Information Disclosure Based on the TNFD Recommendations

Digest Version

March 31, 2025

MITSUBISHI ESTATE GROUP

Summary

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. To turn this situation around, an international goal to realize a nature-positive society by 2030 was adopted at the Fifteenth Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP15) in 2022. Every aspect of our economy and society, including the Mitsubishi Estate Group’s business, 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 a critical component in realizing a nature-positive society.

Given these social trends, the Mitsubishi Estate Group has considered the nature-related dependencies, impact, risks, and opportunities in its business based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). This document primarily reviews and discloses the following content in accordance with the four pillars of the recommended disclosures.

Governance	● Mitsubishi Estate Group’s governance system for nature-related dependencies, impacts, risks, and opportunities ● Human Rights Policy and engagement with local communities and affected stakeholders
Strategy	● Analysis of priority locations (material locations and sensitive locations) for the Group’s main buildings ● Overview of dependencies, impacts, risks, and opportunities throughout the Group’s business ● Consideration of dependencies and impacts in the upstream value chain ● Detailed assessment of impacts in the Otemachi, Marunouchi, Yurakucho district (hereinafter the OMY area), which is the priority location ● Sorting out main dependencies and impacts throughout the Group’s business and value chain ● Nature-related risks and opportunities and main initiatives to address them
Risk and impact management	● Process for identifying and assessing nature-related dependencies and impacts/risks and opportunities ● Management processes for nature-related dependencies and impacts/risks and opportunities and integration with company-wide risk management
Metrics and targets	● Metrics and targets for nature-related dependencies and impacts/risks and opportunities

Summary

Despite being in the city center, the OMY area, which is the priority location, enjoys close proximity 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. Based on such locational characteristics, our aim in developing the OMY area was to create a continuous green urban landscape that is connected with the Imperial Palace and other surrounding areas, by working with diverse stakeholders and actively promoting green space in the district overall while also placing an emphasis on qualitative improvements to these green spaces, including enhancing amenities and conserving biodiversity.

Our recent detailed assessment of impacts on nature in the OMY area showed that the percentage of green space has roughly doubled compared with 1975, the green space at the Group's properties has enhanced the connectivity of greenery centered on the Imperial Palace, and recent planting practices have led to improvements in the biodiversity restoration effect and the capture rate. It was confirmed that the development carried out to date has not only increased economic value but has also contributed to nature-positive outcomes. It is believed that ensuring such green space is also conducive not only to biodiversity, but also to climate change countermeasures, such as mitigating the heat island phenomenon, absorbing CO2, and reducing flood risk through harvesting.

The Group applies the perspectives and experience related to urban development in harmony with nature obtained through the development of the OMY area to the development of other areas, including Grand Green Osaka, the Group will continue to carry out sustainable urban development.

Meanwhile, in the value chain as a whole, there are possible impacts on nature and local communities at the stage of production of natural resources, such as timber, in addition to during development. In particular, the real estate industry is characterized by the use of diverse construction materials and the involvement of a large number of stakeholders in the supply chain. With the growing need for greater transparency in the supply chain, the Group will continue promoting initiatives to reduce and avoid negative impacts based on appropriate assessment and understanding of the impact on nature from the procurement of natural resources.

The nature-related dependencies, impacts, risks, and opportunities in the Group's business were identified through a study based on TNFD recommendations. Going forward, the Group will implement initiatives to contribute to creating a truly meaningful society by building attractive, environmentally sound communities where people can live, work and relax with contentment .

