



**SuMi TRUST**  
SUMITOMO MITSUI TRUST HOLDINGS

CSR REPORT **2013**

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Environmentally  
Friendly Property



# Sumitomo Mitsui Trust Group's Eco-Trustution

The Group has coined the word "Eco-Trustution" to represent its environmental financial business based on the concept of providing solutions to ecological issues through the use of our trust function. We will continue to develop and provide solution-based financial instruments and services.

## Solutions that use the unique functions of a trust bank

### Editorial policy

The CSR Report 2013 consists of a full report, a digest report, and four feature booklets on *Climate Change*, *Natural Capital*, *Responsible Investment*, and *Environmentally Friendly Property*. Through fiscal year 2012 (ended March 2013), we only published a full CSR report annually, but to enable readers to obtain a deeper understanding of our Group's proactive initiatives we have decided to publish a digest version of our CSR report along with feature booklets from this fiscal year. You can visit our website to view our other CSR initiatives: <http://www.smtb.jp/csr/>

\* This booklet introduces various initiatives and activities by our Group, led by Sumitomo Mitsui Trust Bank.



# What is Environmentally Friendly Property?

- Environmental consideration has become necessary in real estate to realize a sustainable society. Sustainable properties with high environmental value that are developed and built based on this precept are called environmentally friendly property.
- Environmentally friendly property addresses issues such as climate change and loss of biodiversity by taking the environment into account through energy-saving design, renewable energy use, water resources protection, longer building life spans, recyclable material use, habitat conservation and creation, and indoor environment improvements. These features translate into enhanced environmental performance such as reduced energy consumption, lower CO<sub>2</sub> emissions, and less water usage as well as greater adoption of renewable energy and recycled materials, restoration of biodiversity, and other areas of progress.
- In the Group's view, these initiatives not only yield the direct benefits of energy savings and lower maintenance costs, but also help attract corporate tenants that are keenly aware of environmental issues and put a high value on improving intellectual productivity. We thus believe this approach leads to highly profitable and stable businesses that make effective use of real estate.

# CONTENTS

P4 | Environmentally Friendly Property  
—Why Now?

P20 | Leading Company in Japan's  
Environmentally Friendly Property Market

P6

Added Value of  
Environmentally Friendly Property

P8

Our Environmentally  
Friendly Property Initiatives

P10

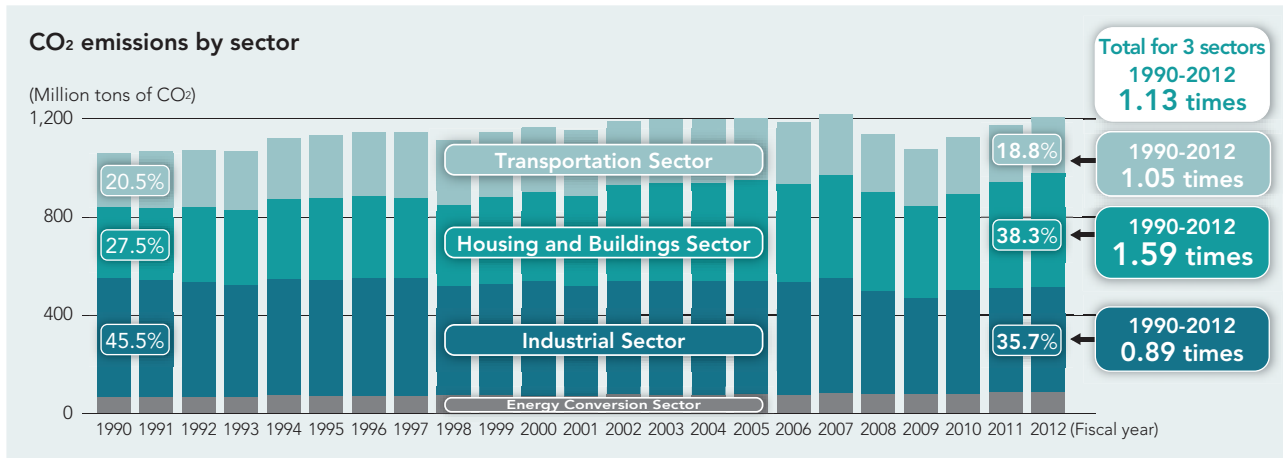
Our Business Lineup in  
Environmentally Friendly Property

# Environmentally Friendly Property—Why Now?



- In Japan, a bit more than one-third of carbon dioxide emissions, a cause of global warming, are from structures such as homes and offices, making CO<sub>2</sub> reduction a pressing challenge. In terms of waste materials, it is commonly noted the shorter life span of buildings in Japan lead to the use and disposal of a large volume of construction materials. Buildings in Japan are used for 30-40 years on average, compared to 50-100 years in Western countries.

