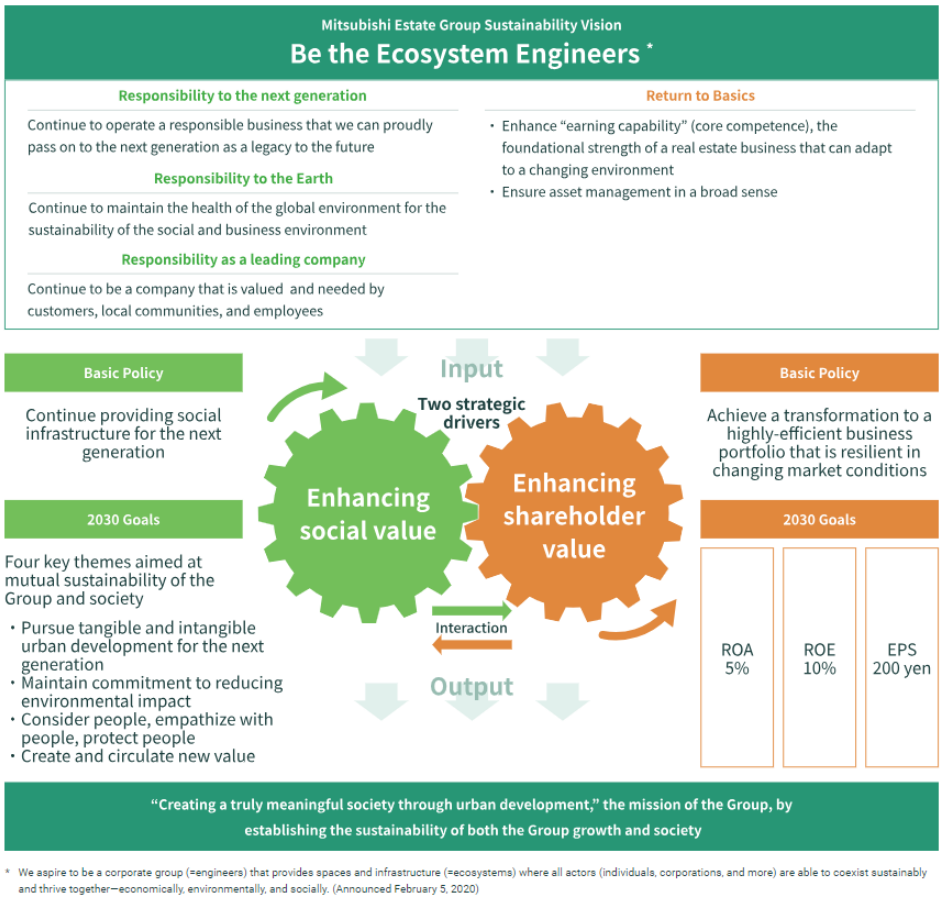
In this document, we will disclose information on the Group's nature-related issues in accordance with the four areas of governance, strategy, risk and impact management, and metrics and targets recommended for disclosure by the Taskforce on Nature-related Financial Disclosures (TNFD).

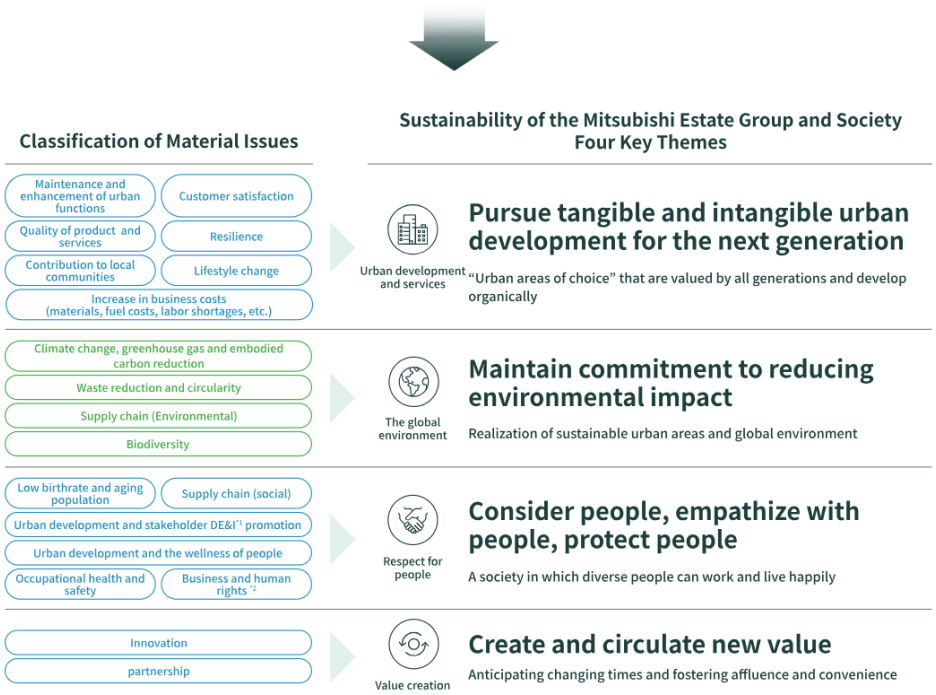
In preparing this document, we worked with MS&AD InterRisk Research & Consulting, Inc., Think Nature Inc., and Regional Environmental Planning Inc. to review, analyze, and organize nature-related information in the Group's business. In particular, we utilized the expertise of MS&AD InterRisk Research & Consulting, Inc. related to biodiversity, risk management and disclosure and worked under expert supervision to organize and disclose information based on international standards and best practice.

*1. Reference: Mitsubishi Estate Group Long-Term Management Plan 2030 presentation material
https://www.mec.co.jp/assets/img/plan2030/plan200124_e.pdf
*2. Reference: Presentation materials for Long-Term Management Plan 2030 Review
https://www.mec.co.jp/assets/img/plan2030/plan2030_review_jp.pdf (Japanese only)
*3. Reference: Information on the Sustainability Vision posted on corporate website
https://mec.disclosure.site/e/sustainability/vision/
*4. Reference: Information on the "Sustainability of the Mitsubishi Estate Group and Society: Four Key Themes" posted on corporate website
https://mec.disclosure.site/e/sustainability/key-themes/

**Figure 1: Two Driver Framework**

**Material Issues and "Sustainability of the Mitsubishi Estate Group and Society: Four Key Themes"**




*1 Equity added to the existing diversity and inclusion

*2 Encompasses issues including child labor, forced labor, harassment, discrimination, rights of indigenous people

## Recommended Disclosures Under the TNFD Framework

In this document, we will disclose information related to nature based on the TNFD framework as shown in the table below.

| | |
|---|---|
| **General requirements** | The Group's approach to disclosure |
| **Governance** | The organization's governance of nature-related dependencies, impacts, risks, and opportunities |
| **Strategy** | Actual and potential impact of nature-related dependencies, impacts, risks, and opportunities on the organization's business, strategies, and financial planning |
| **Risk and impact management** | Processes used by the organization to identify, assess, prioritize, and monitor nature-related dependencies, impacts, risks, and opportunities |
| **Metrics and targets** | Metrics and targets used to assess and manage nature-related dependencies, impacts, risks, and opportunities |

## 1. General requirements

| | |
|---|---|
| **Application of materiality** | In its Long-Term Management Plan 2030, the Group set out a management approach focused on both strategies to increase social value and strategies to increase shareholder value. In the area of strategies to increase social value, the Group has identified key themes and material issues related to sustainability as actions for establishing sustainability for both the Group and society.<br><br>This document will conduct an assessment in line with the Group's key themes based on the double materiality[3] approach, focusing on both impacts on the society and environment surrounding the Group and impacts on the Group's growth. |
| **Scope of disclosures** | This document provides an overview of the relationship with nature (dependencies, impacts, risks, and opportunities) in each business segment for the Group's business activities inside and outside Japan. It also analyzes and discloses nature-related issues in detail with the Otemachi, Marunouchi, and Yurakucho districts (the "OMY area"), which are the origin and center of the Group's activities, regarded as the priority location. |
| **Location of nature-related issues** | In this document, we describe the results of an assessment of properties owned and managed by the Group in Japan to determine whether they fall into the category of sensitive locations defined by TNFD on the basis of nature-related indicators at the property locations. We also conducted a detailed study of nature-related issues that covers all the properties owned by the Group in the OMY area, which is important for the Group's business activities, and takes account of the particular characteristics of the area. The Group also recognizes that its value chain, including the procurement of construction materials, has significant dependencies and impacts on nature.<br><br>We have already implemented initiatives related to the procurement of timber and, going forward, continue to analyze relationships with nature in the supply chain. |
| **Integration with other sustainability-related disclosures** | In this document, we disclose information in accordance with the TNFD recommendations with a focus on the risks and opportunities of nature-related issues. On the other hand, the Group has set forth to "maintain commitment to reducing environmental impact" as one of its four key themes and considers climate change and circularity to be material issues. We have already disclosed information based on the TCFD recommendations and are enhancing our integrated disclosure of information. In so doing, we have developed comprehensive initiatives across a wide range of sustainability-related themes. The integration of standards by the International Sustainability Standards Board (ISSB) is expected to move ahead in the future, and we will respond to such developments in a flexible manner. |

[3] Double materiality is a perspective for comprehensively evaluating impacts on society and the environment as well as their impacts on the Group's business. It has been positioned as an important guideline underpinning the Group's disclosure policy.

| | |
|---|---|
| **The time horizons considered** | Short term is assumed to be in 2–3 years' time, medium term is assumed to be in 2030–2035, and long term is assumed to be in 2050. |
| **Engagement with Indigenous Peoples, Local Communities (IPLCs)[4] and affected stakeholders** | The Group's business model spans the upstream and downstream value chains and cannot succeed without natural resources, particularly iron, steel, and timber. Moreover, relationships with diverse stakeholders, such as local communities and construction companies, are essential in the development of projects. The Group recognizes the importance of the human rights of all stakeholders, including Group companies, and has established human rights due diligence mechanisms which cover the supply chain. In addition to this, we engage with suppliers and require that the human rights of employees at suppliers and of indigenous peoples and local communities that could be impacted in the procurement of natural resources are not violated, through measures that include establishing the Mitsubishi Estate Group Supplier Code of Conduct in 2022 and the Mitsubishi Estate Group Timber Procurement Guidelines in 2023 and disseminating these documents. |

## 2. Governance

### A) Governance of Nature-Related Issues

- System Overview

The Mitsubishi Estate Group sets out matters related to efforts to promote sustainability, including addressing climate change, in the Mitsubishi Estate Group Sustainability Regulations. The Sustainability Committee, chaired by the President & CEO of Mitsubishi Estate Co., Ltd. with the Chief Sustainability Officer (the director in charge of the Sustainability Management and Promotion Department at Mitsubishi Estate Co., Ltd.) as the deputy chair, as a rule meets twice per fiscal year and deliberates and reports on climate change and other important issues related to sustainability. Prior to the meetings of the Sustainability Committee, the Sustainability Subcommittee conducts preliminary discussions and reporting and compiles information on efforts to promote sustainability taken by business groups, etc. (Figure 2).

In addition, the issues deliberated and reported on at the meetings of the Sustainability Committee are reported to and overseen by the Board of Directors.

The Sustainability Committee deliberates on medium- to long-term targets for GHG emission reductions, studies ways to increase the use of renewable energy, and formulates policies and plans in light of the impact of climate change on existing businesses. It has also deliberated on nature-related issues such as risk management for construction materials in the supply chain, the establishment of the Timber Procurement Guidelines, and stakeholder engagement.

