サステナビリティの取り組み
Sustainability Initiatives

森ビル株式会社
MORI BUILDING CO.,LTD.

November, 2024

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1. Our Urban Design Philosophy

Message from the President & CEO (excerpt)

The Mori Building group is dedicated to realizing sustainable society, developing local communities, and contributing to the safety, health, and happiness of people through the business under our philosophy of "Create Cities, Nurture Cities", and continues to be indispensable companies in the world.

Tsuji, Shingo（President and CEO）

Cities are the stage for all human activity.
Those who are responsible for urban development must take responsibility for the future of the people who live there. We are also responsible for the future of society and the Earth.

Well before the words like ESG and SDGs came into the spotlight, we had been working with local residents to create sustainable cities through urban redevelopment projects. ARK Hills (completed in 1986), Roppongi Hills (completed in 2003), Toranomon Hills (completed in 2014), and many other "Hills" are testaments to our belief in and commitment to sustainability.

Forty years ago, when we were working on the ARK Hills redevelopment project, it was said that urban development was destructive to the environment and communities. However, we have turned that notion on its head. With the concept of "the Vertical Garden City - a skyscraper city covered in greenery," we have created a city that is much greener, more community-oriented, and more disaster-resistant than it was before development.

Cities last for hundreds of years. Mori Building views the completion of a town or building as a beginning, not an end. We take responsibility for nurturing the towns we create with local residents so that they will continue to shine for decades to come. For example, we have created a unique town management structure and organization at Roppongi Hills that is responsive to changing era, evolving technology, ever-changing community issues, and the needs of users. Through various events and community activities centered on this organization, we have connected people, businesses, the town, and the local community.

Azabudai Hills, which opened in November 2023, is based on the "Modern Urban Village" concept and its two main pillars, "Green & Wellness." Due to the Covid-19 pandemic, people worldwide have become acutely aware of the importance of health and wellness, with the environment serving as the core foundation. Our project will incorporate a comprehensive system for supporting health and wellness throughout the entire complex. Furthermore, power will be supplied 100% with renewable electricity. In sum, this will be an innovative model for addressing pressing urban issues.

Mori Building's urban development initiatives support the harmonious coexistence of cities and nature as well as decarbonization and resource recycling across a wide area of Tokyo, including Azabudai Hills and other Hills properties.
The responsibility for the cities and the future rests not only with our companies, but also with each and every one of our employees. In addition to ensuring the soundness and permanence of our company, we will focus on creating an environment and structure that allows each and every one of our employees to devote themselves to urban development in a healthy manner, both physically and mentally, as we further evolve urban development in the Mori Building style.

1. Our Urban Design Philosophy

Vertical Garden City

Under our "Vertical Garden City" model for urban development, land previously subdivided into small parcels is transformed into one large block for the construction of multipurpose ultrahigh-rise buildings that combine a range of urban functions. The model makes efficient use of manmade structures and underground areas to free up vast amounts of open space around the syscrapers. "Vertical land development" makes intelligent use of ultrahigh-rise buildings and underground areas to create compact cities that systematically integrate diverse urban functions for living, working, recreating, learning and relaxing, and also realize efficient urban infrastructure, including rail and road transportation systems.

Land is finite, but open space can be expanded through the use of ultrahigh-rise buildings and underground areas. The vertical concentration of urban functions reduces travel time and thereby greatly increases people's free time. By building into the sky and underground, vast amounts of surrounding areas can be used for greenery and human interaction. In addition, seismic reinforcement of railways, roads and other infrastructure, and the wide spacing of buildings, can create urban areas that are highly resilient to disasters. Furthermore, the efficient concentration of urban centers allows nature to flourish in suburbs and other surrounding areas.

1. Our Urban Design Philosophy

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Sustainable urban development model

Vertical Garden City

Three missions of urban design

Environment and Greenery

Safety and Security

Culture and Art

Create Cities, Nurture Cities

Cities coexisting harmoniously with nature

Countering urban heat-island phenomenon

Low-carbon cities

Creation of enjoyable urban environments

Developments in collaboration with communities

Comprehensive disaster countermeasures

Creation of innovation ecosystem

Promotion of art and culture

Environment **Social**

1. Our Urban Design Philosophy Portfolio (Major Properties)

MORI BUILDING

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	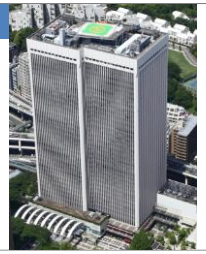				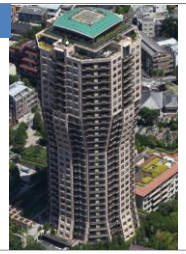			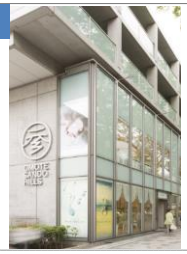
Name of the property	ARK Mori Building	Hang Seng Bank Tower	Atago Green Hills		Motoazabu Hills Forest Tower	Roppongi Hills Mori Tower	Holland Hills Mori Tower	Omotesando Hills
			MORI Tower	Forest Tower				
Location	Akasaka, Minato-ku	Pudong , Shanghai	Atago, Minato-ku		Motoazabu, Minato-ku	Roppongi, Minato-ku	Toranomon, Minato-ku	Jingumae, Shibuya-ku
Completion date	March 1986	April 1998	July 2001	October 2001	May 2002	April 2003	February 2005	January 2006
Number of floors	37 above ground 4 underground	46 above ground 4 underground	42 above ground 2 underground	42 above ground 5 underground	29 above ground 3 underground	54 above ground 6 underground	24 above ground 2 underground	6 above ground 6 underground
Total floor area	181,833㎡	116,823㎡	86,570㎡	62,475㎡	45,023㎡	379,408㎡	35,656㎡	34,062㎡

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		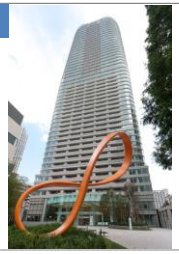	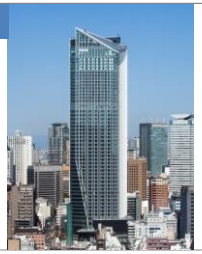				
Name of the property	Shanghai World Financial Center	ARK Hills Sengokuyama Mori Tower	Toranomon Hills Mori Tower	Toranomon Hills Business Tower	Toranomon Hills Residential Tower	Azabudai Hills Mori JP Tower	Toranomon Hills Station Tower
Location	Pudong District , Shanghai	Roppongi, Minato-ku	Toranomon, Minato-ku	Toranomon, Minato-ku	Atago,Minato-ku	Azabudai,Minato-ku	Toranomon, Minato-ku
Completion date	August 2008	August 2012	May 2014	January 2020	January 2022	June 2023	July 2023
Number of floors	101 above ground 3 underground	47 above ground 4 undertground	52 above ground 5 underground	36 above ground 3 underground	54 above ground 4 underground	64 above ground 5 underground	49 above ground 4 underground
Total floor area	381,600㎡	143,426㎡	244,360㎡	172,925㎡	121,000㎡	461,774㎡	236,638㎡

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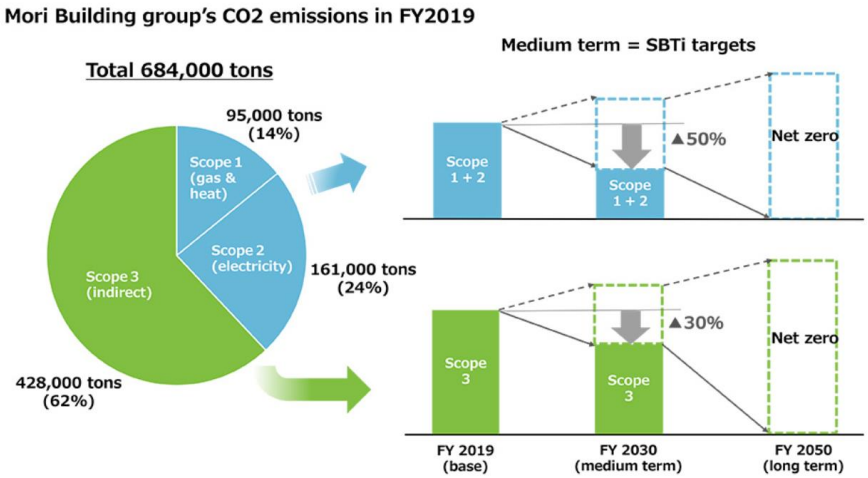
2. Sustainability-promotion System

Sustainability-promotion System

- Mori Building recognizes that the promotion of sustainability initiatives is a material matter related to the execution of its business operations, and has therefore established the Sustainability Committee, which is chaired by the President and CEO, and its subcommittees, the Environmental Promotion Committee and the Committee on Human Rights and Societal Issues.

Participation in Initiatives



Participation in Initiatives

Support Task Force on Climate-related Financial Disclosures (TCFD)

The Mori Building group makes recommendations to the TCFD which in turn recommends companies and other organizations to recognize climate change-related risks and opportunities, and incorporates them into their management strategies as well as disclose them.

Acquisition of SBTi Certification

Targets by FY 2030 (compared to FY 2019)
- reducing CO2 by 50% in Scope 1 + 2／by 30% in Scope 3

These targets were certified by the SBT initiative in 2022 as science-based targets at the 1.5℃ level.

Periodic Reporting to CDP

In implementing the SBT initiative, we will tally the quantitative CO2 emissions annually and publish the data on our website as well as report it to CDP.

RE100 Membership

RE100 is a global initiative of companies that aim to procure 100% of the electricity used in their business activities from renewable energy. Our goal is to achieve this by 2030.

2. Major Sustainability Initiatives

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Category		Initiatives
E Environment	• Large-scale greening, coexistence with nature, and protection of biodiversity	• Grow greenery and improve green coverage ratio, mitigate heat-island phenomenon • Create bases for ecological networks
	• Contributions to decarbonized societies	• Establish medium- and long-term targets for greenhouse gas reduction (net zero by 2050) • Join RE100 initiative (targeting 100% renewable electricity by 2030) • Disclosure of climate-related information based on TCFD (1.5ºC / 4ºC scenario) • Obtain SBTi certification for FY2030 targets (1.5ºC of pre-industrial levels) and CDP Climate Change A-rating in 2023 • Support an action plan for decarbonization • Install renewable-energy systems at major domestic properties, and develop and operate solar-power plants on farms • Pursue initiatives to reduce plastic usage groupwide • Establish waste-related KPIs (reuse at least 75% of waste and reduce waste-derived CO2 emissions)
	• Sustainability-related certifications	• Obtain green-building certifications, improve property valuation based on sustainability
S Society	• Contributions to society through urban development	• Create enjoyable urban environments / Promote urban development together with communities
	• Business contingency planning (disaster prevention and building resilience) • Safety for tenants and visitors	• BPC-enhancement hardware and software • Education for office workers and tenants / Identify potential hazards at properties through support-crew activities involving employees • Largest private-sector stockpile for disaster preparedness
	• Contributions to society through area management	• Culture and art promotion • Support for innovation creation • Education support (Hills Machi-iku project, Kids workshops, etc.) • Enrich communities, including via neighborhood associations • Create guidelines for implementing sustainable, low-emission events hosted by the company
	• Respect for human rights • Promotion of diversity • Human resources development	• Formulate human rights policies, identify outstanding human rights issues through due diligence, and participate in construction and real estate industry's Human Rights Due Diligence Promotion Council • Support women's empowerment, childcare, nursing care, and health management and diversity • Information dissemination and training to prevent harassment • Training in company values and by job rank, and maintaining system for qualification acquisition
	• Healthy, comfortable work environments and work-life balance	• Encourage employees to take paid leave and reduce overtime • Maintain employee health and safety management systems • Conduct events, wellness programs, etc., for employee health
	• Supply-chain management	• Implement sustainable-procurement guidelines • Conduct periodic evaluations of suppliers • Participation in Declaration of Partnership Building
G Governance	• Compliance and corporate ethics • Risk identification and management	• Sustainability Committee, Environmental Promotion Committee, and Committee on Human Rights and Societal Issues • Maintain appropriate environment for whistleblower system • Establish anti-bribery policy

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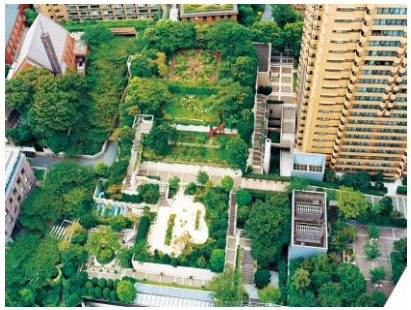
3. Environmental Philosophy & Policies

Environmental Philosophy

The Mori Building group contributes to the realization of a more sustainable society leading to the future by promoting "harmonious coexistence of cities and nature," "decarbonized cities," and "resource recycling" through urban development which is idealized as Vertical Garden City, and its operation.



