Sustainability Initiatives

森ビル株式会社
MORI BUILDING CO.,LTD.

May, 2026

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1. Our Urban Design Philosophy

MORI BUILDING

Message from the President & CEO

Creating and Nurturing Cities for a More Sustainable World

Kogo, Yasuhiro（President and CEO）

As centers of human activity, cities play a critical role in ensuring a sustainable future.
With more than half of the world's population now living in urban areas—a figure that continues to rise—cities hold the key to global sustainability as major consumers of energy and resources. Accordingly, those of us involved in urban development have a great responsibility to safeguard the future of people, global society and the planet.

Even before environmental, social, and governance (ESG) and sustainable development goals (SDGs) became mainstream, Mori Building championed the concept of the "Vertical Garden City."
This vision promotes sustainable urban redevelopment by consolidating fragmented city-center districts into high-rise, mixed-use towers integrated with diverse urban functions. It also creates expansive green spaces around these towers and on their large rooftops. Through Hills projects ranging from ARK Hills to Azabudai Hills, Mori Building has introduced approximately 12 hectares of greenery into the heart of Tokyo. These projects have also enhanced safety, convenience and disaster resilience by introducing modern urban infrastructure. Such initiatives are a testament to Mori Building's dedication to sustainability.

Today, the vast area in central Tokyo defined by the interconnected Hills developments not only provides a pleasant, safe and secure environment for people, it also serves as a critical ecological network supporting birds and insects. Furthermore, it fosters rich, healthy soils similar to those found in Japan's traditional *satoyama* areas comprising rural farmlands and woodlands. Mori Building is advancing other eco-friendly initiatives as well, including improving citywide energy efficiency, accelerating decarbonization, transitioning to renewable energy, and developing and operating its own renewable energy facilities. These efforts have earned high praise resulting in numerous environmental certifications and awards in Japan and internationally.

Considering that cities can endure for many generations, Mori Building is committed to long-term stewardship. After developing an urban complex, Mori Building steadily nurtures it through the company's unique Town Management approach, which cultivates vibrant communities by connecting people, businesses and local stakeholders through diverse activities and events. Mori Building's urban development concept is based on empathy, trust and collaboration with a wide range of stakeholders. When creating and nurturing cities, we respect the human rights of all stakeholders and foster partnerships that promote sustainability throughout our entire supply chain.

Our employees are the driving force behind everything we do, so we prioritize their well-being. We intend to continue evolving our unique style of creating and nurturing cities by ensuring our employees have the physical and mental health to devote themselves to the highest levels of urban development.

Through these efforts, Mori Building remains dedicated to fulfilling its responsibilities to people, global society and the environment, including realizing a sustainable future.

* Updated June 23, 2026

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 skyscrapers. "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）

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	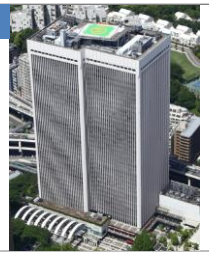						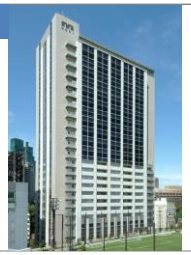	
Name of the property	ARK Mori Building	Hang Seng Bank Tower	Atago Green Hills		Motoazabu Hills Forest Tower	Roppongi Hills Mori Tower	Holland Hills Mori Tower	Omotesando Hills
			MORI Tower	Forest Tower				
Location	Akasaka, Minato-ku	Pudong , Shanghai	Atago, Minato-ku		Motoazabu, Minato-ku	Roppongi, 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㎡	116,824㎡	86,570㎡	62,475㎡	45,023㎡	379,408㎡	35,656㎡	34,062㎡

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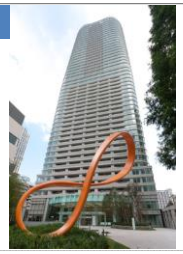
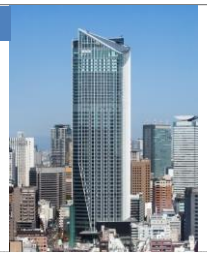
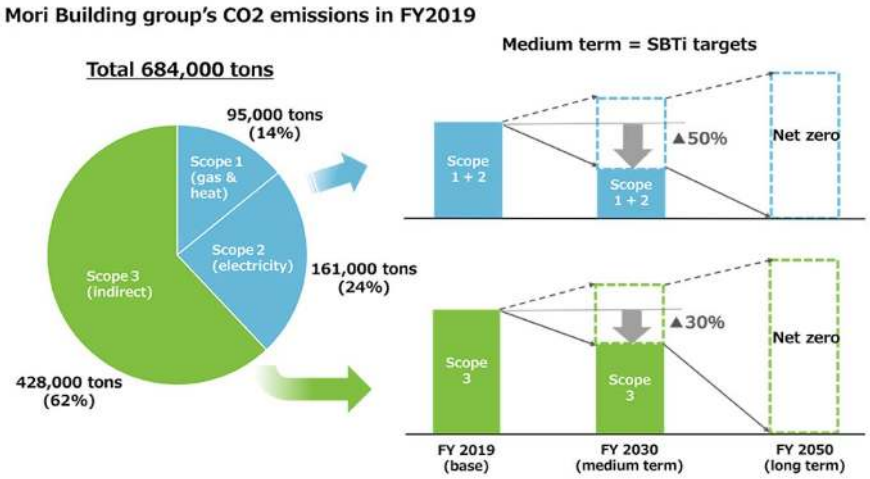
							
Name of the property	Shanghai World Financial Center	ARK Hills Sengokuyama Mori Tower	Toranomon Hills Mori Tower	Toranomon Hills Business Tower	Toranomon Hills Residential Tower	Azabudai Hills Mori JP Tower	Toranomon Hills Station Tower
Location	Pudong District , Shanghai	Roppongi, Minato-ku	Toranomon, 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 underground	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㎡

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 (Underlined items: New 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 • Disclose information on natural capital and biodiversity based on TNFD recommendations • Obtain certification under the "Excellent Green Space Securing Plan Certification System (TSUNAG)
	• Contributions to decarbonized societies	• Certified for SBTi medium-term targets (1.5ºC level) • 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 CDP Climate Change A-rating in 2025 for the third consecutive year and be recognized as a Supplier Engagement Leader • Support an action plan for decarbonization • Install renewable-energy systems at major domestic properties, and develop and operate solar-power plants on farms and solar-power plants equipped with storage batteries • 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

3. Environmental Philosophy & Policies

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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