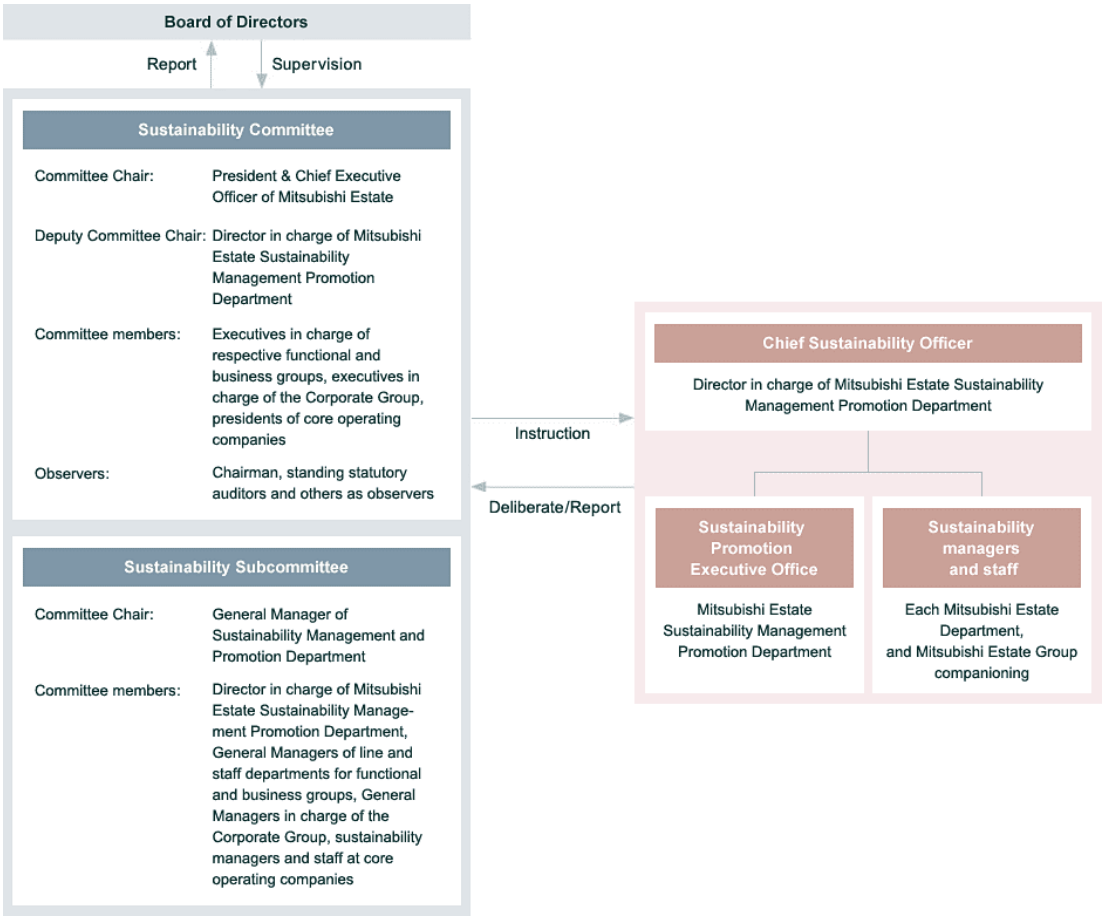
To achieve our key themes related to sustainability, we have established a risk management system related to sustainability by setting annual plans and related targets for each organization and function and monitoring the achievement of these targets.

[4] In TNFD, the dependencies and impacts of a company on nature are closely related to indigenous peoples and local communities. Therefore, engagement with such communities considered to be essential.

- Outline and Agenda of the Sustainability Committee Meetings

The outline and agenda of the Sustainability Committee meetings held are disclosed on the corporate website, accessible from the following link.
Mitsubishi Estate Group website
https://mec.disclosure.site/e/sustainability/management/promotion/

**Figure 2: Mitsubishi Estate Group Sustainability Promotion System** (as of March 31, 2025)



## B) Human Rights and Stakeholder Engagement

- Establishment of Human Rights Policy and Implementation of Human Rights Due Diligence

The Group reaffirms the importance of respecting human rights as a member of society and as such has established the Mitsubishi Estate Group Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights with the aim of fulfilling our responsibility to respect the basic human rights of all stakeholders arising from the Group's business, including not only Group companies but also the supply chain and people involved in urban development with the Company.

Additionally, the Group has established human rights due diligence mechanisms. We have incorporated into our organizational processes mechanisms to avoid violating the human rights of others and to minimize the negative impact on human rights that could arise through business activities, in addition to mechanisms to promptly identify the cause and resolve the problem when it becomes clear that our business activities are negatively impacting others. In the due diligence process, we receive advice from external experts to identify key issues that the Group should address as priorities. Key issues include forced labor and child labor, impact on indigenous peoples and local communities, and working conditions and working environments for the workers of suppliers. We also recognize human rights-related risks, including those in our supply chain, and carry out risk management.

Furthermore, when considering business in Asian countries prone to human rights violations, we conduct human rights due diligence using checklists to confirm whether there were any issues such as forced evictions in the area for development, and we use the results in making decisions on our participation in the project. We pay particular attention to women, children, the elderly, indigenous peoples, migrants, ethnic and tribal minorities, and other socially vulnerable individuals or groups as they are susceptible to the impact of human rights violations.

- Consideration for Human Rights in the Supply Chain and Local Communities

We are managing the risk of human rights violations in the supply chain with the establishment of the Mitsubishi Estate Group Supplier Code of Conduct and the Mitsubishi Estate Group Timber Procurement Guidelines. The Mitsubishi Estate Group Supplier Code of Conduct references major international standards related to sustainability such as the International Finance Corporation (IFC) Performance Standards on Environmental and Social Sustainability and the Responsible Business Alliance Code of Conduct and sets out the matters suppliers need to comply with and our expectations of them, including respecting human rights and local communities' and indigenous peoples' rights and cultural heritage. Based on the Code of Conduct, we use interview sheets and onsite interviews to investigate the status of compliance not only at first-tier suppliers but also at second-tier and subsequent suppliers.

The Timber Procurement Guidelines require that in the procurement of timber and timber products for

construction in the Mitsubishi Estate Group's own value chain forests are not destroyed or depleted, natural ecosystems are protected, and relationships with local communities and the human rights of local communities and indigenous people are given consideration. We also require verification that consideration is given to the human rights of local communities and indigenous people in accordance with the principle of Free, Prior and Informed Consent (FPIC) and other international standards.

The activity plan and the status of initiatives on human rights are shared with the Human Rights Education & Diversity Promotion Committee, chaired by the director in charge of human resources.

## 3. Strategy

We considered the main nature-related issues in the Group's business activities and value chain with reference to the TNFD's LEAP approach (a voluntary assessment approach for nature-related dependencies, impacts, risks, and opportunities).

| LEAP approach | Review and disclosure in this document |
|---|---|
| **Locate (the interface with nature)** | ● Consideration of priority locations in direct operations |
| **Evaluate (dependencies and impacts)** | ● Ascertaining an overview of dependencies and impacts through the Group's business activities<br>● Dependencies and impacts in the upstream value chain<br>● Dependencies and impacts in the OMY area, the priority location<br>● Main dependencies and impacts through business activities and the value chain |
| **Assess（risks and opportunities）** | ● Nature-related risks and opportunities |
| **Prepare (to respond and report)** | ● Countermeasures and initiatives to address dependencies, impacts, risks, and opportunities |

### A) Consideration of Priority Locations in Direct Operations

**Locate**

We assessed priority locations (selected from sensitive locations and material locations) for properties owned and managed by the Group based on the TNFD perspective.

TNFD requires companies to identify locations where business activities have a significant impact and locations where dependencies on the natural environment are particularly material in order to appropriately manage nature-related risks and opportunities. Therefore, the Group assessed priority locations in order to appropriately understand the environmental and business risks and utilize this understanding in sustainable development and management strategy.

Priority locations were selected from the following.

- Sensitive locations: Ecologically-sensitive locations
- Material locations: Locations where there are significant nature-related dependencies, impacts, risks, and opportunities

- Consideration of Sensitive Locations

To consider sensitive locations, we analyzed indicators based on the TNFD perspective for the main 186 properties (office buildings, retail facilities, logistics facilities, hotels, and other) owned and managed by the Group in Japan, grouped into 121 locations according to their proximity.

### Indicators, Standards, and Analysis Methodologies Used

Based on the following perspectives presented by the TNFD, we conducted the assessment using data and evaluation methods suited to the natural characteristics of Japan's landscapes and ecosystems, and we used a Geographic Information System (GIS) to superimpose geographic data for each indicator on the location information of buildings. More specifically, we used the following assessment indicators and assigned each indicator a five-point rating from Very Low to Very High to ascertain the priority level of each location.

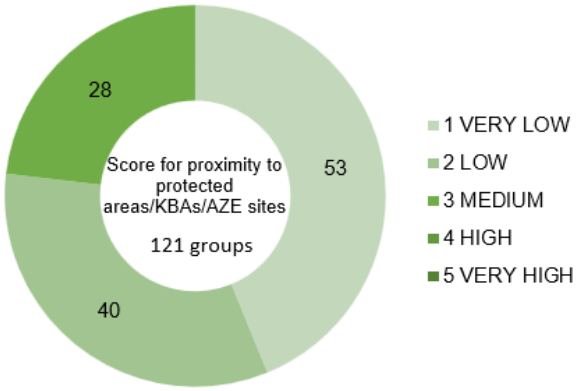
| Correspondence with TNFD perspective | Indicators used in assessment |
|---|---|
| **Importance of biodiversity** | **Proximity to protected areas based on International Union for Conservation of Nature (IUCN) categories[5]/key biodiversity areas (KBAs)[6]/Alliance for Zero Extinction (AZE) sites[7]:**<br>Assessed on a five-point scale based on the level of strictness and proximity of the protected area classification with higher scores for sites in closer proximity to more strictly protected areas |
| **Importance of biodiversity**<br>**Level of ecosystem integrity[8]**<br>**Importance of ecosystem service provision** | **Biodiversity potential:**<br>An indicator that evaluates the potential of a site for contributing to the construction of a local ecological network,[9] based on the condition of surrounding green spaces and water systems. The condition of natural resources (green spaces and water systems) within a 2 km radius of the site is scored and classified into a five-point assessment scale. |
| **Decline in ecosystem integrity** | **Development pressure:**<br>An indicator that visualizes the degree of land change from 2011 to 2022, analyzed using high-resolution land use and land cover data from Japan Aerospace Exploration Agency (JAXA).<br>Development pressure is assessed with conversion of land use with high ecological integrity (green areas, water areas) to land use with low ecological integrity (urban areas, bare land) defined as “development.” There is a five-point assessment scale based on the distribution of development pressure values across Japan, which are divided into five classifications. |
| **Importance of ecosystem service provision** | **Rights of indigenous peoples and local communities:**<br>As indicators that can be assessed, proximity to Ainu common forest land, which are important areas for the Ainu people, and *utaki*[10] sacred sites, which are important for the Ryukyu people, are evaluated and assessed on a five-point scale according to the level of proximity to the site. |
| **Physical water risks** | **Water stress:** The ratio of water demand to water supply. A five-point assessment scale based on the levels of water stress (baseline water stress) indicated in the World Resource Institute (WRI) Aqueduct Water Risk Atlas. |
| | **Flood risk:** A five-point assessment scale based on the depth of flooding using the inundation level of the design flood.[11] |
| | **Surface water quality:** A five-point assessment scale using scores based on BOD,[12] nitrogen, and electrical conductivity. Referencing the WWF Water Risk Filter. |

[5] The International Union for Conservation of Nature (IUCN) categorizes protected areas based on their level of management.
[6] KBAs are significant sites for the conservation of biodiversity selected based on international criteria.
[7] Designated by the Alliance for Zero Extinction. Sites that are the only location in the world with a distribution of an endangered or near threatened species.
[8] The capacity of an ecosystem to support and maintain ecological processes and diverse biological communities, indicating the extent to which the diversity of the native organisms is maintained.
[9] The interconnection of “core sites” which have excellent natural conditions in order to facilitate the movement and distribution of wildlife.
[10] A typical example of the archeological sites of the Ryukyu people. They are sacred places where the patron deities of the village are enshrined, including cemeteries of ancestors who built villages, among others. They were selected as places that are particularly important in terms of culture and religion and with information available for evaluation.
[11] A value indicating the level of safety of a target location in a flood prevention plan. It is expressed as a recurrence interval for flooding and refers to the magnitude of flood that is the target for river improvement works.
[12] Biochemical oxygen demand. It indicates the amount of oxygen needed for organisms to break down organic matter in water. The higher the level of pollution by organic matter, the higher the value.

