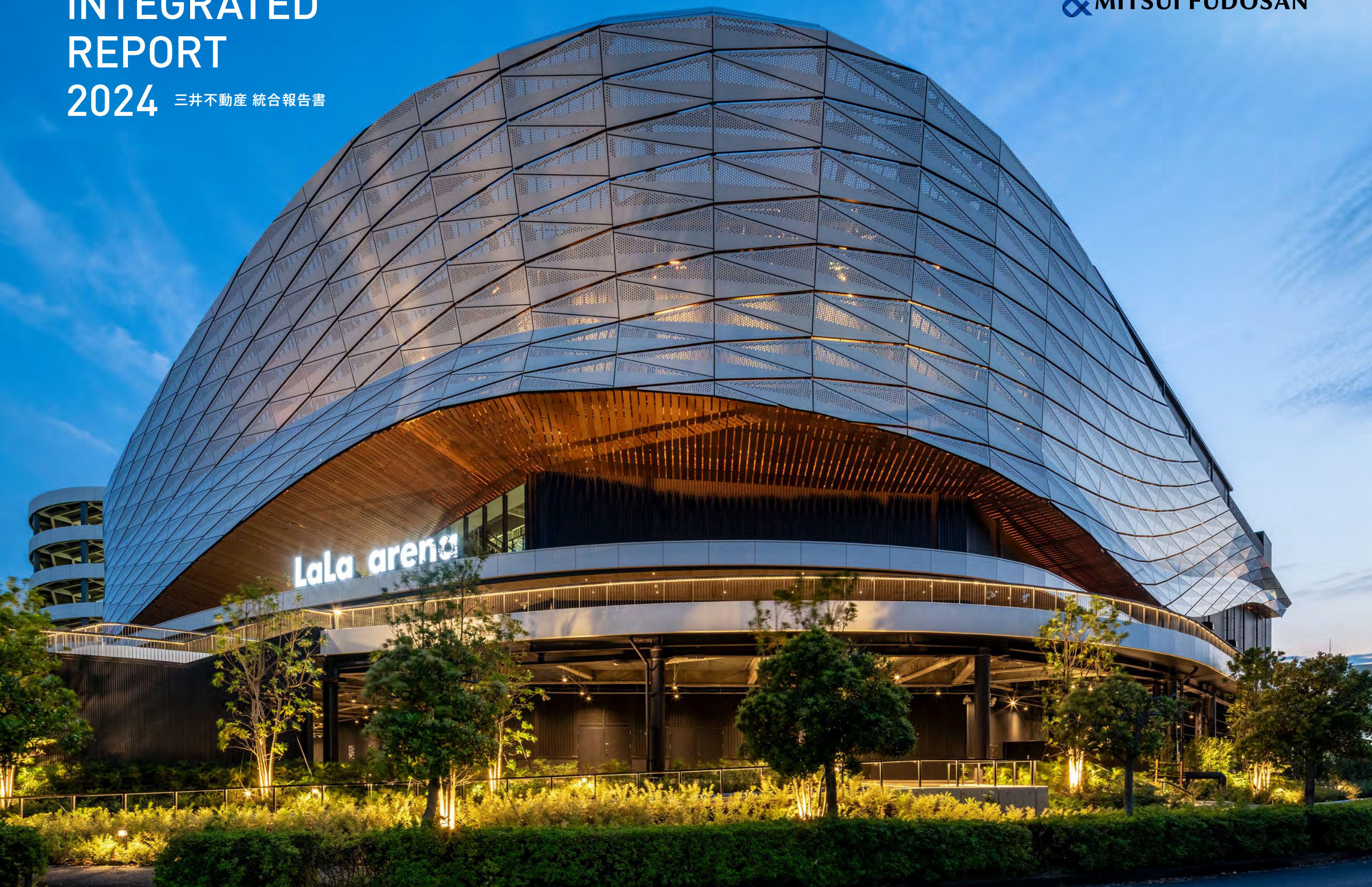


# INTEGRATED REPORT

2024 三井不動産 統合報告書

 MITSUI FUDOSAN





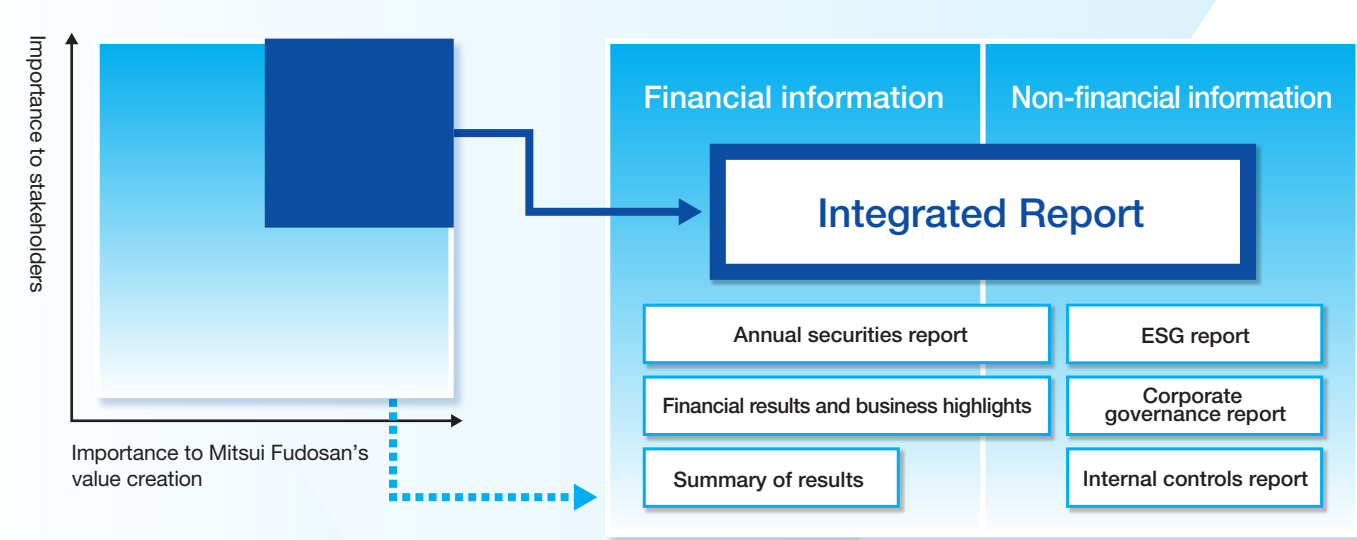
# Editorial Policy

For stakeholders, including shareholders and investors, to gain a correct understanding of the complete picture concerning the Mitsui Fudosan Group's management strategy and corporate activities, in addition to financial information such as financial results, review of operations, and management strategies, it is important to gain a systematic understanding of non-financial information relating to aspects such as society, the environment, human resources, and governance. Based on this belief, our Integrated Report features enhanced and integrated non-financial information. In editing the report, we strived to incorporate the perspectives of all stakeholders by referring to the "International Integrated Reporting Framework," which was recommended by the IFRS Foundation, and the "Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation" advocated by Japan's Ministry of Economy, Trade and Industry.

Moreover, the Group's activities have been selected and included in the report based on their importance for stakeholders. For more information, please refer to the various other forms of communication given below.



## Positioning of the Integrated Report



## About the Website

### Corporate Website

<https://www.mitsui-fudosan.co.jp/english/>

### Investor Relations

<https://www.mitsui-fudosan.co.jp/english/corporate/ir/>

### Sustainability/ESG

[https://www.mitsui-fudosan.co.jp/english/esg\\_csr/](https://www.mitsui-fudosan.co.jp/english/esg_csr/)

Contains materials related to financial results, audio and video versions of results briefings and information for shareholders and investors.

Introduces initiatives for society and the environment based on the Mitsui Fudosan Group's Group Vision. More detailed information on ESG can be found in the Group's ESG Report.

## Caution Concerning Forward-Looking Statements

This Integrated Report contains figures related to the future, which are included in results forecasts and so forth. These are based on judgements made using information obtained at the time of publication, and thus contain risks and uncertainties. Furthermore, Mitsui Fudosan makes no guarantee that these forecasts will be realized. Therefore, you should not rely on these forecasts alone when making investment decisions. You should be aware that business results arise through various important factors and actual results might vary greatly from forecasts. Important factors influencing actual results include the economic situation encompassing the Group's business domains, foreign currency exchange rates including the yen-U.S. dollar cross rate, and the Japanese stock market.