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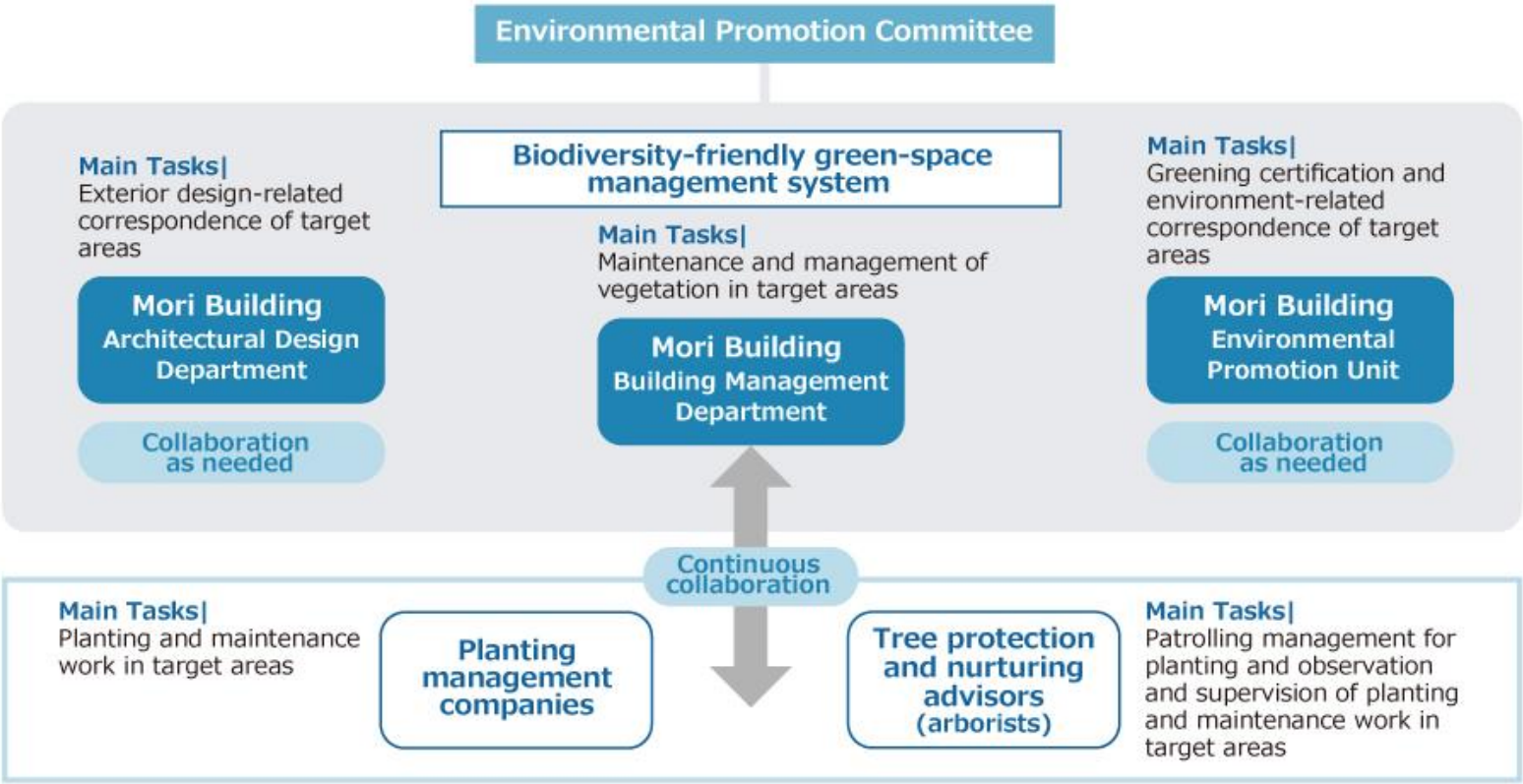
Management System of Biodiversity Conservation

- 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

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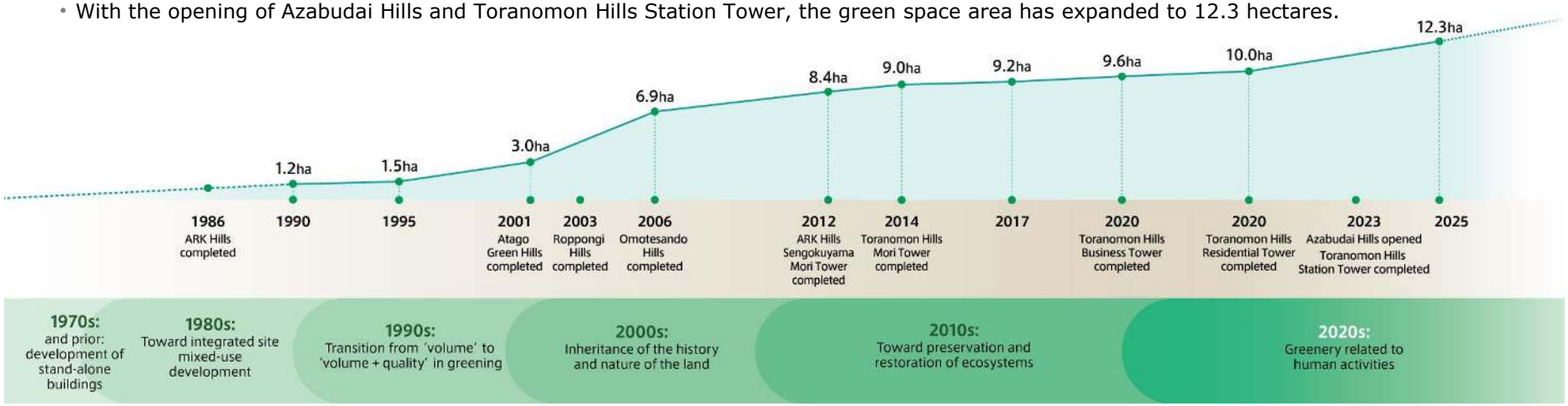
Large-scale urban greening

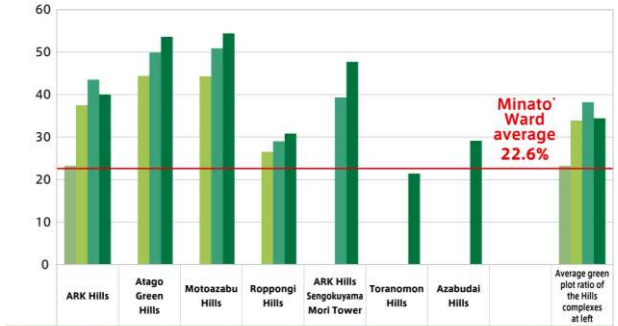
- Commenced large-scale greening when Ark Hills opened in 1986.
- With the opening of Azabudai Hills and Toranomon Hills Station Tower, the green space area has expanded to 12.3 hectares.



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.