## Assessment Results

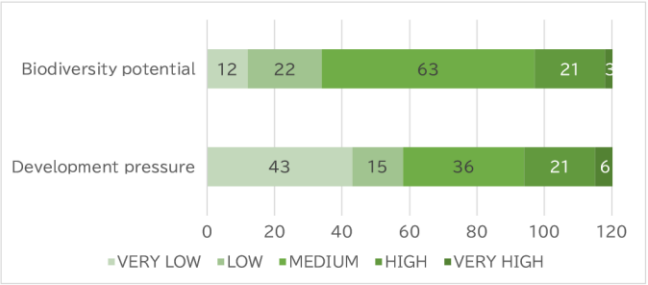
*Proximity to Protected Areas/KBAs/AZE Sites*

The assessment scores evaluating proximity to important sites for biodiversity, such as protected areas and KBAs, are as shown in the figure on the right. No locations near strictly protected areas were deemed sensitive from this perspective.




*Biodiversity Potential and Development Pressure*

In terms of biodiversity potential, 24 locations fell into the High or Very High categories. These sites include hotels near marine areas that cradle marine life, as well as retail facilities, offices, and other properties close to water resources, such as wetlands, rivers, and ponds and reservoirs with vegetation. These locations are considered highly significant from the perspectives of importance of biodiversity, level of ecosystem integrity, and importance of ecosystem service provision.




In terms of development pressure, six locations, including large-scale retail facilities in suburban areas of the Kanto region, were assessed as Very High, and 21 locations, including locations in metropolitan areas in Tohoku, Chukyo, Kansai and other regions, as well as islands, were assessed as High. These locations are considered significant from the perspective of decline in ecosystem integrity.

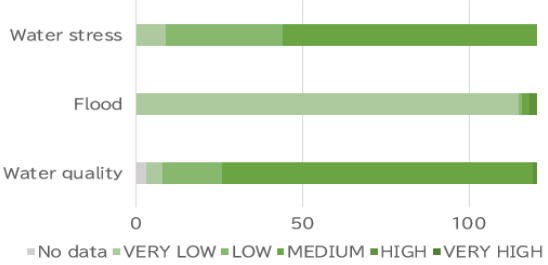
Locations with high biodiversity potential and high development pressure have a particularly high level of priority, as there is a risk of ongoing loss of biodiversity despite their significance from the perspective of nature.

*Relationships with Indigenous Peoples and Local Communities*

Two of the hotels in Okinawa Prefecture are within 0.5 km and 1.5 km of *utaki* sacred sites. Therefore, business activities should be conducted with respect and consideration for the local culture and beliefs in these locations.

*Physical Water Risks*

From the perspective of water stress, no locations were deemed particularly sensitive. In terms of flood risk, one office location and two retail facility locations were



assessed as High. On water quality, two retail facility locations were assessed as High.

Thus, as described above, locations that are particularly sensitive from the perspective of nature have been identified, and the Group is working to mitigate and avoid impacts on nature and biodiversity through measures and initiatives from the development stage as described later in this document.

Moreover, the Group takes advanced disaster prevention measures in individual properties to address flood risk, including the installation of flood barrier panels, and works to improve resilience across the entire area. We also manage disaster risk based on water risk assessments.

- Material Location for the Group

Out of the locations in which the Group operates its business, we have positioned the OMY area as a material location (a particularly significant location from the perspective of dependencies and impacts on nature, risks and opportunities) for the following reasons.

(1) Significance of impact on surrounding environment and local community
The area development and urban planning in the OMY area is considered to have a significant impact on the natural environment and local community of the city. While it is possible that changes in land use have the possibility of potential negative impacts on the environment, we believe that our activities in the area can also contribute to realizing a nature-positive society and solving issues for the local community through sustainable urban development, such as by optimizing energy use, reducing environmental impact, creating an urban environment in harmony with nature, and developing into a “smart city.”

(2) Significance in terms of business opportunities
This is the area where the Group was founded and is the core of its business. Since the Meiji era (1868–1912), the OMY area has developed as the center of the Japanese economy. Today, it is Japan’s preeminent business district and home to the head offices of Japanese and foreign corporations. It also lies adjacent to the Imperial Palace and serves as a key transportation hub with Tokyo Station at its center linking to other parts of Japan and the rest of the world. The area thus plays a strategically important role in attracting companies and developing international business in Japan.

For these reasons, the OMY area generates significant business opportunities for the Group. At the same time, it is also an area where the impact of urban development on the surrounding natural environment and the local community must be carefully considered. Therefore, in this document, we positioned the OMY area as a priority location and examined dependencies and impacts in detail as described below.

## B) Overview of Dependencies and Impacts through the Group's Business Activities

**Evaluate**

With reference to ENCORE,[13] an online tool provided by the United Nations Environment Programme Finance Initiative (UNEP FI), and the TNFD guidance for the real estate sector, we analyzed dependencies on natural resources and impacts due to the business activities in the Group's business sector. As a result, we identified aspects with high dependencies and impacts and prepared heat maps (Figures 3 and 4).

| | |
|---|---|
| **Nature-related dependencies** | ● All of our real estate operations, including offices, retail facilities, logistics facilities, housing, and hotels make use of disaster control functions provided by nature and depend on functions that moderate floods and storms (regulating services[14]).<br>● Office buildings in Marunouchi and other urban areas depend on climate regulating services in terms of mitigating the heat island phenomenon. Hotel and resort operations are even more dependent on climate regulating services to maintain a suitable climate for business.<br>● The real estate business in Marunouchi and other urban areas are highly dependent on cultural services[15] from the perspective of the aesthetic value and relaxation provided by urban greenery. The hotel business is also dependent on the cultural services of nature as a tourism resource.<br>● The construction of real estate and the operation of offices, retail facilities, and hotels are dependent on water resource provisioning services and water purification and flow regulating services. |
| **Nature-related impacts** | ● The impacts from change of land use at the real estate development and construction stage and from occupancy of land at the operation stage are highly significant. Considering the degree of change from the pre-development natural environment, the development of logistics facilities, hotels, resort facilities, and suburban retail facilities is likely to have a greater impact.<br>● There are impacts from GHG emissions at the development, construction, and operation stages. In particular, the construction stage accounts for a large proportion of the Group's GHG emissions.<br>● In retail facility and hotel operations, the impacts from use of water resources and generation of solid waste are considered significant to some degree.<br>● At the development and construction stages, in addition to generation of solid waste, the impacts from pollutant emissions and disturbance of the surrounding ecosystem due to noise could be significant. |

[13] ENCORE stands for Exploring Natural Capital Opportunities, Risks and Exposure. A tool developed by NGO Global Canopy, the United Nations Environment Programme Finance Initiative (UNEP-FI), and the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) for ascertaining the significance of the dependencies and impacts that financial institutions and corporations, etc. have on nature by industry.
[14] Ecosystem services that control the environment, including climate regulation and flood mitigation.
[15] Ecosystem services that provide opportunities for spiritual fulfillment, aesthetic appreciation, and recreation, etc.

## Figure 3: Heat Map of Dependencies

VH Very high H High M Medium L Low VL Very low

| Segment /business | Business activities | Provisioning services | Regulating and maintenance services | | | | | | | | Cultural services |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Water resources | Deconta mination: Water purification | Mediation of sensory Impacts | Water flow regulation | Climate regulation (global /local) | Flood and storm mitigation: Flood mitigation | Storm mitigation | Rainfall pattern regulation | Soil and sediment retention | Recreation-related services／Visual amenity services／Spiritual, artistic and symbolic services |
| Overall | Development (land acquisition) | L | M | VL | L | M | L | L | VH | M | - |
| | Development (construction) | M | M | VL | M | M | M | M | VH | H | - |
| Marunouchi business | Office operations | M | - | VL | M | M | M | M | - | VL | VH |
| | Retail facility operations | M | VH | ND | M | M | M | M | M | M | VH |
| | Hotel operations | M | VH | M | M | M | M | M | VL | L | VH |
| Office building business | Office operations | M | - | VL | M | M | M | M | - | VL | VH |
| Retail facility business | Retail facility operations | M | VH | ND | M | M | M | M | M | M | VH |
| Logistics facility business | Logistics facility operations | L | ND | VL | L | M | M | M | VL | L | H |
| Hotel business | Hotel and resort operations | M | VH | M | M | H | M | M | VL | L | VH |
| Airport business | Airport operations | VL | ND | VL | VL | L | M | M | VL | L | ND |
| Residential busine | Residential management and operations | VL | VL | - | VL | L | M | M | VL | VL | - |
| International business | Office operations | M | - | VL | M | M | M | M | - | VL | VH |
| | Logistics facility operations | L | ND | VL | L | M | M | M | VL | L | H |
| Other businesses | Logistics facility operations | M | VH | VL | M | M | M | M | M | H | VH |
| Overall | Real estate sale and brokerage, etc. | VL | - | VL | VL | L | VL | M | - | M | VH |

## Figure 4: Heat Map of Impacts

VH Very high H High M Medium L Low VL Very low

| Segment /business | Business activities | Land, freshwater and ocean use change | | Climate change | Resource use/ replenishment | Pollution/pollution removal | | | | Invasive alien species |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Land use change | Ocean use change | GHG emissions | Water use | Solid waste | Non-GHG air pollutants | Soil/water pollutants | Disturbances (noise/light) | Introduction of invasive alien species |
| Overall | Development (land acquisition) | M~H | - | M | L | M | L | H | VH | L |
| | Development (construction) | M~H | - | H | L | M | L | H | VH | L |
| Marunouchi business | Office operations | M | - | M | L | VL | VL | VL | VL | - |
| | Retail facility operations | M | L | M | M | M | L | L | L | ND |
| | Hotel operations | M | - | M | M | M | L | L | L | M |
| Office building business | Office operations | M | - | M | L | VL | VL | VL | VL | - |
| Retail facility business | Retail facility operations | H | L | M | M | M | L | L | L | ND |
| Logistics facility business | Logistics facility operations | H | L | M | L | L | L | - | M | ND |
| Hotel business | Hotel and resort operations | H | M | M | M | M | L | L | M | M |
| Airport business | Airport operations | L | VL | M | L | L | L | L | L | - |
| Residential busin | Residential management and operations | M | - | VL | L | VL | VL | VL | VL | - |
| International business | Office operations | M | - | M | L | VL | VL | VL | VL | - |
| | Logistics facility operations | L | ND | M | L | L | L | - | M | ND |
| Other businesses | Logistics facility operations | M | - | L | L | L | VL | M | M | M |
| Overall | Real estate sale and brokerage, etc. | L | - | VL | L | VL | VL | VL | L | - |

## C) Dependencies and Impacts in the Upstream Value Chain

**Evaluate**

In relation to the upstream value chain, we conducted human rights and environmental risk assessments for each of the construction materials used on construction sites. We identified the source materials used in building materials, focusing on some top 20 materials with a high weight ratio, and surveyed the main countries of production and importers for the main 18 materials to identify the related human rights and environmental risks.