While using buildings for living and working enable us to live comfortable lives, the real estate market at present does not give sufficient consideration to global environmental problems. To ensure future generations inherit a world where the climate, habitats and the level of prosperity are like today's, it is important to foster the spread of environmentally friendly property that minimizes the environmental burden while preserving building quality.



Source: Prepared based on data from "Energy-oriented CO<sub>2</sub> Emissions (FY2012 preliminary report)," Ministry of Economy, Trade and Industry  
 Note: The sector emission ratios are against the total emission volumes, including the energy conversion sector.

# Added Value of Environmentally Friendly Property

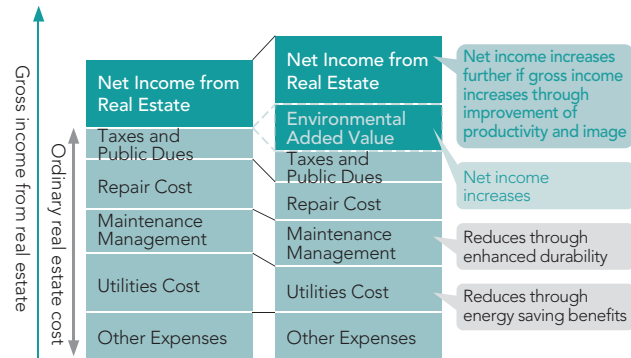
- It is often said environmental friendly property “costs more than usual and is difficult to invest in,” but price theory in real estate investment suggests such buildings are able to generate added value equal to or greater than their additional cost.
- From the perspective of profitability (how much and how long do properties generate steady profits), a property’s price derives from net income (revenue minus costs) divided by the real estate capitalization rate. The greater gross income including rents is, and the lower the costs of utilities, maintenance, and building management are, the higher net income is, and so the higher the price valuation of a property. In addition, stable properties with less income fluctuation risk are awarded higher valuations as investors require a lower yield from them.
- Environmentally friendly property can earn higher net income by reducing utility expenses via energy savings and maintenance and operating expenses via the enhanced durability of parts and materials. Furthermore, such buildings can also generate higher gross income on higher rents stemming from higher productivity enabled by their enhanced office environments and the cachet boost from their environmental credentials.
- Furthermore, environmentally friendly property is less exposed to future environment-related tax hikes or tougher regulations, so the capitalization rate for such buildings factors in less environmental risk. A lower depreciation rate resulting from a longer life span as well as enhanced appeal as environmentally friendly can also lower the capitalization rate.
- For the reasons above, Sumitomo Mitsui Trust Holdings believes that environmentally friendly property will realize added value.



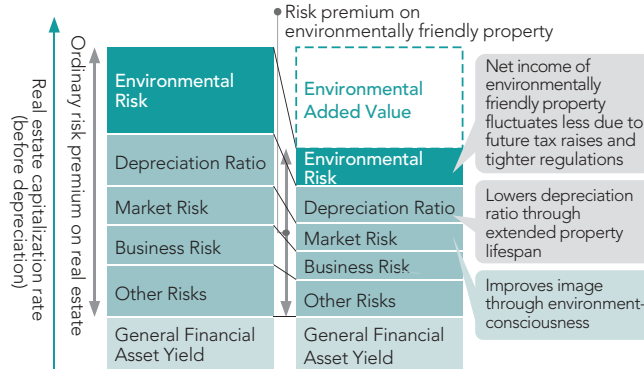
### Conceptual diagram of environmental added value (1) Prices focused on the “profitability” of real estate



### Conceptual diagram of environmental added value (2) Reflection in net income



### Conceptual diagram of environmental added value (3) Reflection in capitalization rate



Source: Partial revision of the “A Note on Environmental Value Added for Real Estate,” a commemorative paper written by Masato Ito in 2005 for the 10th anniversary of Tokyo Association of Real Estate Appraisers

## Our Environmentally Friendly Property Initiatives

- Sumitomo Mitsui Trust Bank has made many recommendations related to environmentally friendly property since the 2005 release of a paper about the added value created by such buildings.
- In terms of services, we use the unique characteristics of a trust bank to offer a diverse lineup of business services related to environmentally friendly property, including consulting services on environmentally friendly construction. We established the first section dedicated to environmentally friendly property among financial institutions in Japan in 2010.
- “What kind of real estate is environmentally friendly?” “Does environmentally friendly property have value as an investment?” By providing carefully thought-out responses to such questions, we believe Sumitomo Mitsui Trust Bank has been the leading company in Japan’s environmentally friendly property market.

