

- For a de-carbonized society -

**Formulation of New Group-Wide Targets for Reducing CO₂ and Other Greenhouse Gases
and Announcement of 2050 Net-Zero Based on a New Standard Defined by SBTi**

Mitsubishi Estate Co., Ltd. (hereafter “Mitsubishi Estate”) announced today a major revision to the targets for reducing CO₂ and other greenhouse gases defined in March 2019 (35% by 2030, 87% by 2050 / compared to FY2017) for realizing a de-carbonized society, defining new reduction targets as follows.

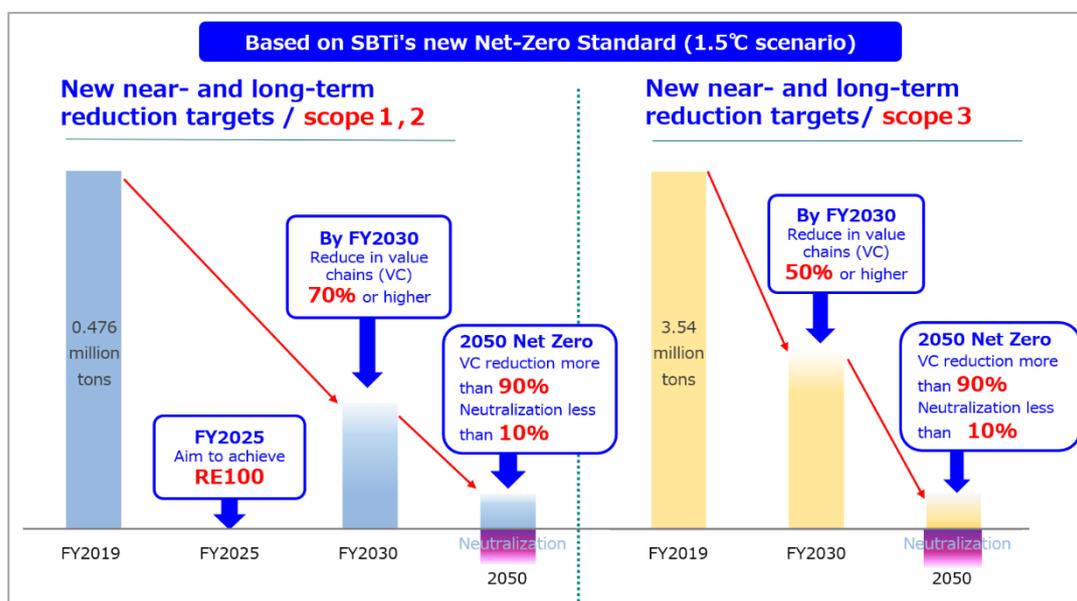
These reduction targets align with the 1.5°C scenario (GHG reduction scenario that will keep this century's temperature increase under 1.5°C) of SBTi (The Science Based Targets initiative) and accord with the Net-Zero Standard that SBTi launched in October last year. (Currently our targets are under validation by SBTi)

■Formulating new reduction targets and pledging Net-Zero

We aim to reduce total emissions for the Group's value chains as follows, in comparison with total emissions for the base year FY2019

**By FY2030 The Scope 1 and 2 totals will be reduced by at least 70%
and Scope 3 by at least 50%**

By 2050 We will achieve Net-Zero
(Reduce Scope 1, 2, and 3 by at least 90%. Neutralize residual emissions*1.)



▲Visualization of the Mitsubishi Estate Group's De-Carbonization Pathway for 2050*2

The Mitsubishi Estate Group is actively working to counteract climate change as a company with an advanced ESG (environment, social, governance) mindset, aiming to build not only a de-carbonized society but a sustainable society through our business activities.

*1 "Residual emissions" are defined as emissions from Group value chains that have not been reduced by 2050, so our approach based on the SBTi criteria is to achieve net-zero through neutralization, which means using forest absorption, carbon-removals technology, beyond value chain mitigation.

*2 For Scope 1, 2, and 3 total emissions in FY2019, tenant emissions for rental real estate was moved from Scope 2 to Scope 3, which is why these differ from the figures disclosed on our website, etc.