Based on these results and ENCORE, the main dependencies and impacts assumed at present in the upstream value chain are as shown in the following table.

| Construction materials | Main dependencies | Main impacts |
|---|---|---|
| ● Steel materials<br>● Metals, including iron, steel, aluminum, copper, etc. | In the mining and refining of minerals, and in the manufacturing processes for steel, iron, steel, aluminum, etc.,<br>● Water resource provisioning and water flow regulation functions<br>● Climate regulation and disaster mitigation<br>● Air and water purification | ● Changes in land use, including forests and vegetation, use of water resources, air and water pollution, noise, and impacts on biodiversity, indigenous peoples, and local communities during metal mining<br>● Use of water resources, GHG emissions, waste, and air, water, and soil pollutants during manufacturing of metals and steel |
| ● Cement and concrete<br>● Non-metallic minerals<br>(Limestone, clay, gypsum, stone, sand, coal, etc.) | In the mining and extraction of minerals and manufacturing of cement and concrete,<br>● Water resource provisioning and water flow regulation<br>● Climate regulation and disaster mitigation<br>● Air and water purification | ● Use and alteration of land and freshwater ecosystems, including forests and vegetation, air and water pollution, noise, and impacts on biodiversity, indigenous peoples, and local communities during extraction of minerals<br>● Use of water resources, GHG emissions, generation of waste, and emission of air, water, and soil pollutants during manufacturing of cement and concrete |
| ● Timber<br>● Paper | In the production of timber and manufacturing of paper,<br>● Water resource provisioning and water flow regulation<br>● Biomass and genetic resources provisioning<br>● Climate regulation and disaster mitigation<br>● Air and water purification, pollination, and biological controls | ● Changes in land use, including deforestation and conversion of forests, the resulting GHG emissions, introduction of invasive alien species, and impacts on indigenous peoples and local communities due to production of timber<br>● Use of water resources, GHG emissions, generation of waste, and emissions of air, water, and soil pollutants in the production of timber and manufacturing of paper |

Going forward, we plan to consider measures for the construction materials that need to be addressed as a priority.

Furthermore, we are promoting concrete measures outlined below for the sustainable use of timber.

- In July 2023, the Timber Procurement Guidelines were established to ensure no forest destruction or deforestation and the protection of natural ecosystems in the procurement of timber and wood materials for construction in the Group's own value chain. The specific content is as follows:
  1. Achieve zero deforestation and land conversion（DC Free：Deforestation and Conversion Free）
     A. Prohibit procurement of timber through conversion of natural forests and important natural ecosystems to other uses.
     B. Prohibit damage to high conservation value (HCV) forests
     C. Call for provision of compensation for environmental and social aspects in severe cases of natural forest conversion that occurred in and before 2019
  2. Ensure traceability of wood back to the place of origin
     A. Source timber grown in countries where the risk of illegal logging is deemed low, including Japan-grown timber
        *Implement appropriate management for timber from countries deemed "low risk" based on the individual country forest risk assessment provided by Preferred by Nature (PbN)
        https://sourcinghub.preferredbynature.org/explore-countries/aDB0X000000k9bSWAQ/
     B. Utilize highly trusted, international certifications. More specifically, in addition to FSC certifications, this refers to certification recognized as compliant with ISEAL Alliance stipulations (Code Compliant)
        https://www.isealalliance.org/iseal-community-members?field_code_compliant=1

- Timber in the concrete formwork panels used during construction will be equivalent to timber specified in the sustainability-oriented procurement code (certified timber and Japan-grown timber) with a goal to increase the percentage of usage of these panels by the Group to 100 % by 2030.

### D) Detailed Assessment of Impacts in the OMY Area Priority Location

**Evaluate**

The whole of the current OMY area was lined with the mansions of feudal lords during the Edo era (before 1868). However, from the start of the Meiji era onward, it was used as military base for the army. When the military was relocated, the area became a wasteland, but the Mitsubishi company of the day led its development into a business district, the origins of the OMY area of today.

The OMY area is a very rare urban space with favorable location characteristics both in economic and environmental terms and serves as an embodiment of a model for a sustainable urban center.

Economically, the area hosts a variety of businesses—from multinational corporations and financial institutions that bolster Japan's GDP to innovative startups—all playing a vital role in driving Japan's economy. It houses the head offices of major corporations and global business operations, functioning as a nexus for domestic and international investment, innovation, and economic activity. Additionally, with its cutting-edge infrastructure and refined business environment, the area provides the essential foundation that underpins the Japanese economy's sustainable growth.

Environmentally, despite located in the city center, it lies close to a rich natural environment with lush green spaces and waterways, including the Imperial Palace, Hibiya Park, the Imperial Palace moat, and the Nihonbashi River. Through the active development of green space, we aim to create a continuous, green urban landscape that is connected to the Imperial Palace and other surrounding areas, while also placing

an emphasis on qualitative improvements to these green spaces, including enhancing amenities and conserving biodiversity.

Based on such characteristics of the OMY area, the impact of the urban development promoted by the Group on the natural environment of the area was analyzed as outlined below.

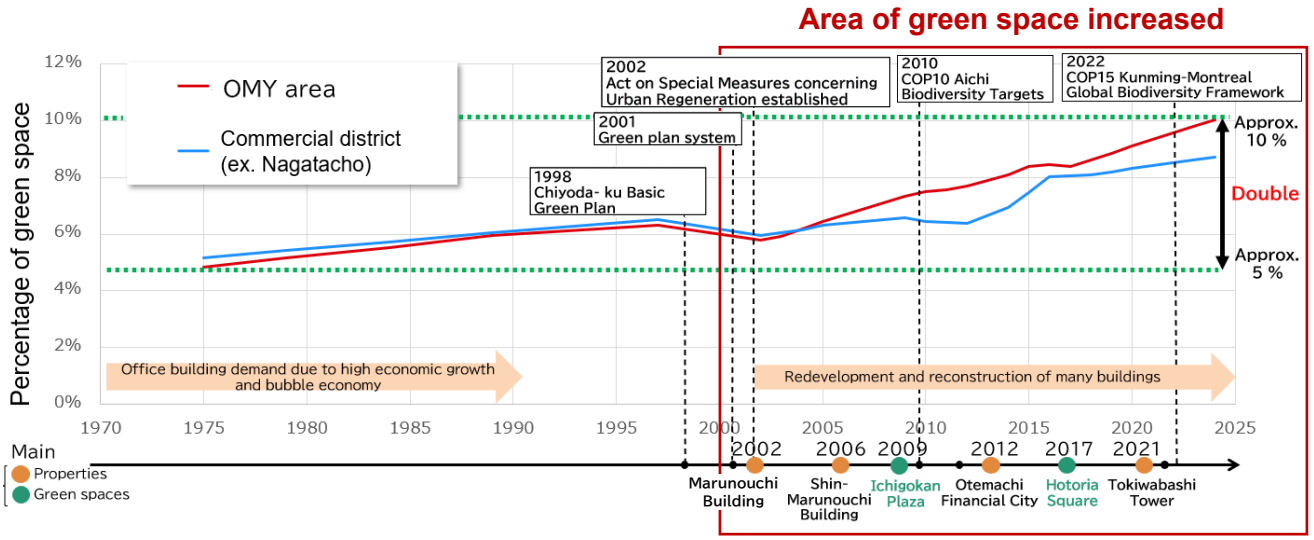
- Percentage of Green Space

We assessed the percentage of green space in the OMY area as one of the impacts that the Group's urban development has on the surrounding natural environment.

**Method**

- We acquired 30 aerial photographs (from the Geospatial Information Authority of Japan and others) covering a total of 26 years between 1975 and 2024
  *The 1970s was a period when the Company's second phase of Marunouchi development was largely completed and the problem of pollution emerged in the environmental field
- To estimate the area of green space, we classified the aerial photographs (image data) into green space (trees), grassland, shade, and other. Based on the classified images, we counted the pixels corresponding to green space to find the area of green space for the whole of the OMY area. We estimated changes in the area of green space using aerial photographs for multiple periods.
  *Percentage of green space in the OMY area = Area of green space in the OMY area/Area of the OMY area
- We also conducted the same analysis for the area designated as a commercial district in Chiyoda-ku, which includes the OMY area, to provide a comparison with the OMY area. (However, Nagatacho and Kasumigaseki, which differ significantly in nature as there is limited private-sector development, were excluded from this analysis.)

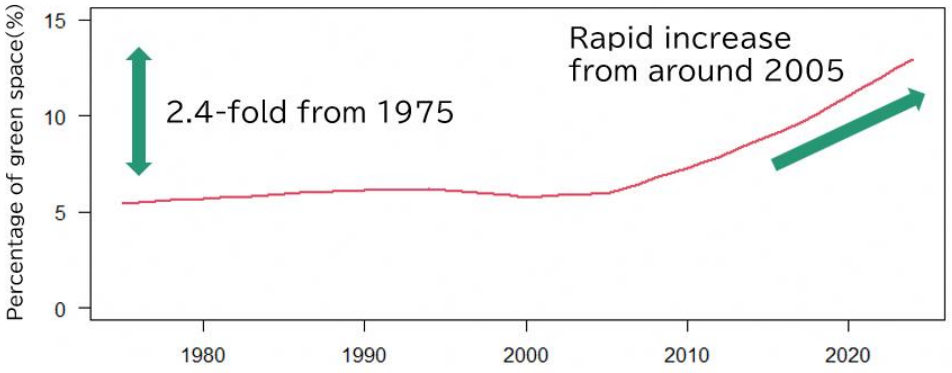
The results of the assessment found that the area of green space in the OMY area overall and the Chiyoda-ku commercial district (excluding Nagatacho and Kasumigaseki) has changed as shown below.




Source: Think Nature Inc.

As shown in the figure, the percentage of green space has grown in both the areas analyzed since the mid-2000s, but increased even more in the OMY area in particular relative to Chiyoda-ku, roughly doubling since 1975.

Furthermore, changes in the total percentage of green space at the approximately 30 properties owned by the Group in the OMY area are as shown in the figure below. Since the late 2000s, the percentage has grown significantly to approximately 13 % as of 2024, which is around a 2.4-fold increase from 1975.




Source: Think Nature Inc.

Alongside the redevelopment of the area since the 2000s, and in addition to ensuring green space at each individual property, we have promoted urban development that increases greenery throughout the area by capitalizing on its specific characteristics, such as the size of the blocks and the width of the streets. In particular, we have actively contributed to the greening of public space, including an increase in the number of roadside trees, through close consultation with government agencies on projects such as the reconstruction of the Marunouchi Building and the improvement of Marunouchi Naka-Dori Avenue. It has been quantitatively confirmed that these initiatives have contributed to an increase in the percentage of green space in the area as a whole and have helped to increase the environmental value of the neighborhood overall.

- Ecological Networks

The OMY area lies close to the Imperial Palace, one of Tokyo's great treasure troves of biodiversity. Therefore, it is important to strengthen ecological networks centered on the Imperial Palace in order to maintain and enhance biodiversity in the surrounding area.

Following the methodology of Guidelines and Ecological Network Maps for Improving the Quality of Greenery with Consideration for Biodiversity by Tokyo Metropolitan Government (2022), we prepared and assessed the Green Network Map (figure below) using the method described below.

- Based on data on green coverage, we calculated the percentage of green coverage within a 100 m radius of the Group's properties and displayed it on the map as less than 5 %, less than 20 %, less than 40 %, less than 60 %, or 60 % or more and evaluated its connectivity with surrounding greenery.
- As data on green coverage, we used green coverage (10 m resolution) calculated using Sentinel-2 satellite images and data on the branch spread of trees (tall trees over 4 m) in the OMY area surveyed by the Ecozzeria Association (see below).

As a result of evaluating connectivity with surrounding greenery using the Green Network Map, we found

that the number of areas colored green increased where the Group's properties have green space compared to where the Group has no properties. The Group's properties have contributed to strengthening green networks and connectivity centered on the Imperial Palace. This means the potential for positive impacts can be recognized.


(Source: Regional Environmental Planning Inc.)

The construction of green networks stemming from the Imperial Palace is one important initiative for the sustainable development of the urban area. This approach envisages the entire urban area as a single landscape to go beyond simply creating green spaces, with a focus on carefully creating an environment in which nature and the city coexist.

The introduction of this landscape approach[16] can lead to more harmonious urban management through the integration of urban development with conservation and restoration of the natural environment. Urban

[16] An approach which comprehensively addresses diverse human activities and the natural environment within a certain location or space to help solve issues.

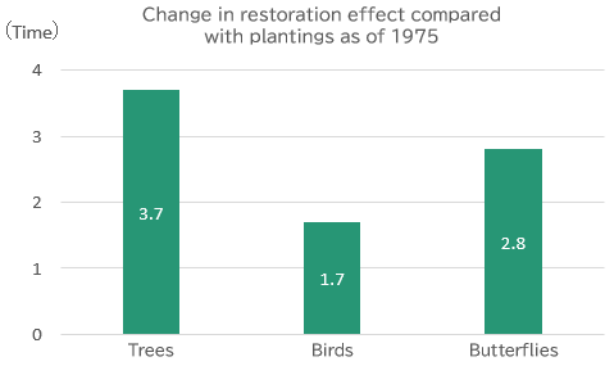
development and nature conservation both involve a large number of people and, as such, have a high level of affinity. Promoting such initiatives requires that not only individual companies but also the local community and society work together to move forward.

