Sustainable Cities for a Sustainable Earth
MITSUBISHI ESTATE GROUP

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Press Release

Mitsubishi Estate Co., Ltd.

Disclosure of Nature-related Information Based on TNFD Recommendations

Nature-positive urban development in the Marunouchi area, including a doubling of green space

Tokyo, Japan — The Mitsubishi Estate Group ("the Group") recently disclosed information related to the areas of nature and biodiversity of the Group in accordance with the framework for information disclosure presented in the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD).*1

The Group has set out "Maintain commitment to reducing environmental impact" as one of its four key themes related to sustainability and has defined biodiversity as one of the material issues related to this theme. Based on the TNFD's recommendations, the Group has promoted an initiative to evaluate the nature-related dependencies and impacts in its business activities and the risks and opportunities that arise from such dependencies and impacts. Going forward, the Group will continue building attractive communities in harmony with nature.

*1 The Taskforce on Nature-related Financial Disclosures (TNFD): An international body set up to develop a corporate risk management and disclosure framework related to natural capital, etc. It has established a framework (governance, strategy, risk and impact management, and metrics and targets) for companies and financial institutions to evaluate and disclose impacts and dependencies on the natural environment, as well as the risks and opportunities that arise from such impacts and dependencies.

As the first phase in this disclosure, the Group identified the Otemachi, Marunouchi, Yurakucho district (the OMY area), where it has been promoting urban development for 135 years, as the priority location and carried out analysis and evaluation of this area.

The results of the analysis, which included visualizing the promotion of green space through development, suggested that Mitsubishi Estate's urban development efforts in the OMY area to date has had a positive impact on ecosystems and biodiversity, including the fact that the percentage of green space in the area has roughly doubled compared with 1975. Moreover, ensuring such an abundance of green space not only contributes to biodiversity, but also to mitigating the heat island phenomenon, absorbing CO_2, and reducing the risk of flooding through rainwater reservoirs. The Group believes this 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 its reputation with tenants, the creation of a thriving urban area that capitalizes on nature, and the development of new businesses.

▲Main examples of green spaces in the OMY area (Left: Hotoria Square; Center: Ichigokan Plaza; Right: Marunouchi Building exterior)

The Group will enhance its understanding of nature-related issues in its business through the TNFD framework and will contribute to creating a truly meaningful society by building attractive, environmentally sound communities, including in other areas.

* See the website below for more details on the disclosure of information based on the TNFD recommendations.
https://mec.disclosure.site/e/sustainability/activities/environment/tnfd/

■ Overview of Nature-related Information Disclosed Based on the TNFD Recommendations

The disclosure documents disclosed nature-related information based on the TNFD framework as shown in the following table.

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

In the area of Strategy as part of the disclosure, the Group considered the main nature-related issues in its 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). Based on this approach, the OMY area was identified as the priority location, and analysis and evaluation were carried out targeting this area.

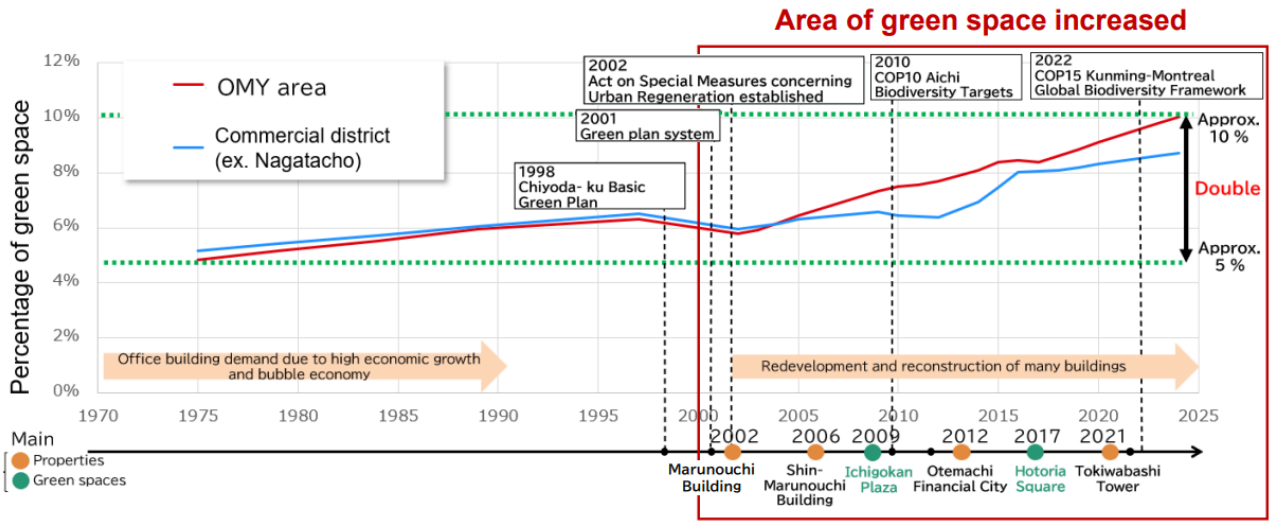
The sections below introduce the results of this analysis and evaluation: Assessment of Impacts in the OMY Area Priority Location and Initiatives to Address Dependencies, Impacts, Risks, and Opportunities.

