



Sumitomo Realty's Green Power Plan Decarbonizing Office Electricity

A first in the industry to offer separate implementation plans to individual tenants!

Sumitomo Realty & Development Co., Ltd. (headquarters: Shinjuku-ku, Tokyo; President: Kojun Nishima) is pleased to announce that **it has established a system for offering optimal green power plans that meet the needs of each tenant company** in the office buildings it operates, **and began offering the Sumitomo Realty's Green Power Plan to over 1,000 of our tenants on Tuesday, November 16, 2021.**

To date, we have been developing properties that boast high environmental performance, actively promoting energy saving initiatives by leveraging the benefits of our direct in-house building management following construction completion, and achieving certification as an S-class business for energy saving initiatives for four consecutive years. In response to the need to step up decarbonization efforts in office buildings to achieve carbon neutrality by 2050, **we have prepared green power plans that can be introduced for each individual tenant rather than by building in order to meet the needs of each of our multiple tenant companies and proactively decarbonize their offices together.**

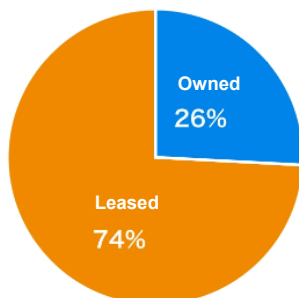
We will fully support ESG management of tenant companies by leveraging the experience we have gained from exploring and implementing methods for introducing green power, including the plan that we have developed together with several tenant companies under the Decarbonization Lead Project Agreement concluded with TEPCO Energy Partner, Inc.

The Leading Tenant Action Guidelines formulated by the Ministry of the Environment to promote the decarbonization of leased buildings, which is more difficult to achieve compared to that of company-owned buildings, also places energy saving in buildings and the use of renewable energy at the core of the guidelines. Through our initiative, which is in line with the guidelines, we will contribute to addressing the priority decarbonization issues set forth by the Japanese government.



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Ratio of owned/leased buildings for headquarters of listed companies located in Tokyo's 23 wards

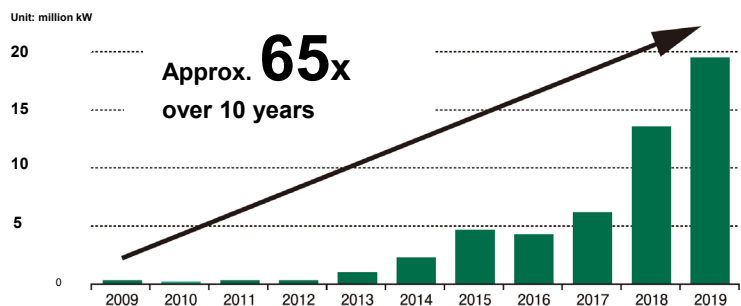


Source: Compiled based on the CBRE website
https://www.cbre-propertysearch.jp/article/office_buy_or_rent-vol1/

Note: Data as of September 2013, covering 1,720 listed companies in Tokyo's 23 wards

Annual natural energy power contracted by companies

Source: Bloomberg NEF



Leading Tenant Action Guidelines

The Leading Tenant Action Guidelines are a program launched by the Ministry of the Environment in October 2021 to promote the decarbonization of leased buildings, etc. The aim of the program is to promote the decarbonization of leased buildings, etc. by soliciting and publicizing companies and local governments that support the guidelines summarizing the decarbonization efforts of tenant companies, and conveying the needs of tenant companies to building owners.

Leading Tenant Action Guidelines Website: : <http://www.env.go.jp/earth/zeb/tenant/index.html>

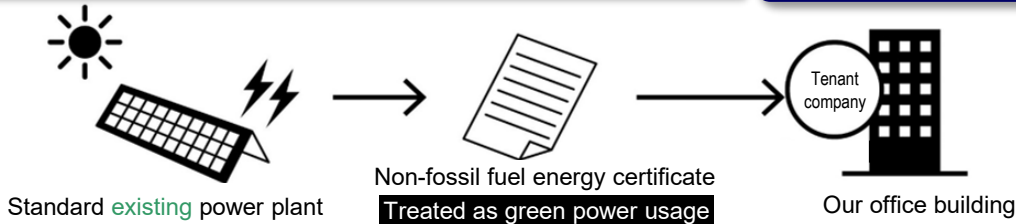
Sumitomo Realty's Green Power Plan is unique in that it goes beyond the conventional effectively green power scheme involving non-fossil fuel energy certificates, addressing the diversifying decarbonization needs of tenant companies by enabling them to select the most appropriate green power plan from among several methods we have developed together with tenant companies and TEPCO EP. These methods include utilizing effectively green power generated at power plants owned by tenant companies and raw green power with additionality from newly built renewable power plants.