- Biodiversity Restoration Effect and Capture Rate

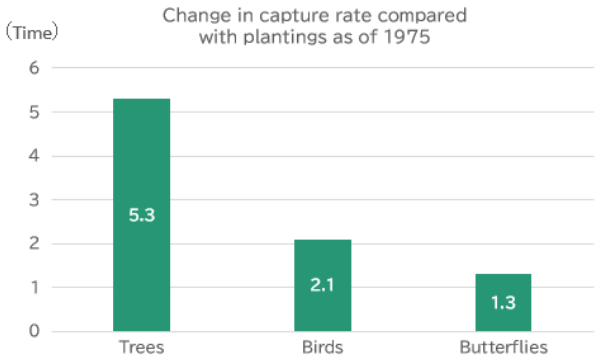
Additionally, in terms of how planting methods (quality of green space) impacts biodiversity, we analyzed (1) the biodiversity restoration effect; and (2) the capture rate based on tree plantings at properties owned by the Group in the OMY area (using a 2022 survey of species and number of trees over 4 m tall by the Ecozzeria Association (see below)).

| | |
|---|---|
| **Biodiversity restoration effect** | An indicator based on the species and number of trees at each property, which calculates the percentage change in the number of species and individuals of trees, birds, and butterflies inhabiting the surrounding area (within a 1 km grid) before and after planting. |
| **Analysis method** | ● Based on the tree information (species and number of trees over 4 m tall) compiled in the field survey, and taking account of biological distribution data held by Think Nature Inc., the following calculations were made for trees, birds, and butterflies. (For trees, only the number of individuals was converted into a logarithmic value (common logarithm) for the calculation.)<br>(1) Restoration effect due to planting (number of species)<br>= Number of species considered to increase due to planting/Number of species before planting<br>(2) Restoration effect due to planting (number of individuals)<br>= Number of individuals considered to increase due to planting/Number of individuals before planting<br>(3) The restoration effect for each taxonomic group (trees, birds, butterflies) = the average value of restoration effects (1) and (2) for each taxonomic group<br>● For trees, only native species were assessed. Birds and butterflies were assessed based on the relationships of living creatures congregating at plantings.<br>● To provide a comparison with the restoration effect of current actual plantings, the restoration effect was calculated in the same way for estimated plantings as of 1975 (based on the traditional composition of tree species planted in Chiyoda-ku before the 1980s and the estimated number of trees and species planted as of 1975). |
| **Capture rate** | An indicator showing what percentage of tree species from the surrounding area (within a 5 km radius) are planted based on the planted tree species at each property, and what percentage of bird and butterfly species inhabiting the surrounding area can be attracted by those plantings |
| **Analysis method** | ● Based on the tree information (species and number of trees) compiled in the field survey, and taking account of biological distribution data held by Think Nature Inc., the following calculations were made for trees, birds, and butterflies.<br>Capture rate (surrounding 5 km) = Number of planted or attracted species/Number of species thought to inhabit surrounding 5 km<br>Capture rate (vis-a-vis Imperial Palace) = Number of planted or attracted species/Number of species thought to inhabit Imperial Palace<br>● For trees, only native species were assessed. Birds and butterflies were assessed based on the relationships of living creatures congregating at plantings.<br>● In order to provide a comparison of the capture rate for current actual plantings, the capture rate was also calculated for estimated plantings as of 1975. |

The results of the analysis showed that restoration effect at the target properties increased approximately 1.7 to 3.7 times on average compared with estimated plantings as of 1975.

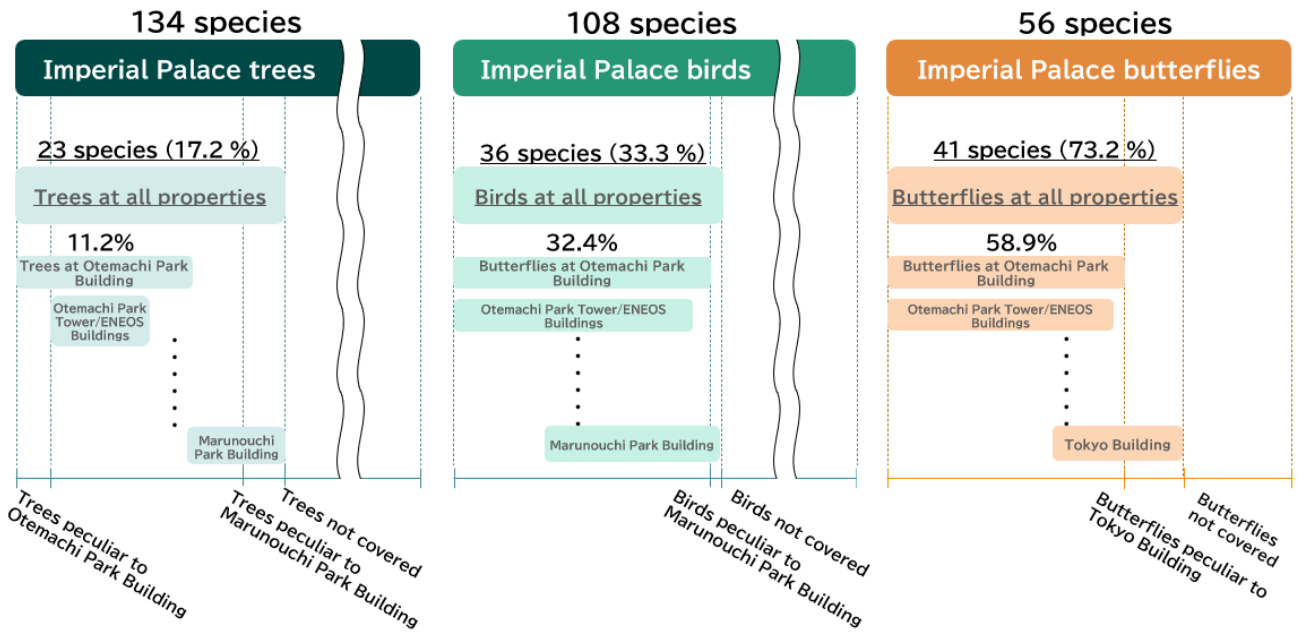



The capture rate at the target properties also increased on average compared with estimated plantings as of 1975 for all of the taxonomic groups (trees, birds, and butterflies). In particular, there was a 5.3-times increase for trees and 2.1-times increase for birds.




The development of plantings that include a variety of local native species is thought to have contributed to the restoration of biodiversity by creating habitat used by diverse birds and butterflies.

Furthermore, an analysis of the capture rate for living creatures from the Imperial Palace at properties in the OMY area that the Group owns and manages showed that the plantings at these properties are able to capture some of the living creatures that inhabit the Imperial Palace. More specifically, it was estimated that 23 (17.2 %) of the 134 tree species, 36 (33.3 %) of the 108 bird species and 41 (73.2 %) of the 56 butterfly species in the Imperial Palace can be captured by the property plantings. The plantings at the Company's properties have played a role in expanding the ecological network in the urban area centered on the Imperial Palace, particularly in the capture of approximately 70 % of butterfly species, suggesting the potential to contribute to the creation of an environment in which the city and nature coexist and the conservation of biodiversity.



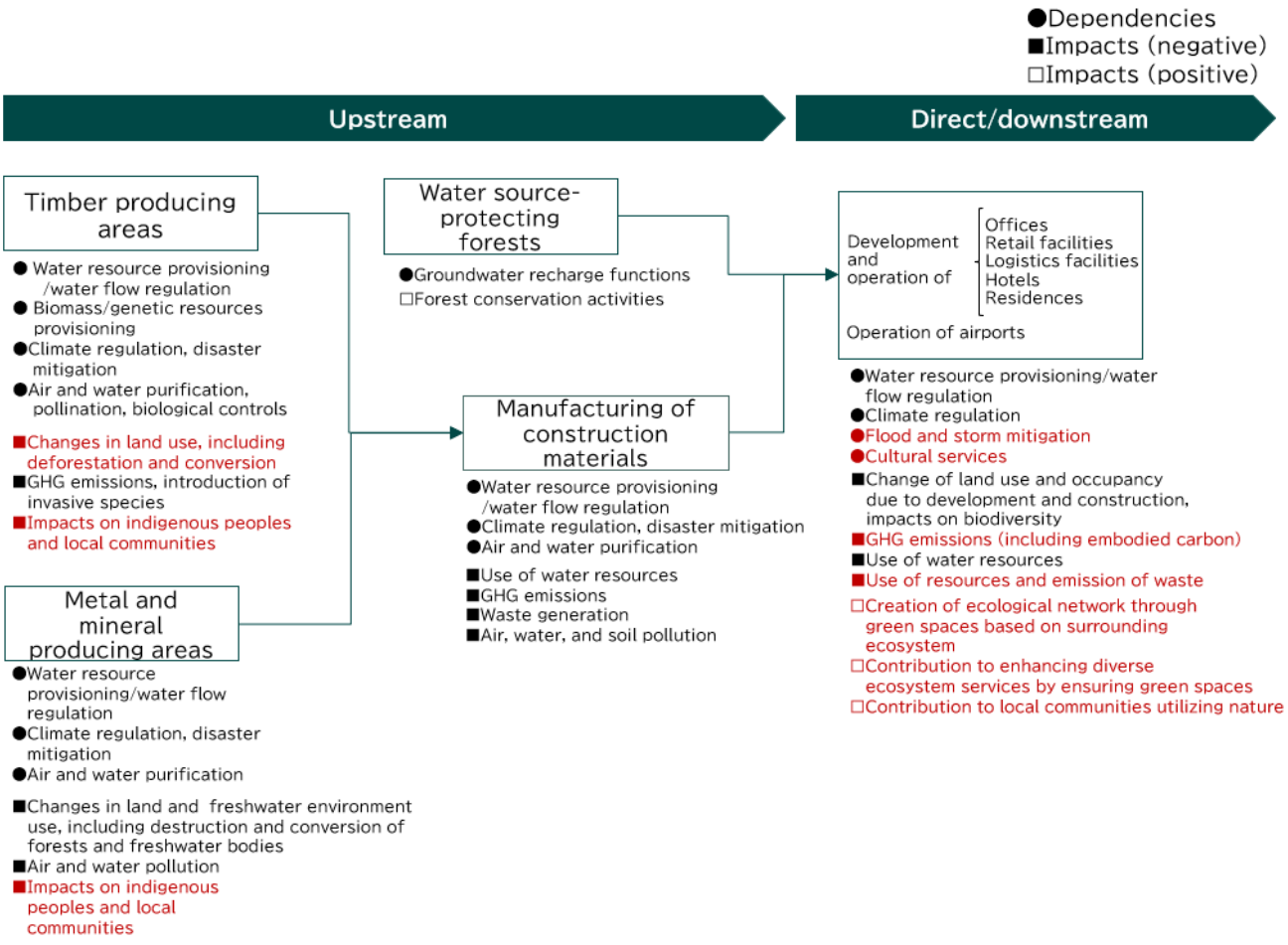

（Source: Regional Environmental Planning Inc.）

Through this evaluation, a positive impact on biodiversity was recognized. This is the result of promoting attractive urban development in harmony with nature, which includes planting trees and creating green spaces within the OMY area priority location with consideration for the surrounding ecosystem, including the Imperial Palace.

## E) Main Dependencies and Impacts through the Group's Business Activities and Value Chain

**Evaluate**

Based on the abovementioned analysis, we have recognized the main dependencies and impacts through business and the value chain as shown in the figure below. The items in red are thought to be particularly significant.



## F) Nature-Related Risks and Opportunities

Assess

Based on the dependencies and impacts, we defined the important nature-related risks and opportunities for the Group as shown in the table below.