Green plot ratio (%)



	ARK Hills	Atago Green Hills	Motoazabu Hills	Roppongi Hills	ARK Hills Sengokuyama Mori Tower	Toranomon Hills	Azabudai Hills		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				38.2
2025	40.0	53.6	54.4	30.8	47.7	21.4	29.1		34.4

* 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)

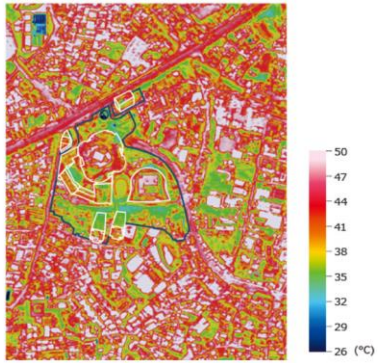
*Green coverage rate = greened area/site area x 100 %.
Calculated using aerial photographs based on the Tokyo Metropolitan Government's Green Cover Manual.

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.

Actual photograph

Thermal image

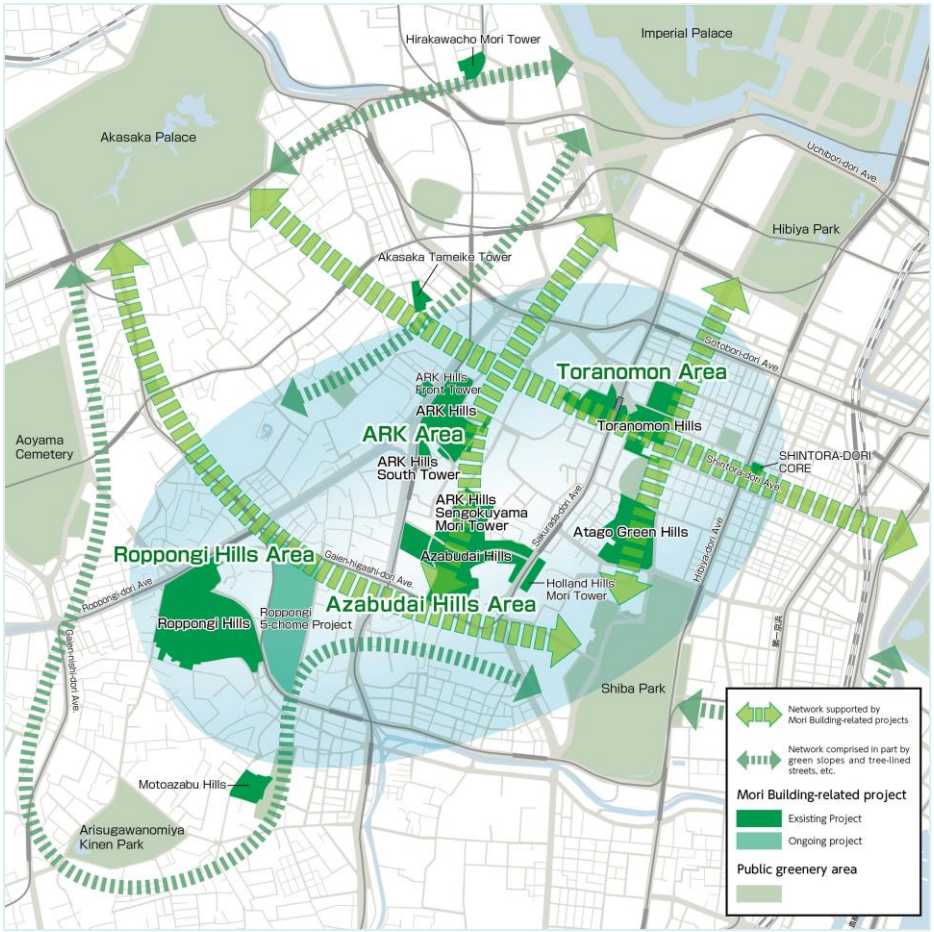


Surface temperatures of greened spaces are 5°C to 15°C lower than those of surrounding streets.

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 at Roppongi Hills

Mohri Garden at Roppongi Hills

White-eye nesting at Toranomon Hills

Step Garden at Toranomon Hills

Japanese Pygmy Woodpecker at ARK Hills Sengokuyama Mori Tower

Kogera no niwa at ARK Hills Sengokuyama Mori Tower

3. Environment (1) TNFD Initiatives

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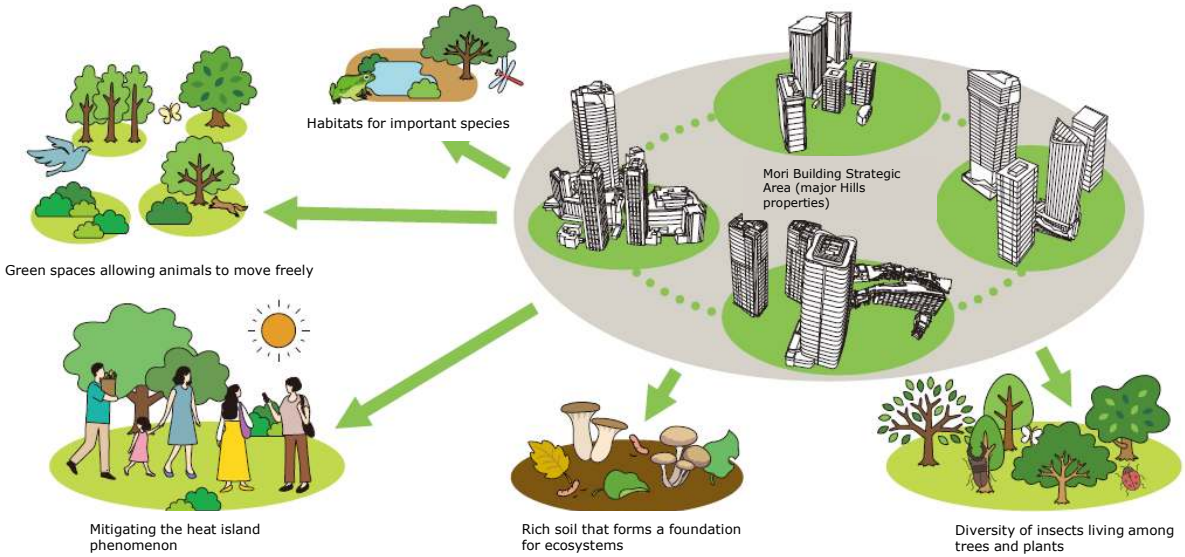
Disclosure of information on natural capital and biodiversity based on TNFD recommendations from June 2025

- Implement disclosure of information related to natural capital and biodiversity based on TNFD recommendations (June 2025).
- Using the LEAP approach—the natural-related risk and opportunity assessment framework presented by the TNFD—we analyzed and disclosed our dependencies on, impacts to, risks to, and opportunities for natural capital. This analysis targeted our urban development projects in Minato Ward, Tokyo and regional energy supply projects.
- For urban development projects, no significant dependencies on or impacts to nature were identified. This is due to the projects being in central Tokyo as well as the implementation of environmental risk assessments during project execution.
- Furthermore, our Positive Impact Analysis of strategic areas included detailed analysis of dependence and impact on natural capital at our Hills properties. The ecosystem condition analysis incorporated environmental DNA analysis technology. As a result, it became clear that our Hills properties may be generating various positive impacts on surrounding nature and ecosystems.
- Moving forward, we plan to expand the scope of our analysis and evaluation to identify nature-related issues, consider countermeasures and deepen our Positive Impact Analysis.