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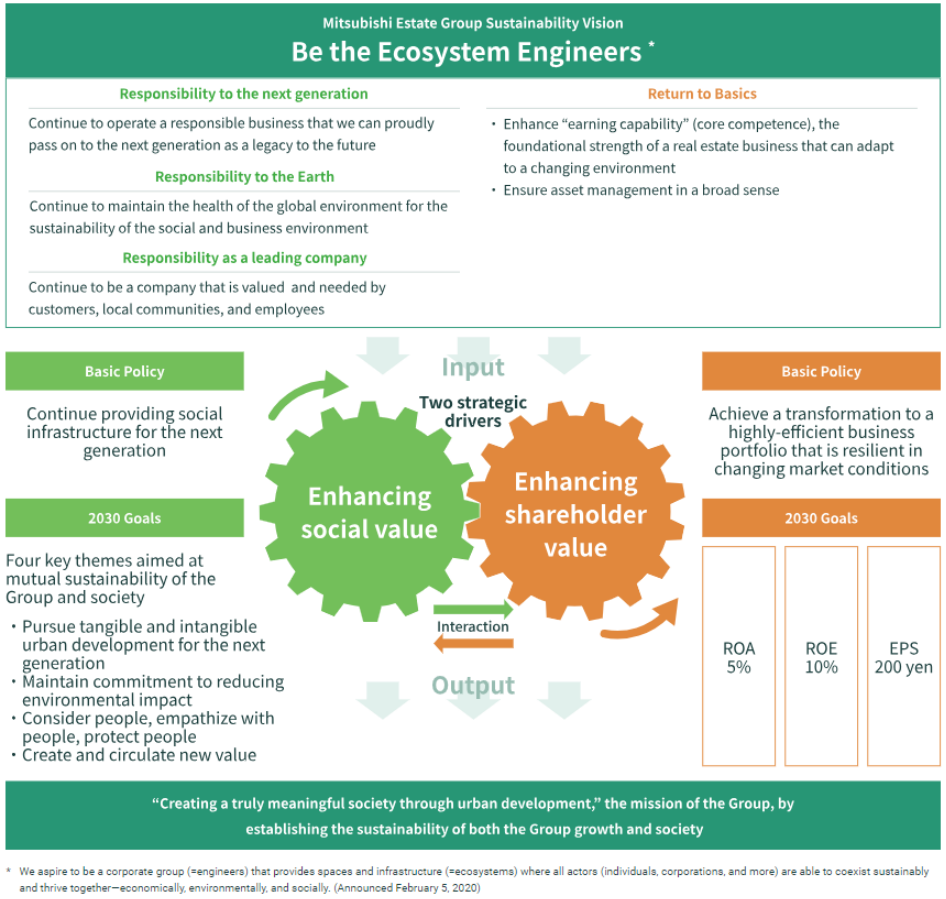
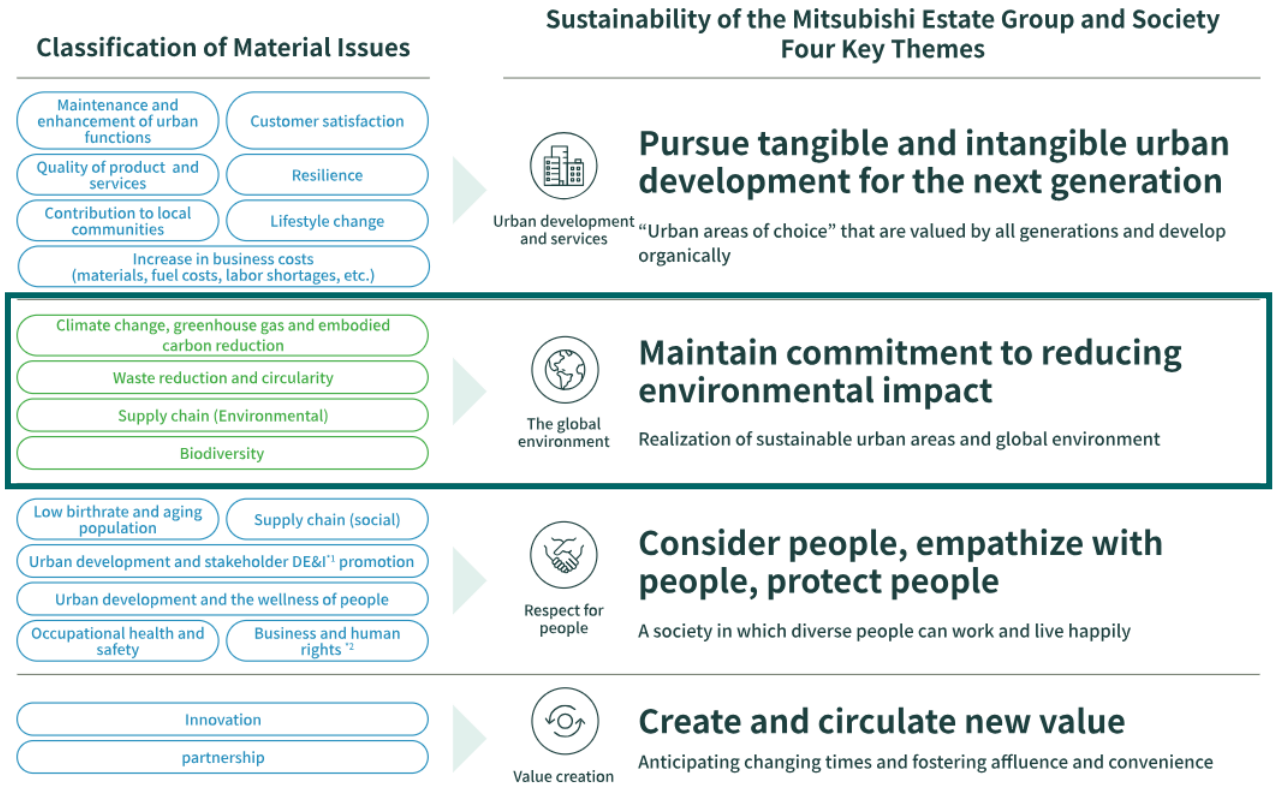
01 Introduction - Mitsubishi Estate Group Policy on Nature -

Based on its Long-Term Management Plan 2030, the Mitsubishi Estate Group is implementing management plans focused on both strategies to increase social value and strategies to increase shareholder value.

In the area of strategies to increase shareholder value, the Group has established Sustainability of the Mitsubishi Estate Group and Society: Four Key Themes. The Group has set out material issues related to the global environment, one of these key themes in particular, including “climate change, greenhouse gas and embodied carbon reduction,” “waste reduction and circularity,” and “biodiversity.” All of these issues are among the drivers that impact nature, and the Group will promote initiatives aimed at realizing a nature-positive society based on a broad and integrated approach.





*1 Equity added to the existing diversity and inclusion

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

02 General Requirements

The basic approach in the Group's disclosure of nature-related information is as follows.

1 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.
This document will conduct an assessment in line with the Group's key themes based on the double materiality* approach, focusing on both impacts on the society and environment surrounding the Group and impacts on the Group's growth.

2 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 .

3 Location of nature-related issues

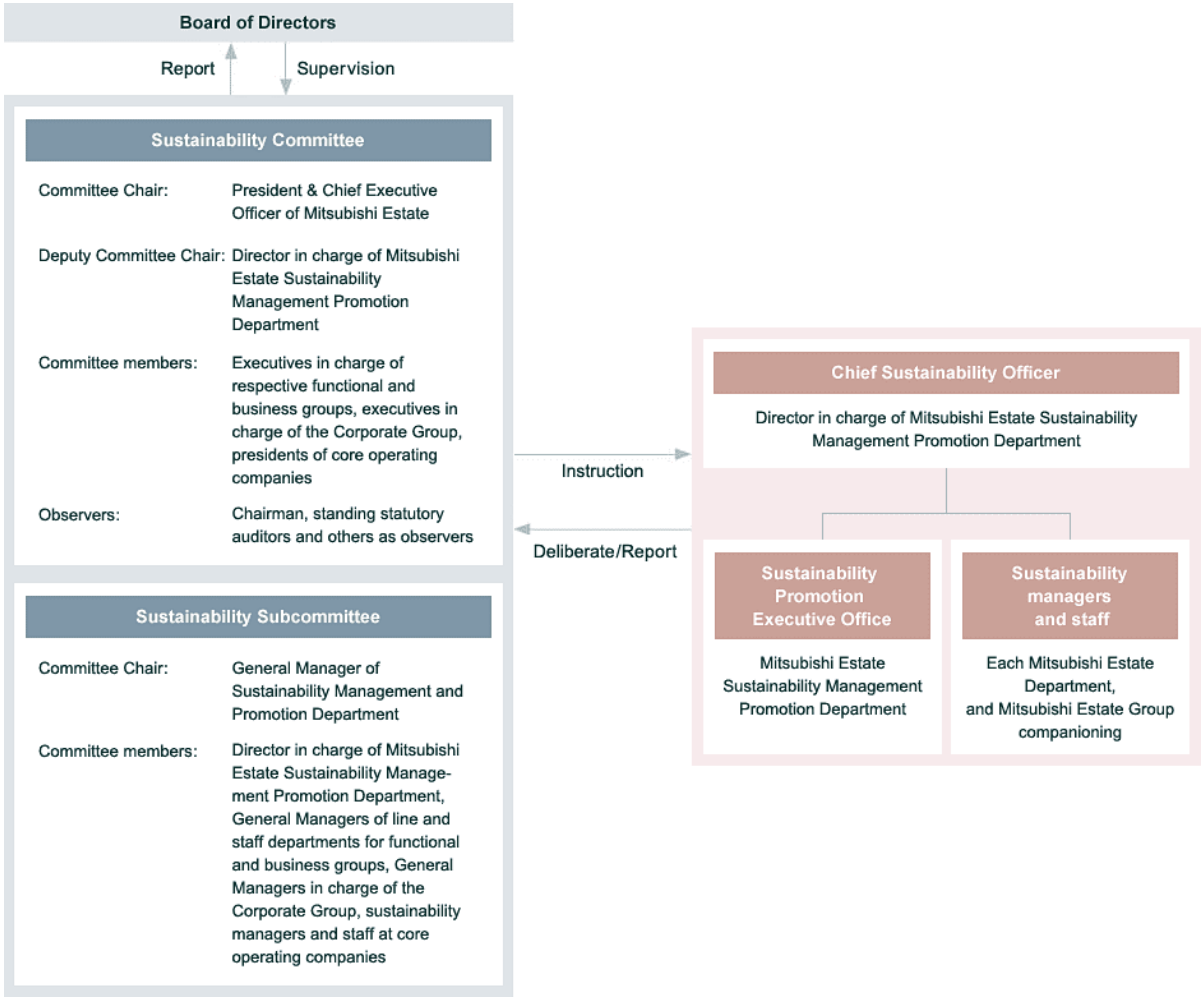
In this document, we describe the results of an assessment of properties owned and managed by the Group in Japan to determine whether they fall into the category of sensitive locations defined by TNFD on the basis of nature-related indicators at the property locations. We also conducted a detailed study 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.
We have already implemented initiatives related to the procurement of timber and, going forward, continue to analyze relationships with nature in the supply chain.