■ Assessment of Impacts in the OMY Area Priority Location

Despite its urban location at the very heart of Tokyo, the OMY area enjoys close proximity to a rich natural environment surrounded with lush green spaces and waterways, including the Imperial Palace, Hibiya Park, the Imperial Palace moat, and Nihonbashi River. The Group's aim has been to create a continuous green urban landscape that is connected to the Imperial Palace and other surrounding areas, by actively promoting green space while also placing an emphasis on qualitative improvements to these green spaces, including enhancing amenities and conserving biodiversity.

Taking into account these characteristics of the OMY area, the impact of the urban development carried out by the Group on the natural environment of the area was analyzed as described below.

- **Change in the Percentage of Green Space in the OMY Area**
  The percentage of green space has increased since the mid-2000s in both the OMY area and the area designated as a commercial district in Chiyoda-ku (excluding Nagatacho and Kasumigaseki). However, it was shown that the increase in the OMY area, which has been undergoing redevelopment since the reconstruction of the Marunouchi Building, is greater than in the commercial district of Chiyoda-ku, with the percentage of green space having roughly doubled compared to 1975.



* Study by Think Nature Inc. Machine learning was used to classify each area on 30 aerial photographs covering a 26-year period from 1975 to 2024 (acquired from the Geospatial Information Authority of Japan) into four categories: green space (trees), grassland, shade, and other. A geographic information system (GIS) was then used to estimate the percentage of the total area of green space in the whole OMY area.

- **Ecological Networks in the OMY Area**

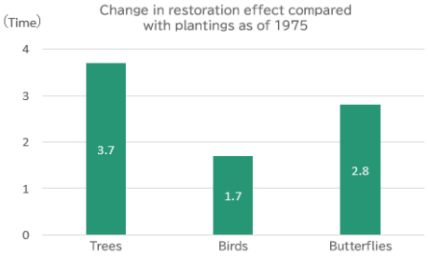
An assessment was conducted for continuity with surrounding green space in cases where the Group's properties have green spaces and where no such green spaces exist. The result revealed that the Group's properties have contributed to strengthening green networks and continuity centered on the Imperial Palace, thereby having a positive impact. As the OMY area lies close to the Imperial Palace, one of Tokyo's great treasure troves of biodiversity, it is important to strengthen ecological networks centered on the Imperial Palace in order to maintain and enhance biodiversity in surrounding areas.

* Study using green coverage calculated from Sentinel-2 satellite images based on Guidelines and Ecological Network Maps for Improving the Quality of Greenery with Consideration for Biodiversity by Tokyo Metropolitan Government (2022) and data on the branch spread of trees in the OMY area surveyed by the Association for Creating Sustainability in Urban Development of the Otemachi Marunouchi Yurakucho District (Ecozzeria Association)

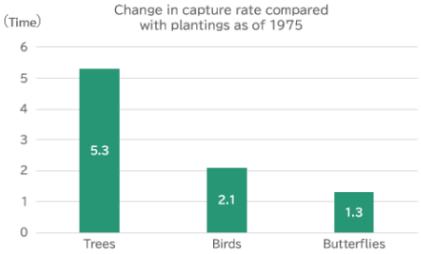
- **Diversity Restoration Effect and Capture Rate**

An analysis of the restoration effect and capture rate due to tree plantings in the OMY area resulted in the evaluation that the tree plantings at properties owned by the Group have had a positive impact on the biodiversity and ecosystems of the surrounding area centered on the Imperial Palace.

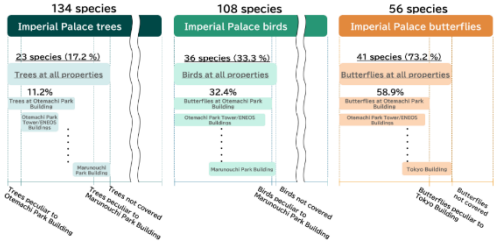
1) Restoration Effect



2) Capture Rate



3) Capture Rate for Imperial Palace Species



* Study by Think Nature Inc. Calculations were conducted for trees, birds, and butterflies based on tree information (planted trees and number) compiled during on-site surveys and taking into account Think Nature's biological distribution data.