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## On the Issuance of the Mitsui Fudosan Integrated Report 2024

Mitsui Fudosan has published an annual integrated report\* since 2018 to deepen the understanding of its stakeholders, including investors, about the Group's efforts to create sustainable value through the creation of neighborhoods. The Integrated Report 2024 largely focuses on the Group's long-term vision & INNOVATION 2030, details of which were announced in April 2024, and provides specific information on the Group's business and financial strategies that contribute to the creation of added value for society as an industry developer as well as the human resources, DX, and ESG infrastructure that supports these strategies. Looking ahead, we will continue to engage in the timely and accurate disclosure of information as well as active dialogue with stakeholders. Mitsui Fudosan can attest to the fact that the process used to prepare this report is appropriate and the information contained herein is accurate. We thank you for your continued support.

\* Annual reports published prior to 2017.



Chiharu Fujioka  
Executive Managing Officer

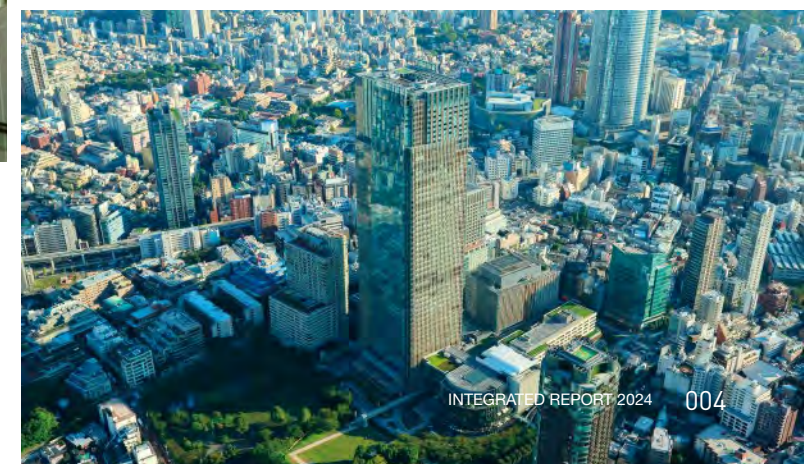
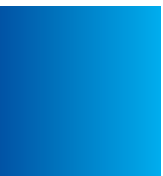


# 1

## Mitsui Fudosan's Value Creation

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# Our Philosophy

**GROUP DNA - The spirit that has been passed down to us -**

## The meaning of “&”

To generate new value through cooperation, coexistence and co-creation,  
we forge ahead, innovating.

**GROUP MISSION - The MISSION that we wish to fulfill -**

### & EARTH

With nature,  
sharing the future

### & INNOVATION

With creativity,  
sharing the brilliance

### & PEOPLE

With people,  
sharing the inspiration

## Corporate Message

- The message summarizes Our Philosophy and indicates the direction in which the Group is moving -

.....

**Transforming the city  
Transforming the future**

## What We Believe

What the Mitsui Fudosan Group creates  
cannot be measured.

For instance, moments when people  
with diverse views meet and mingle,  
inspiring visions for a better world.

Or the moments when,  
in the course of an ordinary day,  
our hearts beat a little faster.

We provide opportunities and communities  
for people to co-exist.

Buildings and city centers  
take their shape from there.

Since our founding, we have been pathfinders,  
inspired by our enterprising nature and human-centric ideas.

Deploying our credo, dream, vision, reality,  
that we embrace to the fullest with unrivaled passion,  
we will remain the “&” that connects people, nature and industry,  
towards a bright future.



# Mitsui Fudosan's DNA and the “&” Logo Principles

# 1673



Nihonbashi during the Edo period/The Echigo-ya in Surugacho on New Year's Day, a woodblock print by Kiyonaga Torii (The Mitsui Memorial Museum collection)

## Mitsui Fudosan's DNA

# “Spirit of Enterprise” and “Customer Orientation”

The roots of the Mitsui Fudosan Group can be traced back to Mitsui Echigo-ya Draper's Shop store (Echigo-ya), which was founded 350 years ago in 1673 by Takatoshi Mitsui in the Nihonbashi district of old Edo. Echigo-ya's business expanded rapidly because of a groundbreaking business philosophy of “cash only and fixed, low prices.”

Originally, kimonos were worn by samurai and as luxury items were in any case completely beyond the means of the general populace. Kimonos were bespoke garments, with merchants visiting feudal lords' residences to take orders. The process was time-consuming and labor-intensive, with significant wasted fabric. Garments were sold on credit, with payments made in the summer at the time of the O-Bon festival and at year-end. Merchants were subject to interest and also ran the risk of unpaid bills. However, society was maturing, and even members of the general public were looking for better clothing.

Takatoshi chose to take a new approach. By selling ready-to-wear kimonos for cash at stores, he drastically rationalized production,



Founder Takatoshi Mitsui (Mitsui Bunko archives)  
Note: Reproduction prohibited

distribution, and billing, while significantly reducing costs. With regard to fabrics, in addition to the conventional silk and linen, he used cotton cloth that was also produced in his hometown of Ise Matsusaka. He implemented innovations to better match the tastes of consumers in terms of price and quality. Kimonos became products that were within the reach of the general public, and the Echigo-ya business flourished.

Another key factor enabling the ready-to-wear business was what we would now refer to as marketing. Matsusaka is situated close to Ise Shrine. Takatoshi was able to learn about fashion trends from the clothes of people visiting Ise on pilgrimages. For example, he might observe that the number of people wearing cotton had recently increased, or gain insight into which patterns were considered fashionable in that year. Takatoshi made use of this kind of information in manufacturing merchandise.

It was entirely due to its “spirit of enterprise” and its “customer orientation” that Echigo-ya's business continued to expand thereafter, developing into Mitsui Gomei Kaisha. In 1941, Mitsui Gomei Kaisha's Real Estate Division, which managed the real estate held by the company, was spun off and became Mitsui Fudosan Co., Ltd. Echigo-ya's “spirit of enterprise” and “customer orientation” lives on in the Mitsui Fudosan Group's DNA.

Ingained DNA

## Connections with the Logo Principles



Based on the DNA of the “spirit of enterprise” and “customer orientation” handed down from Echigo-ya, the Mitsui Fudosan Group has, in step with the development of Japan's economy and society, created new value by innovating its business in ways that have met the demands of the times and the voices of its customers.

Examples of this genealogy include land reclamation projects to develop land for factory sites along bayside areas to strengthen the country's standing as an industrial and trading nation; construction of Japan's first skyscraper (the Kasumigaseki Building) through the adoption of advanced methods for the use of space to cope with the over-concentration of urban functions; and residential development as well as residential and residential distribution businesses that address the influx of population into urban areas and pursue affluence in living.

We are also working to help address social issues through

neighborhood creation. These efforts have included the development of retail facilities and the hotel and resort business, which we entered in response to the growing demand for leisure. We also were industry leaders in real estate securitization following the bursting of the bubble economy in the 1990s. Today, we are working to realize smart cities by spurring digital transformation.

In this way, the Group has viewed paradigm shifts in society and the economy in every era as opportunities, and has been constantly creating new value by bringing together diverse knowledge and values. Rather than making “or” selections between conflicting values, this history of creating new value derives from staying true to our management vision of overcoming conflicts and coexisting in the spirit of “&” as well as with the principles behind the Group's “&” logo.

The Group regards its “spirit of enterprise” and “customer orientation” as DNA inherited from Echigo-ya. The Group will—as a company that has addressed customers' needs through the ages—strive to create further value in accordance with the principles embodied by its “&” logo: to coexist in harmony with society, link diverse values and achieve a sustainable society.

Nihonbashi today





# Value Creation Process

Corporate Message  
Transforming the city Transforming the future

Vision Contribute to the creation of added value for society as an industry developer

## Management Resources

### Extensive customer base (as of the end of FY2023)

PP.113-126

Office tenants: Approx. 3,000 companies

Retail tenants\*1: Approx. 2,500 companies

Number of Mitsui Fudosan Group service members\*2: Approx. 16,340,000 etc.