4 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.
5 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.
6 Engagement with Indigenous Peoples, Local Communities (IPLCs**) 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.

* 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.
** 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.

- 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 on the right).
- 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.
- 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.

Mitsubishi Estate Group Sustainability Promotion System (as of March 31, 2025)



1 Establishment of Human Rights Policy

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.

2 Implementation of Human Rights Due Diligence

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.

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

The Group manages 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 and sets out the matters suppliers need to comply with and our expectations of them. Based on this 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.

1 Consideration of Priority Locations

For an assessment of priority locations, we identified 186 main properties (office buildings, retail facilities, logistics facilities, hotels, and others) owned and managed by the Group in Japan and grouped them into 121 locations according to their proximity.

121 locations (186 sites)

▼

Priority locations selected from among the following

Sensitive locations: Ecologically sensitive locations

Material locations: Locations with material nature related dependencies, impacts, risks, and opportunities

2 Indicators and Information Used in Consideration of Sensitive Locations

For sensitive locations, using the following indicators suitable for evaluation in Japan based on the TNFD assessment perspectives, we assigned a five-point rating for each indicator 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/key biodiversity areas (KBAs) /Alliance for Zero Extinction (AZE) sites :** 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 Level of ecosystem integrity Importance of ecosystem service provision	**Biodiversity potential:** An indicator that evaluates the potential of a site for contributing to the construction of a local ecological network, 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:** 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). 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:** As indicators that can be assessed, proximity to Ainu common forest land, which are important areas for the Ainu people, and *utaki* 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.
	Surface water quality: A five-point assessment scale using scores based on BOD, nitrogen, and electrical conductivity. Referencing the WWF Water Risk Filter.

※Please refer to the disclosure documents for definitions of the terms used in the indicators.

1 Results: Sensitive Locations

● Proximity to Protected Areas/KBAs/AZE Sites

No locations near strictly protected areas were deemed sensitive from this perspective.

●Biodiversity Potential and Development Pressure

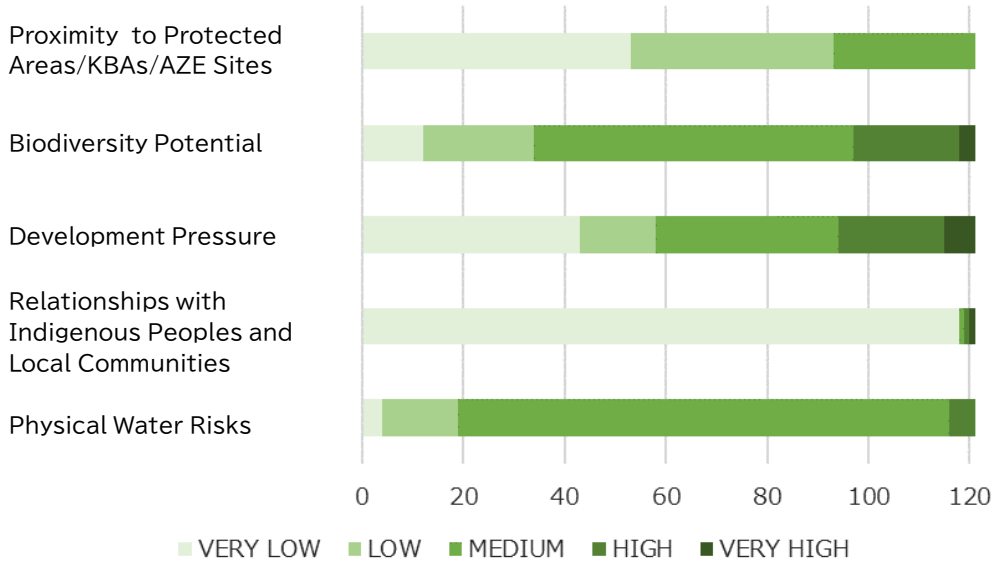
Twenty-four locations were assessed with “High” or above biodiversity potential. These locations include hotels near marine areas that cradle marine life, as well as retail facilities, office buildings, and other properties with water resources nearby, such as wetlands, rivers, and ponds and reservoirs 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, 27 locations were assessed as “High” or above. These locations are considered particularly significant from the perspective of decline in ecosystem integrity.

●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.

2 Results: Material Locations

Out of the locations in which the Group operates its business, we have positioned the OMY area as a material location for the following reasons.

- While area development and urban planning is believed to have a significant impact on the natural and environment and local community of the city, it can also be expected to contribute to realizing a nature-positive society and solving local issues through sustainable urban development.
- The area where the Group was founded and the core of its business, it also plays a strategically important role in attracting companies and developing international business as Japan's preeminent business district.

➡ As described above, while generating significant business opportunities for the Group, it is also a location where the impact of urban development on the surrounding natural environment and local community must be carefully considered. Therefore, in this document, we examined dependencies and impacts in detail with the OMY area as a priority location.