Environmental Policies

Harmonious Coexistence of Cities and Nature
We create pockets of nature with consideration of biodiversity on the earth's surface and rooftops for achieving harmonious coexistence of cities and nature using verticality. Along with various urban activities, it creates a space with lush greenery where you can hear the birds singing and insects buzzing. The space is used for fostering a community of people.

Decarbonized Cities
By adopting highly energy-efficient systems in a compact city that combines various urban functions vertically, we will realize an environmentally efficient city. Through our comprehensive, high-quality city management systems, rigorous energy conservation, and use of renewable energy, we will promote urban decarbonization.

Resource Recycling
From construction to day-to-day operations, we constantly deploy pollution control measures and work with various people to reduce, reuse, and recycle waste efficiently. Through the establishment of systems and services that encourage these activities, we will promote transition to a circular economy that uses resources in a sustainable manner and aim to create resource recycling-oriented cities.

Regulatory Compliance and Environmental Management
We comply with all environmental-related laws and regulations, as well as establish and maintain environmental management systems to continuously enhance our environmental promotion activities.

Environmental Information Disclosure
We work to communicate with the general public by disclosing information on the Mori Building group's environmental philosophy, policies, activities, etc.

Environmental Education and Awareness-raising Activities
We conduct environmental education and awareness-raising activities for our employees to increase the effectiveness of our environmental promotion initiatives. In addition, we also conduct environmental awareness-raising activities for users through our facilities.

3. Environmental Philosophy & Policies: Harmonious Coexistence of Cities and Nature

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Policies for coexistence of cities and nature

- Mori Building, based on its Vertical Garden City model for ideal "3D green cities," construct ultrahigh-rise buildings in cities to free up surrounding space and rooftops for biodiverse nature, thereby allowing humans and nature to coexist in harmony. This also helps to solve urban issues such as the heat island phenomenon. Such cities, in addition to accommodating diverse urban functions, create spaces with abundant greenery where city dwellers can enjoy birds singing and insects buzzing, helping to foster environmentally friendly communities.

Biodiversity protection

- Urban biodiversity offers many benefits to city dwellers, so Mori Building is keenly aware of the need to protect ecosystems from the impact of human urban activities.
- We strive to create urban environments that value the interrelationship between cities and nature, including by designing ecological networks* coordinated with Tokyo's biodiversity plan. We fill our urban complexes with extensive greenery to allow them to serve as permanent habitats and temporary refuges for creatures. We also carry out necessary monitoring and preventive measures to manage the health and biodiversity of these areas.

Initiatives and goals

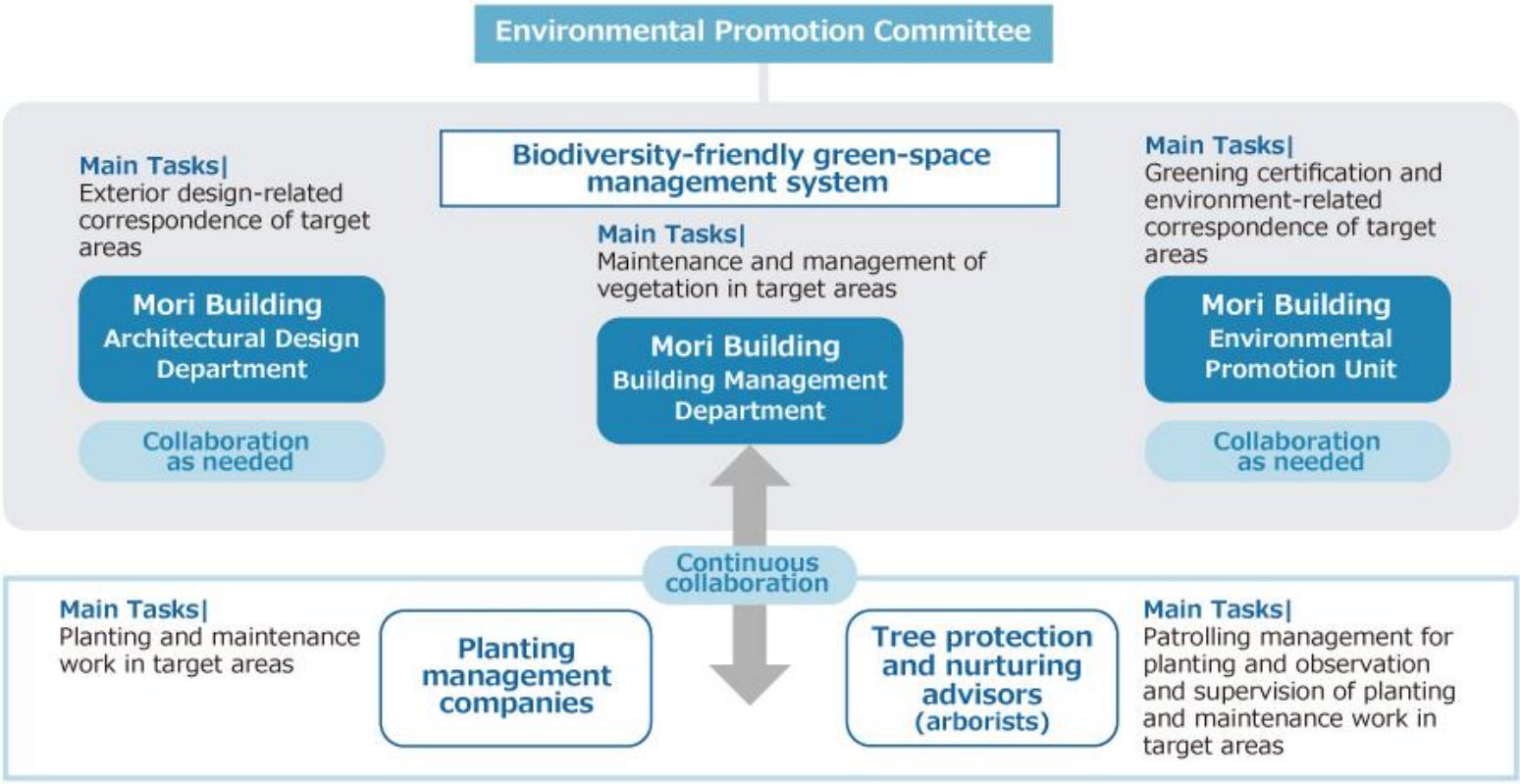
- Every year, Mori Building measures green coverage ratios, primarily in its large urban complexes, aiming to achieve 38% as a KPI by 2030. To monitor biodiversity, we regularly count the species of birds and butterflies that fly into our green areas, using this information to help maintain biodiversity-friendly environments.
- The company endeavors to earn and maintain greening-related certifications appropriate for each development (including precertifications for developments under construction), primarily for large mixed-use urban complexes of at least one hectare.
- When redeveloping an urban area, Mori Building strives to preserve existing trees and researches rare indigenous species in accordance with environmental laws and regulations. In addition, government offices and other external parties are consulted from the project development phase to ensure environmental compliance. Thereafter, the company monitors and officially reports on the growth of on-site vegetation, including transplanted trees.
- The company obtains necessary certifications for green areas specially designed to support urban biodiversity. In addition, surveys are conducted regarding matters such as pre- and post-project thermal imaging, green coverage and bird, etc. presence, the results of which are used, for example, to further mitigate the heat-island phenomenon, supplement greenery and enhance natural habitats.

* In cities, it is important to create conditions under which living things can easily survive and move about, including by linking large green areas, or base habitats, with smaller green areas and roadside trees, resulting in a network of habitats known collectively as an ecological network (from Biodiversity and Greening Guide, Minato City)

3. Environmental Philosophy & Policies: Harmonious Coexistence of Cities and Nature

Management System of Biodiversity Conservation

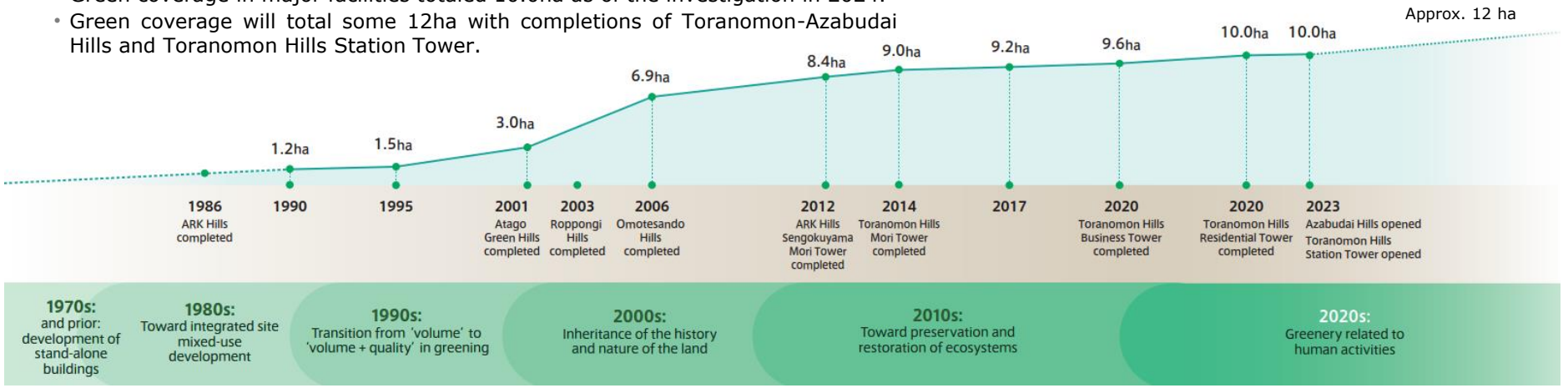
- In terms of the greenery that is given more consideration for biodiversity, we have established a management system in cooperation with planting management companies, tree protection and nurturing advisors (arborists), and Mori Building (Building Management Department, Architectural Design Department, Environmental Promotion Unit). In the system, the relevant parties regularly share the greenery status through patrolling management and regular meetings where identified issues are promptly examined, coordinated, and addressed. We will report and submit considerations to Environmental Promotion Committee and implement appropriate green management when required.