\*1 As of April 1, 2024

\*2 As of the end of July 2024

### Diverse human resources (as of the end of FY2023)

P.063

Group headcount: 25,593

Ratio of female employees\*3: 44.2%

Ratio of mid-career hires\*4: 45%

\*3 Non-consolidated, as of April 1, 2024

\*4 Non-consolidated, FY2023

### High-quality real estate asset stock (as of the end of FY2023)

P.023

Rental properties: Approx. ¥3.5 trillion

Unrealized gain on real estate for rent: Approx. ¥3.3 trillion

Real property for sale: Approx. ¥2.3 trillion

### Solid financial position (as of the end of FY2023)

P.053

D/E ratio: 1.42 times

Ratio of long-term debt (excl. non-recourse): 92.5%

Unused commitment line: ¥400.0 billion

### Neighborhood creation know-how

The creation of neighborhoods that integrate intangible (services) and tangible (real estate) and meet the various working, living, enjoying, and relaxing needs of people.

### Human capital

All environmental resources that support people's lives and businesses

## Business Model

Create added value through the creation of neighborhoods



## GROUP MATERIALITY

- ▶ Contribute to industrial competitiveness
- ▶ Safety and security
- ▶ Coexist with the environment
- ▶ Diversity and inclusion
- ▶ Health and vitality
- ▶ Compliance and governance

## Value Creation

### Social value

Contribute to global innovation and industrial development

Accelerate efforts to generate innovation and develop new industries by bringing together the wisdom of various people and companies through the provision of places and communities.

P.049

Create exciting experiences

Create attractive neighborhoods to help realize a vibrant society where people's hearts are overflowing with excitement.

P.047

Help address social issues

- Create wide-ranging added value through innovation and the creation of neighborhoods where people can work, live, enjoy, and visit.
- Help build a sustainable society on a global scale by coexisting with the environment and contributing to such efforts as addressing climate change.

P.011



### Economic value

Achieve sustainable growth and efficiency in excess of the cost of capital

ROE  
FY2023 7.47% > FY2026 8.5% or higher > Around FY2030 10% or higher

Ensure the stable and continuous redistribution of profits among shareholders and increase value per share

Profit attributable to owners of parent  
FY2023 ¥224.6 billion > FY2026 ¥270.0 billion or higher

Earnings per share (EPS)  
FY2023 ¥80.2 > FY2023-FY2030 growth rate Over 8%/year (CAGR)

Total shareholder return ratio  
FY2023 52.7% > To FY2026 50% or higher each period

External environment

▶ Population decline ▶ An aging society ▶ Rapid advances in AI ▶ Rising geopolitical risks ▶ Diversification and decentralization of values ▶ Growing awareness toward ESG concerns



# Solving Social Issues through Neighborhood Creation

The Mitsui Fudosan Group has created new value by solving a broad array of social issues through neighborhood creation. Several examples are introduced below.

## Case 1 Kasumigaseki Building

### Creation of a New Urban Space during the Period of Rapid Economic Growth

As a forerunner in making advanced use of urban space, we constructed Japan's first skyscraper, achieving effective use of land in a city center along with contribution to the community through the creation of open areas and green spaces.



## Case 2 Suncity

### An Initiative to Create a Multi-Generational Community

By viewing a well-knit community of tenants and local residents as a new asset value and by creating a forest on the grounds of a condominium building, we achieved the formation of a multi-generational community connected by forest.





## Case 3 Okawabata River City 21

# Tackling Regional Revitalization through Urban Waterfront Development

By redeveloping old factories, warehouses, and other assets into housing in the bay area of central Tokyo, which faces a shrinking residential population, we enhanced urban disaster readiness functions and achieved a population increase in the Bay area through providing new living spaces.



Before



After

## Case 4 LaLaport

# Creating Spaces Where People Can Enjoy a Rich and Fulfilling Time

In a mature consumer society, we created spaces where visitors can enjoy a rich and fulfilling time by providing retail facilities that serve as “places to prosper, eat, play, and gather.”





## Case 5 Real Estate Securitization

## Promoting of Urban Revitalization through a Sound and Open New Real Estate Market

We helped reenergize the real estate market, which had stalled following the burst of the bubble economy, by adding liquidity that combines real estate transactions with finance through the creation of a real estate investment trust market. We also supported urban revitalization efforts through increased development-type projects.

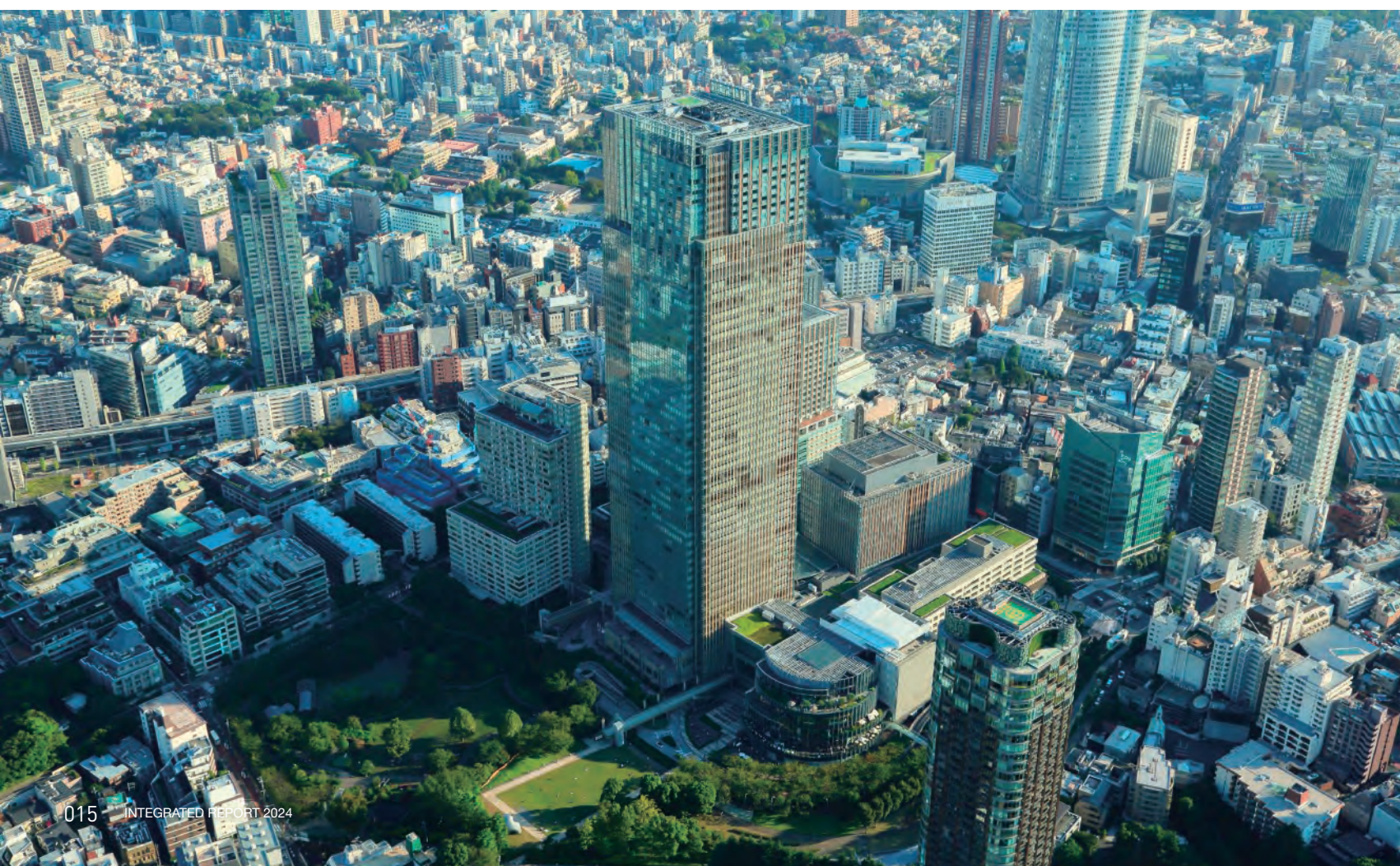


## Case 6 TOKYO MIDTOWN

## Enhancing Tokyo's Competitiveness as an International City

By creating a brand-new type of mixed-use type neighborhood that closely integrates work, play, rest, and living, we sublimated a former Defense Agency site into our flagship site and enhanced the urban competitiveness of Tokyo through a concentration of diverse companies and an increase in visitors to the neighborhood.