  Positive Impact Analysis
  https://files.microcms-assets.io/assets/3f2dbd9a710d4daaaa8451a27e512959/01e77dfc1d9c460686413ab8d1fed6f3/pdf_biodiversity_TNFD.pdf



3. Environment (2) Decarbonization Initiatives

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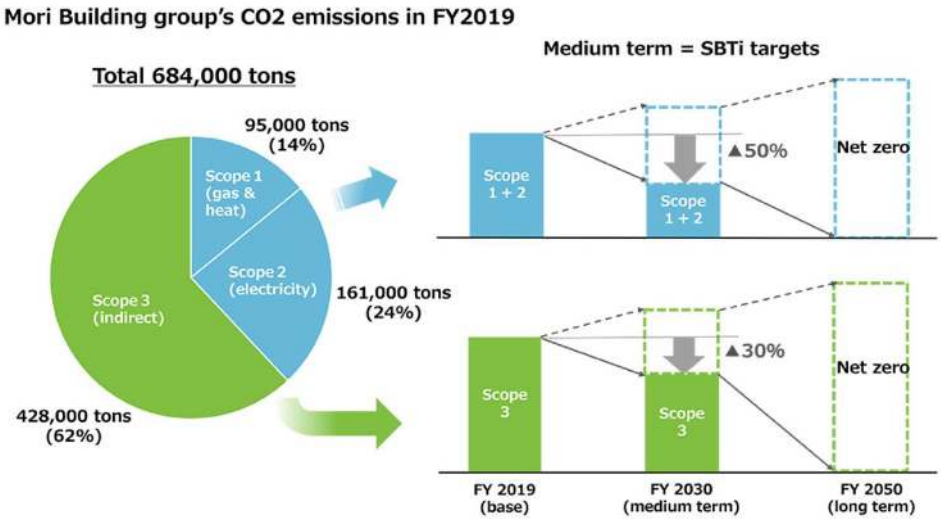
Greenhouse Gas Emission Medium & Long Term Targets

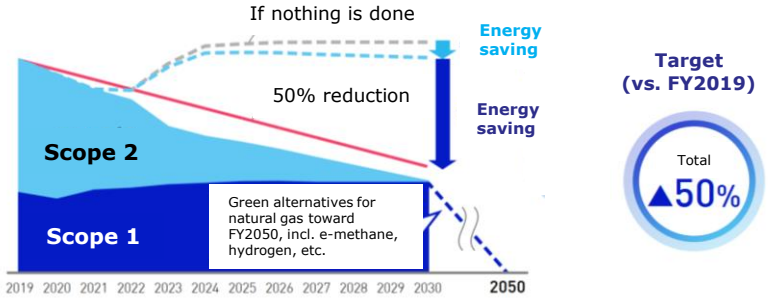
Indicators and targets

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

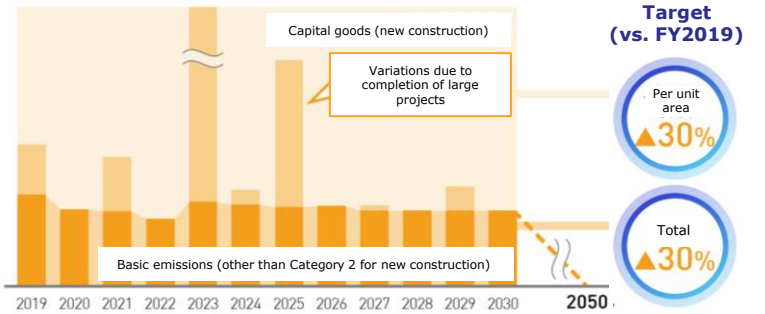


Scope 1 and 2 Initiatives



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

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Greenhouse Gas Emissions Results

Greenhouse gas emissions

Unit: t-CO2

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Scope1	95,167	87,495	98,369	100,603	100,434	106,034
Scope2	160,816	153,032	121,437	106,583	62,723	60,835
Scope1+2	255,983	240,527 ▲6.0%	219,806 ▲14.1%	207,185 ▲19.1%	163,157 ▲36.3%	166,869 ▲34.9%
Scope3	427,598	—	391,146 ▲8.5%	202,489 ▲52.6%	1,295,687 203.0%	356,100 ▲16.7%

Scope 3 greenhouse gas emissions

Unit: t-CO2

Scope 3 category	FY2019	FY2021	FY2022	FY2023	FY2024
1. Purchased goods & services	141,826	81,613	65,172	154,761	194,562
2. Capital goods	212,183	231,801	45,206	1,017,500	58,813
3. Fuel- and energy-related activities (not included in Scope 1 and 2)	41,344	42,070	41,501	55,927	61,900
4. Upstream transportation & distribution	12,150	464	994	892	941
5. Waste generated in operations	8,835	6,351	5,610	41,898	20,231
6. Business travel	471	506	590	689	737
7. Employee commuting	1,025	904	893	1,286	1,566
8. Upstream leased assets	—	—	—	—	—
9. Downstream transportation & distribution	—	—	—	—	—
10. Processing of sold products	—	—	—	—	—
11. Use of sold products	4,505	20,062	33,451	14,748	10,879
12. End of life treatment of sold products	180	637	1,079	1,159	860
13. Downstream leased assets	5,080	6,738	7,993	6,827	5,611
14. Franchises	—	—	—	—	—
15. Investments	—	—	—	—	—
Total	**427,598**	**391,146**	**202,489**	**1,295,687**	**356,100**

In fiscal 2024, emissions decreased in Category 2 (capital goods) and Category 5 (waste) due to a reactionary effect following the completion and opening of Azabudai Hills and Toranomon Hills Station Tower in the previous fiscal year.

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

Through CDP reporting, Mori Building continuously discloses information related to climate change, including its strategy, governance and initiatives for reducing greenhouse gas emissions, as well as annual greenhouse gas emissions and reductions from the base year. In fiscal 2025, the company was recognized as an "A-List Company," the highest rating in the climate change category, marking the third consecutive year that the company has been recognized as an A List Company.

Additionally, the company was selected as a "Supplier Engagement Leader"—the highest rating—in the "Supplier Engagement Rating Introduction" for the third consecutive year.

"A-List Company" Recognition

Selected as "Supplier Engagement Leader"

This certification recognizes Mori Building's transparency in environmental initiatives and its Earth-positive efforts toward a sustainable future, including its introduction of renewable energy sources and collaboration with suppliers, positioning the company as a leading global enterprise.