3. Environment (1) greening Initiatives

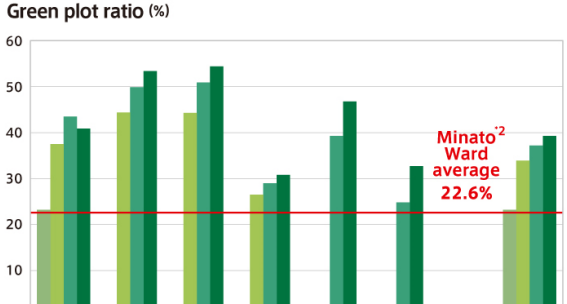
Large-scale urban greening

- Commenced large-scale greening when Ark Hills opened in 1986.
- Green coverage in major facilities totaled 10.0ha as of the investigation in 2024.
- Green coverage will total some 12ha with completions of Toranomon-Azabudai Hills and Toranomon Hills Station Tower.



Increasing the green coverage rate

Since 2006, the company has repeatedly surveyed its properties to measure their percentage of greened land. The green coverage rates and total greened areas of ARK Hills, Roppongi Hills and other facilities managed and operated by Mori Building have been increasing annually, with a goal of over 38% coverage by 2030. Mori Building urban developments continue to contribute to the overall greening of Tokyo.



	ARK Hills	Atago Green Hills	Motoazabu Hills	Roppongi Hills	ARK Hills Sengokuyama Mori Tower	Toranomon Hills Mori Tower		Average green plot ratio of the Hills complexes at left
1990	23.2							23.2
2006	37.5	44.4	44.3	26.5				33.9
2014	43.5	49.9	50.9	29.0	39.3	24.8		37.2
2024	40.9	53.4	54.4	30.8	46.8	32.7		39.3

*2 Source of Minato Ward average green plot ratio: 10th Minato Ward Survey of Greenery Status, issued March 2022

Changes in the green plot ratio at ARK Hills

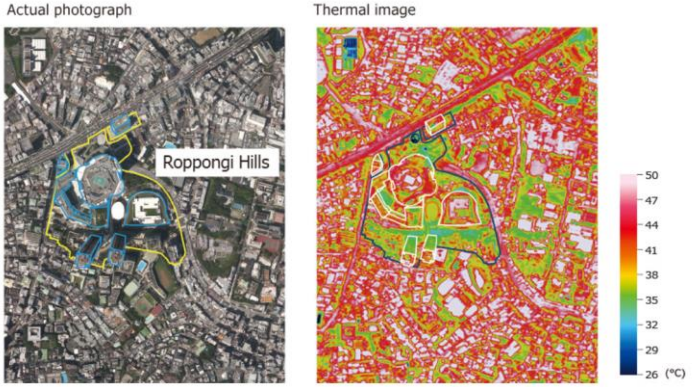
1990
23.2% (1.2ha)

2024
40.9% (2.0ha)

*Green coverage rate = greened area/site area x 100 %. Calculated using aerial photographs based on the Tokyo Metropolitan Government's Green Cover Manual.

Countering urban heat-island effect

Thermal images of Roppongi Hills show that the daytime surface temperatures of greened spaces are 5°C to 15°C lower than those of asphalt pavements in surrounding streets. Increased green spaces where cities coexist harmoniously with nature not only provide places to relax but also mitigate the heat island effect.

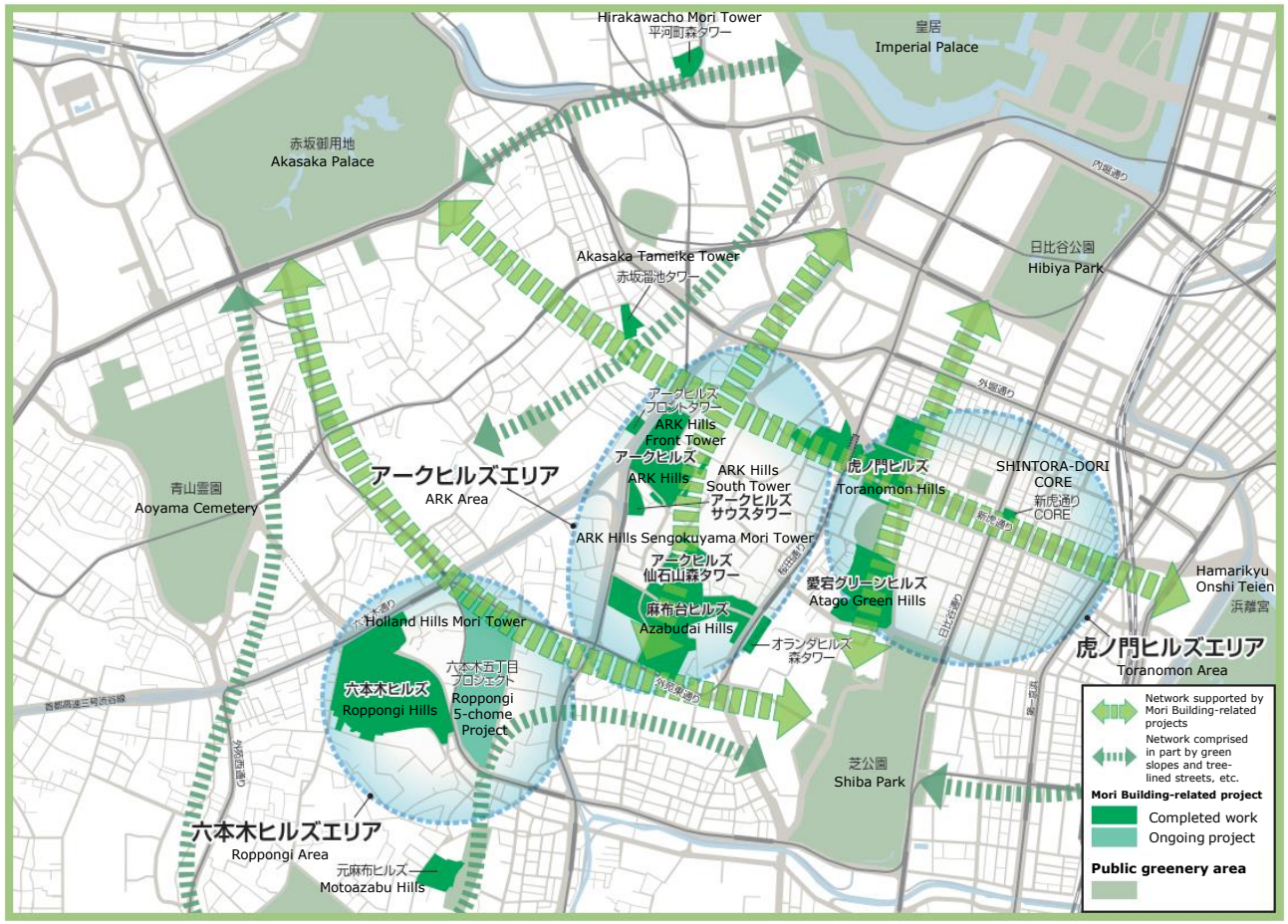


Surface temperatures of greened spaces are 5°C to 15°C lower than those of surrounding streets.

3. Environment (1) greening Initiatives

Expanding ecological network adjacent to large-scale urban redevelopments

- To foster a rich ecosystem in Tokyo, Mori Building is creating green areas, in addition to existing green spaces such as the Imperial Palace grounds and Shiba Park, to serve as bases where creatures can rest as they move about the city. This undertaking accords with the Tokyo Metropolitan Basic Environment Plan and the Minato City Greenery and Water Comprehensive Plan.
- The green spaces and watershed areas of Hills properties, which are located between the Imperial Palace, Aoyama Cemetery, and other existing large green spaces in the heart of Tokyo, serve as relay points as well as habitats for creatures as they come and go, playing an important role as an ecological network.



Semi-endangered Tokyo Dharma Frog in Roppongi Hills

White-eye nesting in Toranomon Hills

Japanese Pygmy Woodpecker in ARK Hills Sengokuyama Mori Tower

3. Environment (2) Decarbonization Initiatives

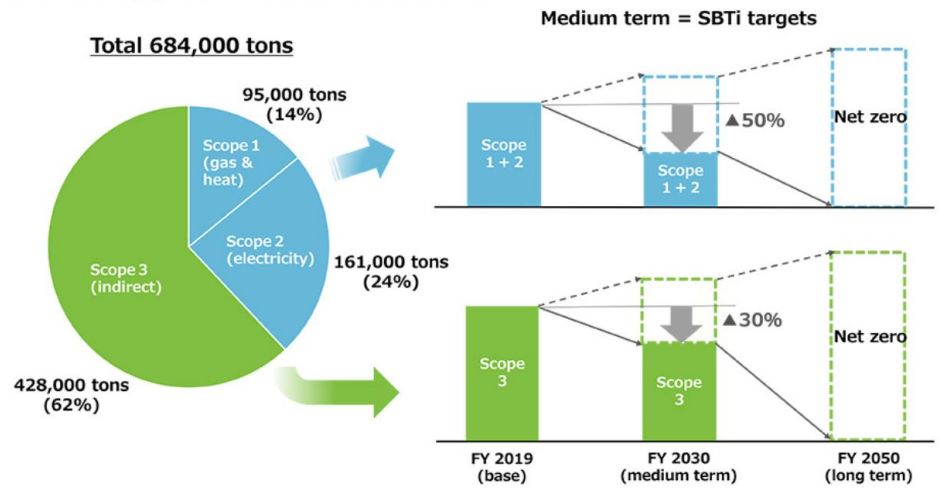
Greenhouse Gas Emission Medium & Long Term Targets

Indicators and targets

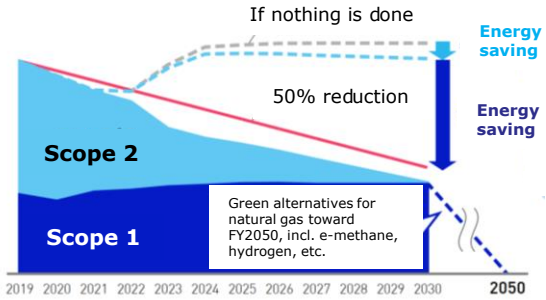
Mori Building has set interim and long-term targets for greenhouse gas emissions in its consolidated business activities to help realize a more decarbonized world:

- ✓Scopes 1 & 2 : 50% reduction by FY2030 vs. FY2019
- ✓Scope 3 : 30% reduction by FY2030 vs. FY2019
- ✓Scopes 1, 2 & 3 : Net zero by FY2050

Mori Building group's CO2 emissions in FY2019

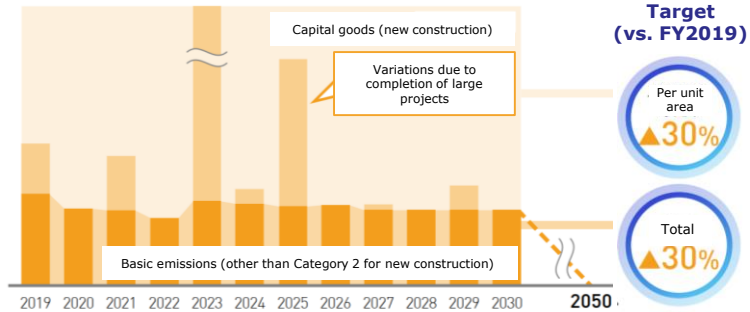


Scope 1 and 2 Initiatives



- Action 1: Thorough energy saving in operations
- Action 2: Adopt energy-saving technologies and high-efficiency equipment
- Action 3: Introduce renewable energy and secure renewable energy sources
- Action 4: Convert new buildings to ZEB and ZEH

Scope 3 Initiatives



- Action 5: Reduce greenhouse gas emissions during construction
- Action 6: Create resource-recycling urban developments
- Action 7: Collaborate with suppliers