We are working to realize a sustainable society by bringing environmentally friendly property into the mainstream and linking this with business sustainability. We consider these aims a part of our mission and will continue our endeavors to expand the market for environmentally friendly property.

## Balancing Environmental Friendliness and Economic Performance

I believe that real estate has a significant role to play in resolving global environmental problems and creating a pathway to a sustainable society. Initiatives concerning environmental friendliness in real estate should be based on the concept of investment, i.e., “aiming to increase property asset values by raising profits and enhancing stability,” rather than on the idea of “doing something good for the environment, even if it means spending a little extra money.” Since publishing a paper on the added value of environmentally friendly property in 2005, I have discussed these ideas with various stakeholders both in Japan and overseas. In the course of those talks, I was convinced that bringing environmentally friendly property into broad use while balancing such considerations with economic performance is not only entirely possible but indispensable for the future of real estate-related businesses. Sumitomo Mitsui Trust Bank launched a section dedicated to environmentally friendly property in 2010, and we will continue to strive to promote the spread of environmentally friendly property from a business angle.



Sumitomo Mitsui Trust Bank  
Real Estate Advisory Department  
Deputy General Manager, Appraisal and CSR  
Head of the Environmentally Friendly  
Property Promotion Team

**Masato Ito**

# Our Business Lineup in Environmentally Friendly Property

## Our Business Lineup in Environmentally Friendly Property

### 1 Environmentally Friendly Construction Consulting

- To promote the introduction of environmentally friendly property, Sumitomo Mitsui Trust Bank provides environmentally friendly construction consulting services where we advise on the installation of energy-saving systems into buildings, ways to take into account landscapes and ecosystems, extension of building life spans, and adoption of recycling systems.
- As interest in environmental issues has grown, so has the number of properties applying for CASBEE®\* certification or voluntary evaluation in the past several years. In fiscal year 2009, the new central branch of The Yachiyo Bank, Limited (Shinjuku-ku, Tokyo) and the new head office building of Toyo Seikan Group Holdings, Ltd. (Shinagawa-ku, Tokyo), both of which achieved the highest classification CASBEE S rank, were properties for which we were consultants. These buildings were also selected by the Ministry of Land, Infrastructure, Transport, and Tourism (MLIT) as model projects for promoting CO<sub>2</sub> reduction in housing and buildings (this is now known as the “leading projects for promoting CO<sub>2</sub> reduction” program for housing and buildings).

\* The comprehensive assessment system for built environment efficiency (CASBEE) certification is an environmental performance evaluation system for buildings being developed and promoted in Japan under the guidance of MLIT.

#### Examples: Environmentally friendly construction consulting

| Company Name               | Location            | Use                                     | Number of Floors   | Floor Area                     | Target Rank                  |
|----------------------------|---------------------|---|--|--------------------------------|------------------------------|
| Clarion                    | Saitama Prefecture  | Headquarters office and research center | 10 floors above ground, 1 rooftop floor                    | Approx. 19,000 m <sup>2</sup>  | A (certification completed)  |
| Yachiyo Bank               | Tokyo               | Central branch*                         | 9 floors above ground                                      | Approx. 7,700 m <sup>2</sup>   | S (certification completed)  |
| Chuo Labour Bank           | Tokyo               | Central branch                          | 1 basement floor, 9 floors above ground, 2 rooftop floors  | Approx. 6,000 m <sup>2</sup>   | A (voluntary evaluation)     |
|                            | Kanagawa Prefecture | Office                                  | 1 basement floor, 7 floors above ground, 1 rooftop floor   | Approx. 10,000 m <sup>2</sup>  | B+ (application)             |
| AEON MALL                  | Tokyo               | Commercial facility                     | 5 floors above ground                                      | Approx. 150,000 m <sup>2</sup> | A (certification completed)  |
| FUJI                       | Ehime Prefecture    | Commercial facility                     | 3 floors above ground                                      | Approx. 140,000 m <sup>2</sup> | B+ (certification completed) |
| Ito-Yokado                 | Yokohama City       | Commercial facility                     | 4 floors above ground                                      | Approx. 29,000 m <sup>2</sup>  | B+ (application)             |
| Toyo Seikan Group Holdings | Tokyo               | Office*                                 | 2 basement floors, 21 floors above ground, 1 rooftop floor | Approx. 72,400 m <sup>2</sup>  | S (certification completed)  |

\*Selected for subsidies under the MLIT-led “leading projects for promoting CO<sub>2</sub> reduction” program for housing and buildings

## Case Study A

# Osaki Forest Building, Toyo Seikan Group Holdings

We were commissioned as a consultant to meet the client's needs for cost fairness and transparency on a high-rise building project for which a construction company had already been named the project contractor.