Before





# A History of Value Creation Unceasing Challenge in Our DNA

The Mitsui Fudosan Group's history can be seen as one that, in step with the development of Japan's economy and society, has created new value by innovating its business in ways that meet the demands of the times and the voices of customers.

## Business Direction

### 1941 (Founding) –

Business foundation established during a period of rapid economic growth

### 1970 –

Moved to diversify management to achieve stable growth

### 1980 –

Leveraged the Group's comprehensive strengths to realize "affluent lifestyles"

### 1990 –

Rebuilt business during the period of deflation following the collapse of Japan's economic bubble

### 2000 –

Asset deflation convergence and advancing neighborhood creation

### 2010 –

Advanced mixed-use neighborhood creation amid market maturity

### Late 1950s –

Contributed to infrastructure development in the Tokyo metropolitan area

Transformed sea into land

Keiyo Rinkai reclamation project



### 1968

Japan's first skyscraper

Pioneered Japan's skyscraper era

Kasumigaseki Building



### 1981

A forerunner in shopping centers

Created new lifestyles

LaLaport TOKYO-BAY



### 1993

A forerunner in Tokyo Bay area tower condominium buildings

Resolved housing issues in the city center

Okawabata River City 21, West Block



### 1995

Japan's first genuine outlet mall

Created a new consumption style

MITSUI OUTLET PARK OSAKA TSURUMI

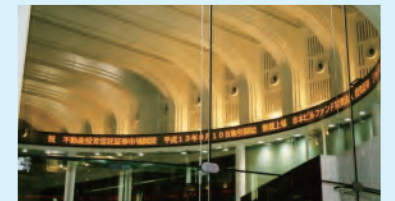


### 2001

Japan's first corporation listed on the J-REIT

Created new businesses in the real estate industry

Nippon Building Fund Inc.



## Creation of new value

## Expansion of asset classes

### Office Buildings

#### 1929

Construction of Mitsui Main Building completed

#### 1968

Construction of Kasumigaseki Building completed

### Housing

#### 1968

Construction of Yurigaoka Garden Mansion completed

#### 1971

Construction of Mita Tsunamachi Park Mansion completed

### Retail Facilities

#### 1981

LaLaport TOKYO-BAY opens for business

#### 1993

Construction of the entire Okawabata River City 21, West Block completed

#### 1995

MITSUI OUTLET PARK OSAKA TSURUMI opens for business

### Hotels and Resorts

#### 1984

Mitsui Garden Hotel Osaka Yodoyabashi opens for business

## Leveraging Our Strengths to Create Mixed-Use Neighborhoods Fusing an Array of Functions



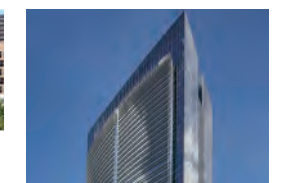
2004 – Nihonbashi Revitalization Plan begins



2007 TOKYO MIDTOWN opens for business



2014 Kashiwa-no-ha Smart City opens for business



2018 TOKYO MIDTOWN HIBIYA opens for business

### Logistics Facilities

#### 2014

Construction of Mitsui Fudosan Logistics Park Yashio completed

### Sports and Entertainment

#### 2020

Included TOKYO DOME CORPORATION in the scope of the Company's consolidation

## Expansion of overseas business areas

### North America

#### 1973

Mitsui Fudosan (USA) established

#### 1984

HALEKULANI (Hawaii) opens for business

#### 1986

Acquisition of 1251 Avenue of the Americas (New York)

### Europe

#### 1990

Mitsui Fudosan (U.K.) Ltd. established

#### 2013

San Francisco Branch established



Hudson Yards



Television Centre

### Asia

#### 1972

Establishment of TID Pte Ltd., a joint venture with Hong Leong Group in Singapore

#### 2005

Establishment of the Shanghai Representative Office in China

#### 2013

Participation in housing business in Southeast Asia

#### 2016

MITSUI OUTLET PARK Linkou opens for business in Taiwan

#### 2020

Construction of RMZ Ecovorld 30 started in India





















# Diverse Asset Classes and Global Expansion

As a Group of leading comprehensive real estate companies in Japan, the Mitsui Fudosan Group is developing a real estate business based on diverse asset classes. Overseas, we are also expanding our business through the careful selection of asset classes matched to circumstances of the economies, cities, and other factors in the areas into which we expand.

## Diverse Asset Classes

### Major Asset Classes and Their Percentages

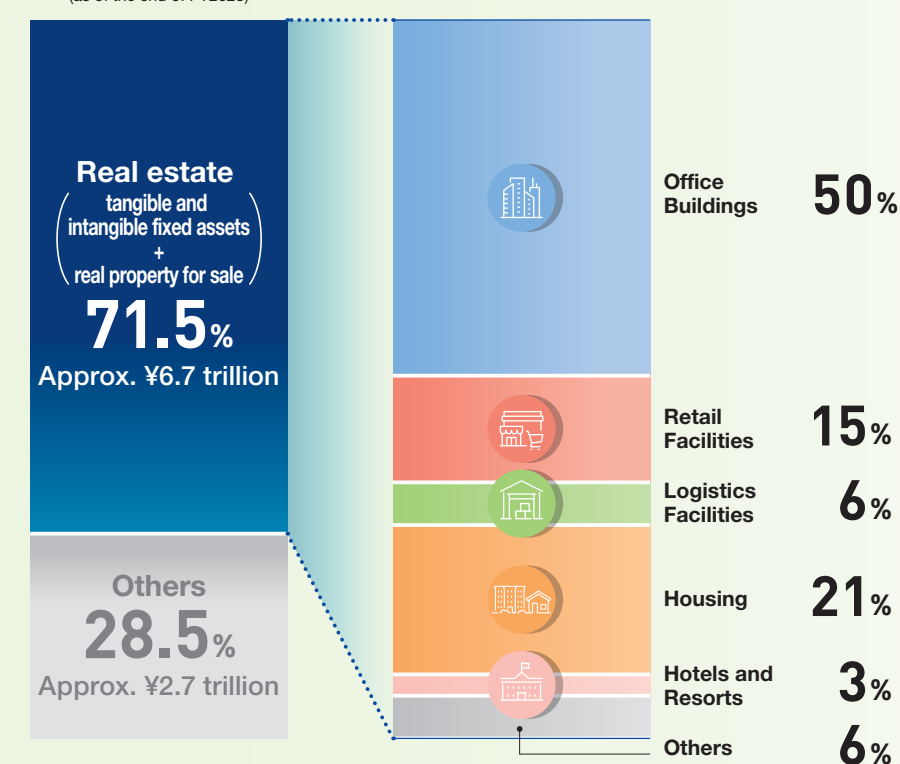
	Key Data* <sup>1</sup>		Sources of Revenue	Main Brands	
 Office Buildings	Leased Floor Space* <sup>2</sup> Approx. <b>3,605,000 m<sup>2</sup></b>	Number of Tenant Companies Approx. <b>3,000</b>	<ul style="list-style-type: none"> <li>Leasing revenue from tenants</li> <li>Income from property sales to REITs</li> </ul>	 WORK STYLING	 COLORFUL WORK
 Retail Facilities	Leased Floor Space* <sup>2</sup> Approx. <b>2,677,000 m<sup>2</sup></b>	Number of Tenant Companies Approx. <b>2,500</b> (as of April 1, 2024)	<ul style="list-style-type: none"> <li>Leasing revenue from tenants</li> <li>Income from property sales to REITs</li> </ul>	 LaLaport	 MITSUI OUTLET PARK
 Logistics Facilities	Total number of facilities* <sup>3</sup> <b>76</b> (as of the end of July 2024)	Total Floor Space Approx. <b>6,000,000 m<sup>2</sup></b> (as of the end of July 2024)	<ul style="list-style-type: none"> <li>Leasing revenue from tenants</li> <li>Income from property sales to REITs</li> </ul>	 MFLP	 Mitsui Fudosan Logistics Park
 Housing	Number of Condominium Units Delivered <b>3,280</b>	Number of Detached Houses Delivered <b>420</b>	<ul style="list-style-type: none"> <li>Income from property sales to individuals/REITs</li> <li>Leasing revenue</li> <li>Broker commissions</li> <li>Management fees</li> </ul>	 PARK HOMES	 PARK HILLS
 Hotels and Resorts	Facilities Directly Operated by the Company <b>53</b> Approx. <b>13,300 rooms</b> (as of the end of July 2024)		<ul style="list-style-type: none"> <li>Accommodation fees</li> </ul>	 Mitsui Garden Hotels	 Halekulani
 Sports and Entertainment	Annual Number of Visitors to Tokyo Dome City Approx. <b>40,000,000</b> (FY2019)		<ul style="list-style-type: none"> <li>Event revenue</li> <li>Food and beverage/merchandise revenue</li> <li>Advertising revenue</li> </ul>	 TOKYO DOME CITY	 LaLa arena