With reference to ENCORE,* an online tool provided international organization UNEP FI and other entities, and the TNFD real estate sector guidance, we reviewed the significance of dependencies and impacts in the Group's business sector and prepared the heat map shown below.

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

* 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.

Dependencies on Nature

- All real estate operations depend on flood and stormwater mitigation functions (regulating services).
- Businesses in urban areas, including Marunouchi businesses, and hotel and resort operations depend on climate regulating services (e.g. mitigation of the heat island phenomenon, maintenance of a suitable climate for business)
- The real estate business in urban areas, including Marunouchi businesses, is highly dependent on cultural services in terms of its aesthetic value and relaxation provided by urban greenery. The hotel business is dependent on cultural services as a tourism resource.
- Real estate construction and operation are dependent on water resource provisioning services.

Impacts on Nature

- Impacts from change of land use at the development and construction stage and land occupancy at the operation stage are 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.
- 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.
- In retail facility and hotel operations, the impact of water usage and solid waste generation are, to some degree, significant.
- At the development and construction stages, in addition to solid waste generation, ecosystem disturbance due to pollutant emissions and noise can have a significant impact.

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.

Construction materials	Main dependencies	Main impacts
● Steel materials ● 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., ● Water resource provisioning and water flow regulation functions ● Climate regulation and disaster mitigation ● 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 ● Use of water resources, GHG emissions, waste, and air, water, and soil pollutants during manufacturing of metals and steel
● Cement and concrete ● Non-metallic minerals (Limestone, clay, gypsum, stone, sand, coal, etc.)	In the mining and extraction of minerals and manufacturing of cement and concrete, ● Water resource provisioning and water flow regulation ● Climate regulation and disaster mitigation ● 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 ● Use of water resources, GHG emissions, generation of waste, and emission of air, water, and soil pollutants during manufacturing of cement and concrete
● Timber ● Paper	In the production of timber and manufacturing of paper, ● Water resource provisioning and water flow regulation ● Biomass and genetic resources provisioning ● Climate regulation and disaster mitigation ● 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 ● 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 Group established its Timber Procurement Guidelines to ensure no forest destruction or deforestation and the protection of natural ecosystems in the procurement of timber in its own value chain.
- The Group has set a target to increase usage of timber in the concrete formwork panels used during construction that is equivalent to timber in the sustainability-oriented procurement code (certified timber and Japan-grown timber) to 100 % by 2030.

We conducted an analysis of the OMY area, the priority location, from three perspectives described below as a detailed assessment of the impact on nature.

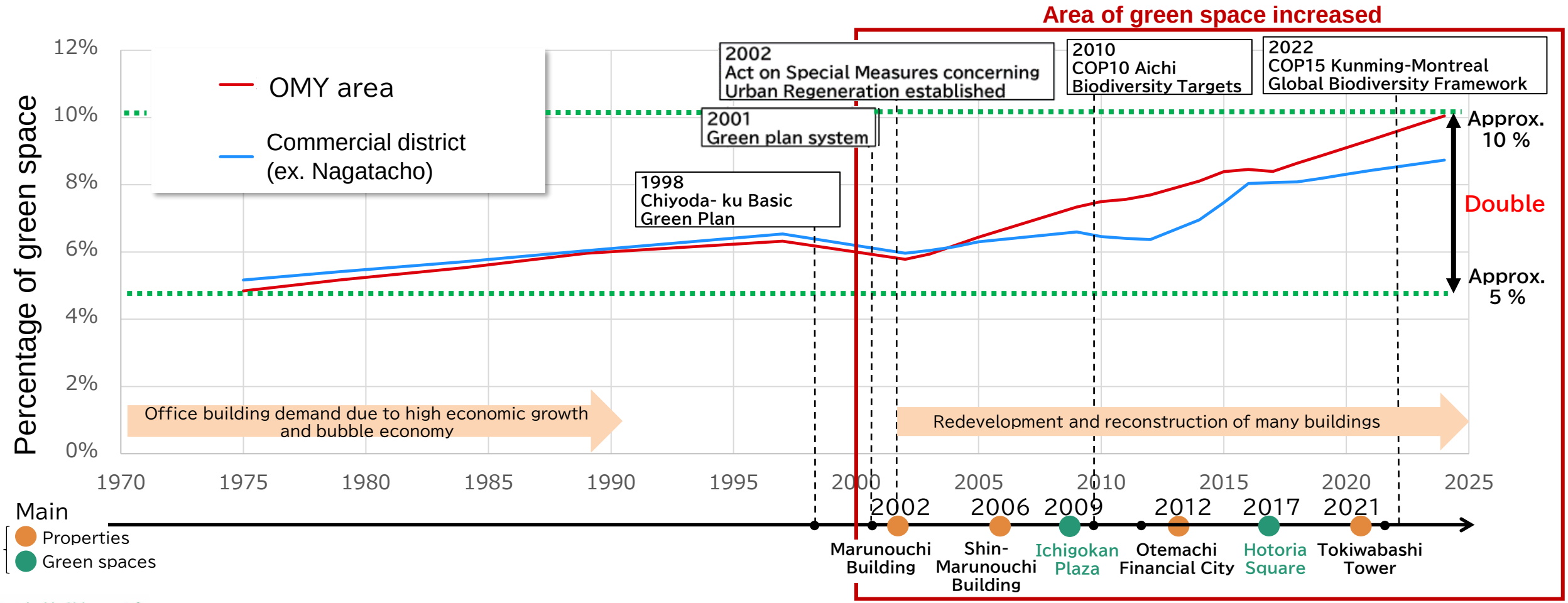
Perspective of analysis	Assessment details	Assessment method
Percentage of green space **(in collaboration with Think Nature Inc.)**	Using aerial photographs from the Geospatial Information Authority of Japan and others, we analyzed changes in the percentage of green space in the whole OMY area since 1975*1 as a measure of impact due to land use and plantings. Percentage of green space = Area of green space in OMY area/Area of OMY area	• 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 area. We estimated the trend in the area of green space using aerial photographs for multiple decades. • To provide a comparison with the OMY area, we conducted the same analysis for the commercial district of Chiyoda-ku, which includes the OMY area. (However, Nagatacho and Kasumigaseki, which differ significantly in nature due to limited private-sector development, were excluded from this analysis.)
Ecological networks **(in collaboration with Regional Environmental Planning Inc.)**	We assessed connectivity and continuity with surrounding greenery as a measure of the quality of networks with surrounding greenery in scenarios where the Company's properties have green space and where no such green spaces exist. *The presence of a network makes it easier for the living creatures that inhabit an area to move about and disperse.	• We used the method below following the methodology of Guidelines and Ecological Network Maps for Improving the Quality of Greenery with Consideration for Biodiversity by Tokyo Metropolitan Government (2022) to prepare Green Network Maps. • We assessed the percentage of green coverage with a 100 m radius (calculated based on satellite images) to evaluate connectivity with surrounding greenery. Green coverage was displayed on the map as less than 5 %, less than 20 %, less than 40 %, less than 60 %, or 60 % or more. • As data on green coverage, we used green coverage (10 m resolution) calculated using satellite images and data on trees in the OMY area surveyed by the Association for Creating Sustainability in Urban Development of the Otemachi Marunouchi Yurakucho District (Ecozzeria Association).
Biodiversity restoration effect and capture rate **(in collaboration with Think Nature Inc.)**	1. Restoration effect: how much plantings increased the number of species and individuals of the living organisms (trees, birds, and butterflies) that inhabit the area within 1 km of a building 2. Capture rate: the percentage of local tree species (within a 5 km radius or the Imperial Palace) planted and how much the plantings attracted living organisms.	• Based on tree information (species and number) surveyed by the Ecozzeria Association, we calculated the species of trees, birds, and butterflies as follows. • Restoration effect = Number of species or individuals considered to increase due to plantings/Number of species or individuals before plantings • Capture rate (surrounding 5 km) = Number of planted or attracted species /Number of species thought to inhabit the surrounding 5 km • Capture rate (vis-a-vis Imperial Palace) = Number of planted or attracted species/Number of species thought to inhabit the Imperial Palace • For birds and butterflies, we carried out the analysis by examining the relationships between plantings and the species that were attracted to them. For trees, we only assessed native species. We assessed birds and butterflies with a focus on their relationships with the living creatures attracted to plantings. • As a comparison, we carried out a similar assessment for estimated species plantings as of 1975.