We conducted an accurate cost assessment based on actual market prices and offered advice on balancing function, design, maintenance, and operation. On environmental matters, we provided technical support to realize energy savings and CO<sub>2</sub> reductions along with assisting in the creation of a tenant cooperation system. We also advised the client on growing plants on the building's exterior in a way that pays heed to biodiversity. The building received a JHEP habitat certification from the Ecosystem Conservation Society—Japan. (selected for subsidies under the MLIT-led "leading projects for promoting CO<sub>2</sub> reduction" program for housing and buildings; CASBEE®: S Rank)



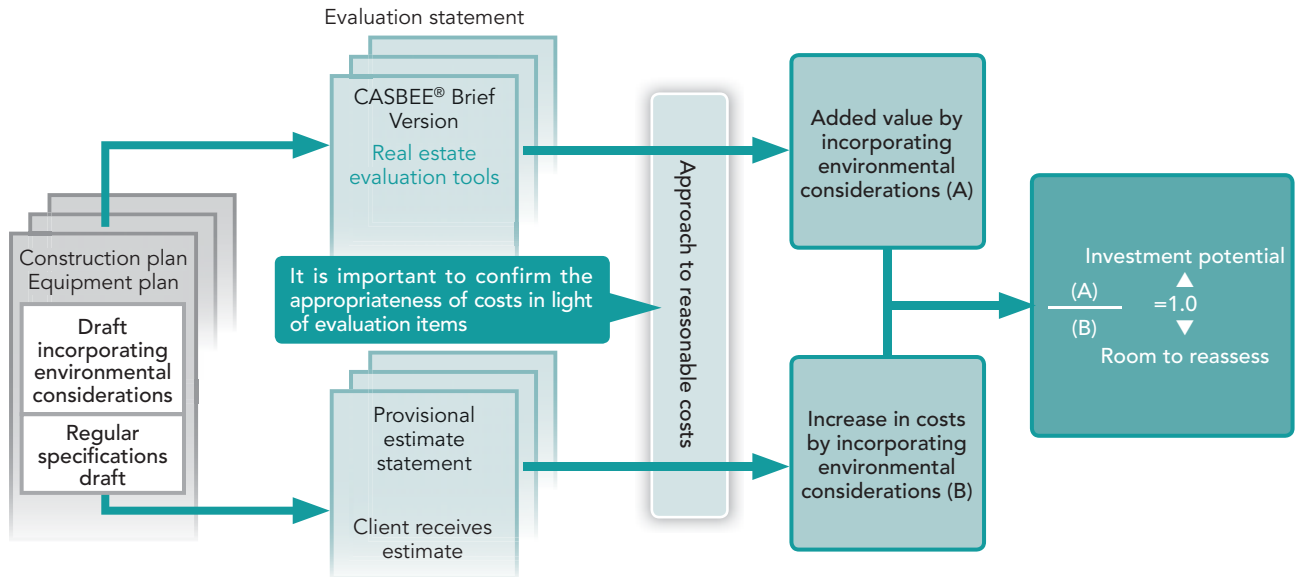
Building area: Approx. 3,400 m<sup>2</sup>  
Total area: Approx. 72,000 m<sup>2</sup>  
Steel construction and steel-frame reinforced concrete structure,  
21 floors above ground, 2 basement floors, 1 rooftop floor  
Completed in December 2011

## Our Business Lineup in Environmentally Friendly Property

# 2 Consulting on Environmental Added Value

- We estimate how much higher environmental performance through construction or renovation can raise property prices as a form of “environmental added value” and offer advice on environmentally friendly design.
- We assess qualitative items (image enhancement, risk reduction, etc.) that are not evaluated in the real estate market at present and offer advice, with an eye on future increases in corporate value.

### Example: Investment decision method



## Initiatives related to “CASBEE for Market Promotion”

- CASBEE for Market Promotion is a system developed for the purpose of promoting widespread use of environmental building performance evaluations in the real estate market. While maintaining consistency with the CASBEE® Standard Version, CASBEE for Market Promotion sharply narrows down evaluation items and takes into account consistency with environmental performance items that are focused on overseas.
- Sumitomo Mitsui Trust Bank is a participant in developing CASBEE for Market Promotion as an organizer of a CASBEE subcommittee. We will continue to provide services using this system in our environmentally friendly property business, including consulting on environmental added value.