\*1 Values without a noted time are as of the end of FY2023. \*2 Includes subleased floor space. \*3 Includes existing facilities and facilities under development. \*4 Number of Mitsui Fudosan Realty Group brokered sales prior to eliminations.

## Mitsui Fudosan Group Total Assets

Approx. **¥9.4 trillion**

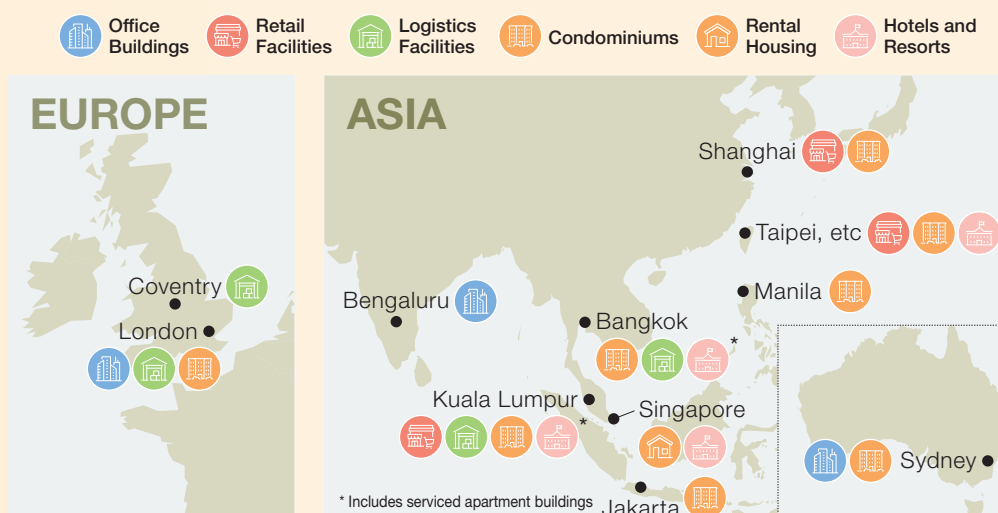
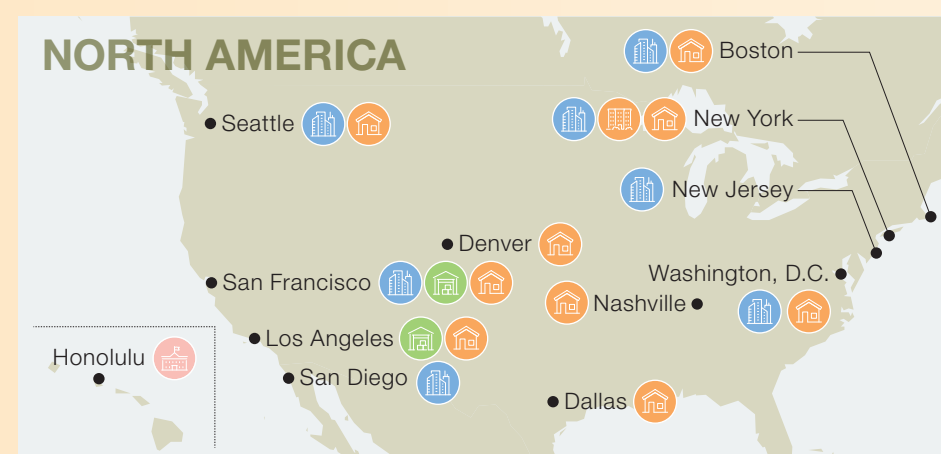
(as of the end of FY2023)



Note: Totals might not add up to 100% due to rounding.

## Our Globally Expanding Assets

### The Company's assets in overseas areas and assets by area

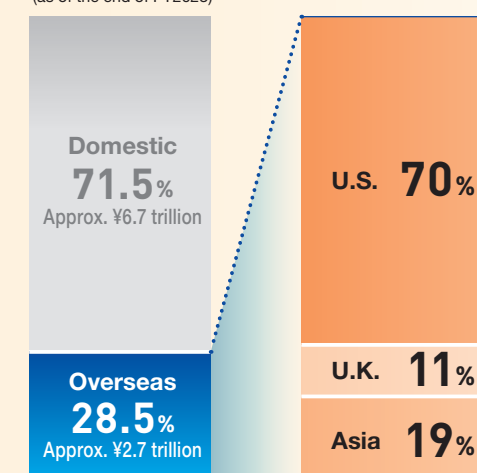


\* Includes serviced apartment buildings

## Mitsui Fudosan Group Total Assets

Approx. **¥9.4 trillion**

(as of the end of FY2023)



Expansion of overseas business areas



# Decouple from the Market

In addition to the competitive advantage of each asset, the Mitsui Fudosan Group has continued to develop groundbreaking, high-value-added products and services. By providing these products and services to customers, we generate new demand and decouple from the market in a bid to drive value.

## Office (mixed-use properties in city centers)

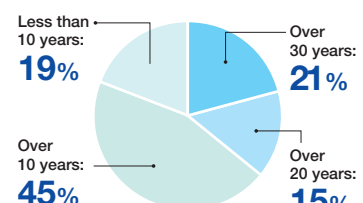
### Strength of the customer base

- Tenant companies **Approx. 3,000**
- Various industries
- High head office use **80%\*1**
- Long-term use  
**Approx. 23 years (average)**

\*1 Area used as headquarters by approx. 100 tenants who lease large areas  
Leased area of approx. 100 tenants who lease large areas

### Years of continuous use\*2 of the Company's office buildings

**Average: Around 23 years**



\*2 Counted as continuous use not only when one of the Company's buildings is continuously used as a head office but also when a head office is relocated from one of the Company's buildings to another and continuously used as a head office. Percentage excluding the eight recent major properties that have opened in the immediate past.

### Planning, development, and management skills

- Favorably located, high specification
- Newer, mixed-use properties

+

- Intangible services
- Places and communities



#### [Chosen by management]

- Attracting external tenants **82%\*3**
- Percentage of head offices established **86%\*3**

#### [Workers want to come]

- High attendance rates **Mid 80% range**  
(as of April 2023)

\*3 Scope of tabulation: TOKYO MIDTOWN HIBIYA, Nihonbashi Takashimaya Mitsui Building, msh Tamachi (Tower S, Tower N), Nihonbashi Muromachi Mitsui Tower, Toyosu Bayside Cross Tower, Bunkyo Garden Gate Tower, Otemachi One, TOKYO MIDTOWN YAESU

### Low vacancy rates, stable rental income, and sources of further top-line growth

Office vacancy rate  
(as of the end of FY2023)

**Mitsui Fudosan**  
**(Tokyo metropolitan area,  
non-consolidated) 2.2%**

≥ Market (Central Tokyo 5 wards)\* 5.5%  
\* Source: Miki Shoji Co., Ltd.