3. Environment (2) Decarbonization Initiatives

Greenhouse Gas Emissions Results

Greenhouse gas emissions

(t-CO2)

	FY2019	FY2020	FY2021	FY2022	FY2023
Scope1	95,167	87,495	98,369	100,603	100,434
Scope2	160,816	153,032	121,437	106,583	62,723
Scope1+2	255,983	240,527 ▲6.0%	219,806 ▲14.1%	207,185 ▲19.1%	163,157 ▲36.3%
Scope3	427,598	-	391,146 ▲8.5%	202,489 ▲52.6%	1,295,687 +203.0%

Scope 3 greenhouse gas emissions

(t-CO2)

Scope 3 category	FY2019	FY2021	FY2022	FY2023
1. Purchased goods & services	141,826	81,613	65,172	154,761
2. Capital goods	212,183	231,801	45,206	1,017,500
3. Fuel- and energy-related activities (not included in Scope 1 and 2)	41,344	42,070	41,501	55,927
4. Upstream transportation & distr	12,150	464	994	892
5. Waste generated in operations	8,835	6,351	5,610	41,898
6. Business travel	471	506	590	689
7. Employee commuting	1,025	904	893	1,286
8. Upstream leased assets	-	-	-	—
9. Downstream transportation & di	-	-	-	—
10. Processing of sold products	-	-	-	—
11. Use of sold products	4,505	20,062	33,451	14,748
12. End of life treatment of sold pr	180	637	1,079	1,159
13. Downstream leased assets	5,080	6,738	7,993	6,827
14. Franchises	-	-		—
15. Investments	-	-	-	—
Total	**427,598**	**391,146**	**202,489**	**1,295,687**

Recognition as an A-List Company, CDP's highest climate-change rating

- Through reports to the CDP, steady disclosure of climate-related information, including group strategies, governance and initiatives regarding reduction of greenhouse gas emissions, and annual emission volumes and reductions from a baseline year.
- Recognition as an A-List Company, the CDP's highest climate-change rating, in 2023.
- Selection as a Supplier Engagement Leader, the CDP's highest supplier-engagement rating.

CDP DISCLOSURE INSIGHT ACTION A LIST 2023 CLIMATE

Certified as A-List Company

CDP SUPPLIER ENGAGEMENT LEADER 2023

Selected as Supplier Engagement Leader

The assessments rate how effectively companies engage with suppliers on climate-change issues. Supplier-engagement ratings are based on responses to the Climate Change Questionnaire on governance, targets, Scope 3 emissions, and value chain engagement.

Messages from A-list Company managers
https://japan.cdp.net/events/cdp-awards-japan-2024/a-list-company-videos

3. Environment (2) Decarbonization Initiatives

Approximately 80% of electricity use (domestic) to be converted to renewable energy

Conversion to renewable energy power is being phased in, starting with Hills-class properties. By FY2023, approximately 77% of the Company's domestic electricity consumption was generated from renewable energy sources. In September 2022 Mori Building joined RE100, and in December of the same year, the Company obtained SBTi certification for interim greenhouse-gas emissions reduction targets. Also, Azabudai Hills and Toranomon Hills Station Tower have supplied 100% of their electricity from renewable sources since launching.

Development of farm-scale solar power plants

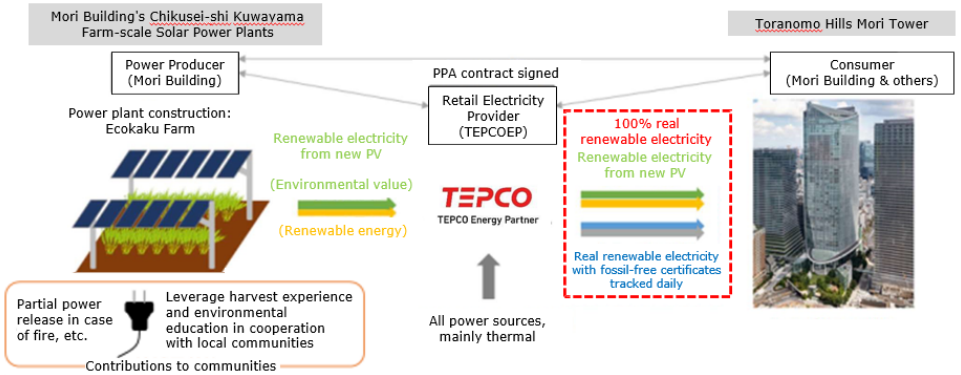
Mori Building has developed farm-scale solar power plants from the end of FY2023. A portion of the electricity from buildings fitted for renewable energy will be gradually switched to electricity from the Company's renewable energy power plants through an off-site PPA mechanism.

In February 2024, the Mori Building Chikusei City Kuwayama Farm-scale Solar Power Plant became the first such facility to begin operating. It is attracting attention as an environmentally friendly method of renewable energy development that does not involve large-scale deforestation, landfill, or excavation, which have become issues in recent years.

The new plant in Chikusei City makes productive use of farmland that would otherwise lie fallow due to succession problems, helping to revitalize agriculture and maintain Japan's food self-sufficiency. Also, an agreement was signed with Chikusei City to supply electricity to the area in the event of a disaster.

The power supplied to Toranomon Hills Mori Tower via an off-site PPA accounts for about 10-15% of the electricity used in the building.

Products delivered to the Eco-Leather Farm will be processed for sale, including possibly at a direct-to-market facility at properties in Tokyo in collaboration with Mori Building. Additional plans include harvesting experiences for children at urban properties and other measures to connect with the Chikusei community.



Direct-market sales at complex (rendition)

Harvest experience (rendition)

3. Environment (2) TCFD

Reporting based on TCFD recommendations

Strategies

- Determine future risks, such as extreme weather and social demands for countermeasures, and related opportunities, then verify the effectiveness of current countermeasures to formulate future strategies.
- The analysis is based on multiple scenarios for the transition scenario (1.5℃) and the current scenario (4℃) to assess the financial impact of the risks and opportunities as they occur.
- The transition scenario had been less than 2℃, but from FY2023, a 1.5℃ scenario was adopted and the resilience was reconfirmed with a company-wide scope of coverage.

Risks and opportunities		Financial impact	Impact level[1]		Term of max. impact[2]	Counter-measures[3]
			1.5℃	4℃		
Transitional risks						
Policies and regulations	Enhanced regulations for energy-efficient building standards (e.g., ZEB)	Increased construction & repair costs to comply with ZEB & environmental-building regulations, etc.	Very little	-	Medium to long	1
	Adoption of carbon pricing (carbon taxes & emissions trading scheme)	Increase in operating costs due to carbon tax on own emissions	Moderate	-	Medium to long	3,4
		Increase in construction costs due to rising the price of raw materials with large emission intensity (Steel, cement, etc.) caused by introduction of a carbon tax on suppliers	Some to moderate	-	Medium to long	6
Technologies	Development and diffusion of low-carbon technologies	Increased capital expenditures to switch to new technologies	Very little	-	Medium to long	1
Market	Soaring prices of renewable electricity	Increased procurement costs for renewable electricity	Some	-	Medium	4
	Decrease in the selection of properties that do not emphasize energy efficiency due to increased environmental awareness	Decrease in demand for properties with low environmental performance	Some to moderate	-	Medium	1,2,3,4
Reputation	Increased expectations of ESG investors regarding climate measures	Loss of trust and withdrawal of investments (find-raising difficulties) due to lacking/delayed climate measures	Very little to moderate	-	Medium to long	1,2,3,4
Physical risks						
Acute	Intensifying natural disasters & extreme weather (heavy rainfall, floods, typhoons, water shortages, etc.)	Increase in damage and business interruption losses due to more severe/frequent flooding	-	Moderate	Long	5
chronic	Rise in average temperature	Increase in air conditioning and other utility costs due to rising temperatures	-	Some	Long	3
	Chronicity of extreme weather events such as heat waves	Increase in construction costs due to longer construction periods caused by the increased number of extremely hot days	-	Very little	Long	6
Opportunities						
Products and services	Demand for high eco-performance (eco-certified buildings, high-efficiency energy, etc.)	Increased sales due to higher rents paid by eco-minded tenants and increased asset values due to investor support	Some to moderate	-	Medium	1,2,3,4

1 Based on financial impact. 2 Short: now to 2025, Medium: now to 2030, Long: now to 2050 3 See next page

3. Environment (2) TCFD

Countermeasure		Details
1	ZEB introduction	• Target ZEB/ZEH-level performance for all future buildings • Consider ZEB retrofitting for all existing buildings
2	Statement of Corporate Stance	• Continue to endorse and commit to initiatives (TCFD, SBT, RE100, etc.)
3	Low-carbonization of operating facilities	• Lower carbon footprints by introducing energy-saving technologies, high-efficiency equipment, and renewable energy in existing buildings
4	Renewable-energy introduction targets	• Procure stable, inexpensive renewable energy to achieve introduction targets
5	Enhancement of disaster-prevention capabilities of properties	• Design properties based on the latest hazard maps and property/location characteristics • Consider retrofitting according to the latest standards for possible disasters • Conduct disaster drills
6	Improved eco-performance of buildings	• Promote low-carbon construction • Consider the use of steel and cement with low CO2 emissions • Require construction partners to submit CO2 emission estimates and proposals for reduction measures when bidding for work • Further cooperation with contractors to shorten the construction period

Focus
Area: Company-wide
Scope: Entire supply chain
Period: Now to 2050

Major scenarios
1.5℃ proactive scenario: IEA NZE（WEO 2022 and 2023）、NGFS Net Zero 2050
4℃ passive scenario: RCP8.5 (IPCC AR6 WG1 SPM) and IEA STEPS (IEA WEO2020 and 2021)
IEA: International Energy Agency
NZE: Net-Zero Emissions by 2050 Scenario
WEO: World Energy Outlook4
NGFS: Network for Greening the Financial System
IPCC AR6 WG1 SPM: Intergovernmental Panel on Climate Change, Sixth Assessment Report, Working Group 1, Summary for Policymakers
STEPS: Stated Policies Scenario

Analysis
Step 1. Discuss climate-change-reports and other sources to identify risks and opportunities that could significantly impact Mori Building's business.
Step 2. Predict likely outcomes for identified risks and opportunities under proactive <2℃ and passive 4℃ scenarios.
Step 3. Estimate financial impacts on Mori Building (including qualitative analysis of risks/opportunities that are difficult to estimate quantitatively).
Step 4. Plan appropriate measures based on findings.

3. Environment (3) Green Building Certification

Environmental certification policy

- For flagship buildings, Mori Building aims for top-rank certification of eco-performance and greening upon construction completion, and CASBEE, LEED, etc. certifications thereafter.

Major certifications obtained, or expected (as of October 31, 2024)

	Facility	Completed	CASBEE-Buildings (new construction)	CASBEE-Real Estate	CASBEE-Wellness Office	LEED ND (neighborhood development)	LEED O+M (Existing buildings)	LEED BD+C/CS (New Construction)	WELL
Existing	ARK Mori Building	1986		S					
	Atago Green Hills Mori Tower	2001		S					
	Roppongi Hills Mori Tower	2003		S					
	ARK Hills Sengokuyama Mori Tower	2012		S					
	Toranomon Hills Mori Tower	2014		S		Platinum Toranomon Hills Area Project			
	Toranomon Hills Business Tower	2020	S				Gold		
	Toranomon Hills Residential Tower	2022							
	Toranomon Hills Station Tower	2023	S					Platinum (A1 district)	Platinum (A1 district)
	Azabudai Hills	2023	S (A district)		S (A district)	Platinum		Platinum (A district)	Platinum (A district)
Overseas	Shanghai World Financial Center	2008					Platinum (Office)		
	Hang Seng Bank Tower	1998					Platinum		
	JAKARTA MORI TOWER	2022							Platinum

: Certified
: Precertified

LEED BD+C/CS and WELL acquired for office/commercial areas.
Above information subject to change.