### Evaluation items in CASBEE for Market Promotion

|                                   |   |
|-----------------------------------|---|
| Energy/<br>Greenhouse gases       | <u>Target setting and monitoring/energy saving standards</u> , usage and emissions intensity (calculated values), <b>usage and emissions intensity (actual values)</b> , renewable energy   |
| Water                             | <u>Target setting and monitoring</u> , water usage intensity (calculated values), <b>water usage intensity (actual values)</b>  |
| Use of resources/<br>Safety       | <u>Disaster prevention and safety (new earthquake resistance, etc.)</u> , high earthquake resistance/seismic isolation and vibration damping, etc., <b>usage of recycled materials</b> , service life of structure materials, necessary renewal interval for main equipment functions, higher self-sufficiency ratio (electricity, etc.), maintenance and operation |
| Biodiversity/<br>Sustainable site | <u>No use of invasive alien species</u> , <b>enhancement of biodiversity</b> , soil environment quality/regeneration of brown fields, public transportation access, measures in preparation for natural disaster risks  |
| Indoor environment                | <u>Attainment of building sanitation management standards</u> , use of daylight, natural ventilation function, view   |

\* 1 Underlined items are prerequisites (they must be met to pass an evaluation).

\* 2 Items in red are related to universal metrics recommended by the United Nations Environment Programme (UNEP).

**Our Business Lineup in Environmentally Friendly Property**

# 3 Assistance to Help Subsidy Applicants Qualify

## What is the “Leading Projects for Promoting CO<sub>2</sub> Reduction” Program?

- Leading projects (construction and renovation projects) that show outstanding initiative in CO<sub>2</sub> reduction can apply to a MLIT-led public subsidy program.
- The program grants subsidies up to one half of the budget for construction and other costs of pioneering initiatives. The average per-project subsidy (budget) has trended for a while in the range of 200 million yen.
- Recipient projects are announced by MLIT and published on the Building Research Institute website. Recipients can present their projects at the time of selection and completion.

**“Leading projects for promoting CO<sub>2</sub> reduction” program for housing and buildings:  
Number of applications, recipients, and budget amounts**

| Fiscal year | Applications       | Recipients         | Budget   |
|-------------|--------------------|--------------------|--|
|             | Number of projects | Number of projects |  |
| 2008        | 155                | 20                 | 5 billion yen  |
| 2009        | 84                 | 33                 | 7 billion yen  |
| 2010        | 91                 | 27                 | Included in 33 billion yen for projects promoting the environment and use of stock real estate |
| 2011*       | 74                 | 24                 | Included in 16 billion yen for projects promoting the environment and use of stock real estate |
| 2012        | 92                 | 25                 | Included in 17 billion yen for projects promoting the environment and use of stock real estate |

\*Figures for fiscal year 2011 exclude the third round, a section for specified disaster-afflicted zones. (Source: MLIT)



## Our Initiatives Involving the “Leading Projects for Promoting CO<sub>2</sub> Reduction” Program

- As part of our environmentally friendly construction consulting, we offer support for projects that seek to qualify for subsidies.
  - We also provide specialized consulting services to assist in applying for subsidies under the MLIT-led “leading projects for promoting CO<sub>2</sub> reduction” program for housing and buildings, offering assistance not only in material matters, but also in consulting based on our extensive experience and expertise in building management and the like.
- \*Our consulting service does not guarantee applicants will be granted subsidies under the “leading projects for promoting CO<sub>2</sub> reduction” program.

### Case Study B

## Yachiyo Bank, Central Branch

In its project to rebuild its central branch, Yachiyo Bank sought to heighten its crisis management capabilities by bolstering earthquake resistance as part of its business continuity plan (BCP). At the same time, it wanted the plan to reflect its desire to contribute to the local community and protect the environment. Managing such a project systematically requires extensive knowledge and a high level of expertise, so it turned to our consulting service.

Taking into account the client’s aspirations, we suggested it emphasize fairness and cost effectiveness by choosing a designer using an open proposal process.

In environmental terms, the building has been highly praised for its CO<sub>2</sub> reduction technologies, including improved insulation and natural energy usage, as well as for its scheme for realizing an environmental communication cycle that use its strengths as a regional bank. (Selected for subsidies by MLIT as a model project for promoting CO<sub>2</sub> reduction in housing and buildings (this is now known as the “leading projects for promoting CO<sub>2</sub> reduction” program for housing and buildings); CASBEE®: S Rank Certification)



## Our Business Lineup in Environmentally Friendly Property

# 4 Consulting on Smart City Projects

### 1 What is a Smart Community?

- A smart community is a regional arrangement of next-generation energy and social systems that combine in multiple ways concepts such as the “coordinated use” of energy, which means effectively using not only electricity but also heat and untapped energy, as well as transformation of regional transport systems and people’s lifestyles (from the website of the Ministry of Economy, Trade and Industry).
- To build sustainable cities in the future, what is important from a regional development viewpoint is creating smart towns and smart cities with smart community systems.
- To create smart towns and smart cities, environmental and social targets should be clearly set from the basic planning stage. Furthermore, it will be necessary to generate economic added value in response to higher costs.