Office leasing revenue

**Approx. 1.2 times in 5 years**  
**FY2023: ¥446.0 billion**

≥ FY2019: ¥360.2 billion

## Retail & Sports and Entertainment

### Collaboration between retail facilities and sports/entertainment that only we can provide



- Notification of events (awareness)
- Ticket sales
- Merchandise sales
- Satellite events, etc.
- Concerts
- Sporting events

- Attract more customers and increase sales by increasing the attractiveness of real facilities
- The creation of neighborhoods that instill excitement

## Logistics

### Attractive portfolio of properties with highly competitive tangible (favorably located, high-specification real estate) and intangible(services)

Direct sales to cargo owners utilizing the Group's strong customers base / strong relationship with logistics companies



MFLP-LOGIFRONT TOKYO ITABASHI  
Construction to be completed in Sep. 2024; largest\* in Tokyo with a total floor area of 250,000 m<sup>2</sup>  
\* According to Japan Logistics Field Institute, Inc.

### High competitiveness

Neighborhood creation-type facilities  
Cases of contracts with rents **1.3 times higher than the market\*1**

\*1 Example of MFLP-LOGIFRONT TOKYO ITABASHI-MFLP FUNABASHI-MFIP HANEDA

Vacancy rate (up to 1 years old)  
**Mitsui Fudosan development properties (average): 0%**  
≥ Market 4.4%\*2

\*2 According to CBRE (2024.1Q) vacancy rate of large multi-tenant logistics facilities in the Tokyo metropolitan area (more than 1 years old)

## Housing (Homes and Living)

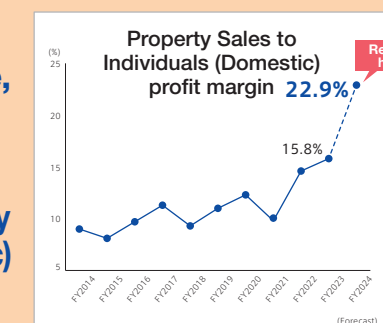
### Robust development and sales capabilities of central urban, large-scale, high-end condominiums

High-end condominiums  
(priced at ¥200 million or higher/unit)  
**Market share: More than 50% (FY2023)**



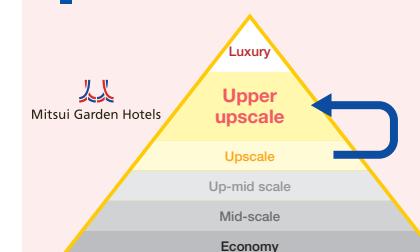
### Buoyed by increases in central urban, large-scale, high-end condominium profit margins

### Forecast record-high Property Sales to Individuals (Domestic) profit margin of 22.9% in FY2024



## Hotels and Resorts

### Shift in brand positioning



Note: Hotel classification as defined by Smith Travel Research

### Capturing demand from inbound travelers

- Inbound travelers lodging ratio (Tokyo)

60% level (end of FY2018)

↓  
**Approx. 70%**  
(end of FY2023)

### High ADR growth rate FY2023: + Approx. ¥8,500 (compared with FY2022) Amounts are record highs (P.124)

(Ref.) Hotel REIT (ADR) + Approx. ¥2,500-¥5,000\*1

\*1 2023 Jan.-Dec.

### 4\*2 of the 6 highest-rated facilities in Japan by MICHELIN Guide are our facilities

\*2 BVLGARI HOTEL TOKYO, FOUR SEASONS HOTEL TOKYO AT OTEMACHI, AMANEMU, HOTEL THE MITSUI KYOTO





# Business Model for Realizing Sustainable Growth

Maximize Profits through an Optimal and Flexible Combination of Real Estate "Income Gain Business," "Capital Gain Business," and "Management"

Please also refer to the second initiative, strengthen development profitability—realize added value, of the first path under the long-term vision & INNOVATION 2030.

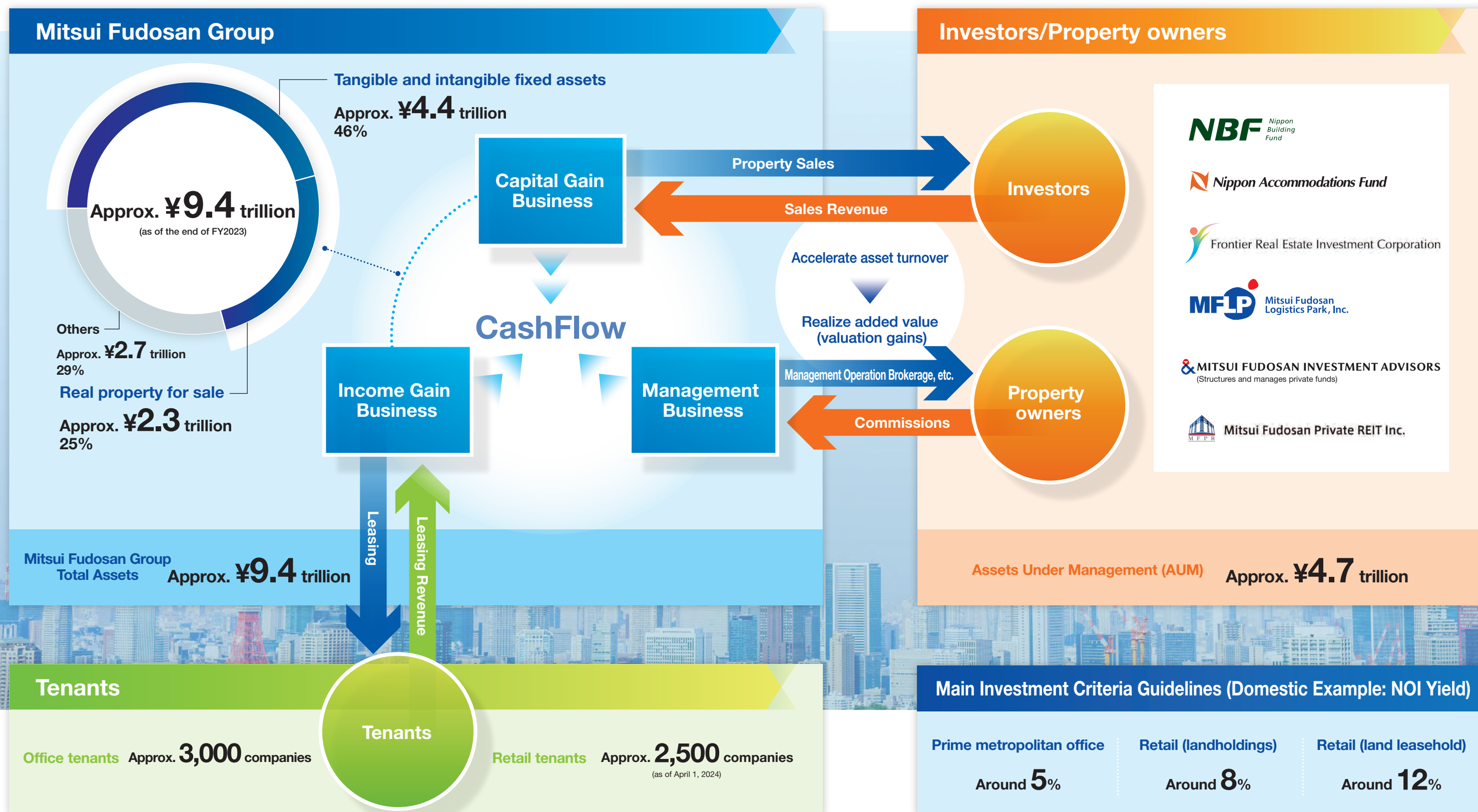
P.045

## Income Gain Business, Capital Gain Business, and Management activities

Income Gain Business: Generate stable leasing income and facility operating income through the ownership of operating assets.

Capital Gain Business: Realize added value through the sale of assets and development profit (gain on sale).

Management: Generate continuous management profit through assets under management, etc.



Note: Values without a noted time are as of the end of fiscal 2023.



# Expanding Our Corporate Value

We will expand our corporate value by improving the Group's growth potential while reducing the cost of capital, and by working to create value based on social value and economic value.

## The Corporate Value of the Mitsui Fudosan Group

### Key components

Our Philosophy

P.005

Mitsui Fudosan's DNA and the "&" Logo Principles

P.007

Message from the CEO

P.029

### Value Creation Based on Social Value and Economic Value



We will generate steady cash flows by creating value unique to the Mitsui Fudosan Group through the promotion of "& INNOVATION 2030."