3. Environment (2) – Decarbonization Initiatives

MORI BUILDING

Approximately 90% of electricity use (domestic) to be converted to renewable energy and ongoing transition of properties overseas to continue

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. To achieve the required targets, conversion to renewable energy power is being phased in, starting with Hills-class properties. By the end of FY2025, approximately 90% of the Company's domestic electricity consumption was generated from renewable energy sources. The Company has also begun converting some of its overseas properties to renewable energy. Also, Azabudai Hills and Toranomon Hills Station Tower have supplied 100% of their electricity from renewable sources since launching. In addition to developing farm-scale solar power plants, Mori Building is developing its own renewable energy power plants, a solar power plant with storage batteries commenced operations, and the development of wind power generation is being promoted.

Development of solar power plants (farm-scale and battery-integrated) and renewable energy supply via PPAs

Mori Building has been developing farm-scale solar power plants, and solar power plant with storage batteries since the end of FY2023. As of the end of March 2026, three farm-scale facilities and one with storage batteries are in operation, with an additional two facilities scheduled to launch in FY2026. An off-site PPA system is being used to enable renewable energy from these power plants to be supplied directly to Mori Building's own properties.

These farm-scale solar power plants are gaining attention as an environmentally responsible method of renewable energy development. Unlike conventional large-scale renewable energy projects, they do not involve deforestation, landfilling or extensive excavation—issues that have increasingly come under scrutiny. Also, by utilizing farmland faced with possible abandonment due to a lack of successors, the project aims to revitalize agriculture and contribute to maintaining and improving Japan‘s food self-sufficiency rate. The facilities also serve their local communities by supplying electricity to these areas in times of disaster. In addition, a portion of the harvested crops is provided to children’s cafeterias (*kodomo shokudo*) and a plan to sell the produce at farmers’ markets in central Tokyo is under consideration.

Battery-integrated solar power generation enables time-shift supply, in which surplus electricity is stored during periods of curtailed output—a growing societal issue—and transmitted when demand is high. This system maximizes the effective use of power-generation capacity, ensures a stable supply of renewable energy tailored to consumer needs, and alleviates the load on power transmission grids.

Moreover, we have established a renewable energy network using a new PPA model that connects our renewable energy plants, which are widely dispersed across the Kanto area, with various Mori Building-managed properties in central Tokyo. By linking multiple power plants with multiple demand buildings, this innovative model enables a more efficient and resilient supply of renewable energy than ever before.

Farm-scale solar power plant
in Chikusei City, Ibaraki Prefecture

Mori Building Tochigi-shi Miyamachi
Farm-scale Solar Power Plant

Solar power plant with battery storage
in Tochigi City, Tochigi Prefecture

Planting at a farm facility

3. Environment (2) TCFD

MORI BUILDING

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 Medium: 2030-2035, 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

MORI BUILDING

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

	Facility	Completed	Major Environmental Certifications Obtained								Major Green Space Certifications Obtained			
			LEED ND (neighborhood development)	LEED BD+C/CS (New Construction)	LEED O+M (Existing buildings)	WELL	Green Mark	CASBEE-Buildings (new construction)	CASBEE-Real Estate	CASBEE-Wellness Office	TSUNAG	JHEP	SEGES	Edo no Midori Registered Green Space
Existing	Azabudai Hills	2023	Platinum								★★★			
	Mori JP Tower	2023		Platinum		Platinum		S		S				
	Garden Plaza A	2023		Gold										
	Toranomon Hills	2014~	Platinum											
	Mori Tower	2014							S			AAA	Urban Oasis	
	Business Tower	2020			Gold									
	Station Tower	2023		Platinum		Platinum		S						
	Edomizaka Terrace	2023						A						
	Glass Rock	2024		Gold				A						
	ARK Hills Sengokuyama Mori Tower	2012							S			AAA		Excellent Green Spaces
	Roppongi Hills	2003											Urban Oasis	
	Mori Tower	2003							S					
	Atago Green Hills Mori Tower	2001							S					
	ARK Hills	1986									★★★		Urban Oasis	
	ARK Mori Building	1986							S					
Overseas	JAKARTA MORI TOWER	2022				Platinum	Platinum							
	Shanghai World Financial Center	2008			Platinum									
	Hang Seng Bank Tower	1998			Platinum									

LEED BD+C/CS and WELL acquired for office/commercial areas.

4. Society (1) Contributing to Communities and Society

MORI BUILDING

Create enjoyable urban environments and develop them together with communities

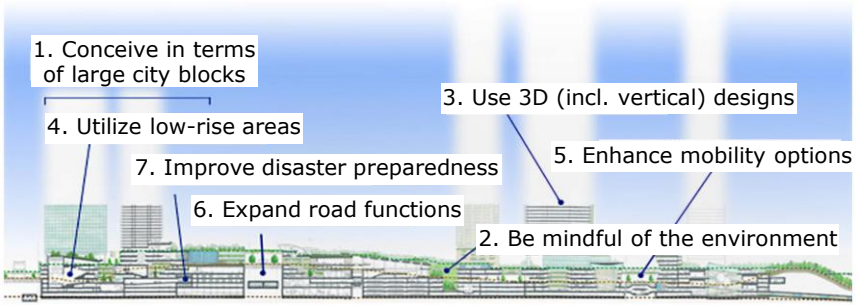
Crowded Roppongi Hills area before redevelopment

"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) Urban Development for Safety and Security

MORI BUILDING

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

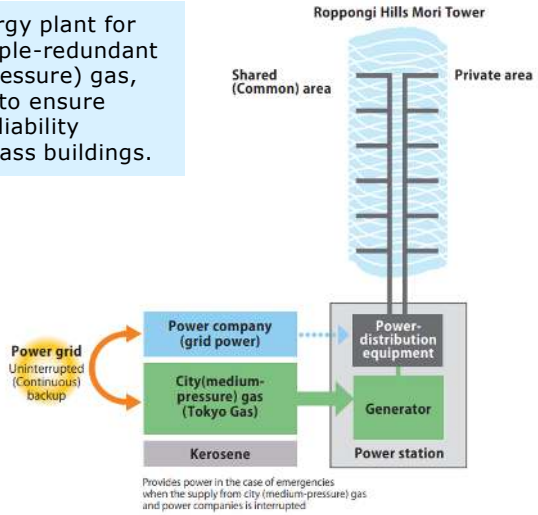
Advanced vibration-damping devices

Oil dampers

Buckling-restrained brace

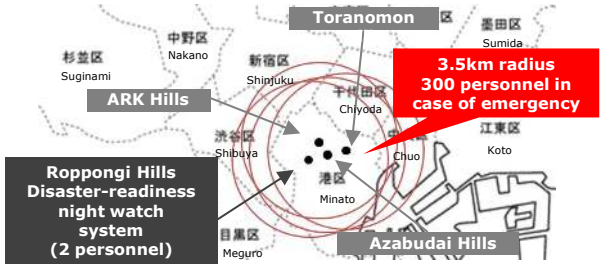
Stable power supply from independent power stations

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.