### Nature-Related Risks

| Category | Dependencies/ impacts | Time horizon | Risks | Measures to respond to risks |
|---|---|---|---|---|
| Physical risk (acute/chronic) | Dependency on flood and storm mitigation and climate regulation | Short term and beyond | Increase in flood damage due to loss of flood mitigation functions associated with decrease in urban greenery | The following measures have been implemented, mainly in office buildings in the OMY area, to maintain urban functions and ensure a safe and secure environment even in a disaster.<br>● Ensuring drinking water: Installation of onsite wells and introduction of advanced filtration equipment<br>● Maintaining toilet functions: Purification and release of building wastewater through city center sewage facilities<br>● Enhancing flood countermeasures: Installation of flood barrier panels where necessary to minimize damage from storms and floods<br>● Installation of rain gardens: Establishment of green spaces that function to temporarily store rainwater when it rains and allow it to gradually seep into the ground |
| | Dependency on cultural services | Short term and beyond | Decline in cultural services (comfort, relaxation, aesthetic value) and loss of real estate and urban value as the natural environment of the urban area is lost due to climate change and human activity | ● Ensuring area-wide green networks and diverse, high-quality green spaces, giving consideration to the surrounding ecosystem (OMY area, Grand Green Osaka, etc.)<br>● Initiatives to conserve and restore the natural environment: Creating, maintaining, and expanding green spaces in urban areas to strengthen local ecological networks (consideration of wall and rooftop greening and installation of biotopes, etc.) |
| Transition risk (policy and legal) | Change of land use and occupancy and fragmentation of habitat due to real estate development | Medium term and beyond | Decrease in development opportunities and increase in countermeasure costs due to tighter regulations during development (expansion of protected areas, etc.) | |
| | | Short term and beyond | Strengthening of regulations and bylaws stipulating the quantity and quality of green space (green coverage ratio, selection of tree species, creation of ecological networks, etc.) | |
| Transition risk (reputation) | Negative impacts on ecosystem and ecosystem services due to development (e.g. reduction in urban and local green spaces, conversion of | Short term and beyond | Criticism, reputational damage, and negative impact on corporate image and brand if complicit in the following:<br>✓ Negative impacts due to development on ecosystems/nature that are spiritually, culturally, or | ● Impact and risk management during development through environmental impact assessments and stronger consensus-building and dialogue with local communities<br>● Human rights due diligence in high-risk regions<br>● Timber Procurement Guidelines, |

| | | | | |
|---|---|---|---|---|
| | habitat, fragmentation of ecological networks) | | symbolically important to local communities<br>✓ Negative impacts on the community during large-scale real estate developments (e.g. increase in traffic volume, noise, pollution, insufficient water resources, etc.)<br>✓ Negative impacts on nature or local communities due to production of procured raw materials, such as timber | sustainable procurement of timber for concrete formwork panels, utilization of Japan-grown timber |
| Transition risk (market) | Overall impact | Short term and beyond | Decline in preferencing by customers, tenants, and investors in the event of inferiority to other companies in terms of positive impact on nature | ● Real estate development, urban development, and business activities that contribute to realizing a nature-positive society |
| | Use of resources and waste emissions/negative impact during production of timber and mineral resources | Medium term and beyond | Decrease in need for new construction due to increase in need for renovation and utilization of existing building stock | ● Promoting renovation and utilization of existing building stock, improving resource efficiency<br>● Promoting utilization of Japan-grown timber |
| | | Medium term and beyond | Shortages of timber and construction materials and increase in prices due to stronger protection of nature in places of origin | |

### Nature-Related Opportunities

| Classification | Time horizon | Opportunities | Initiatives to expand opportunities |
|---|---|---|---|
| Market<br>Resource efficiency of products and services | Short term and beyond | ● Increase in need for renovation and utilization of existing building stock to utilize resources and reduce waste<br>● Reduction of costs due to greater efficiency in construction material utilization | ● Renovation of Otemachi Building and others, promoting utilization of existing building stock, increasing resource efficiency |
| Market<br>Reputation of products and services | Short term and beyond | ● Increase in the value of the OMY area through urban development that coexists with nature, including greening, capitalizing on the influence of the area<br>● Increase in preferencing by customers, investors, and tenants through creation of new businesses and prosperity utilizing natural resources | ● Making produce (e.g. Hishi Vegetables, Marunouchi Honey) and holding events (at Marunouchi Street Park) contributing to nature and biodiversity in the OMY area<br>● Seeking further establishment of green networks in future redevelopment projects (e.g. Yurakucho area) to realize a city that coexists with nature |
| | Short term and beyond | ● Improvement in reputation due to development and business operation that gives consideration to local nature and ecosystems; increase in preferencing by customers, investors, and tenants<br>● Improvement in relationship and reputation with local community through development that gives consideration to the rights of | ● Obtaining ABINC and other certifications and natural symbiosis site[17] certification (Otemachi Park Building, Otemon Tower, ENEOS Building, TOKYO TORCH, Grand Green Osaka, etc.), and TSUNAG Certification (Hotoria Square, Ichigokan Plaza, Marunouchi Building exterior)<br>● Ensuring plantings and green spaces that give consideration to the |

[17] An area certified by the Ministry of the Environment where biodiversity is being conserved by private-sector activities, such as urban green space, a company forest, or a *satoyama* landscape.

| | | | |
|---|---|---|---|
| | | indigenous peoples and local communities and appropriate stakeholder engagement | surrounding ecosystem<br>● Engaging with local communities and other stakeholders during development |
| Capital flow and financing | Short term and beyond | ● Relaxation of development regulations (relaxation of floor area ratio, etc.) due to development that gives consideration to surrounding nature and ecosystems | |

## G) Responses and Initiatives to Address Dependencies, Impacts, Risks and Opportunities

**Prepare**

- Initiatives Related to Reducing Negative Impacts, Increasing Positive Impacts, and Risk Management During Development

During development, the Mitsubishi Estate Group takes the following initiatives aimed at avoiding and reducing negative impacts and risks due to real estate development as well as creating as much positive impact on the surrounding ecosystem as possible.

- To give due consideration to biodiversity and ecosystems and to their conservation, maintenance, and expansion, the Group does not engage in development in areas designated as World Heritage Sites or in areas designated as I through IV under the International Union for Conservation of Nature (IUCN). When the Group engages in development of land likely to have an impact on biodiversity, it works with governments, NGOs, and other external partners to take appropriate mitigation measures and remedial action
- All Group companies consider biodiversity in the course of their business activities and develop biodiversity-friendly initiatives cooperating with NPOs and other external partners. The Group also promotes obtaining the Association for Business Innovation in Harmony with Nature and Community's ABINC certification at properties with a certain amount of green space.
- As part of an approach to development that gives consideration to biodiversity, the Group includes diverse perspectives into projects from the planning stage. For example, we survey, identify, and protect rare species before development, relocating them as necessary. After such relocations, we work with government agencies to conduct regular monitoring and reporting. In large-scale development projects, we conduct environmental assessments to evaluate the impact on the surrounding environment in accordance with the Environmental Impact Assessment Act.

- Initiatives in Urban Development of the OMY Area

In the OMY area, capitalizing on the connections with the Imperial Palace, which is one of Tokyo's leading treasure troves of biodiversity, we have worked with a wide range of stakeholders to implement various initiatives to conserve and restore the green spaces and nature of the urban area, unlock their value and showcase their attractions.

We believe these initiatives will reduce the risk of losing various ecosystem services due to deterioration of the natural environment in the OMY area and will also lead to the creation of business opportunities through nature-positive urban development with harmony between people and nature, including an improvement in the value of the area and the Group's reputation with tenants, the creation of a thriving urban area that capitalizes on nature, and the development of new businesses.

### ➢ Promoting urban development based on Otemachi-Marunouchi-Yurakucho District Guideline for the Redevelopment of the Area/Green Environment Design Manual

The Advisory Committee on Otemachi-Marunouchi-Yurakucho Area Development, established in 1996 as a roundtable consultation on the future vision for urban development of the OMY area based on public-private sector cooperation, established and updated the Guideline for the Redevelopment of the Area to provide concrete guidelines for promoting the development of balanced, attractive, and vibrant urban area. It established nine goals in its future vision for urban development, including sustainable city that coexists with the environment.

In addition, the Green Environment Design Manual was established to help with the creation of a green environment that will contribute to achieving the future vision presented in the guideline, allowing businesses and designers to have a common direction in creating greenery in the city. The Company promotes urban development based on the Otemachi-Marunouchi-Yurakucho Guideline for the Redevelopment of the Area and the Green Environment Design Manual.

### ➢ Creating and utilizing green spaces giving consideration to nature and biodiversity — Obtaining Natural Symbiosis Site and TSUNAG certifications

The OMY area lies close to the Imperial Palace, which is also a large green space in the city. In order to further expand the network of living creatures at the Imperial Palace, we promote the creation of green spaces based on an awareness of a green network that is connected to the Imperial Palace.

In recognition of such achievements, Hotoria Square, an environmentally-friendly green space located on the west side of the Hotoria block (composed of Otemachi Park Building, where Mitsubishi Estate's head office is housed, and the adjacent Otemachi Tower-ENEOS Building), was selected as one of the first certified "natural symbiosis sites" by the Ministry of the Environment in October 2023.

Hotoria Square is not only managed with consideration given to biodiversity but also serves as a "forest of interaction," connecting people, the environment, and living creatures, allowing for workers and visitors in the area to engage with each other and relax. The square also plays a role in preserving habitat as a node of green network connected to the Imperial Palace. With reference to the Ninomaru woodland area of the Imperial Palace, the site was planted mainly with native and local species and designed based on ecological surveys to be a habitat for the living creatures that inhabit the area around the Imperial Palace. As a result of these initiatives, Hotoria Square is expected to form a new model for future office building developments, as a space that coexists with nature despite being in the center of the city.

The design, which harmonizes with the abundant nature and historical landscape of the adjacent Imperial Palace moat, has been highly commended by expert organizations including the Ministry of the Environment as an initiative that is aligned with the 30 by 30 target (an international initiative to designate at least 30 % of land and marine areas as protected areas by 2030) and meets the standards of other effective area-based conservation measures (OECMs).[18] The registration of Hotoria Square as a natural symbiosis site means it will also be registered as an OECM in an international database, thus contributing to the achievement of the 30 by 30 target.

Moreover, the Group's maintenance and management plan for the green spaces in the OMY area (Hotoria Plaza, Ichigokan Plaza, and Marunouchi Building exterior) was the first to be certified for multiple green spaces in collaboration with an area management organization under the Certification System for Securing Quantity and Quality Urban Green Space (TSUNAG) established by the Ministry of Land, Infrastructure, Transport and Tourism in March 2025. By integrating multiple green spaces to create a green network connected to the Imperial Palace, rather than creating single green spaces, the Group is contributing to the environment of the entire area, including the conservation and restoration of biodiversity.

[18] A geographically defined area other than a protected area that contributes to biodiversity conservation together with its associated ecosystem functions and services.

### ➢ The Moat Project to improve the water environment and preserve the ecosystem of the Imperial Palace moat

The water environment of the Imperial Palace moat had become degraded due to a deterioration in water quality, hindering the natural generation of its native water plants. Therefore, in 2017, Mitsubishi Estate signed an agreement with the Department of the Environment and launched the Moat Project in 2018. The project aims to improve the waterfront environment of the Imperial Palace moat in the Imperial Palace Outer Garden and restore and conserve the endangered rare water plant species. This is the first such project for a private company, implemented through a collaboration with NGOs, specialized institutions, and experts. Flora and fauna taken from the moat are transferred to places such as Hotoria Square, thereby preserving them outside the area, and 11 water plant species have been successfully restored, including the Mizohakobe (waterwort) (*Elatine triandra var. pedicellata*) previously regarded as extinct in the 23 wards of Tokyo.

Moreover, water chestnuts (*hishi*) cleared from the Imperial Palace moat are composted. The vegetables grown with the compost in Yatsugatake are named “Hishi Vegetables” and used by the Mitsubishi Estate Group and other entities, creating a new resource cycle.