### Cost of Capital



We will link efforts to enhance the Company's sustainability through measures aimed at addressing ESG concerns and dialogue with stakeholders to reductions in the cost of capital.

Key components	Sustainability Strategy .....	P.075
	Main Environmental Initiatives .....	P.081
	Main Social Initiatives .....	P.086
	Corporate Governance .....	P.089
	Risk Management .....	P.107
	Compliance .....	P.109
	Investor Relations Activities .....	P.139

### Growth Potential



We will improve our growth potential by promoting further core business growth and carrying out new strategies that lead to value creation.

Key components	Diverse Asset Classes and Global Expansion .....	P.019
	Human Resource Strategies .....	P.063
	Digital Transformation Strategy .....	P.071
	Strategies by Business Segment .....	P.111



# 2 Value Creation Strategy

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# Message from the CEO



We will steadfastly bring to fruition the Group's long-term vision under the "& INNOVATION 2030" banner, formulated in concert with all stakeholders, and together, build a robust future for the Group and Japan. "Transforming the city Transforming the future"

*Takashi Ueda*

President and Chief Executive Officer  
Mitsui Fudosan Co., Ltd.

## Introduction

Japan's Nikkei Stock Average hit a record high for the first time in 34 years in February this year. As someone who experienced the peaks and troughs of Japan's bubble economy and so-called "lost 30 years," I am witnessing this historical milestone conscious of the enormous swell that continues to emerge on the back of evolving trends. At this critical tipping point, the Group announced details of its new Group Philosophy and the Group's long-term vision "& INNOVATION 2030" this spring. In formulating our Philosophy and long-term vision, and in my capacity as President, I had the opportunity to exchange views with various stakeholders, including investors. Our long-term vision, in particular, embodies the many valuable comments and opinions of investors, who have supported us over an extended period of time. The Company's Executive Management Committee and Board of Directors have deliberated on how we can maximize the Group's corporate value over the medium to long term on numerous occasions. Taking the aforementioned into consideration, I am proud to say that our long-term

vision, which was formulated in concert with our long-term investors, provides the road map toward the optimal solution.

Working hand-in-hand with stakeholders, I look forward to building a robust future for the Group and Japan guided by this new long-term vision. "Transforming the city Transforming the future."

### Corporate Message

(Formulated in April 2024)

.....

**Transforming the city  
Transforming the future**

## Looking Back on "VISION 2025" and Our Understanding of the External Environment

Under its long-term vision, "VISION 2025," announced in May 2018, the Group completed eight large-scale mixed-use developments in central cities and such large-scale projects as Hudson Yards in New York, expanded the scope of its operations on a global scale, overcame difficulties imposed by the COVID-19 pandemic, and has grown steadily toward its goals. We overcame the COVID-19 pandemic and have steadily grown toward achieving our goals. Regarding our shareholder return policy, we raised our total shareholder return ratio, which combines the stable payment of dividends with the continuous buyback of shares, from our initial target of 35% to 45% in fiscal 2021.

Meanwhile, we recognize the need to address pending issues with respect to our balance sheet and efficiency. The balance of the Group's balance sheet, for example, has exceeded initial projections. The is due to such factors as unforeseen fluctuations in foreign currency exchange rates, rapid inflation, and subsequent shifts in policies encompassing interest rate hikes, as well as stagnant real estate market conditions in

Europe and the United States, and the acquisition of prime investment properties, including Tokyo Dome, in excess of expectations.

Turning to the external environment, the world is undergoing a major paradigm shift. Looking ahead, changes in operating conditions can be expected to intensify with the upswing in geopolitical risks, the transition to an inflationary society and an increase in global interest rates, currency fluctuations, widespread acceptance of new workstyles, rapid growth of generative AI, efforts to address climate change, and other factors.

Taking into consideration the status of domestic wage increases by the corporate sector and achievement of commodity price targets, the Bank of Japan lifted its negative interest rate policy. As a result, we are witnessing the shift to unprecedented monetary easing. During the prolonged period of deflation, markets failed to fully appreciate added value, consumer sentiment waned, and it became difficult to pursue new ideas. Today, Japan is finally breaking free from deflation and is primed to embark on a new era of innovation.



## Message from the CEO

## Aspirations Underpinning the Group's New Philosophy

How then should we interpret this external environment?

I am convinced that the coming era represents a tremendous opportunity for the Mitsui Fudosan Group. It is clear that in the coming days, added value will be fairly evaluated, and that the significance of our overwhelming ability to create added value will become increasingly evident.

The world is undergoing a major transformation. For the Group to continue creating new value, we must refrain from settling on the status quo, and change our mindset, transform ourselves, and evolve.

With this in mind, I have taken a fresh look at the Group's origins, redefined our Philosophy, and summarized the aspirations that we wish to fulfill into three missions. These missions codify our commitment to nature and an abundant earth, shining brightly through innovation, and providing people with inspiration and happiness.

In addition, we summarized our Philosophy and newly established a corporate message that indicates the direction in which the Group

is moving.

The Mitsui Fudosan Group is guided by the Corporate Message: "Transforming the city Transforming the future." In a society that is beset by a high degree of uncertainty and a harsh future outlook, we have expressed our strong desire to "transform the future" by "transforming the city" in concert with our stakeholders, unafraid of change, for a brighter future.

[For details, see P.005](#)

While formulating our Philosophy, we reviewed the Group's key issues and identified a new set of "GROUP MATERIALITIES" based on deliberations by the Executive Management Committee and Board of Directors. In specific terms, we streamlined these GROUP MATERIALITIES to six priority issues and reset non-financial KPIs.

[For details, see P.039](#)

Our Philosophy and GROUP MATERIALITIES outline the core concepts that underpin the Group's corporate activities. We will ensure that all employees reaffirm the DNA passed down by our predecessors, clarify our mission and priority issues for the future, and evolve into a Mitsui Fudosan Group that is finely attuned to the new era.

## A Complete Picture of the Group's New Long-Term Vision & INNOVATION 2030 [For details, see P.041](#)

Based on our Philosophy and GROUP MATERIALITIES, we will work to bring the Group's *DREAM* to a *REALITY* through our *VISION* with an eye firmly placed on the next era. Against this backdrop, "& INNOVATION 2030" defines our policy as a company that will continue to create new value for society in the years to come, while efforts to contribute to the creation of added value for society as an industry

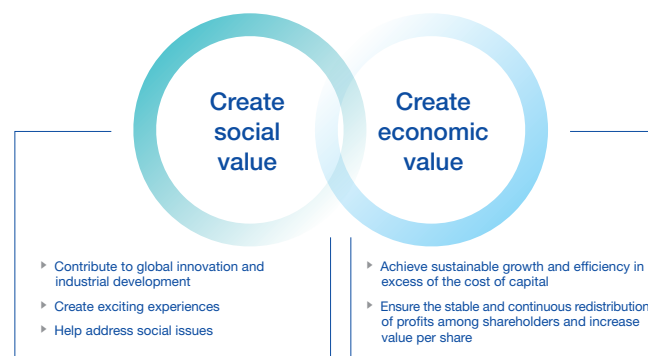
developer outline our vision around 2030. To achieve each of these ends and growth going forward, we have identified three paths as business strategies and will engage in management with an equal focus on the three financial strategies of enhancing growth, promoting efficiency, and providing shareholder returns.



## The Group's Vision

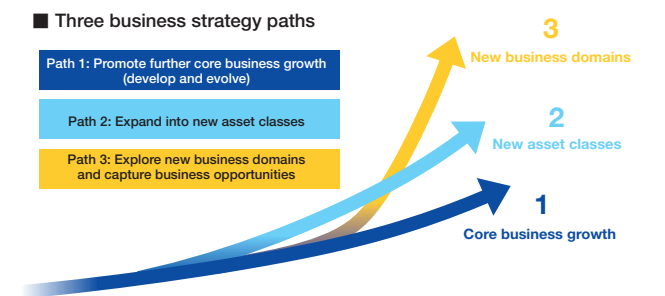
The Mitsui Fudosan Group has continued to support life science and other industries not only through hard (real estate development) activities but also through the provision of places and communities by bringing together the expertise and knowledge of the companies, society, and people that comprise them.