3 Plans and Their Advantages

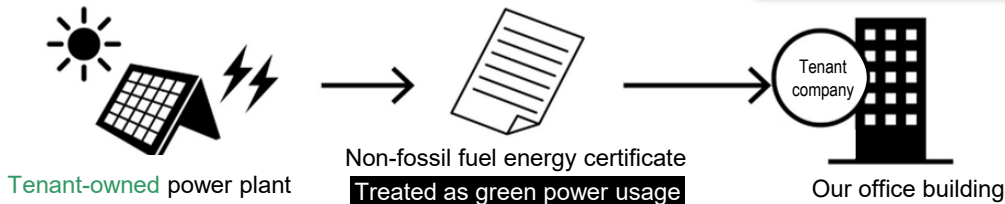
Plan 1 Non-fossil fuel energy certificate

POINT : Achieve decarbonization with no hassle



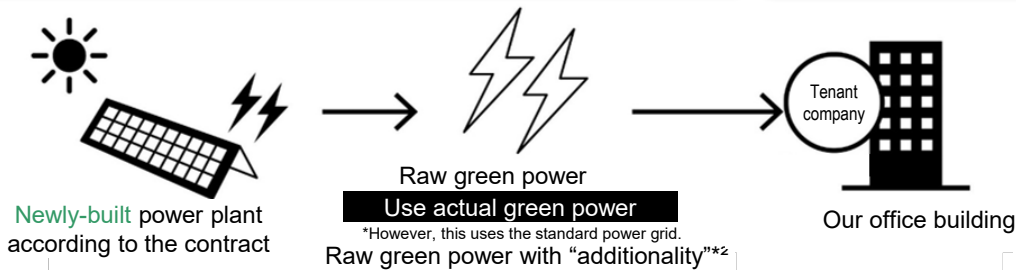
Plan 2 Green power from a tenant-owned power plant

POINT : Use self-generated power



Plan 3 Raw green power*1 from newly-built power plant

POINT : Advanced decarbonization on par with Europe and the US



*1. Raw green power refers to green power considered as being directly supplied from the power plant via general-use power grids; the generation and consumption of raw green power are matched in 30-minute units.

*2. Green power with additionality refers to green power obtained by developing new renewable power sources such as new solar power plants, and therefore directly contributing to raising Japan's total renewable power generation capacity. In recent years, additionality has been considered a requirement for high-value renewable electricity and used by environmentally advanced companies in Europe and the US as a standard for selecting green power.

*There are some limitations to companies that can introduce the plans.

【Contribution to SDGs】

The initiatives related to this release contribute to the following SDGs' objectives:

Goal 7 AFFORDABLE AND CLEAN ENERGY

Goal 13 CLIMATE ACTION

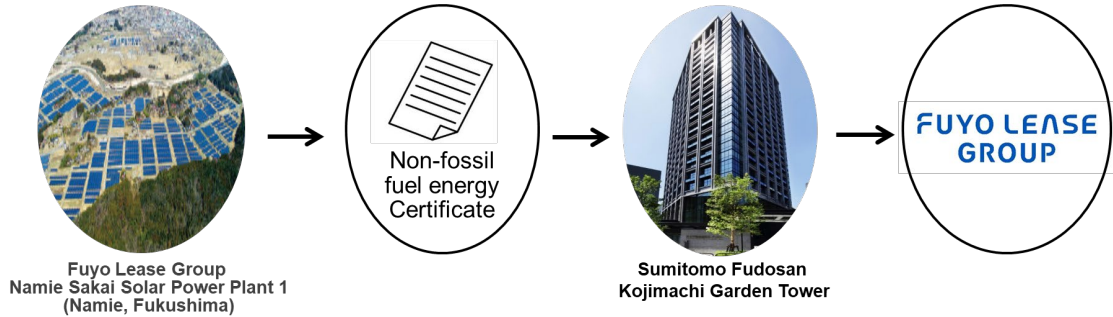
Goal 17 PARTNERSHIPS FOR THE GOALS

SUSTAINABLE DEVELOPMENT GOALS



Fuyo General Lease Co., Ltd. Plan 2 Green power from a tenant-owned power plant

First in Japan: Introduced effectively green power in April 2021 to power leased office space utilizing company-owned solar power plant