### ➢ Biomonitoring

Mitsubishi Estate has been running a biomonitoring survey in the Marunouchi district since 2009, in collaboration with the NPO Center for Ecological Education and the Ecozzeria Association. It has also published the Marunouchi Living Things Handbook compiling the results of the survey. The Handbook provides information about the abundance of nature in the district and also suggests ways in which individuals can help protect biodiversity in their own areas. By doing so, the Handbook aims to function as a PDCA tool for ecosystem management in the district.

### ➢ Marunouchi Honey Project

In 2016, Mitsubishi Estate worked with apiarists and community development organizations to form the Marunouchi Honey Project Executive Committee, which has since been promoting initiatives to build a diverse community in the OMY area, as well as to create an environmentally-friendly and healthy urban district that coexists with nature. Bees flourish on the rooftops of the Company’s buildings.

The project has produced high-quality honey in the city, leveraging its location with the Imperial Palace, Hibiya Park, and other rich sources of nectar being within a 4 km radius, which is the range of the European honeybee. The honey is harvested together with local residents every year from April to July, and the harvested honey (Marunouchi Honey) is used as an ingredient in restaurants and hotels in the area, sold at markets, and commercialized in collaboration with retail stores. The project is also working to broaden the networks of its activities every year by promoting collaboration with the sustainability initiatives of companies that employ workers in the area.

### ➢ Working with the Association for Creating Sustainability in Urban Development of the Otemachi, Marunouchi, and Yurakucho Districts (Ecozzeria Association)

The Ecozzeria Association, which was established in 2007, aims to serve as a “platform” for creating new initiatives and relationships aimed at realizing a sustainable society and has promoted a variety of plans and projects based on a business networking facility called “3×3 Lab Future.” Mitsubishi Estate works with the Ecozzeria Association to capitalize on the nature of Marunouchi and disseminate its attractions through projects that include biomonitoring, the nature program called OMY Shizen no Copain (“Nature’s Friends”), and the Marunouchi Honey Project.

- Urban Initiative Contributing to Nature-Positive Society Outside the OMY Area: Grand Green Osaka

Even outside the OMY area, development projects can have negative impacts on nature such as changes

in land use, fragmentation of ecological networks, and degradation of natural landscapes.

Grand Green Osaka, a large-scale redevelopment project in the area in front of Osaka Station by a joint venture of nine companies (“JV9”) led by Mitsubishi Estate, will promote new urban development, including an expansive urban park of approximately 45,000 $m^2$, based on the “Osaka MIDORI LIFE” concept of creating affluent futuristic lifestyles through integration of “*midori*” (green) and “innovation” with a nature-positive approach to contribute to the world.

The site of the former JR Umeda Freight Station, where the project is being carried out, functioned as a key point in Japan’s railway logistics in the past, and the area supported the economic and industrial development of Osaka for many years. This project, which is being carried out as the biggest development in the Kansai region, will create diverse green spaces with more than 1,600 trees from approximately 320 species (including 270 native species) planted over an area of approximately 30,000 $m^2$, which is approximately one third of the project area. The aim is to provide an impressive green space in front of western Japan’s biggest railway terminal and achieve sustainability and well-being through the development.

As a result of these initiatives, the project is the first mixed-use development project including an urban park in Japan to obtain gold certifications in the LEED Neighborhood Development (LEED ND) category for area developments (plan certification) by Leadership in Energy and Environmental Design (LEED), an internationally recognized green building rating system developed by the U.S. Green Building Council, and The Sustainable SITES Initiative (SITES®) Precertification, which primarily evaluates landscape sustainability. The project has also been awarded DBJ Green Building Certification, ABINC ADVANCE Certification, ZEB Oriented Certification (for office areas), and CASBEE Smart Wellness Office Certification as well as the highest-ranked Triple Star certification in the Certification System for Securing Quantity and Quality Urban Green Space (TSUNAG) established by Japan’s Ministry of Land, Infrastructure, Transport and Tourism in 2024.
https://www.mec.co.jp/news/detail/2025/03/18_mec250318_tsunagggo (Japanese only)

Furthermore, the project has comprehensively and specifically quantified the environmental value of green space using five indicators to visualize contribution to the environment as outlined below.

Please refer to the press release from Nikken Sekkei Ltd. for more detailed information about the environmental value assessment.
https://www.nikken.jp/ja/news/press_release/2024_07_17.html (Japanese only)

➢ GHG reduction

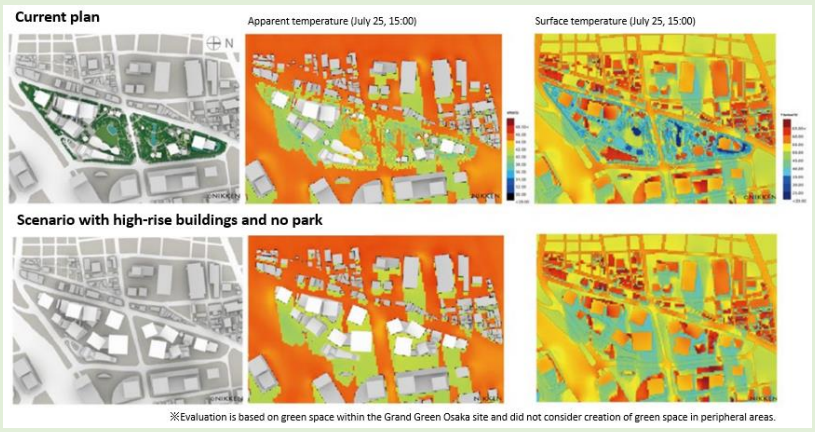
Based on the species, number, and chest-height diameter of more than 1,600 trees to be planted in the overall project area, the annual volume of $CO_2$ fixed is calculated to be 35.9 t, which is equivalent to the $CO_2$ reduction from approximately 190 370W solar panels generating electricity.

➢ Purification of air

The annual absorption of air pollutants ($SO_2$, $NO_2$, $O_3$) by the trees was estimated to calculate the air purification effect. The total annual absorption of $SO_2$, $NO_2$ and $O_3$ by planting of tall trees is 4.2 kg, 10.7 kg and 16.6 kg respectively, and the volume of $NO_2$ absorbed is equivalent to the volume of exhaust gas emitted when driving approximately 3.1 times around the earth in a car. Urban areas tend to have more sources of air pollution than suburban areas. The trees in this project will absorb $SO_2$, $NO_2$, and $O_3$, including through adsorption and absorption of air pollutants emitted in areas around the main roads, thereby contributing to creating a comfortable living environment in the area.

➢ Improvement of temperature environment (creation of cool spots)

Summer apparent and surface temperatures in Osaka were simulated based on climactic conditions. This confirmed that the effect of the shade from the trees lowered the apparent temperature by 4 to 6 ℃ and the surface temperature by 10 to 16 ℃ during the hours of intense summer sunlight (at 15:00). The shade from tall trees will lower apparent and surface temperatures and is also expected to form a valuable cool spot in the city center that will help to curb the heat island effect as the cool air seeps out into the surrounding area at night.

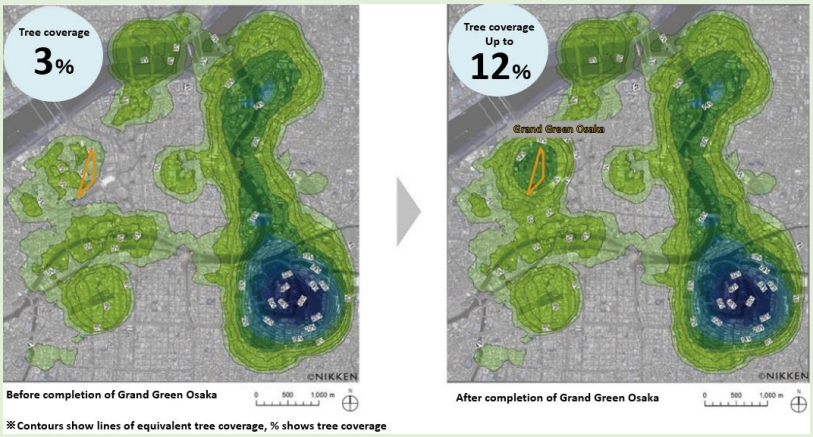



Source: Nikken Sekkei Ltd.

➢ Promotion of biodiversity

Based on forested area data using satellite image analysis, a before and after visualization was created of current situation and the ecological network expected after completion of the project. The Grand Green Osaka project will increase tree coverage* to 12 %. The increase in tree coverage will contribute to the creation of a biological network in Osaka and is expected to have a net positive impact, including the flora and fauna in the surrounding area.
By creating an environment in which diverse living creatures live in a prime location in the city center, the project will provide visitors with opportunities to interact with living creatures, which will have an environmental education effect. It is also expected that the sounds of birdsong and diverse living creatures will relieve stress and improve brain function.

* The percentage of tree coverage in the city was visualized in the form of contour lines using a geographic information system (GIS) based on satellite image data, providing an indicator of the networks (ease of movement) in the urban area for arboreal birds, such as the Japanese tit.




Source: Nikken Sekkei Ltd.

➢ Control of stormwater runoff

The effectiveness of stormwater runoff control facilities, such as rainwater reservoirs, infiltration trenches, and crushed stone detention tanks, and the absorption capacity of green areas was visualized. Around half of the annual rainfall (approximately 73,500 $m^3$/year) will be stored and controlled using runoff control facilities while some rainwater will be effectively utilized as irrigation for plants. Rainwater absorption will reach approximately 34,500 $m^3$/year, suggesting it will also contribute to the achievement of a healthy water cycle through absorption into green areas and evapotranspiration, improving the environment of soil and air.

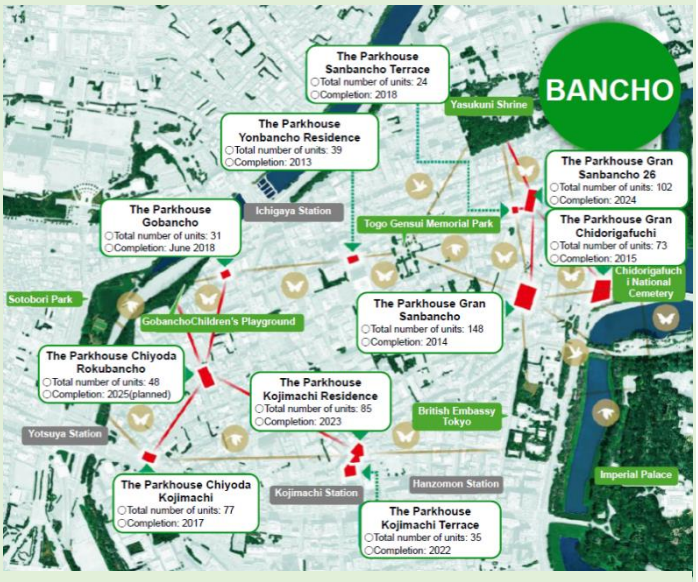
● Initiatives to Reduce Negative Impacts and Increase Positive Impacts in the Residential Business

Mitsubishi Estate Residence Co., Ltd., which operates the Group's residential business, has implemented the BIO NET INITIATIVE,[*1] which plants tree species suited to the area and incorporates environmentally-friendly maintenance and management methods, for all of its condominiums under The Parkhouse brand (Mitsubishi Estate Residence's mainstream brand for built-for-sale condominiums), regardless of the project size and land area.

➢ BIO NET INITIATIVE is a program for landscaping that contributes to preserving the local natural environment while connecting with the surrounding environment in the development of housing. The company has prepared biodiversity preservation guidelines composed of five main actions, which are (1) Protect, (2) Nurture, (3) Connect, (4) Utilize, and (5) Reduce.

The program has already been introduced at over 250 properties. For example, similar to the OMY area, the Bancho area in Tokyo, where many The Parkhouse condominiums are located, ensures ecosystem connectivity by connecting urban green spaces and is considered a contributor to the ecological network centered on the Imperial Palace.