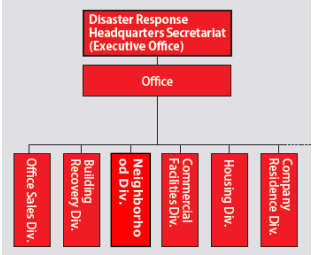


Soft Measures

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

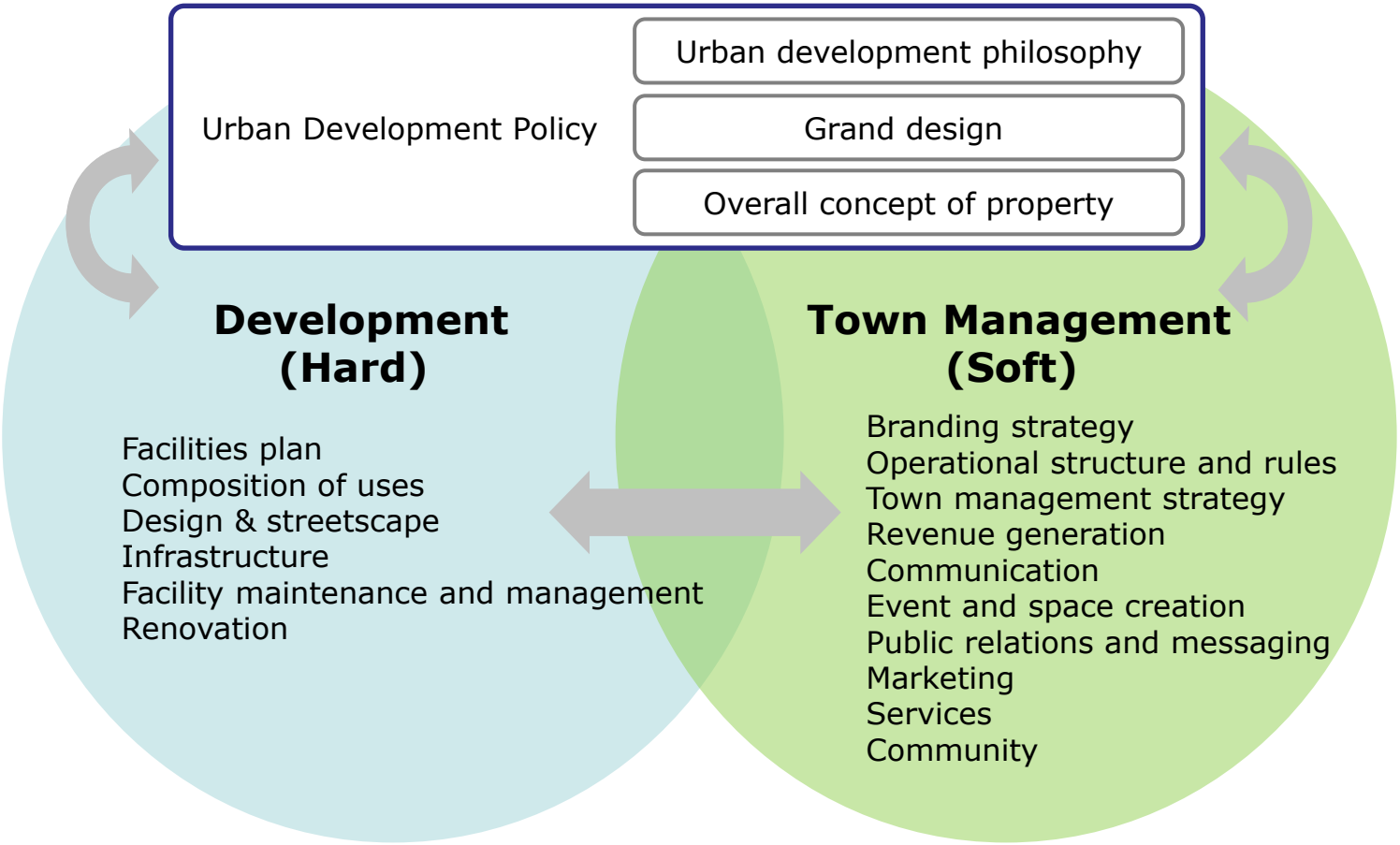
The company maintains an emergency food stockpile equivalent to about 360,000 meals (when Azabudai Hills completed), one of the largest in Japan's private sector. Blankets, medical supplies, mechanical equipment, and portable toilets are also stockpiled at each facility.

4. Society (3) Town Management Initiatives

MORI BUILDING

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)

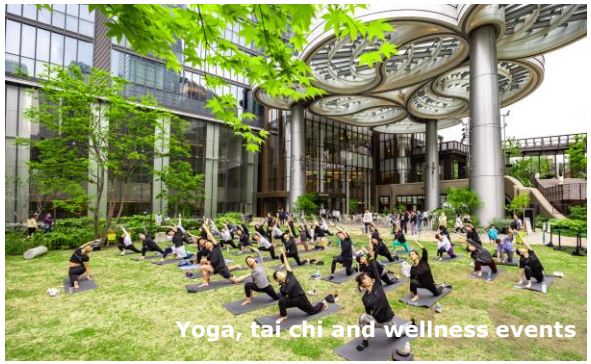
Mori Building is working with the Roppongi Hills Neighborhood Association and Green Bird, a non-profit organization, to beautify the local environment.

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

MORI BUILDING

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)

- Building on our long history of promoting urban development in collaboration with local communities, we offer an experiential learning program for children, our future leaders. Through the program, we share our urban development expertise and the appeal of cities with children to encourage them, while having fun learning, to think about how next-generation cities should look. Using "cities" developed and managed by the Company, namely multi-use complexes such as Roppongi Hills, as stages for learning, the program covers many key themes in urban development, including "Environment & Greenery," "Safety & Security," and "Culture & Art."
- 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 650 times for some 23,000 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) Support for Fostering Innovation

MORI BUILDING

Building an innovation ecosystem that encompasses Hills properties by using various spaces and initiatives to foster innovation

ARCH Toranomon Hills
Incubation center for the creation of new businesses by large corporations
(Toranomon Hills Business Tower)

Tokyo Venture Capital Hub
Japan's first large-scale hub for VCs and CVCs
(Azabudai Hills Garden Plaza B)

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

Glass Rock
Hub dedicated to solving societal issues through cross-sector collaboration
(Toranomon Hills Glass Rock)

TOKYO NODE
Hub for disseminating information from Tokyo to the world
(Toranomon Hills Station Tower)

Japan Innovation Campus
Startup-support hub in Silicon Valley, U.S.A.
(Silicon Valley, U.S.A.; commissioned by Ministry of Economy, Trade and Industry)

Hills House Azabudai
Spaces and initiatives for flexible, creative work styles
(Azabudai Hills Mori JP Tower)

Toranomon Hills Forum
Largest conference facility in this area of Tokyo
(Toranomon Hills Mori Tower)

4. Society (5) Support for Fostering Innovation

MORI BUILDING

10-billion-yen venture fund for accelerating industry creation, including through Hills innovation facilities

Overview

Name: Mori Building Innovation Fund Investment Limited Partnership

Establishment: February 2026 (operation commenced in April 2026)

Total Fund Amount: 10 billion yen

Fund Term: 10 years (planned)

Investment Targets: Startups across a wide range of industries and stages that contribute to the formation of an innovation ecosystem supporting urban evolution

General Partner (GP): Spiral Innovation Partners LLP

Limited Partner (LP): Mori Building Co., Ltd.