Background: Utilizing a company-owned power plant and also contributing greatly to the local community through decarbonization

The Fuyo General Lease Group developed and operates a solar power plant in Namie Town in Fukushima Prefecture, collaborating with the town, which declared itself a zero-carbon city last year. As utilizing the environmental value from the power plant, which is a symbol of recovery following the Great East Japan Earthquake 10 years ago, is expected to boost visibility of the local government and further contribute to the local community by attracting renewable and new energy businesses, the group requested to decarbonize the power consumed at the office areas of the group headquarters by using certificates from the power plant, which led to the conclusion of the first effectively green power introduction scheme in Japan.

The Fuyo General Lease Group had previously declared its commitment to RE100, aiming for 100% renewable energy by 2050 and 50% renewable energy by 2030, but with the establishment of this scheme, the group has set a new goal of achieving 100% renewable energy ahead of schedule by 2030, as well as achieving carbon neutrality at the same time.

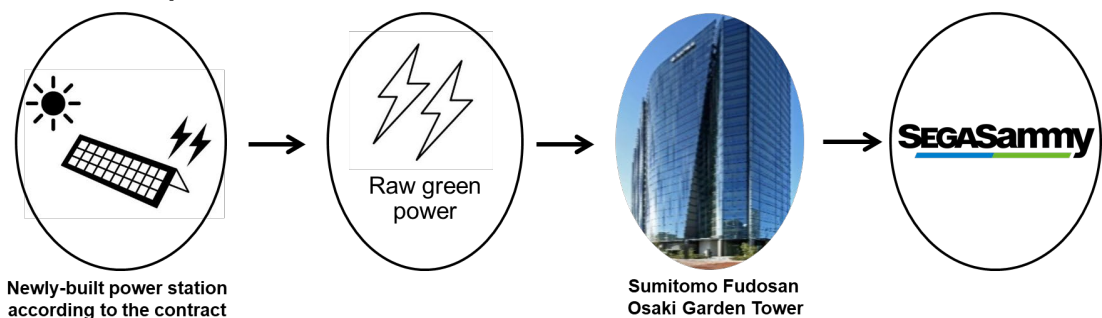
(News Release) Facilitating the Use of RE100 Compliant Electricity in a Tenant's Office Space

The first initiative in Japan to install substantial renewable energy in a leased space occupying only part of an office building, using the tenant's own solar power plant in Namie town in Fukushima, recovering from the Great East Japan Earthquake

https://english.sumitomo-rd.co.jp/sites/default/files/2021-11/20210309_EN_release_facilitating_RE100_use.pdf

SEGA SAMMY HOLDINGS INC. Plan 3 Raw green power*1 from newly-built power plant

First in Japan: Resolved to introduce raw green power with additionality to leased office space in October 2021



Background: Achieving advanced decarbonization that directly contributes to expanding Japan's renewable power supply

The SEGA SAMMY Group aims for sustainable management centered on the keywords of Environment, Empathy, Edge and Economics, and has achieved substantial energy savings in the past.

In office buildings with multiple tenants, introducing effectively green power using non-fossil fuel energy certificates is common, and it was generally considered difficult to achieve advanced decarbonization involving the construction of new power plants that directly contribute to expanding Japan's renewable power supply. However, as a leading environmentally-conscious company, the SEGA SAMMY Group requested to introduce raw green power with additionality to the office areas of the group headquarters to further protect the environment and reduce CO₂ emissions, which resulted in the first green power introduction scheme in Japan.

(News Release) Decarbonizing the SEGA SAMMY Group Headquarters with Raw green power from Newly Established Power Plants-First in Japan to adopt the "Sunlight Premium" plan for environmentally advanced companies

https://english.sumitomo-rd.co.jp/sites/default/files/2022-02/20211020_EN_release_Sunlight_Premium.pdf