*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

- ✓ The analysis showed that the percentage of green space in the OMY area has roughly doubled since 1975 and the green spaces at the Group's properties have strengthened green connectivity centered on the Imperial Palace as well as increasing the biodiversity restoration effect and the capture rate. As a result, we believe that building attractive communities in harmony with nature such as by planting trees and creating green spaces throughout the area while giving consideration to the Imperial Palace and other surrounding nature has had a positive impact.
- ✓ This kind of green urban development also contributes to climate change mitigation and adaptation, such as moderation of the heat island phenomenon, absorption of CO2, and reduction of flood risk. Therefore, we will incorporate the knowledge obtained through the development of the OMY area into urban development in other areas in the future.

Strategy - Percentage of Green Space in the OMY Area -

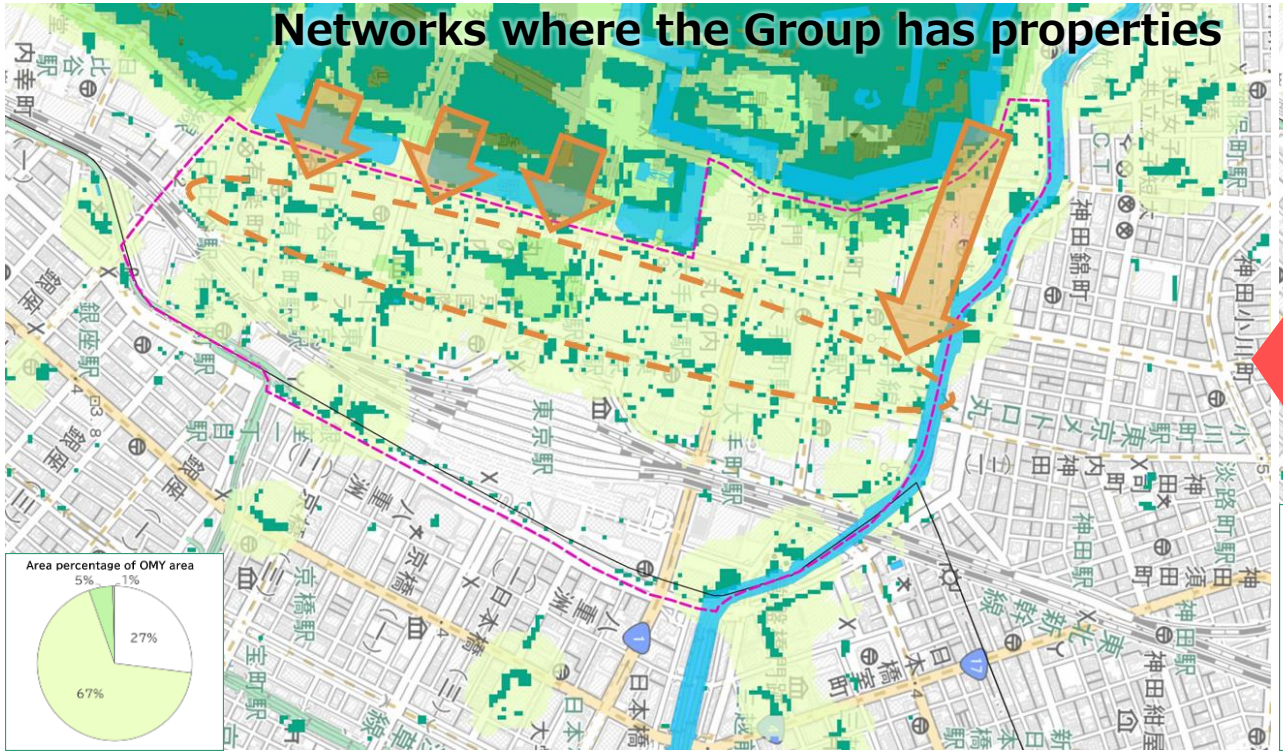
- The results of the assessment found that the area of green space in the OMY area overall and the Chiyoda-ku commercial district (excluding Nagatacho and Kasumigaseki) has changed as shown below.
- As shown in the figure, the percentage of green space has grown in both the areas analyzed since the mid-2000s, but increased even more in the OMY area in particular relative to Chiyoda-ku, roughly doubling since 1975.
- In our redevelopment of the area since the 2000s, we have promoted urban development that increases greenery overall while ensuring green space at each property and making the most of the large blocks, wide streets, and other characteristics of the area. It has been quantitatively confirmed that these initiatives have contributed to an increase in the percentage of green space in the area, which can be said that this contributes to an overall improvement in the environmental value of the neighborhood.