Certifications of new projects

Azabudai Hills
・CASBEE-Building (new construction): S
・CASBEE-Wellness Office: S
・LEED ND: Platinum-level precertified
・LEED BD+C/CS: Platinum-level precertified for redevelopment area A (office/retail portion)
・WELL for redevelopment area A (office/retail portion): Platinum

Toranomon Hills Area Project
・LEED ND: Platinum-level precertified

Toranomon Hills Station Tower
・CASBEE-Building (new construction): S expected
・LEED BD+C/CS: Platinum-level precertified for redevelopment area A-1 (office/retail portion)
・WELL for redevelopment area A-1 (office/retail portion): Platinum

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4. Society (1)

Create enjoyable urban environments and develop them together with communities

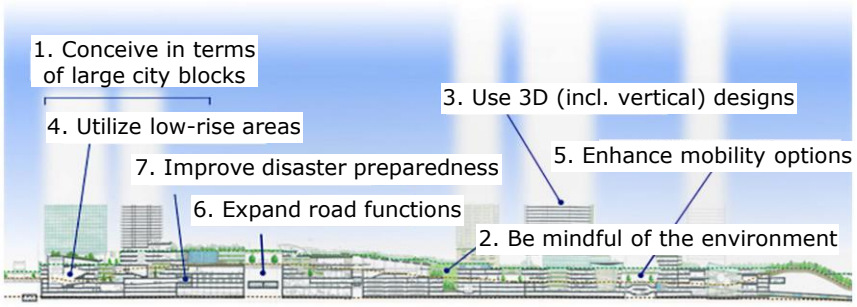
Crowded Roppongi Hills area before redevelopment

"Cultural Heart of Tokyo" appealing to corporations and people

Mori Building, viewing a building's completion not as the end but as the beginning, steadily nurtures its surrounding community. Under the philosophy "Create cities, nurture cities," the company has assembled the necessary organization, experience and know-how to develop and manage communities in an integrated manner. While the freshness of buildings diminishes with the passage of time, the bonds between its occupants deepen, which is why community development and management are equally indispensable to enhancing the magnetism of Tokyo.

The Vertical Garden City concept underpins Mori Building's development of new cities. The idea is to combine fragmented city elements in high-rise buildings that help to increase wide-open green spaces in surrounding areas. Compact, mixed-use urban centers for work and residence concentrate complex urban functions within walking distance, which attracts diverse people for purposes including residence, work, recreation, education, relaxation, and more. The result is myriad opportunities for human interaction and collaboration. The idea is completely opposite to the conventional concept of urban development that differentiates and separates urban uses.

7 steps of development



Thinking and talking with communities

Briefing session for residents during ARK Hills development

Supporting clean-up activity by Roppongi Hills Residents' Association

Hills facilities helping to nurture cities

4. Society (2)

Comprehensive disaster countermeasures for safety and security

Under the concept of "Cities to escape to, rather than flee from," Mori Building takes advantage of the characteristics of large-scale redevelopments to create safe and secure disaster-resistant, disaster-preventative urban centers that contribute not only to the redeveloped area itself but also the surrounding community, combining various hard and soft measures including the development of open spaces, transportation and other urban infrastructure.

Hard Measures

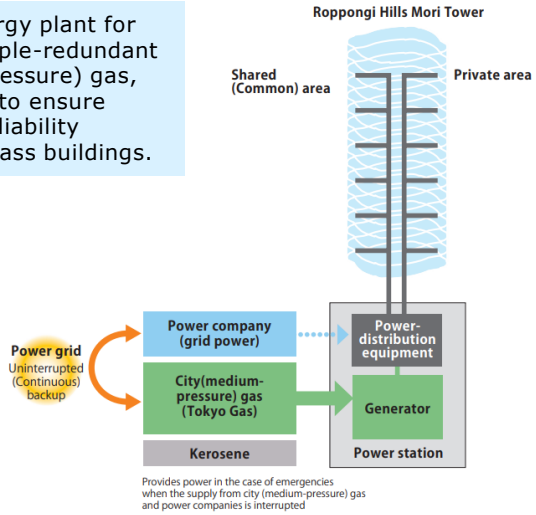
Advanced vibration-damping devices

Oil dampers

Buckling-restrained brace

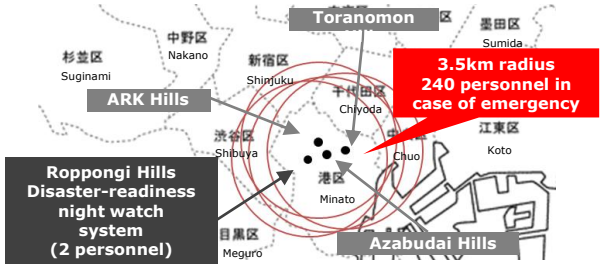
Stable power supply from independent power stations

Roppongi Hills has its own energy plant for electrical power supply. The triple-redundant system uses "city" (medium-pressure) gas, grid power and even kerosene to ensure power supply with a level of reliability exceeding that of ordinary S-class buildings.

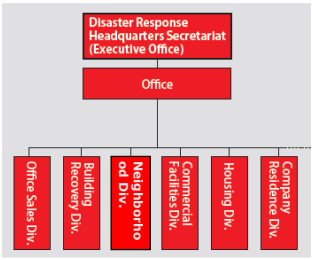


Soft Measures

Disaster-prevention organizational framework



Some 1,700 Mori Building employees are promptly deployed to an earthquake-response organization if a strong earthquake occurs.



Earthquake response organization

Disaster preparedness drills

In addition to general disaster-readiness training conducted companywide twice annually, disaster-response personnel also participate in training throughout the year. Also, all employees are required to be certified in first-aid skills.

Disaster-info system

Mori Building operates its proprietary "Disaster Portal Site" information gathering system

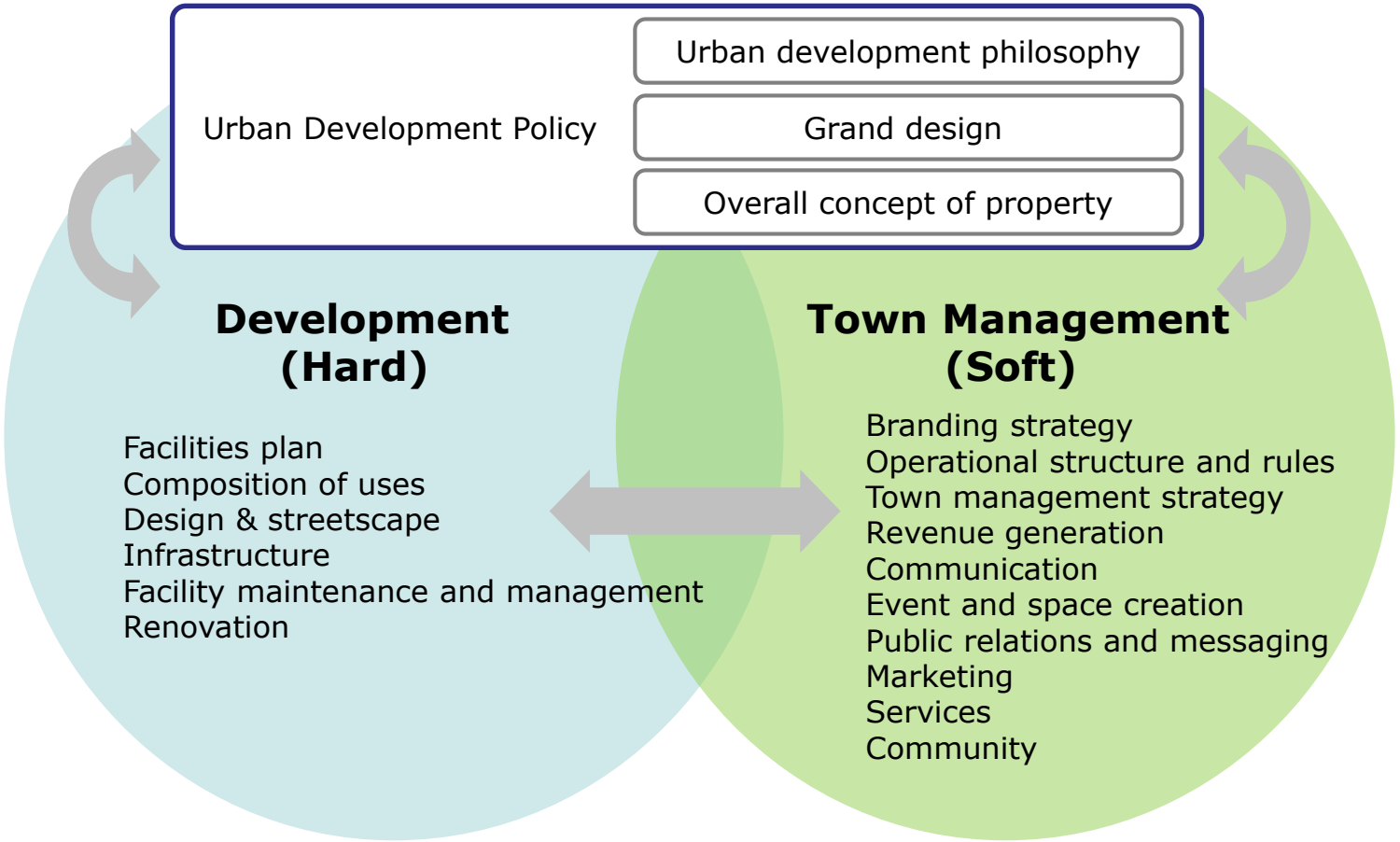
Emergency stockpiles

The company maintains an emergency food stockpile equivalent to about 360,000 meals (when Azabudai Hills completed), one of the largest in Japan's private sector. Blankets, medical supplies, mechanical equipment, and portable toilets are also stockpiled at each facility.

4. Society (3)

Town management initiatives to nurture communities

One of Mori Building's unique activities is its integrated approach to town (community) management, from the formulation of concepts and planning facilities and their various uses to actual management aimed at creating vibrant communities in and around the Company's urban developments. The goal is to maintain vibrant communities through integrated management and branding strategies, as well as to deepen ties with local people and further enhance each area's magnetism.
Additionally, by interconnecting the various Hills complexes, we work to enhance the overall value of these combined areas.



4. Society (3) for Town Management (Examples)

MORI BUILDING

Working with Communities

Roppongi Hills Bon Dance

The Roppongi Hills Neighborhood Association sponsors a Bon Odori dance "to create, participate, and enjoy." The event is held in conjunction with the Azabu Juban Noryo Festival to promote cooperation with the local community.

Contributing to Local Environments

Rice cultivation experience in rooftop garden, open to the public

The rooftop garden is where people can learn about Japanese traditional culture, the environment and dietary education by experiencing growing rice and vegetables and observing flora and fauna.

Cleaning activity (Roppongi & Toranomon)

Mori Building is working with the Roppongi Hills Neighborhood Association and Green Bird, a non-profit organization, to beautify the local environment.

Culture and Art

Roppongi Art Night

Roppongi Art Night promotes both the integration of art into daily life and pioneering models for urban development. Held in the Roppongi district, it features contemporary art, music and other live performances throughout the area, offering visitors a range of extraordinary experiences.

Health and Safety

Yoga, tai chi and wellness events

This plaza is used as a place to enable people to enhance their lifestyles. Various seasonal wellness programs are offered to help businesspeople and neighborhood residents improve their personal health and wellbeing.