Furthermore, we have conducted




* This map is a satellite photograph taken in April 2014 which has been processed using computer graphics. The living creatures and their movement routes are for illustrative purposes, and there is no guarantee that they actually inhabit or come into the area.

quantitative analysis using biodiversity big data to verify the results of the BIO NET INITIATIVE program.*2 This analysis showed that introduction of diverse tree species and promotion of green spaces at each property has contributed to nature-positive impacts, including increasing the number of species of living creatures that inhabit the property area and serves as a base for an ecological network.

A cumulative total of 25 properties where the BIO NET INITIATIVE program has been introduced have obtained ABINC certification over the ten consecutive years since the certification program began for the condominium category. These certifications include two awards for excellence and one special award. This initiative reduces the negative impacts from housing development and increases the positive impacts on nature. It is also believed to create opportunities such as enhancing the value-added for housing in terms of the well-being that comes from nature.

*1 BIO NET INITIATIVE program https://www.mecsumai.com/bionetinitiative/ (Japanese only)
*2 Verification of the effect of the BIO NET INITIATIVE program on restoring urban biodiversity https://www.mec.co.jp/group_news/detail/2023/09/28_bio_net_initiative_24 (Japanese only)

- Initiatives in Upstream River Basins

Many of our business activities, including the development and operation of real estate, depend on water resource provisioning services.

In February 2023, Mitsubishi Estate signed a 10-year partnership agreement with Minakami Town and the Nature Conservation Society of Japan (NACS-J) for a nature-positive initiative in Minakami in Gunma Prefecture located at the headwaters of the Tone River, which is a water resource for central Tokyo, including the OMY area. We will utilize knowledge gained through this initiative in the Group's biodiversity measures and plans, including in the OMY area, to help create a sustainable environment and an affluent society.

- Major initiatives include restoring planted forests with deteriorating biodiversity back to natural forests, conserving and restoring mountain villages and woodlands, and maintaining the sparse population of sika deer. We also undertake and utilize quantitative evaluation of biodiversity conservation and the multi-faceted functions of nature. In addition, we carry out quantitative evaluation of biodiversity conservation while implementing nature-based solutions (NbS).[19]


▲Red pine logged in the national forest

In July 2024, we compiled and published six methods for objective and quantitative evaluation of biodiversity as part of our efforts to undertake and utilize quantitative evaluation of biodiversity conservation and the multi-faceted functions of nature. We developed the six evaluation methods in alignment with global trends, including the IUCN approach and the TNFD recommendations. As a result, we are now able to objectively evaluate the contribution of our biodiversity conservation activities to the GBF and the goals of local governments.

Nature Conservation Society of Japan (NACS-J) website:
https://www.nacsj.or.jp/partner/2024/06/40725/#NPPJ (Japanese only)

- Upstream Value Chain Initiatives

As described previously on page 16 we are working to reduce negative impacts in the value chain and nature-related risks through procurement by promoting initiatives for the sustainable procurement of timber.

[19] The concept of utilizing the functions of nature in a sustainable manner to solve social issues.

- Implementing Appropriate Disclosure of Information

In addition to promoting individual initiatives, Mitsubishi Estate implements appropriate disclosure of information, thereby aiming to improve the evaluations received from various ESG surveys, benchmarks, and stakeholders, including investors, as well as its corporate value.

Mitsubishi Estate was certified as an A List company, the highest rating given by CDP, a British international nonprofit organization that promotes disclosure of information about environmental activities, based on Climate Change Questionnaire 2024 and Water Security Questionnaire 2024. This honor is in recognition of our leadership in disclosure transparency and performance in the areas of climate change and water security. We also received an A- rating for the Forests Questionnaire 2024.

## 4. Risk and Impact Management

### A) Process for Defining, Assessing, and Prioritizing Dependencies, Impacts, Risks and Opportunities

For dependencies and impacts on nature, we referred first to ENCORE and the TNFD guidance for the real estate sector for the main businesses and stages of the value chain to gain an overview of dependencies and impacts. We then conducted a detailed review of dependencies and impacts for the OMY area, which is the priority location, in accordance with the conditions in the area. Based on that, we defined the main dependencies and impacts for the Group.

Based on the dependencies and impacts above, we identified risks and opportunities and prioritized them based on qualitative criteria such as the impact on Mitsubishi Estate's brand and corporate value to identify particularly important risks and opportunities.

### B) Management Processes for Dependencies, Impacts, Risks, and Opportunities and Integration with Company-wide Risk Management

- Management Process for Dependencies and Impacts

The Sustainability Committee leads the management of nature-related issues, including nature-related dependencies and impacts. We have also established the Mitsubishi Estate Group Supplier Code of Conduct on environmental impact in the supply chain, which sets out the matters we require our suppliers to comply with and what we expect from them, including items such as "Environmental conservation and reduction of environmental impact." Based on the Supplier Code of Conduct, we conduct interview sheet surveys and onsite interviews with second-tier suppliers in addition to first-tier suppliers to confirm the status of compliance.

- Management Process for Risks and Opportunities and Integration with Company-wide Risk Management

The Group has established the Mitsubishi Estate Group Risk Management Rules and has set up and operates a risk management system to manage risk in all its business activities. Mitsubishi Estate has established the Risk Management & Compliance Committee to oversee the Group's risk management. The committee is chaired by the President & CEO of Mitsubishi Estate and the members are the corporate officers in charge of each business group and of the Corporate Group. The Risk Management & Compliance Subcommittee has also been formed as a working-level consulting body responsible for such matters as the collection of risk management-related information. In addition, the corporate officer in charge of risk management at Mitsubishi Estate is appointed by resolution of the Board of Directors to take responsibility for overseeing risk management, and general managers of each business group and general managers of Line and Staff departments and Corporate Group departments have been designated as risk management officers to promote risk management activities, with the assistance from the Mitsubishi Estate Legal & Compliance Department, which serves as the secretariat. We have also established and implemented action guidelines, contact and initial response systems, and business continuity planning for use in times of crisis.

We evaluate and analyze risks for business activities as a whole, including nature-related risks in an annual risk analysis. Based on the results of this analysis, the abovementioned Risk Management & Compliance Committee deliberates on the priority risks for the Group taking into account the level of impact on business activities overall and monitors the countermeasures to address them.

We also carry out risk management, focusing on the following two types of activities.

(1) Risk management activities to address individually important risks (=individual risk management activities by individual business and functional groups and Group companies)
Individual functional and business groups and Group companies identify important risks (individually important risks) based on risk analysis and carry out activities throughout the year to reduce the risks identified. Line and Staff departments ascertain the status of risk management activities of Group companies under the jurisdiction of each business group and provide coordination and support.

(2) Risk management activities to address key risks (identification and monitoring of key risks that need particular attention from the Group)
To accurately grasp the risks facing the Group as a whole, and by selecting and mapping key risks that require measures to be taken, the risks that must be addressed and their level of priority are visualized. While monitoring risks throughout the year, particularly key risks, support is provided as necessary.

In terms of the concrete risk management measures, we have established a system for managing risks related to sustainability, including climate change, by incorporating goals for the four key themes related to

sustainability in the area of strategies to increase social value under our Long-Term Management Plan 2030 into the annual plans for each organization and function and monitoring progress in achieving these goals. Progress in achieving ESG-related initiatives has been positioned as one of the criteria for qualitative evaluation in determining remuneration for officers.

Furthermore, progress on the four key themes related to sustainability in the area of strategies to increase social value is reported to the Sustainability Committee twice a year as a rule and regular monitoring is undertaken. Matters related to the establishment of annual plans are deliberated by the Board of Directors, and oversight is focused on the appropriateness of action plans aimed at achieving the goals for 2030. Going forward, the Group will further refine and deepen the goals and action plans for each organization and function in order to accelerate initiatives aimed at achieving its Long-Term Management Plan.

## 5. Metrics and Targets

- Metrics

The Group discloses information on its nature-related metrics and targets in an appropriate format in line with the TNFD core global disclosure metrics.

| TNFD metric no. | Driver of nature change | Indicator | Information disclosed | Boundary |
|---|---|---|---|---|
| — | Climate change | GHG emissions | ・$CO_2$ and other GHG emissions | Mitsubishi Estate Group |
| C1.0 | Land/freshwater/ ocean-use change | Total spatial footprint | Not collected | — |
| C1.1 | | Extent of land/freshwater/ocean ecosystem use change | | |
| C2.0 | Pollution/pollution removal | Pollutants released to soil by type | Not collected | — |
| C2.1 | | Wastewater discharged | ・Amount of wastewater by destination | Mitsubishi Estate Group |
| C2.2 | | Waste generation and disposal | ・Amount of waste generated (by type)<br>・Amount of waste recycled/recycling rate | Mitsubishi Estate Group |
| C2.3 | | Plastic pollution | ・Amount of plastic packaging | Mitsubishi Estate Hotels & Resorts |
| C2.4 | | Non-GHG air pollutants | ・Nox and Sox emissions | Mitsubishi Estate |
| C3.0 | Resource use/replenishment | Water withdrawal and consumption from areas of water scarcity | ・Water withdrawal by type of water source<br>・Water consumption<br>・Water withdrawal, discharge, and consumption by water risk type (for properties covered by SBT in FY2023) | Mitsubishi Estate Group |
| C3.1 | | Quantity of high-risk natural commodities sourced from land/ocean/ freshwater | ・Amount of timber procured | Mitsubishi Estate Wood Build, etc. |

- Targets

The Group has established the following targets for nature-related issues.

| Theme | Category | Numerical target details | Target year | Boundary | TNFD Metric no. |
|---|---|---|---|---|---|
| Renewable energy | Renewable energy usage*1 | 100 % | FY2025 | Mitsubishi Estate Group*2 | — |
| GHG emissions*3 | Emissions*1 Scope1+2+3 | Reduce Scope1+2 by 70 % or more and Scope 3 by 50 % or more compared to FY2019 | FY2030 | | — |
| | | Achieve net-zero emissions (reduce Scope1, 2, and 3 by 90 % or more compared to FY2019; neutralize residual emissions*4) | 2050 | | — |
| Waste emissions | Waste generated per square meter of floor space | Reduce by 20 % compared to FY2019 | 2030 | | C2.2 |
| | Waste recycling rate | 90 % | 2030 | | C2.2 |
| Use of water resources | Recycled water usage rate | 100 % | FY2030 ongoing | Newly constructed,*5 large-scale*6office buildings and retail facilities in Japan | C2.1 |
| Use of other resources | Japan-grown timber usage rate | 100 % | FY2030 ongoing | Mitsubishi Estate Home Co, Ltd. (structural and flooring materials for custom-built housing) | C3.1 |
| | Procurement of timber produced in countries with low risk of illegal logging only, including Japan-grown timber | 100 % | 2030 | Procurement of timber carried out by the Mitsubishi Estate Group through its own value chain | C3.1 |

*1 The Group has established medium- to long-term targets (approved by the Science Based Targets initiative (SBTi) as consistent with scientific evidence in 2019) for reducing GHG emissions, including $CO_2$, and joined RE100 in 2020. In March 2022, the Group established new GHG emission reduction targets in line with the Net-Zero Standard published by the SBTi, and the new targets were approved by the SBTi in June 2022. In 2022, the Group also significantly brought forward its renewable energy rate target related to RE100 to achieve 100 % group-wide by FY2025.

*2 Target organizations (primarily for the calculation of $CO_2$ emission reductions) are selected based on an actual control approach.

*3 As a rule, properties in which the Mitsubishi Estate Group's ownership or trust beneficiary rights are less than 50 % are not included

in GHG emissions data calculations.

*4 Emissions that remain unabated within the Group's value chain in 2050 are termed "residual emissions." The SBTi standard requires neutralizing any residual emissions using forest absorption and carbon removal technologies outside the value chain to counterbalance the impact of these unabated emissions and to achieve net-zero emissions.

*5 Completed in 2002 onward

*6 Floor area: 100,000 $m^2$ or more

Please refer to the following webpage for more detailed information on metrics and targets.

https://mec.disclosure.site/e/sustainability/activities/esg-data/social/

## Contact Information

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## Disclaimer



MITSUBISHI ESTATE GROUP Sustainable Cities for a Sustainable Earth