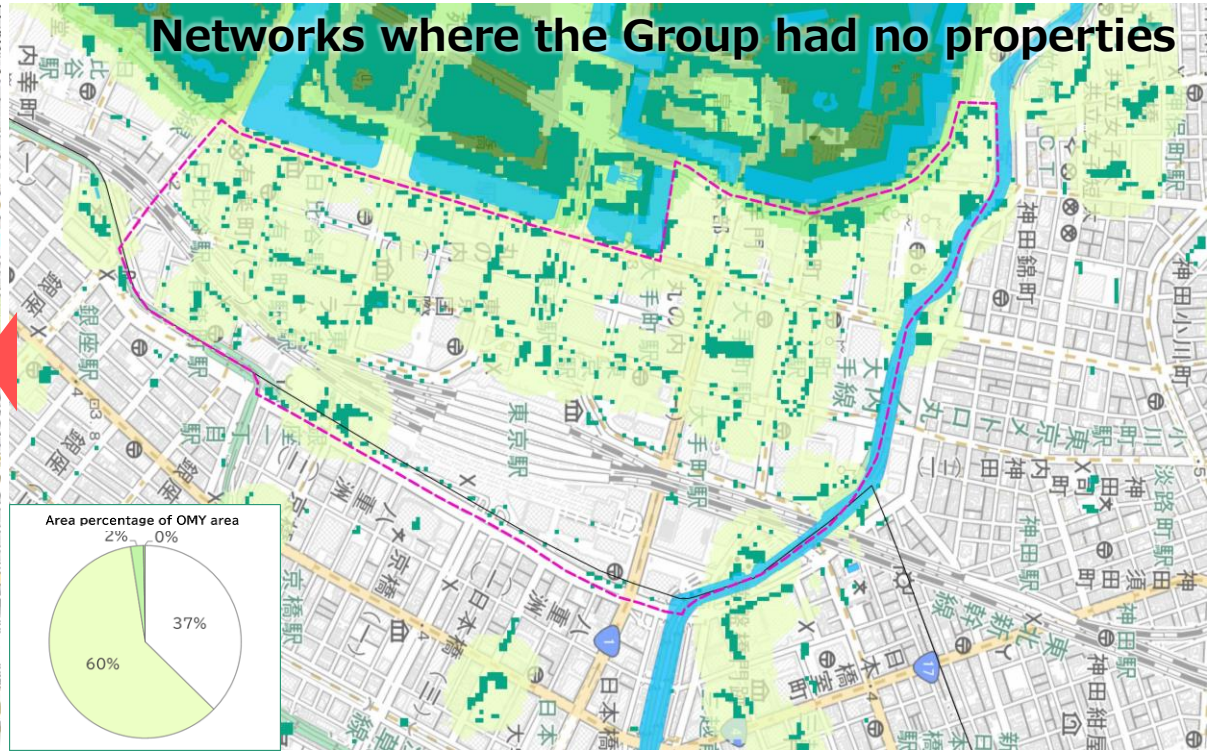


Sustainable Cities for a Sustainable Earth

Strategy - Ecological Networks in the OMY Area -

- 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 to maintain and enhance biodiversity in the surrounding area. As a result of preparing and analyzing the Green Network Maps, we found that there are more green areas where the Group's properties have green space compared with where the Group has no properties. This shows that the Group's properties have contributed to strengthening green networks and connectivity centered on the Imperial Palace, thereby having a positive impact.





Strengthening networks

- To confirm the strength of green connectivity and continuity, we carried out an assessment using color coding based on the percentage of area with green coverage within a 100 m radius.
- While there are gaps in the green connections from the Imperial Palace in cases where there are no green spaces attached to the Company's properties, the gaps are filled in and there are more areas where the green is darker (showing higher connectivity) in cases where the Group's properties have green spaces.

Percentage of green coverage within a 100 m radius
- Less than 5 %
- 5 % to less than 20 %
- 20 % to less than 40 %
- 40 % to less than 60 %
- 60 % or more

OMY area

Bodies of water
Green coverage

- We analyzed the biodiversity restoration effect and the capture rate due to plantings in the OMY area. The analysis revealed the results below. These results show that plantings at properties owned by the Group are extending the ecological network centered on the Imperial Palace, one of Tokyo's best natural environments, into the urban area, thereby suggesting the possibility for contribution to the creation of an environment where the city and nature coexist and to the conservation of biodiversity.

1 Restoration effect

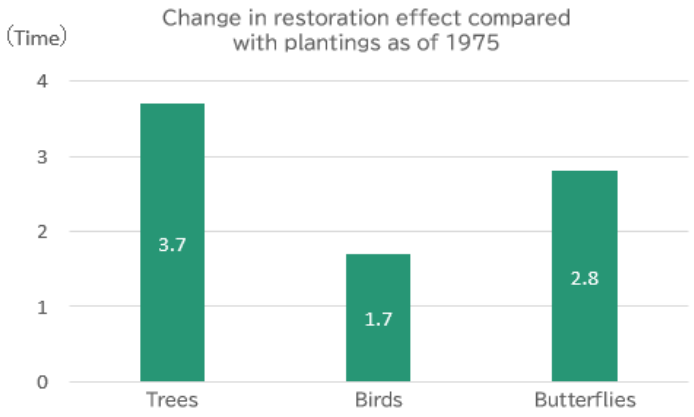
- 【Method】 Based on the species and number of trees at each property, we calculated the percentage change in trees, birds, and butterflies (number of species and number of individuals) that inhabit the surrounding area (1 km grid).
- 【Method】 On average for all the properties studied, the restoration effect for trees, birds, and butterflies increased approximately 1.7 to 3.7 times compared to estimated plantings as of 1975.