* Restoration effect: An indicator based on the species and number of trees planted 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.
Capture rate: An indicator showing what percentage of tree species from the surrounding area (within a 5km 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.

The results of these assessments revealed that the percentage of green space in the OMY area has roughly doubled as a result of redevelopment, green connections centered on the Imperial Palace have been strengthened through the Group's establishment of green spaces, and the biodiversity restoration effect and capture rate have been increased by the Group's planting plans. This suggests that the area-wide landscaping and plantings giving consideration to the surrounding natural environment, including the Imperial Palace, over the course of more than 20 years of redevelopment since the reconstruction of the Marunouchi Building have had a positive impact.

■ Initiatives to Address Nature-related Dependencies, Impacts, Risks, and Opportunities in the OMY Area

Located at the heart of Tokyo, the OMY area is an urban business hub which is located close to the Imperial Palace and Hibiya Park and coexists with a rich natural environment. In developing and managing the area where it carries out urban development, the Group has worked in collaboration with diverse stakeholders to proactively strengthen the green space and ecological networks in this urban area as a whole. The Group believes 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 its reputation with tenants through nature-positive urban development with harmony between people and nature, as well as the creation of a thriving urban area and the development of new businesses capitalizing on nature.

Main Initiatives

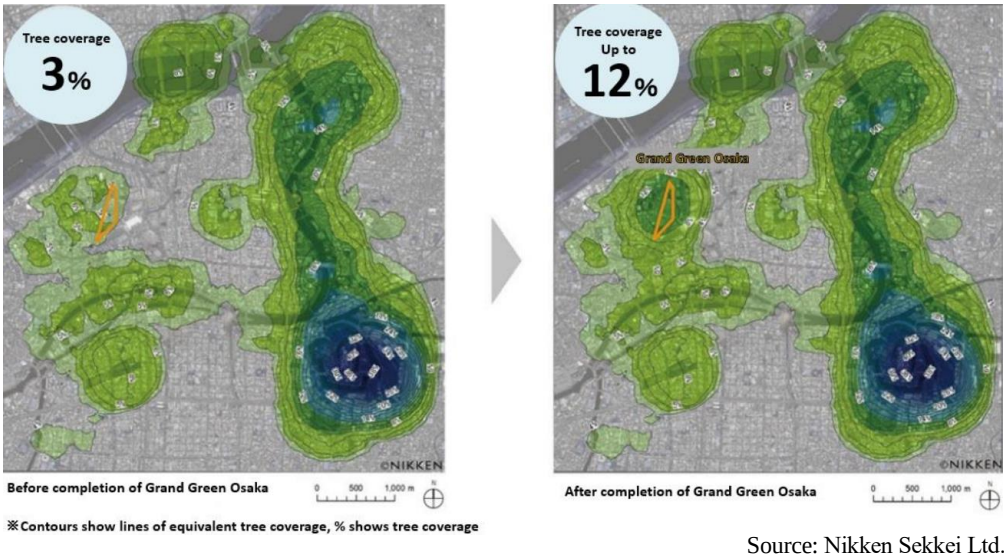
- Promoting urban development based on Otemachi-Marunouchi-Yuraku-cho District Guideline for the Redevelopment of the Area/Green Environment Design Manual
- Creating and utilizing green spaces giving consideration to biodiversity – Obtaining Natural Symbiosis Site and TSUNAG certifications
- The Moat Project to improve the water environment and preserve the ecosystem of the Imperial Palace moat
- Biomonitoring
- Marunouchi Honey Project
- Collaborations with the Ecozzeria Association

▲ A Moat Project activity

■ Initiatives to Address Nature-related Dependencies, Impacts, Risks, and Opportunities Beyond the OMY Area

Grand Green Osaka, a development project led by Mitsubishi Estate Co., Ltd., is creating a lush, green environment centered on Umekita Park, an urban park approximately 4.5 hectares in area, based on the "Osaka MIDORI LIFE" concept of integrating "*midori*" (green) and "innovation." With more than 1,600 tall trees from approximately 320 species (including 270 native species) throughout the project area, it will increase the surrounding vegetation coverage rate to 12%, contributing to the creation and expansion of the area's ecological network. The arrival of the Asian brown flycatcher, a designated species on the Osaka Prefecture Red List in 2014 and the Ministry of the Environment Red List in 2020, has been confirmed since the preliminary opening of the park in September 2024.