Key Features

Multifaceted Investment Strategy
Beyond mere growth, the focus is on Tokyo's global competitiveness, industrial resilience, and connectivity between Japan and the world.

Hills Complexes as Testing Grounds
Hills complexes are used as testing grounds where cutting-edge tech is integrated into urban life to enhance the overall value of Hills properties.

Japan's Premier Innovation Network
Startups are connected with a vast ecosystem of corporations, government and creators to provide not only capital but also partners, clients and visibility.

Global Gateway for Tokyo
The Japan Innovation Campus and CIC help Japanese startups go global, which in turn brings the world's best tech and business models back to Tokyo.

Intersecting Business, Technology and Culture
Unique creative hubs generate value that transcends industries, bringing business, technology and culture closer together.

4. Society (6) Diversity, Health Management

MORI BUILDING

Diversity

Initiatives to promote women's activities

- Female employees (full-time employees): 37.2%
- Female managers: 10.9%
- Female hires (new graduates and mid-career employees): 54.3%

Childcare support initiatives

- Paid maternity leave before and after childbirth, and childcare leave and childcare support system (grandchild leave).
- Employees taking childcare leave: 97.6% 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 2.43%)
- Promoting understanding of LGBTQ issues

*Figures are FY2025 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 Group 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 2026 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 marked the company's fifth consecutive year to be included in the White 500 group, recognizing its initiatives to address regional health challenges and its alignment with health-promotion efforts led by the Japan Health Council.

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.

4. Society (6) Diversity

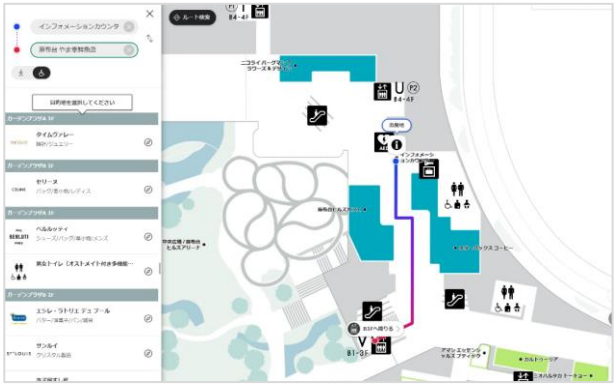
MORI BUILDING

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

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

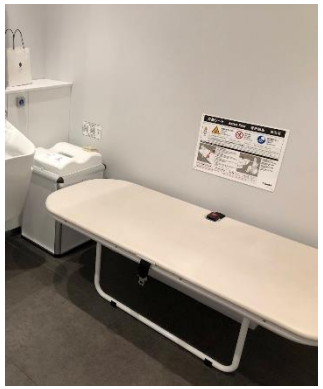
Nursing room marked as gender-neutral (Azabudai Hills)

Rental electric wheelchairs and baby carriages (Azabudai Hills)



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

Display to help understand functions



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

MORI BUILDING

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.

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

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

4. Society (8) Supply Chain Management

MORI BUILDING

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://files.microcms-assets.io/assets/3f2dbd9a710d4daaaa8451a27e512959/0f104049973c4adabfacbf22a6b6d037/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:
(implementation status over the past three years):

- Fiscal 2023: Surveyed 15 companies mainly responsible for building maintenance
- Fiscal 2024: Surveyed 27 general contractors and subcontractors
- Fiscal 2025: Surveyed 34 companies engaged in design and interior construction

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.

パートナーシップ構築宣言

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 March 31, 2026)

Board of Directors
Seven directors well-versed in the company's business were selected, regardless of gender, for their overall knowledge, experience and abilities.

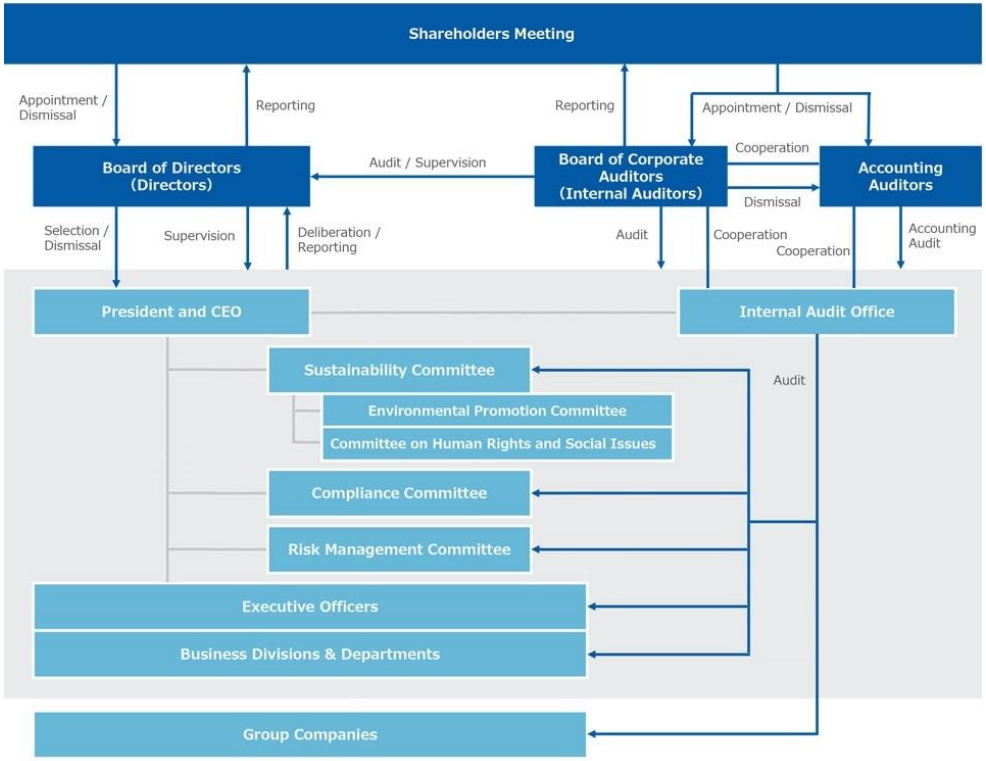
Board of Corporate Auditors
Two of the three members of the Board of Corporate Auditors are outside auditors, and the Board works to ensure transparency and objectivity in management.