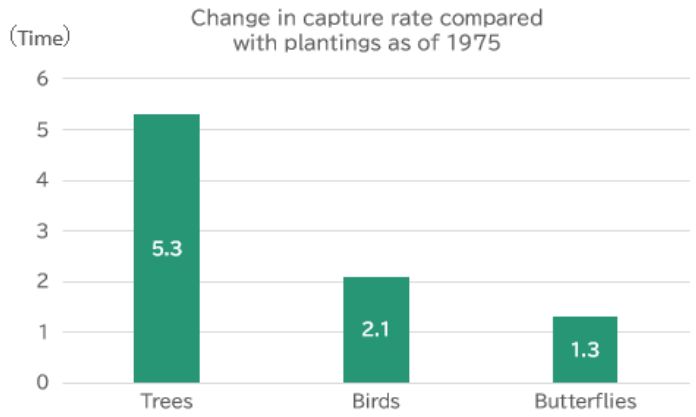
2 Capture rate

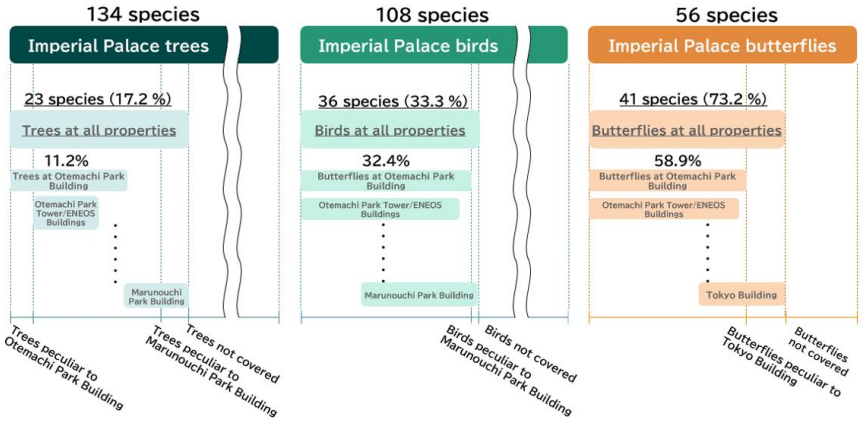
- 【Method】 We analyzed the tree species at each property to determine what percentage of the tree species in the surrounding area (within a 5 km radius) were represented in plantings, and what percentage of the birds and butterflies that inhabit the area would be attracted to those plantings.
- 【Method】 On average for all the properties studied, the capture rate for trees, birds, and butterflies increased by approximately 1.3 to 5.3 times compared to estimated plantings as of 1975.

3 Capture rate for Imperial Palace species

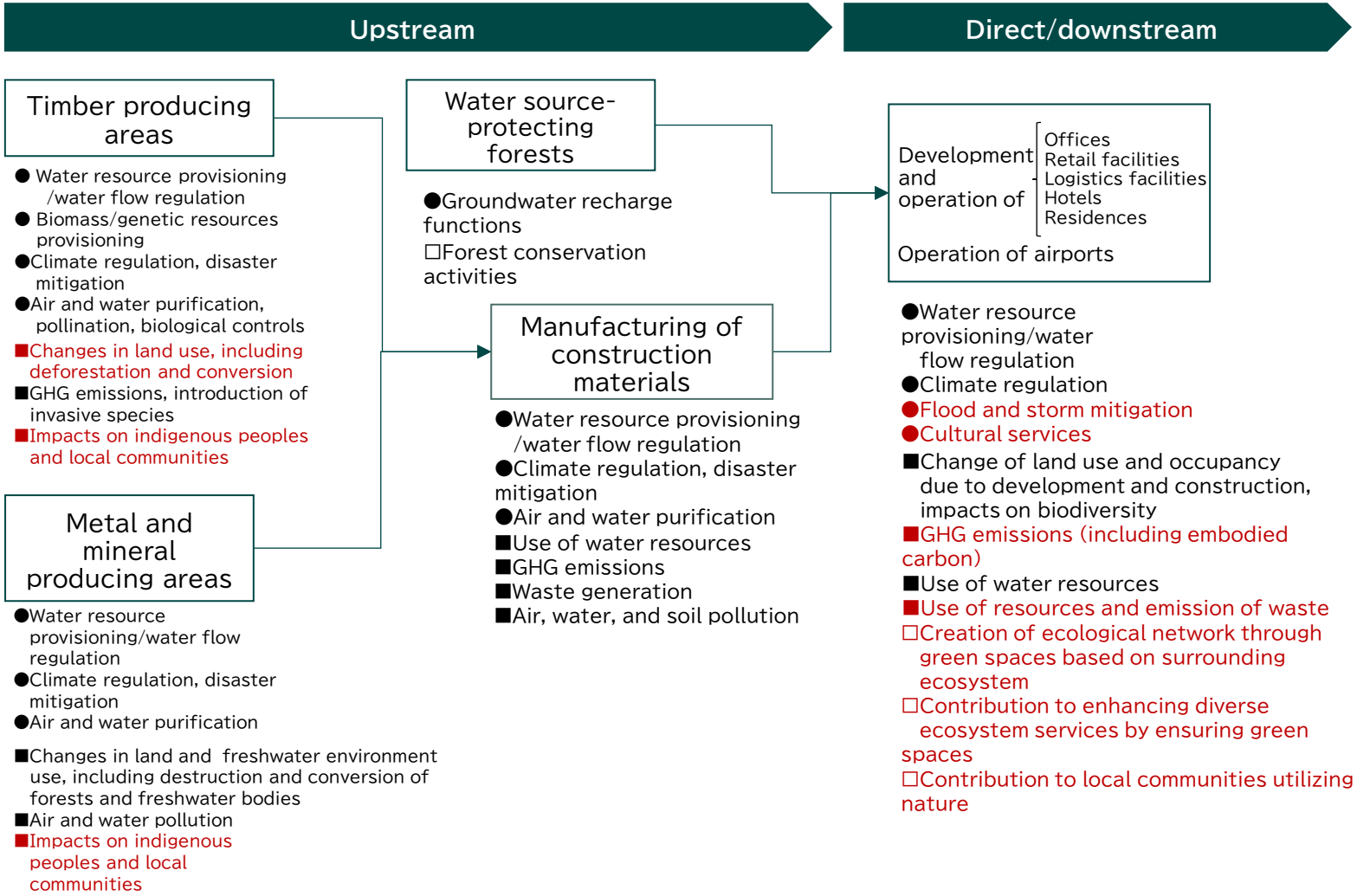
- 【Method】 We analyzed the tree species planted in the area to determine what percentage of the species (trees, birds, butterflies) that inhabit the Imperial Palace are represented (planted/can be attracted).
- 【Results】 The area captures 17.2 %, 33.3 %, and 73.2 % of the trees, birds, and butterflies that inhabit the Imperial Palace, respectively, contributing to biodiversity centered on the Imperial Palace.







We have recognized the main dependencies and impacts through business activities and the value chain as below based on the aforementioned study.



※*Legend
●Dependencies
■Impacts (negative)
☐Impacts (positive)
Red text: Dependencies and impacts that are considered particularly important

Strategy - Nature-related Risks -

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.