Urban Decarbonization

Christmas illuminations

In addition to reducing LED power consumption through efficient bulb design and dimming, the purchase of Green Power Certificates has enabled Mori Building to substantially reduce greenhouse gas emissions from its electricity consumption.

4. Society (4) Hills Town Education Project

Connecting with children's creativity to realize new value for society

Hills Town Education Project

(Supported by Ministry of Education, Culture, Sports, Science and Technology and Minato-ku Board of Education)

- This is a participatory program that educates children, our future leaders, about urban development while having fun learning about next-generation cities. Programs at Roppongi Hills and other developments managed by Mori Building cover topics such as the environment and greenery, safety and security, and culture and art, all of which are priorities in the Company's urban development activities.
- Miramachi Camp is a five-day program that integrates content (previously taught as individual workshops) into a series of learning experiences. The program encourages children to actively learn and communicate their discoveries about urban development from a real-life perspective.
- In addition to public programs, integrated learning classes are held at nearby elementary schools and in elementary through high schools nationwide.
- Since 2007, the program has been held approximately 570 times for some 19,300 participants.

Programs at "Hills" properties

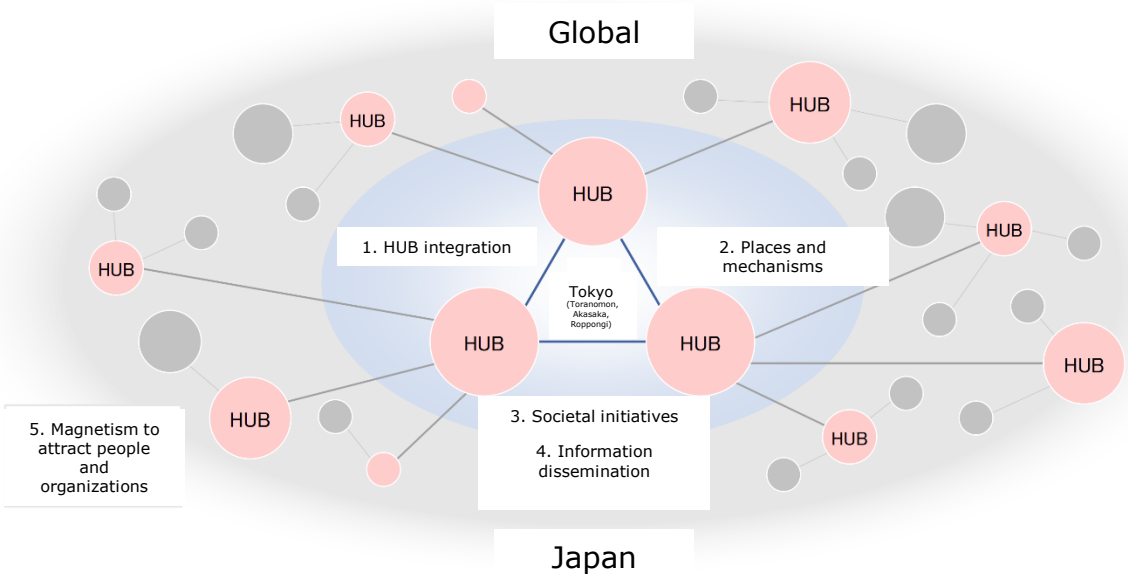
Top honor in 2023 Awards for Companies Promoting Youth Experiential Activities

Mori Building, based on its mission of "building cities, which means building the future," developed the Miramachi Camp program and has steadily refined its content for the comprehensive study of urban development. In recognition of its purpose and value, the program received the top honor in the 2023 Awards for Companies Promoting Youth Experiential Activities. The prize, named the Minister of Education, Culture, Sports, Science and Technology Award, was established by the ministry in fiscal 2013 in collaboration with companies nationwide that are engaged in excellent practices to provide youths with experiential activities as part of their social-contribution activities.

Miramachi Camp experiential learning program

4. Society (5) Innovation Creation

Mori Building's Approach to Innovation Creation



Approaches to innovation creation

1 HUB integration

Attract HUB businesses that are at the global forefront of innovation creation to identify issues and create solutions via collaboration and the formation of an innovation ecosystem

2 Place and mechanism

Establish facilities and mechanisms for supporting innovation activities, including workshops, prototyping, and more

3 Societal initiatives

Research and study technologies to solve societal issues and renew urban functions, promote PoC, and identify issues for urban implementation

4 Information dissemination

Organize innovation and information-dissemination events via the website to trigger global trends and discussions, and develop people and communities for innovation creation

5 Magnetism to attract people and organizations

The above approaches can attract new people and organizations by increasing Tokyo's magnetism for innovation, which can transform the city and then the rest of Japan and beyond.

4. Society (5) Innovation Creation

Establishing a startup ecosystem for innovation-creation facilities and mechanisms

An incubation center to create new businesses for large companies
ARCH Toranomon Hills
(Toranomon Hills Business Tower)

One of Japan's largest innovation community originating from Boston, U.S.A.
CIC Tokyo
(Toranomon Hills Business Tower)

A new information dissemination base from Tokyo to the world
TOKYO NODE
(Toranomon Hills Station Tower)

Japan's first large-scale VC/CVC cluster
Tokyo Venture Capital Hub
(Azabudai Hills Garden Plaza B)

Startup support base established in Silicon Valley, U.S.A.
Japan Innovation Campus
(Silicon Valley, U.S.A.) *commissioned by METI

4. Society (6) Diversity, Health Management

Diversity

Initiatives to promote women's activities

- Female employees (full-time employees): 35.0%
- Female managers: 7.3% (target 10% by FY2025)
- Female hires (new graduates and mid-career employees): 52.8%

Childcare support initiatives

- Paid maternity leave before and after childbirth, and childcare leave and childcare support system (grandchild leave).
- Employees taking childcare leave: 92% men & 100% women

Nursing care support initiatives

- In addition to nursing care leave (up to one year) and nursing care leave (with pay if accumulated leave is used), employees can request reduced work hours and flexible start/finish times.

Other diversity initiatives

- Encouraging active participation of seniors
- Increasing employment of people with disabilities (currently 2.24%)
- Promoting understanding of LGBTQ issues

*Figures are FY2023 actual

Eruboshi, Kurumin and Tomonin Certifications

- Obtained "Eruboshi" certification in 2021 as a company that makes outstanding efforts to promote women's activities.
- Certified by the Minister of Health, Labour and Welfare in 2021 as a "Kurumin" company that supports child-rearing.
- Granted permission by the Ministry of Health, Labour and Welfare to use the "Tomonin" mark as a company with workplaces that balance work and caregiving.

Health Management

Health Management Declaration

Mori Building promotes health management, regarding the health management of employees and others as a management strategy, so that each and every employee can work enthusiastically and healthily, both mentally and physically.
By maintaining and improving the health of our employees, we enhance the vitality and performance of both company as well as individuals, leading to further growth and development.
Furthermore, in order to fulfill our social mission to revitalize people and businesses through the work of "Create Cities, Nurture Cities," Mori Building will further promote the creation of cities where people who live, work, and visit can spend their time in good health and vitality, both physically and mentally.

White 500 Company

Mori Building was certified in 2024 as a Health & Productivity Management Outstanding Organization (White 500) in the large corporation category of the Ministry of Economy, Trade and Industry's Health Management Survey. This was the Company's third consecutive year to be included in the White 500 group, and the first time to receive the highest score in real estate sector.

Health-related Targets

Mori Building has set a goal to improve the wellbeing of its employees and has established specific initiatives and performance indicators related to physical health, mental health and engagement.

For more about these initiatives, performance indicators and related achievements, please refer to the Health Management Strategy Map (Japanese only):
https://www.mori.co.jp/sustainability/social/img/pdf_health_safety01.pdf

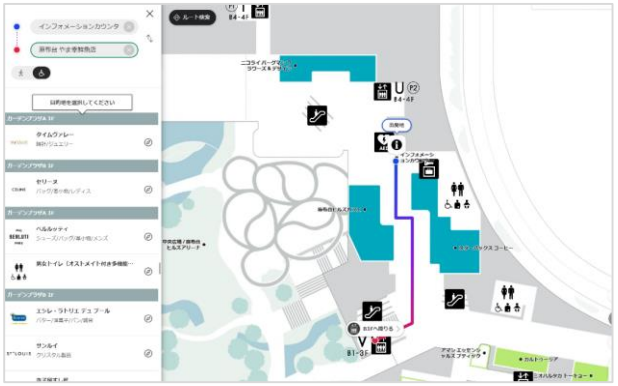
4. Society (6) Diversity

Diversity initiatives in town management: Facilities and services catering to diverse visitors

Prayer rooms available for all religions and denominations (Azabudai Hills)

Nursing room marked as gender-neutral (Azabudai Hills)

Rental electric wheelchairs and baby carriages (Azabudai Hills)



Barrier-free, multilingual digital maps (Azabudai Hills & Roppongi Hills)

Toilets that are gender-responsive, ostomy-friendly and equipped for other needs, and nursing beds with space for caregivers (Azabudai Hills)

4. Society (7) Human Rights

Policy on Human Rights

"The Mori Building Group Human Rights Policy" (hereinafter referred to as "this policy") has been established to clarify our commitment to respect for human rights, which is indispensable for the realization of urban development by the group.
This policy was formulated by the Board of Directors of Mori Building and signed by the President and CEO, and is widely publicized both inside and outside the group through our official website for the general public, our internal portal, and in training sessions. In particular, we will ensure that our business partners are fully aware of this policy through the Mori Building group Sustainable Procurement Guidelines, which is based on this policy.

The Mori Building Group Human Rights Policy
https://www.mori.co.jp/en/sustainability/social/img/pdf_humanrights01.pdf

Promotion Structure

Mori Building believes that the promotion of sustainability initiatives is critical to the execution of its business. The Sustainability Committee is chaired by the company's President and CEO, and comprises two separate subcommittees: the Environmental Promotion Committee and the Committee on Human Rights and Societal Issues. Committee on Human Rights and Societal Issues, chaired by the director in charge of Human Resources, develops and manages sustainability initiatives related to human rights and societal issues, including respect for human rights, and reports to the Sustainability Committee on a regular basis.

Human Rights Initiatives

Human-rights due diligence
Based on the United Nations Guiding Principles on Business and Human Rights, Mori Building conducted a survey of human rights risks in its value chain in fiscal 2022 as part of the Company's human rights due diligence. Stakeholders in the value chain were surveyed to assess the likelihood and severity of human rights violations. Even issues deemed unlikely to occur were assessed. After the results were reviewed and approved by the Sustainability Committee, the following outstanding human rights issues were identified for prioritization. The Company will continue to conduct human-rights due diligence on an ongoing basis and monitor situations to minimize negative impacts. Efforts will be further strengthened, and the scope of impact assessment will be expanded to include overseas operations and group companies.

Human Rights Issues
1) Forced labor and child labor
2) Consumer safety and health
3) Right to privacy
4) Respect for minorities
5) Impact on the lives of local people
6) Right to safe and healthy working conditions
7) Overwork and long hours
8) Harassment

- Participate in Council for the Promotion of Human Rights Due Diligence in Construction and Real Estate
- Anti-harassment training
- Consideration of human rights in recruitment
- System for direct reporting to Human Resources Department

4. Society (8) Supply Chain Management

Sustainable Procurement Guidelines

Mori Building established the Mori Building Group Sustainable Procurement Guidelines in June 2022 to contribute to a more sustainable world through its entire supply chain, including the many suppliers, from development to operation, with whom the Company collaborates in urban development.