### 2 Our Initiatives for Smart Communities

- For smart community projects, Sumitomo Mitsui Trust Bank assists in creating a framework linking environmental and various other initiatives to economic added value and drawing up project plans. In addition, we help the projects succeed through our financial functions such as leases and housing loans.

## Case Study C

### Fujisawa Sustainable Smart Town

- The “Fujisawa Sustainable Smart Town” is a project currently being carried out by Panasonic Corporation at the former site of Panasonic’s Fujisawa factory.
- Panasonic Corporation, Fujisawa City, and eleven partner companies, including Sumitomo Mitsui Trust Bank, are on track to launch the smart town with an opening date set for spring 2014.
- We are participating in the project in various capacities. We are designing the smart town evaluation indicators (environmentally friendly property values), investigating eco-point and town card mechanisms, advancing project-specific product plans for environmentally friendly housing loans, and providing leasing and financing schemes.
- This project is also praised for its community-wide comprehensive CO<sub>2</sub> reduction efforts together with town management. It was selected for subsidies under the MLIT-led “leading projects for promoting CO<sub>2</sub> reduction” program for housing and buildings.

#### Outline of the Fujisawa Sustainable Smart Town evaluation indicators (environmentally friendly property value)



## Our Business Lineup in Environmentally Friendly Property

# 5 Supporting Formation of Environmentally Friendly Property Funds

- On October 1, 2013, Sumitomo Mitsui Trust Bank joined with MLIT and the Real Estate Sustainability & Energy-Efficiency Diffusion (Re-Seed) Association to conclude a “partnership agreement on the amended Real Estate Specified Joint Enterprise Act and program to promote the formation of environmentally friendly, earthquake resistant property.” Under this agreement, we work together with MLIT and Re-Seed to foster use of the program to promote the formation of environmentally friendly, earthquake resistant property and the amended Real Estate Specified Joint Enterprise Act. We cooperate on matters such as providing information to each other, introducing cases that could benefit from use of the program, and presenting investment opportunities to fund managers.
- With our extensive knowledge of real estate services and wealth of experience in environmentally friendly property, we use information supplied by MLIT and Re-Seed to disseminate relevant information to our clients and other stakeholders. We likewise study the commercial potential of each case referred to us based on the information we receive, harnessing the Group’s comprehensive capabilities in areas such as equity arrangements, financing, fund management, asset management, effective-use consulting, and construction consulting as well as serving as a broker for rentals, purchases, and sales.

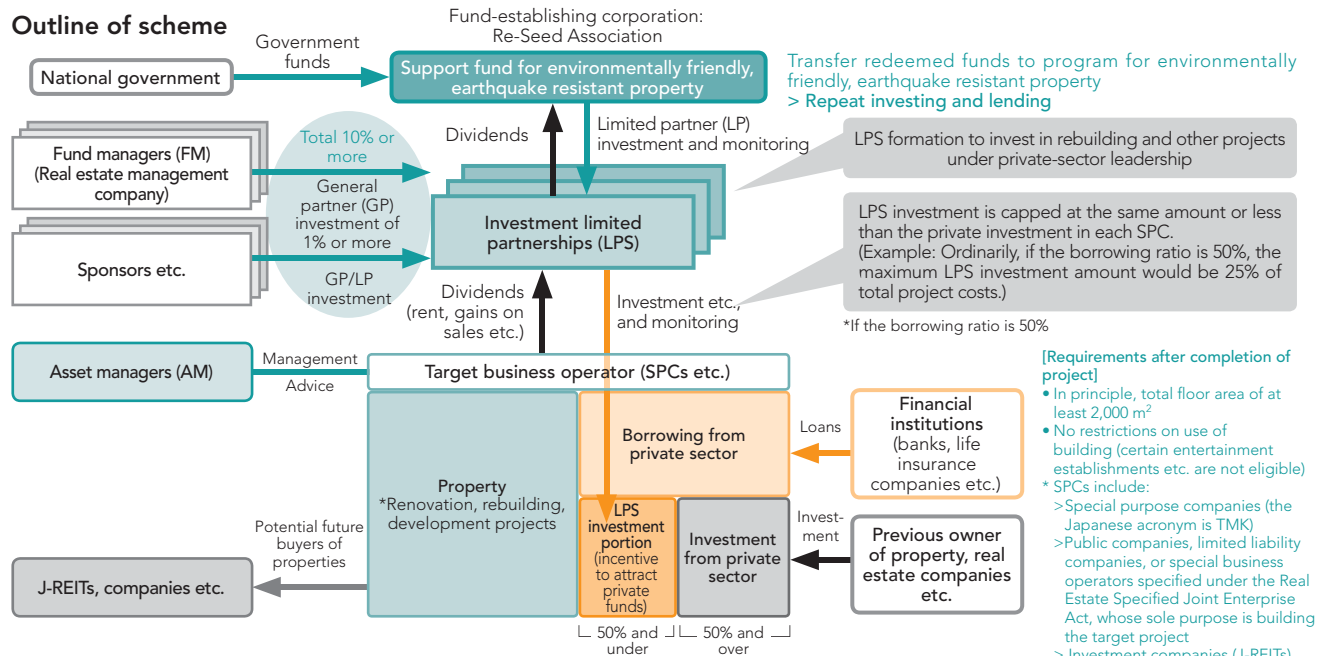
### Sumitomo Mitsui Trust Bank’s menu of services provided