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	● In order to maintain urban functions and to ensure a safe and sound environment even in the event of a disaster, we have taken measures to prevent flooding, such as installing onsite filtration equipment and wastewater purification equipment, flood barrier panels, and rain gardens.
	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.) ● 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 habitat, fragmentation of ecological networks)	Short term and beyond	Criticism, reputational damage, and negative impact on corporate image and brand if complicit in the following: ✓ Negative impacts due to development on ecosystems/nature that are spiritually, culturally, or symbolically important to local communities ✓ Negative impacts on the community during large-scale real estate developments (e.g. increase in traffic volume, noise, pollution, insufficient water resources, etc.) ✓ Negative impacts on nature or local communities due to production of procured raw materials, such as timber	● Impact and risk management during development through environmental impact assessments and stronger consensus-building and dialogue with local communities ● Human rights due diligence in high-risk regions ● Timber Procurement Guidelines, 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 ● 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	

Strategy - Nature-related Opportunities -

Based on our dependencies and impacts, we considered the risks and opportunities thought to be particularly important in the Group's business activities.

Classification	Time horizon	Opportunities	Initiatives to expand opportunities
Market 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 ● 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 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 ● 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 ● 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 ● Improvement in relationship and reputation with local community through development that gives consideration to the rights of indigenous peoples and local communities and appropriate stakeholder engagement	● Obtaining ABINC and other certifications and natural symbiosis site certification (Otemachi Park Building, Otemon Tower, ENEOS Building, TOKYO TORCH, Grand Green Osaka, etc.), and TSUNAG Certification (Hotoria Square, Ichigokan Plaza, Marunouchi Building exterior) ● Ensuring plantings and green spaces that give consideration to the surrounding ecosystem ● 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	

1 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 the various initiatives listed below to conserve and restore the green spaces and nature of the urban area, unlock their value and showcase their attractions. (Please see the disclosure document for more detailed information.)

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, 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, through nature-positive urban development with harmony between people and nature.

- Urban development based on Otemachi-Marunouchi-Yurakucho District Guideline for the Redevelopment of the Area/Green Environment Design Manual
- Creating and utilizing green spaces giving consideration to biodiversity — Obtaining Natural Symbiosis Site and TUSNAG certifications
- The Moat Project to improve the water environment and preserve the ecosystem of the Imperial Palace moat
- Biomonitoring
- Marunouchi Honey Project
- Collaboration with the Association for Creating Sustainability in Urban Development of the Otemachi, Marunouchi, and Yurakucho Districts (Ecozzeria Association)

2 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 consults 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 initiatives cooperating with NPOs and other external partners. The Group also promotes obtaining the ABINC certification at properties with a certain amount of green space.
- The Group conducts hearings with government agencies and other external stakeholders from the planning stage. For example, we survey 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.

3 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, is promoting new urban development, including an expansive urban park of approximately 45,000 m2, 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. 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 m2, 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 develop an urban area that achieves sustainability and promotes well-being.

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

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)

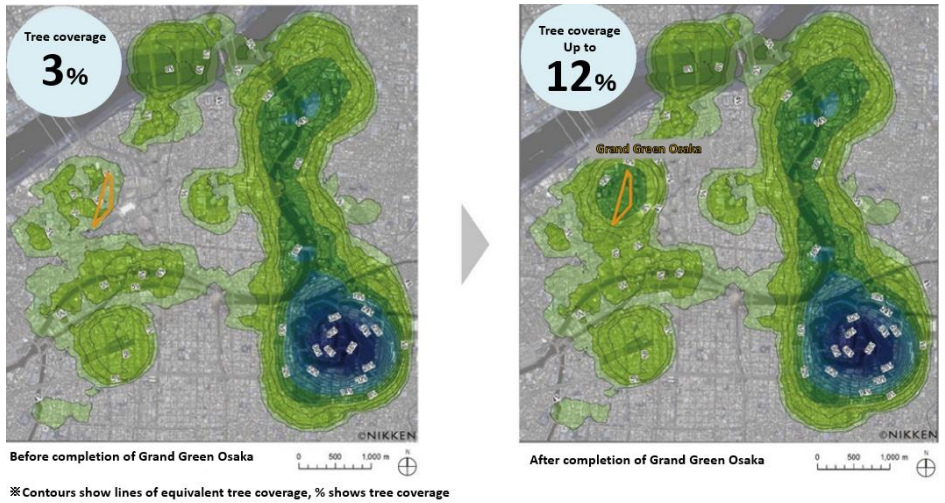
①GHG reduction

②Purification of air

③ Improvement of temperature environment (creation of cool spots)

④Promotion of biodiversity

⑤Control of stormwater runoff



Source: Nikken Sekkei Ltd.

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 (USGBC®), 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.

4 Promotion of BIO NET INITIATIVE in The Parkhouse Brand of Condominiums

Since 2015, Mitsubishi Estate Residence Co., Ltd., which operates the Group's residential business, has been implementing the **BIO NET INITIATIVE**, a program for landscaping 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.

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 brand condominiums are located, ensures ecosystem continuity by connecting urban green spaces and is considered to contribute to the ecological network centered on the Imperial Palace. Furthermore, we have conducted quantitative analysis using biodiversity big data in order to verify the results of the BIO NET INITIATIVE program. 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 playing the role of 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 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.

5 Initiatives in Minakami Town, a Water Source for Central Tokyo

Minakami Town in Gunma Prefecture is located at the headwaters of the Tone River, which is a water resource for central Tokyo, including the OMY area. In February 2023, Mitsubishi Estate signed a 10-year partnership agreement with Minakami Town and the Nature Conservation Society of Japan (NACS-J) and commenced the Minakami Nature-Positive Project. In addition to aiming to realize nature-positive outcomes, the project carries out quantitative evaluation of biodiversity conservation while implementing nature-based solutions (NbS).

At present, the project is implementing initiatives to restore planted forests with deteriorating biodiversity back to natural forests, conserve and restore mountain villages and woodlands, and maintain the sparse population of sika deer. Furthermore, 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.

Please refer to the press release from the Nature Conservation Society of Japan (NACS-J) for more detailed information on the methods of evaluation: https://www.nacsj.or.jp/partner/2024/06/40725/#NPPJ (Japanese only)

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.

▲Red pine logged in the national forest

1 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.

2 Management Processes for Dependencies, Impacts, Risks, and Opportunities and Integration with Company-wide Risk Management

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.

In terms of 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.

The Group has established the following metrics and targets for nature-related dependencies, impacts, risks, and opportunities.
(Please see the disclosure document for more detailed information.)

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) ・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 ・Water consumption ・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.

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

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MITSUBISHI ESTATE GROUP

Sustainable Cities for a Sustainable Earth