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

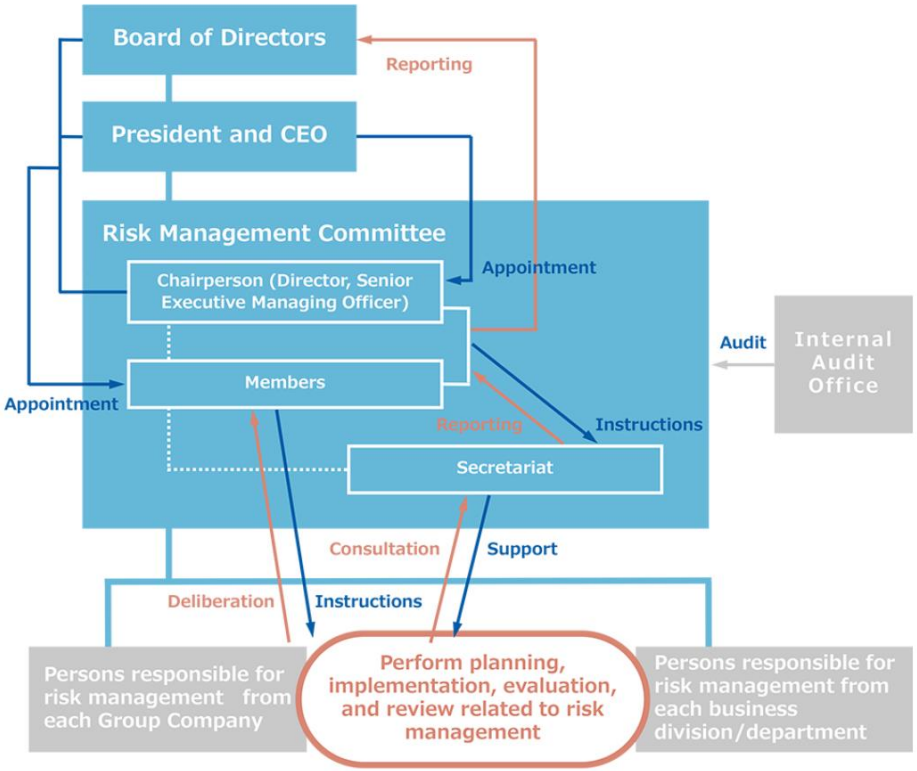
Compliance

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.



6. Sustainable Financing

MORI BUILDING

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

MORI BUILDING

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

MORI BUILDING

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

MORI BUILDING

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 April 2026.
- 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

Fiscal 2024 reporting on green bond issuances

Project Category	Property name	Certification acquisition	Rank	Energy consumption	Energy Savings	CO2 Emission	CO2 Emissions per Total Floor Area	Water Usage
Green Building	Azabudai Hills Mori JP Tower	CASBEE (New Construction)	S	63,372 MWh	174,284 (GJ/year)	155,465m³	0.0125 t-CO2/m²	96,586 m³
		CASBEE (Wellness Office)	S					
		WELL	Platinum					

* Energy savings are calculated using the estimated reduction amount from BEI calculations.

6. Sustainability-Linked Finance SPT Performance Data

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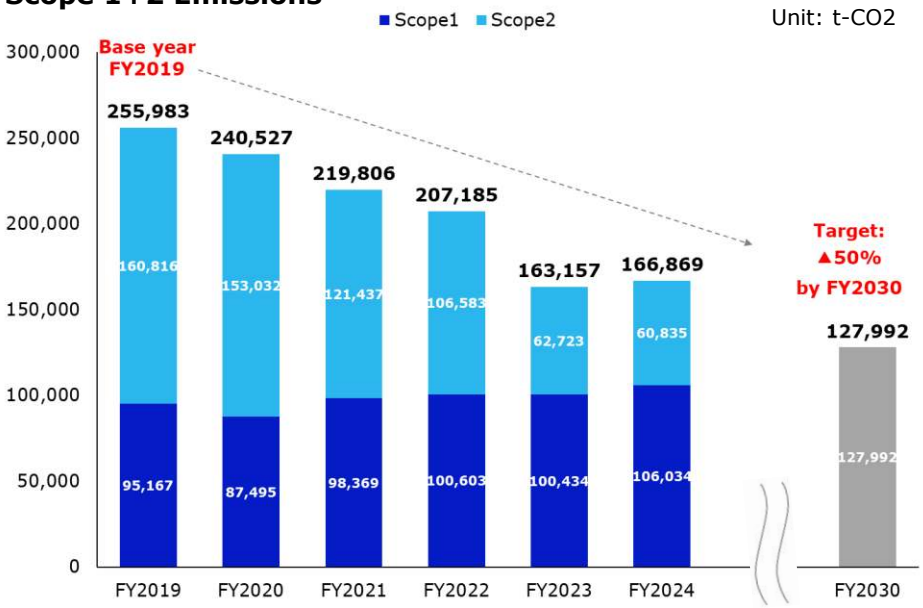
Sustainability-Linked Finance: SPT Performance Data

Greenhouse Gas Emissions (Scopes 1, 2 and 3)

Unit: t-CO2

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Scope1	95,167	87,495	98,369	100,603	100,434	106,034
Scope2	160,816	153,032	121,437	106,583	62,723	60,835
Scope1+2	255,983	240,527 ▲6.0%	219,806 ▲14.1%	207,185 ▲19.1%	163,157 ▲36.3%	166,869 ▲34.9%
Scope3	427,598	—	391,146 ▲8.5%	202,489 ▲52.6%	1,295,687 203.0%	356,100 ▲16.7%

Scope 1+2 Emissions



RE100 Progress

Scope	Target	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2030 Target
Electricity consumption (MWh)	100% by FY2030	391,259	371,537	378,781	339,311	385,681	420,426	—
Amount of renewable electricity (MWh)		5,049	7,497	9,114	61,486	232,829	281,422	—
Renewable energy consumption rate		1.3%	2.0%	2.4%	18.1%	60.4%	66.9%	100%

Changes in CDP Rating

Category	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Climate Change	B	-	-	A-	A	A

Greening-related Data (Green Coverage Ratio)

Indicator	Numerical target	Target year	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Overall green coverage ratio	Approx.38	2030	%	37.1	37.9	37.9	37.9	35.1
Total green coverage area	—	—	ha	9.5	10.0	10.0	10.0	12.3
Surveyed areas*	—	—	quantity	10	11	11	11	13

Properties covered through fiscal 2024 included 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. From fiscal 2025, Azabudai Hills and Toranomon Hills Station Tower were added.

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

MORI BUILDING

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.