As a result of such initiatives, Grand Green Osaka has earned considerable acclaim and certifications, including ABINC ADVANCE Certification by the Association for Business Innovation in Harmony with Nature and Community.



Source: Nikken Sekkei Ltd.

* See the press releases below for more details about the environmental value assessment in the project.
https://www.mec.co.jp/news/detail/2024/07/17_mec240717_ggo_sustainability (Japanese only)
https://www.nikken.jp/ja/news/press_release/2024_07_17.html (Japanese only)

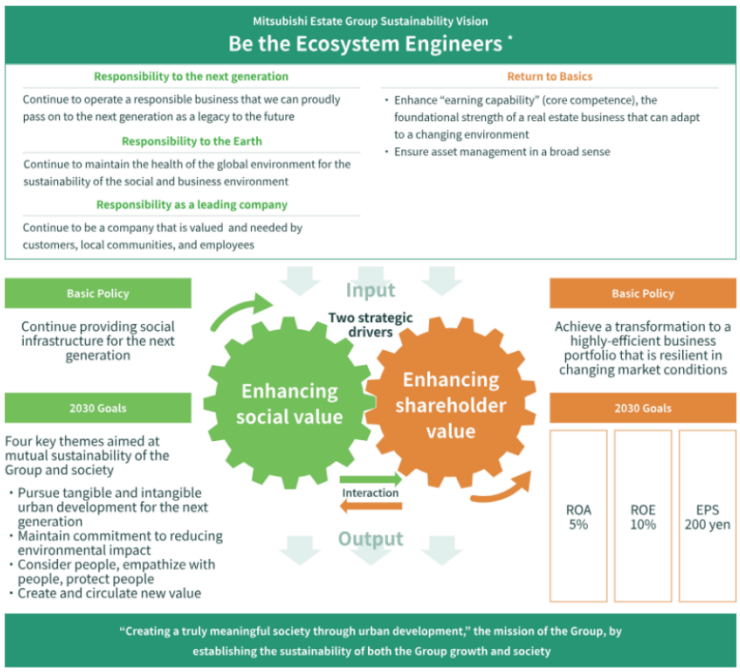
In other initiatives by the Group, Mitsubishi Estate Residence Co., Ltd. has been implementing the **BIO NET INITIATIVE**, a program for landscaping which plants tree species suited to the area and incorporates environmentally-friendly maintenance and management methods, for all of its condominiums under The Parkhouse brand since 2015. The program has been introduced at over 200 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 a contributor to the ecological network centered on the Imperial Palace. The 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.

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

* See the press releases below for more details.
BIO NET INITIATIVE: https://www.mec.co.jp/group_news/detail/2023/09/28_bio_net_initiative_24 (Japanese only)
Minakami Town (quantitative evaluation): https://www.mec.co.jp/news/detail/2024/07/08_mec240708_naturepositive (Japanese only)

■ Reference: Mitsubishi Estate Group Sustainability Vision 2050—Be the Ecosystem Engineers

Under its Long-Term Management Plan 2030, the Mitsubishi Estate Group is committed to management focused on strategies for increasing both social and shareholder values. In May 2024, in conjunction with a review of the Long-Term Management Plan, the Group reviewed the four key themes related to sustainability in the area of strategies to increase social value and established "Sustainability of the Mitsubishi Group and Society: Four Key Themes" to further clarify the relationship of the four key themes — urban development and services, the global environment, respect for people, and value creation — with its business activities. Going forward, the Group will continue to implement initiatives aimed at increasing social value and realizing a sustainable society through its business activities.



■ Reference: Related Information from Previous Announcements

Press Releases

- Maintenance and Management Plan for High-Quality Green Spaces in the Otemachi, Marunouchi, Yurakucho District Receives First TSUNAG Certification — First Plan for Multiple Green Spaces in Collaboration with an Area Management Organization to be Certified
  URL: https://www.mec.co.jp/news/mec250318_tsunagomy/250318_OMY.pdf (Japanese only)
- Grand Green Osaka Development and Management Plan for High-Quality Green Spaces Receives Highest-Ranked Triple Star TSUNAG Certification — Contributing to Green Transformation (GX) in Urban Development as Japan's Leading Green Space Development Project
  URL: https://www.mec.co.jp/news/mec250318_tsunagggo/250318_GGO.pdf (Japanese only)

Information Disclosure

- Mitsubishi Estate Group Sustainability Report 2024
  URL: https://mec.disclosure.site/e/sustainability/report/
- Mitsubishi Estate Integrated Report 2024
  URL: https://www.mec.co.jp/assets/img/annual/integratedreport2024e_v.pdf