- The Guidelines were sent to approximately 1,400 suppliers at the time of adoption and continue to be provided to new business partners.
- The Guidelines were formulated with the knowledge and advice of external experts to accurately reflect the needs of society.
- Dissemination of the Guidelines to suppliers is ongoing.

Mori Building Group Sustainable Procurement Guidelines
https://www.mori.co.jp/sustainability/social/img/pdf_supply_chain01.pdf

All suppliers are requested to ensure the following:

1. Compliance with laws, regulations and social norms
2. Respect for human rights
3. Ensuring working conditions and working environments are healthy
4. Fair corporate activities
5. Commitment to environmental preservation
6. Ensuring and improving quality and safety
7. Ensuring information security
8. Establishment of business continuity plan (BCP)
9. Contribution to local communities
10. Promote compliance throughout the supply chain

Supplier surveys

To confirm compliance with the Sustainable Procurement Guidelines, questionnaires and other surveys are conducted among suppliers that have a significant impact on the supply chain. An implementation manual ensures thorough and comprehensive investigations. The results are fed back to each company and opportunities are created for follow-up dialog to review the status of each company's actions. The surveys and related activities help strengthen partnerships with suppliers, resulting in a healthier and more sustainable supply chain. Recent activities include:

- Fiscal 2022: Surveyed 5 general contractors for new construction
- Fiscal 2023: Surveyed 15 companies mainly responsible for building maintenance
- Fiscal 2024: Surveyed 27 general contractors and subcontractors

Risk assessments

Risk assessments are conducted regularly to reduce/prevent risks, including:

- Evaluations at the start of new transactions
- Evaluations of work-related suppliers (safety and health, construction time, quality, etc.)
- Evaluations of building-operations partners (business quality, structure, etc.)

Participation in Partnership Building Declaration

The Company is a signatory to the Partnership Building Declaration, which was issued by the Future Building Partnership Building Promotion Conference organized by Japan's Cabinet Office and other bodies. The declaration establishes common values for mutual prosperity throughout Supply chains, collaboration across the boundaries of scale and affiliation, and adherence to best business practices by parent companies and their subcontractors.

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5. Governance

Basic concept

Mori Building is committed to management transparency and the strengthening of management processes in order to realize and maintain a sound and efficient business. Since corporate governance is one of the most important processes, every effort is made to ensure that the company's governance structure is ideally suited to Mori Building's business.

Corporate governance structure (as of October 31, 2024)

Board of Directors
Seven directors (none external) well-versed in the company's business were selected, regardless of gender, for their overall knowledge, experience and abilities.

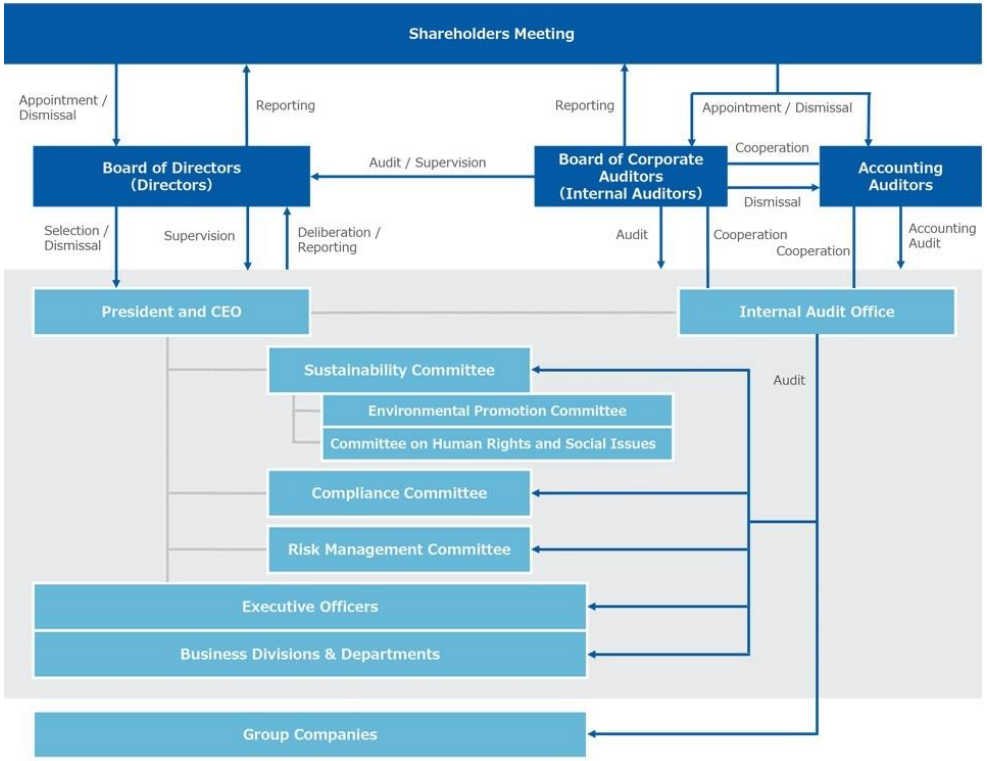
Board of Corporate Auditors
Two of the three members of the Board of Corporate Auditors are outside auditors, and the Board works to ensure transparency and objectivity in management.

Internal Audit Office
Audits the development and implementation of internal controls groupwide, reporting directly to the President and CEO. Results are reported to the Board of Corporate Auditors as well as the President and CEO.

Sustainability Committee
Establishes the company's policies, targets, and plans and supervises and monitors the implementation and progress of them across the entire company.

Compliance Committee
Promotes and strengthens adherence to the internal Compliance Manual, articulating basic policies, regulations, and codes of conduct.

Risk Management Committee
Identifies and reviews potential risks and approves remedial measures for addressing needs companywide.



Board member compensation

Compensation for each director is determined based on a comprehensive evaluation of the director's position, business performance, ability, and experience.

5. Governance

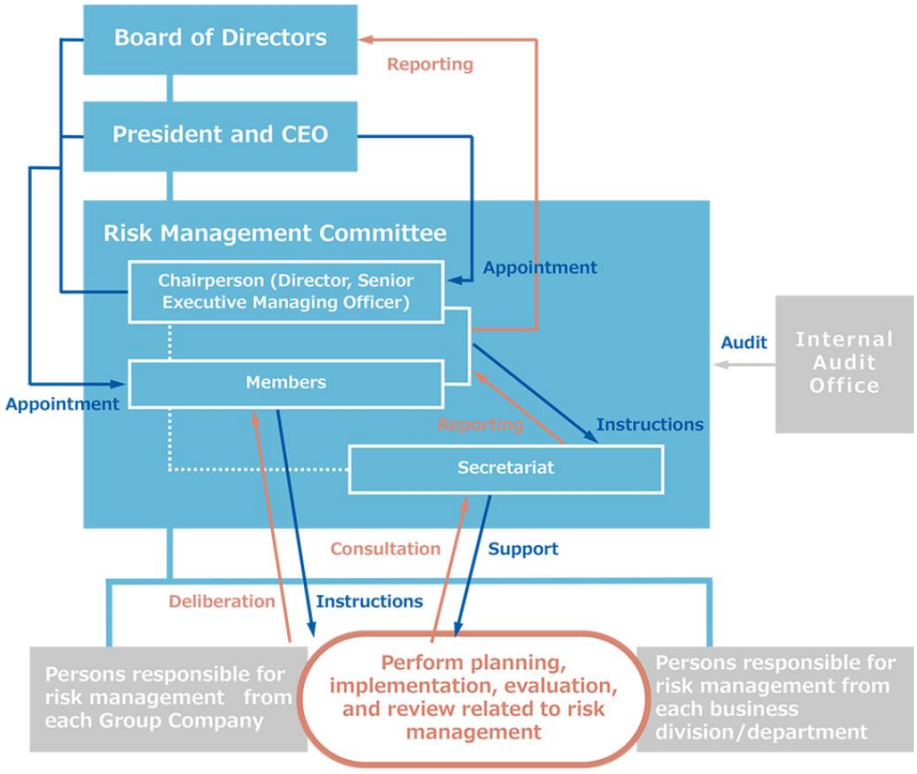
Compliance

The Company has established regulations, a code of conduct and guidelines in accordance with its Basic Compliance Policy. In addition, the Mori Building Group Anti-Bribery Policy is designed to prevent bribery, suspected bribery, and inappropriate gifting/receiving of benefits. Furthermore, the Compliance Code of Conduct establishes standards related to bribery, including compliance with the Political Funds Control Act and the prohibition of gifting/receiving services or money to/from business partners. Based on the policy and the code, the Company works continuously to prevent all forms of corruption.

Compliance System

Risk management

An event that could have a significant impact (loss) on any of Mori Building's businesses is defined as a risk. The Company's risk-management system and related regulations are used to identify, evaluate and clarify response priorities and to systematically respond to risks at the management level.



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6. Sustainable Financing

Promotion of sustainable finance

- Mori Building has established a Sustainable Finance Framework in order to further raise awareness among a wide range of stakeholders of its consistent commitment to urban developments since its establishment and its contribution to the realizing sustainable society including the global environment, urban environment, and local communities through its businesses.
- Based on this framework, Mori Building will execute the following Sustainable Finances.
  - ✓ Green Finance
  - ✓ Sustainability-Linked Finance

Reference to Principles and Guidelines

- This framework will communicate in a transparent manner on the key elements and core components recommended by the following principles and guidelines.
  - ✓ ICMA[1] Green Bond Principles 2021
  - ✓ ICMA Sustainability-Linked Bond Principles 2023
  - ✓ Ministry of the Environment, Green Bond and Sustainability-Linked Bond Guidelines 2022
  - ✓ Ministry of the Environment, Green Loan and Sustainability-Linked Loan Guidelines 2022
  - ✓ LMA[2], APLMA[3], LSTA[4] Green Loan Principles 2023
  - ✓ LMA, APLMA, LSTA Sustainability-Linked Loan Principles 2023

- Mori Building has obtained a Second Party Opinion from Japan Credit Rating Agency, Ltd., an independent external reviewer regarding the alignment of this framework with the Principles and Guidelines stated above.

1 ICMA：International Capital Market Association
2 LMA：Loan Market Association
3 APLMA：Asia Pacific Loan Market Association
4 LSTA：Loan Syndications and Trading Association

6. Green Finance Framework

1. Use of Proceeds

- Mori Building will use the proceeds of the green finances (green bonds / green loans) for new investment and/or refinance projects that meet the following eligible criteria (the eligible projects).
- When refinancing renewable energy projects, it is limited to expenditures made within 36 months prior to the execution of green finances.

2. Project Evaluation and Selection Process

- Mori Building set the eligible criteria to select projects which will contribute to its mission, "Environment and Greenery."
- Selection of eligible projects is approved by a corporate officer of the Finance Department and the Sustainability Committee, and the final decision is made by the President and CEO of the company.

3. Management of Proceeds

- Mori Building's Finance Department will manage the allocation of the net proceeds of green finances on a biannual basis, using the internal management system until the maturity of the green finance.

4. Reporting

<Allocation Reporting>

- Mori Building will annually disclose the following contents on our website (or report them to the lender in the case of loans) until the proceeds have been fully allocated to projects which meet the eligible criteria. Mori Building will report timely in the event of a significant change, etc., after full allocation of the proceeds.
  - ✓ List of projects with new investments or refinanced
  - ✓ Amount of proceeds allocated to each project
  - ✓ Amount of unallocated proceeds and scheduled allocation period
  - ✓ Share of new investments vs. refinancing

<Impact Reporting>

- Mori Building will disclose the following indicators to the extent practicable until the maturity of the green finance. This reporting will be disclosed annually on our website (or we report them to the lender in the case of loans)

5. Post-issuance external review

- Until the funds procured based on this framework are at least fully allocated to eligible projects, Mori Building intends to obtain reviews from an independent external organization on the status of reporting, including the allocation of proceeds and the disclosure of indicators related to environmental benefits.