| Services Provided                                       | Business Department   | Description/Strengths   |
|---|---|---|
| Financing arrangements                                  | Real Estate Finance Department                                    | Mezzanine arrangements and supplying financing  |
| Equity arrangements                                     | Real Estate Business Department I                                 | Attracting investors seeking medium- to long-term stable returns in line with the fund concept  |
| Trusts under management                                 | Real Estate Custody Business Department                           | Verifying eligibility in the event of liquidation, handling due diligence   |
| Brokering sales or purchases of real estate             | Real Estate Business Departments                                  | Exit support through disposal activities taking advantage of our wide-ranging channels in Japan and abroad  |
| Fund management/asset management services               | Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd. | Scheme formation capabilities, smooth debt-equity procurement, and arrangements based on our track record and credibility in FM (AM) as a financial institution   |
| Tenant leasing  | Real Estate Business Solution Departments                         | (1) Securing places to relocate existing tenants; (2) Attracting competitive new tenants after rebuilding or development  |
| Construction consulting                                 | Real Estate Advisory Department                                   | Total support, from drawing up plans to verifying business feasibility and management of cost scheduling etc., based on our neutrality as a financial institution   |
| Businesses related to environmentally friendly property | Real Estate Advisory Department                                   | (1) Business plan proposals in sync with government-promoted concepts by formulating environmentally friendly renovation and development plans using CASBEE® etc.<br>(2) Support for fund formation using a global network of real estate investors through the United Nations Environment Programme Finance Initiative Property Working Group (UNEP FI PWG) etc. |

## Structure of Program to Promote Environmentally Friendly, Earthquake Resistant Property

Under this program targeting aging, unused or underused real estate, the government supplies risk money as an incentive to attract private investors and bring in private capital and expertise to foster the renovation, rebuilding, and development of high-quality real estate with earthquake resistance and sufficient environmental performance. The program thus advances town-building activities that contribute to local renewal and revitalization as well as measures to mitigate global warming.

### Outline of scheme



Source: Outline of the program to promote the formation of environmentally friendly, earthquake resistant property (Re-Seed Association)

# Leading Company in Japan's Environmentally Friendly Property Market

As a leading company in environmentally friendly property, Sumitomo Mitsui Trust Bank has been making various recommendations aimed at developing the market. We are playing a driving role in further spreading environmentally friendly property in Japan, while we actively participate in a range of study groups, committees, and forums in Japan and overseas.

## Main activities of Sumitomo Mitsui Trust Bank

### Start

- **Oct. 2005** Awarded grand prize for essay marking the 10th anniversary of the Tokyo Association of Real Estate Appraisers entitled "A Note on Environmental Value Added for Real Estate." Proposed ideas to ensure environmental efforts are reflected in real estate value

### Organizing Study Groups

- **From Mar. 2007** Organized Sustainable Real Estate Study Group
  - **Jun. 2009** Published "Sustainable Properties—Prediction from Multi-Stakeholders' Activities"
- **From May 2013** Organized Smart City Study Group

### Initiatives Regarding the United Nations Environment Programme (UNEP)

- **From Jun. 2007** Member of UNEP FI Property Working Group Raised awareness for responsible property investment (RPI) and published a collection of case studies and a handbook

### CASBEE-related Initiatives

- **From Jul. 2007** Subcommittee for CASBEE and Property Appraisal (current organizer)
  - **Feb. 2010** Released "CASBEE Property Appraisal Manual"
  - **May 2012** Released "CASBEE for Market Promotion (2012 edition)"
  - **Jul. 2013** First announcement of CASBEE MP Certified Properties

### Initiatives in Real Estate Appraisal and Evaluation

- **From Oct. 2007** Chair, Working Group on Environmental Added Value, Japan Association of Real Estate Appraisers
- May 2009 Published "Prices for Environmentally Considered Properties to Climb" (JUTAKU-SHIMPO-SHA)
- Aug. 2011 Released results of study "Toward an Era When Environmental Performance Is Reflected in Real Estate Valuation"