■ Speeding up the RE100 targets

Mitsubishi Estate currently aims to achieve the Group's RE100 targets with 25% by FY2030 and 100% by FY2050, but thanks to changes in power supply in our buildings in Marunouchi and the Tokyo region, the renewable energy ratio was about 30% in FY2021 and will likely reach about 50% in FY2022, so we are set to achieve the 2030 interim target at a much earlier point in time.

Our new RE100 target will be to have 100% renewable energy by FY2025.

Related press release: All power used in our office buildings and commercial facilities in Tokyo and Yokohama to come from renewable energy sources

https://www.mec.co.jp/j/news/archives/mec220117_renewable_electricity.pdf

■ Initiatives to reduce or neutralize the main CO₂ emission causes of the Mitsubishi Estate Group for each Scope category

Scope 1: Direct burning of fuel (gas, oil) from heating, emergency power generation, etc.

More than half of Scope 1 in FY2019 (base year) came from use of city gas for DHC plants.

Although we cannot presently count it in the SBTi reduction rate, we are contributing to the neutralization of emissions beyond the value chain by introducing carbon-neutral city gas that uses credits from forest absorption.

Related press release: Introducing carbon-neutral city gas from Marunouchi Heat Supply Co., Ltd.

<https://www.marunetu.co.jp/pdf/20211018.pdf>

Scope 2: Indirect burning of fuel from using purchased electricity, steam, hot and cold water, etc.

More than half of Scope 2 in FY2019 (baseline year) came from emissions by power consumption.

As indicated above, we are working to have more renewable energy used as power in our buildings.

We are also actively working to give the buildings we develop high environmental specs and energy efficiency as well as ZEB, ZEH, and other certifications.

Related press release: Starting biomass power generation in Higashimatsuyama City, Saitama

https://www.mec.co.jp/j/news/archives/mec210531_biomass.pdf

Scope 3: Emissions from other business activities (embodied carbon, use of sold real estate, etc.)

For FY2019 (baseline year), the main emission sources were capital goods (category 2: embodied carbon of construction materials) and sold products (category 11: emissions from use of real estate sold).

Embodied carbon of construction materials is an area that can be addressed by all supply chains for development and construction works, so we plan to make reductions by deepening collaboration with design companies, construction companies, construction material makers, and other stakeholders.

Related press release: Opening The Royal Park Canvas – Sapporo Odori Park, Japan's first high-rise hybrid wooden hotel, using wood from Hokkaido

https://www.mec.co.jp/j/news/archives/mec210930_odori.pdf

Moreover, with regard to reducing emissions from clients' future use of real estate purchased, we plan to cut total emissions by introducing renewable energy, as with Scope 1 and 2 for the buildings we own, as well as reducing emission intensities for example by installing high-efficiency equipment.

Related press release: Mitsubishi Estate Residence CO₂ emissions reduction strategy / Cutting CO₂ emissions to 50% of 2019 figures by 2030

https://www.mec-r.com/news/2022/2022_0112_02.pdf

■ Signing Race to Zero and Business Ambition for 1.5°C

As Mitsubishi Estate is now committed to SBTi's Net-Zero Standard (having submitted a commitment letter), we also want to announce that we have become a signatory of both Race to Zero and Business Ambition for 1.5°C, which are international de-carbonization campaigns.

- SBTi (The Science Based Targets initiative)

SBTi is a joint initiative by the WWF, the CDP (formerly the Carbon Disclosure Project), the World Resources Institute (WRI), and the UN Global Compact. It encourages businesses to set science-based reduction targets with a view towards curbing the rise of the global average temperature to 1.5°C compared to the pre-industrial revolution level.



- Race to Zero

Announced by the UNFCCC (United Nations Framework Convention on Climate Change) in June 2020, it is an international campaign that calls on companies, local governments, investors, universities, and other non-state actors to promise to try to achieve net-zero greenhouse gas emissions by 2050 and quickly take action toward that end.



- Business Ambition for 1.5°C

Led by the three parties UN Global Compact, We Mean Business, and SBTi, it is an international campaign that calls on companies to urgently set reduction goals based on scientific evidence and try to achieve net-zero greenhouse gas emissions by 2050.



▲ SDGs related to this initiative