6. Green Finance Framework

MORI BUILDING

Project Category	Eligible Criteria	SDGs	Impact Reporting Indicators
Green Buildings	• Expenditures or investments in new and/or existing buildings that meet one of the following (i) to (iii) (costs related to acquisition of land or buildings, planning and development, construction (including the cost of acquisition of reserved floor), refurbishment and operational management, research and development expenses, etc.) • Investments in an SPC that owns and/or plans to acquire buildings that meet one of the following (i) to (iii) (including anonymous partnership investment.) i. have received at least one of the following third-party green building certifications or recertifications within 24 months prior to the date of green bond issuance ii. are expected to receive certifications or recertifications post-issuance iii. have a construction completion date within 24 months prior to the date of green bond issuance and have achieved at least one of the following certifications or recertifications <u>Third party certification</u> - A or S Rank under the Comprehensive Assessment System for Built Environment Efficiency (CASBEE) Certification for Buildings (New Construction, Existing Buildings, and Renovation) or CASBEE Certification for Real Estate - Gold Rank or Platinum under the LEED BD+C (Building Design and Construction) (v4.0 and later) or LEED O+M (Building Operations and Maintenance) (v4.0 and later) - The following levels in the Building Energy-efficiency Labeling System (BELS) (FY2024 standard) - Non-residential: 4 to 6 Levels - Residential with renewable energy facilities: 3 to 6 Levels - Residential without renewable energy facilities: 3 or 4 Levels - 4 or 5 Levels under the Building Energy-efficiency Labeling System (BELS) (FY 2016 standard) - 4 or 5 Stars under DBJ Green Building Certification - Gold Plus or Platinum Rank under the BCA Green Mark Certification	9.Industry, Innovation and Infrastructure 11.Sustainable Cities and Communities	• Overview of the projects (Name of the building and project) • Name and level of certifications the eligible project received • Energy consumption • CO_2 emissions • CO_2 emissions of total floor area • Water consumption
Renewable Energy	• Procurement of electricity derived from renewable energy (solar, wind)	3.Good Health and Well-being 7.Affordable and Clean Energy 9.Industry, Innovation, and Infrastructure 13. Climate Action	• Renewable energy procurement • CO_2 emission reduction
Renewable Energy	• Expenditures related to the installation or acquisition of renewable energy (solar, wind) equipment (costs related to acquisition of land or equipment, planning and development, construction, research and development expenses, etc.) • Investments in an SPC that owns and/or acquire renewable energy (solar, wind power) equipment (including anonymous partnership investment)	3.Good Health and Well-being 7.Affordable and Clean Energy 9.Industry, Innovation, and Infrastructure 13. Climate Action	• Overview of the projects (Power plant, name of SPC, etc.) • Installation status of renewable energy facilities • Amount of electricity generated by renewable energy facilities • CO_2 emission reduction amount

6. Sustainability-Linked Finance Framework

1. Selection of KPI

KPI-1	GHG emission reduction rate in Scope 1 and 2
KPI-2	Renewable energy consumption rate
KPI-3	Green coverage ratio in large-scale mixed-use development areas
KPI-4	CDP evaluation (climate change)

2. Calibration of Sustainability Performance Target (SPTs)

SPT-1	GHG emission reduction rate in Scope 1 and Scope 2 consistent with the following targets (Base year: FY 2019) ・ ▲50% by FY 2030 ・ Net-zero by FY 2050 The reduction rate for each year shall meet the annual reduction rate required by the SBT 1.5° C standard target.
SPT-2	100% renewable energy ratio by FY2030
SPT-3	38% green coverage in large-scale mixed-use development areas by FY2030
SPT-4	Obtained an A- or better rating in CDP (Climate Change)

3. Bond/Loan Characteristics

The characteristics of Sustainability- Linked Finance bonds/loans executed under this framework will change depending on the achievement status of SPTs.

The details of the changes will be specified in the statutory disclosure documents, etc., at the time of each financing, including (1) "step up/step down in interest rate," (2) "Donations," or (3) Purchasing "emission credits or certifications."

4. Reporting

Performance of the KPIs	Annually until the final determination dates, starting from the fiscal year following the year of issuance of each Sustainability-Linked Finance
Performance against the SPTs	
Up-to-date information of Sustainability strategies relative to the KPIs and SPTs	
If SPTs have not been reached and "donations" are made, the amount and recipients of the donations. If SPTs have not been reached and "purchasing emission credits or certifications" are made, the amount and the name of the emission credits or certifications.	Timely

5. Verification

The performance of each KPI against the SPT is verified by an independent third party on an annual basis until a decision date is reached.

The results of the verification will be disclosed on our website (or we report them to the lender in the case of loans).

6. Green Bond - Records of Issues

Issued a total of 120 billion yen in Green Bonds

- Mori Building issued a cumulative 120 billion yen in Green Bonds as of the end of October 2024.
- We have received a cumulative total of 227 preliminary bids from investors for the four Green Bonds issued to date.

Green bond issuance record

Name	Mori Building Co., Ltd. 27th unsecured corporate pari-passu bond (green bond)	Mori Building Co., Ltd. third series domestic subordinated unsecured bond with interest-deferral and early-redemption options (green bond)	Mori Building Co., Ltd. second series domestic subordinated unsecured bond with interest-deferral and early-redemption options (green bond)	Mori Building Co., Ltd. 26th unsecured corporate pari-passu bond (green bond)
Total issue	JPY 10 billion	JPY 50 billion	JPY 45 billion	JPY 15 billion
Closing date	July 11, 2024	October 11, 2022	October 19, 2020	November 14, 2019
Use of proceeds	All funds will be allocated to the decreased cash reserves to cover the expenses for Azabudai Hills Mori JP Tower	All funds for acquisition of a reserved floor in the A District Tower of the Azabudai Hills	All funds for capital expenditures related to "A district" facilities of the Azabudai Hills	All funds for capital expenditures related to "A district" facilities of the Azabudai Hills
Bond rating *time of issuance	AA- (Japan Credit Rating Agency, Ltd.)	A- (Japan Credit Rating Agency, Ltd.)	A- (Japan Credit Rating Agency, Ltd.)	A+ (Japan Credit Rating Agency, Ltd.)
The number of investment proposals from investors	21	78	111	17
The status of allocation	All amounts were fully allocated to Capital expenditures related to A District facilities (the acquisition of a reserved floor) of the Azabudai Hills (Toranomon-Azabudai District Category 1 Urban Redevelopment Project)			

Impact Reports

Regarding the third series of subordinated bonds (green bonds), we have reported for the fiscal year 2023.

Project Category	Property name	Certification acquisition	Rank	Energy consumption	Water consumption	CO2 emissions	CO2 emissions of total floor area
Green Building	Azabudai Hills Mori JP Tower	CASBEE (New Construction)	S	16,472MWh	155,465m³	4,546t-CO2	0.0137t-CO2/m²
		CASBEE (Wellness Office)	S				
		WELL	Platinum				

*The data aggregation period for the fiscal year 2023: from June 30, 2023 to March 31, 2024.
*Azabudai Hills opening date: November 24, 2023.

6. Sustainability-Linked Finance SPT Performance Data

Sustainability-Linked Finance: SPT Performance Data

Greenhouse Gas Emissions (Scopes 1, 2 and 3)

Unit: t-CO2

Long Term Targets	Medium Term Targets	Scope	FY2019	FY2020	FY2021	FY2022	FY2023
net-zero by FY 2050	Scope1・2: ▲50% by FY 2030 (compared to FY 2019)	Scope1	95,167	87,495	98,369	100,603	100,434
		Scope2	160,816	153,032	121,437	106,583	62,723
		Scope1+2	255,983	240,527 ▲6.0%	219,806 ▲14.1%	207,185 ▲19.1%	163,157 ▲36.3%
	Scope3: ▲30% (compared to FY 2019)	Scope3	427,598	—	391,146 ▲8.5%	202,489 ▲52.6%	1,295,687 +203.0%

RE100 Progress

Scope	Target	FY2019	FY2020	FY2021	FY2022	FY2023	FY2030 Target
Electricity consumption (MWh)	100% by FY2030	391,259	371,537	378,781	339,311	385,681	—
Amount of renewable electricity (MWh)		5,049	7,497	9,114	61,486	232,829	—
Renewable energy consumption rate		1.3%	2.0%	2.4%	18.1%	60.4%	100%

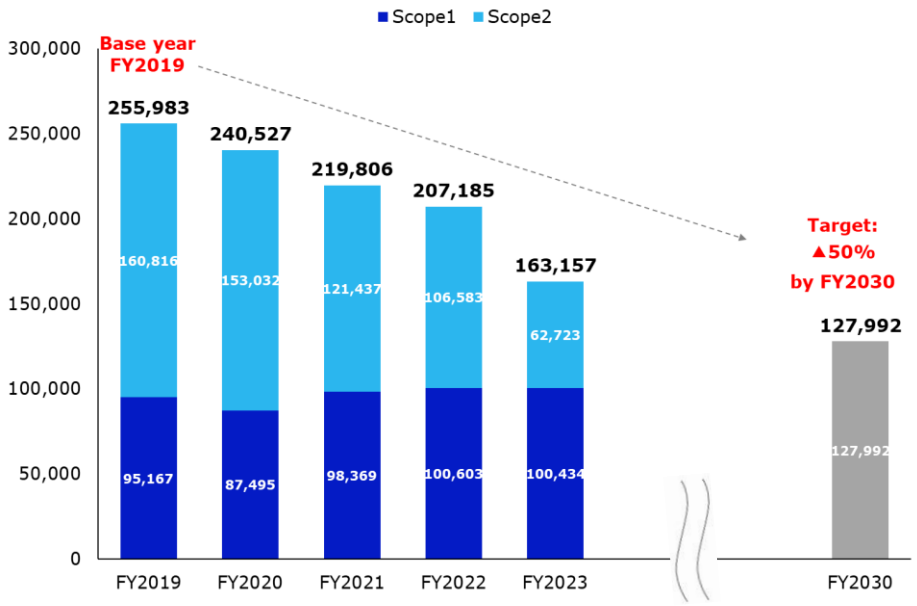
Changes in CDP Rating

Category	FY2019	FY2020	FY2021	FY2022	FY2023
Climate Change	B	—	—	A-	A

Other ESG-related data results are available on our sustainability website:
https://www.mori.co.jp/en/sustainability/

Scope 1+2 Emissions

Unit: t-CO2



Greening-related Data (Green Coverage Ratio)

Indicator	Numerical target	Target year	FY2021	FY2022	FY2023	FY2024
Overall green coverage ratio (%)	Approx. 38%	2030	37.1	37.9	37.9	37.9
Total green coverage area (ha)	—	—	9.5	10	10	10
Surveyed areas* (quantity)	—	—	10	11	11	11

ARK Hills, ARK Hills Sengokuyama Mori Tower, ARK Hills South Tower, Atago Green Hills, Motoazabu Hills, Holland Hills, Omotesando Hills, Roppongi Hills, Toranomon Hills Mori Tower, Toranomon Hills Business Tower and Toranomon Hills Residential Tower (Completion of the above by 2022)

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Description regarding future forecast in this report are based on information available on the day of the announcement, as analyzed and judged by Mori Building. Therefore, these forecasts are subject to inherent risks and uncertainty, and actual results may differ due to changes in various factors.