### Initiatives with National and Regional Governments

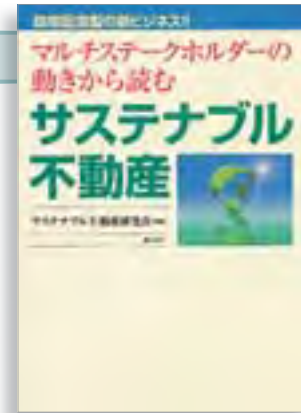
- **From Nov. 2008** Member of and advisor to MLIT-led workshop on the status of the property market with emphasis on environmental values  
Served as a coordinator at the 16th and 17th Annual International Land Policy Forum "Sustainable Real Estate Investment"
- **From Nov. 2011** Member of MLIT-sponsored "Environmentally Friendly Property Panel"
- Apr. 2012 "Recommendations by Environmentally Friendly Property Panel" released by the same panel

- **From Feb. 2012** Member of study group on environmental investment in low carbon buildings at Tokyo Bureau of Environment
- Apr. 2012 "Toward the Spread of Low Carbon Buildings via the Real Estate Market" released by the same study group
- **From Apr. 2012** Member of expert evaluation committee for the MLIT-led "leading projects for promoting CO<sub>2</sub> reduction" program for housing and buildings\*  
Valued leading buildings for CO<sub>2</sub> reduction from an economic perspective
- **From Apr. 2012** Member of MLIT-sponsored study committee on promotion and spread of environmentally friendly property  
Worked on topics such as visualization and distribution of information as chair of Working Group A

\*We are not involved in reviewing projects in cases where we advise them regarding the MLIT-led "leading projects for promoting CO<sub>2</sub> reduction" program for housing and buildings (see page 15).

## Sustainable Real Estate Study Group

Since 2007, the Group has run the Sustainable Real Estate Study Group, chaired by Professor Tomonari Yashiro (Institute of Industrial Science, University of Tokyo). Subsidized by the Trust Sixty Foundation, the study group brings together stakeholders from multiple fields across industry, government, and academia to elucidate mechanisms that factor environmental efforts into market value and examine how to promote them. It engages in a wide range of promotion and awareness-raising activities such as publishing literature and organizing business seminars on sustainable real estate.



## Smart City Study Group

Since 2013, the Group has run the Smart City Study Group, also chaired by University of Tokyo Professor Yashiro and subsidized by the Trust Sixty Foundation. The group brings together leading experts from various fields across industry, government, and academia to engage in discussion on smart cities, which are attracting worldwide attention as a 21st century urban planning model. The purpose of the discussion is to identify what is required for smart cities to sustain value in the long term and to study related challenges and the direction they are going.



## Supporting Creation of Market Foundation for Spread of Environmentally Friendly Property



Since 2008, the Group has participated in MLIT activities such as committees for the spread of environmentally friendly property, collaborated on setting up the MLIT's Green Building Online Portal and helped organize the International Land Policy Forum. Recently, we have been working on the visualization and distribution of information about environmentally friendly property as a chair of Working Group A in the Study Committee on the Promotion and Spread of Environmentally Friendly Properties.

Furthermore, in the belief that the MLIT-led comprehensive assessment system for built environment efficiency (CASBEE) should be used effectively in the real estate market, the Group has supported its spread by actively making proposals in a CASBEE subcommittee. As an organizer of the subcommittee, we were involved in the development of CASBEE for Market Promotion.

## Our Activities as an UNEP FI Property Working Group Member

As a member of the United Nations Environment Programme Finance Initiative Property Working Group (UNEP FI PWG), the Group has collaborated on the creation and translation of tools and case studies to encourage investment in properties that take sustainability into account. We actively make recommendations for the promotion of such properties.



## Our Website on Environmentally Friendly Property

A variety of information on environmentally friendly property is available in the special features section of our CSR activities website. For further details (only Japanese is available), please refer to: <http://www.smtb.jp/csr/real-estate/>



## Contact

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Minister of Land, Infrastructure, Transport, and Tourism,  
Registration No. 1  
Member, The Real Estate Companies Association of Japan  
Member, The Association of Real Estate Agents of Japan  
Member, Real Estate Fair Trade Council

- Companies are requested to use their own judgment whether or not to adopt proposals made by Sumitomo Mitsui Trust Bank based on this document.
- Companies that do not adopt the proposals made by Sumitomo Mitsui Trust Bank in this document will not be subject to disadvantageous treatment with regard to other transactions with Sumitomo Mitsui Trust Bank, nor is adoption of the proposals made by Sumitomo Mitsui Trust Bank in this document a condition for other transactions with a company.

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