Our goal is to evolve into an industry developer that transcends the traditional boundaries of a real estate developer by around 2030. As an industry developer, we will work to create both social and economic value as two wheels of a cart by strengthening Japan's industrial competitiveness and creating new industries.



## Business Strategy

In an effort to realize our vision, we will promote a business strategy that consists of three core paths. In addition to a growth strategy in existing real estate domains, we will practice "ambidextrous management" with the dual aim of capturing business opportunities in new business domains.



### Path 1: Promote further core business growth [For details, see P.045](#)

#### (1) Decouple from the market

Decoupling refers to the achievement of high profitability regardless of the external environment through differentiation and other means. As our track record of central city mixed-use developments and premium condominiums indicates, the Mitsui Fudosan Group's strengths lie in the competitive advantage of each of its assets as well as its ability to generate new market demand while also decoupling from the market by developing and providing innovative high-value-added products and services to customers.

The provision of added value coupled with demand for its fair evaluation are prerequisites for top-line growth in periods of prolonged inflation. Against this backdrop, and buoyed by its comprehensive and mixed-use asset capabilities, the Group will work to secure stable and continuous revenue and earnings growth by creating new added value

in its creation of neighborhoods and stimulating new demand.

For example, the Tsukiji District Development Project, which recently selected a prospective operator, is a neighborhood creation initiative designed to transform the future with the next 100 years of society in mind. Drawing on the District's history, the project looks to revitalize the Tokyo aqua metropolis, bring excitement, promote interaction and innovation, engender the admiration of locals, and attract people from around the world.

[For details, see P.037](#)

Strengthening the Mitsui Fudosan Group network is another important theme. With this in mind, we will generate new demand for our valued customers by establishing a single network that seamlessly links services by asset.

#### (2) Accelerate efforts to realize added value generated through development

Reflecting earlier on VISION 2025, I commented on the need to improve efficiency. In addition to securing stable leasing income from the properties that we own, I believe that we must accelerate the pace at which we promote an Income Gain, Capital Gain, and Management business model cycle as we work to achieve increased efficiency going forward. From a large-scale development perspective, we will also proactively utilize third-party funding from various entities, including institutional investors from the business kickoff stage, and work to improve business efficiency.

To continuously achieve added value in the future, it is vital that we

accelerate the pace of asset turnover while also capturing new business opportunities. On these two points, the Mitsui Fudosan Group has already earmarked an investment of approximately ¥1 trillion in major projects through fiscal 2030 with the amount of new value added generated projected to reach around ¥500 billion.

I am confident that this cycle of generating and realizing high added value through development will enable us to enhance the quality of the portfolio through the ongoing replacement of assets in the future and to secure sustainable, stable, and continuous gain on sales.

#### (3) Further develop and evolve overseas business

Two trophy assets completed at Hudson Yards in Manhattan, New York, have further strengthened the leasing income that forms the bedrock of our overseas business. Over the past several years, the Group has also engaged in numerous rental multifamily housing, Mitsui Lab, and office building developments, primarily in North America, and has steadily accumulated a number of seed properties for sale to investors. In addition to enjoying income gains from the upswing in properties in operation, the Group's future overseas

business expansion endeavors will transition to a phase that is driven by efforts to realize added value through development and the sale of properties. In this manner, we will shift our focus to business development through the turnover of assets. In the sale of properties, we will monitor domestic and overseas interest rates as well as investment market trends in a bid to maximize capital gains, and make smart decisions on when to sell and when to buy in the local market.



## Message from the CEO

## Path 2: Expand into new asset classes

For details, see P.047

## (1) Sports and Entertainment Business

In the post COVID-19 era, we again realize that real value stems from various sources, including sports. Meanwhile, the more the global trend toward digitalization progresses, I believe we will witness an era in which a growing number of people will seek out higher added value in emotional experiences and real-world, sense-based experiences that cannot be obtained digitally. Quick to recognize the emergence of this era, we acquired TOKYO DOME CORPORATION through a takeover bid. Drawing on that company's expertise and know-how in stadium management, we acquired the Chichibunomiya Rugby Stadium

reconstruction business. We are also involved in arena operations in Funabashi and are promoting the creation of neighborhoods utilizing the power of sports and entertainment as one of our key themes.

Moreover, we combined the retail facilities and sports and entertainment businesses and established a single division. As a group, we are working to gain a competitive advantage and secure strengths not found in other companies by generating new synergies through collaboration between the two businesses.

## (2) Mitsui Lab and Office Building Business

People across all corners of the globe witnessed firsthand the fusion of technology and biomedicine through the accelerated development of a vaccine in the aftermath of COVID-19, reminding us of the role that innovation plays in paving the way for the future. This in turn highlights the growing importance of global-scale life science initiatives in the coming years. One of the industries in which Japan can compete on the global stage is the life science field.

The Mitsui Fudosan Group is committed to the development of Japan's life science field. Since 2016, we have endeavored to build an ecosystem that encourages the creation of life science innovation by "building communities" and "developing places" mainly in Nihonbashi. Each life science base around the world is built on an established community and is supervised by a governing body. In collaboration with interested members in academia, we established Life Science Innovation Network Japan, Inc. (LINK-J), in Nihonbashi and put in place a platform for the life science community. In addition, we are pioneering the promotion of R&D rental lab and office development in

close proximity to the city center. The life science R&D environment in Europe and the United States has already experienced change over the years with the mainstream trend shifting from the traditional "suburban, closed, and ownership-type" R&D facility to today's "urban, open, rental-type" base. For example, a concentration of life science companies has located in the Boston-Cambridge area, most of which are rental labs and offices.

Distinguished by their low remote work and high attendance rates, these labs and offices are recognized as a stable asset class with high operating levels. In recent years, the supply of rental labs and offices has skyrocketed in the United States.

In light of the aforementioned global trends, we repositioned rental labs and offices as a seed for the next stage of growth and will further expand this business both in Japan and overseas. We will work to help resolve R&D environment issues, capture new demand, and create new markets.

## (3) Further expand business domains, including strengthening the data center business

Data centers are forecast to experience growth in line with the rapid digitalization of society in recent years. These assets have a high affinity with retail and logistics facilities, and as a strength of the Group, we believe we can demonstrate our competitive advantage compared with other companies in our industry by leveraging our know-how in

this field.

In addition to the "solar power generation" and "offshore wind power" businesses, we will focus on business development that precisely meets the needs of the times, including "school facilities," to further expand our business domains.

## Path 3: Explore new business domains and capture business opportunities

For details, see P.049

With the aim of cultivating new fields that transcend the real estate domain, this third path can be expected to serve as a new source of revenue. The Mitsui Fudosan Group has built a diverse customer base through various business development activities over the past 80 years. Expanding beyond the conventional landlord-tenant bond, these relationships are evolving into robust ties built on broad and deep joint businesses and research.

In this instance, we will take full advantage of our customer base strengths, build networks that go beyond the boundaries of the traditional real estate developer, and upgrade our development menu of places and communities. One specific example is the "Aerospace"

field. In partnership with JAXA and other volunteers from industry, government, and academia, we established "cross U" as a co-creation platform for the aerospace business and have already initiated activities. cross U operates two aerospace hubs in the Nihonbashi area to provide aerospace business players with places and a community. During the first year of activities, cross U expanded to 252 members, making it one of Japan's largest aerospace business communities, based in Nihonbashi. The scope of aerospace development is broad, encompassing industries as diverse as the mobility, green tech, robotics, data science, and life science fields, and is expected to expand from the related business and market scale perspectives.

Looking ahead, we will continue to contribute to the development of the aerospace business in Japan.

In this format, we intend to identify new industry fields that will drive the next generation of Japanese industry and nurture new sources of revenue for the future through various means, including investments as a major player.

As a framework designed to help bring these aspirations to fruition, we recently established the Innovation Promoting Division. As far as

## Financial Strategies

For details, see P.053

Moving on, I would like to elaborate on our financial strategies aimed at realizing our vision. As a company that is inextricably tied to the capital markets, we recognize the need to earn the confidence of investors by not only creating social value but also steadfastly enhancing economic value to continue creating the future through the creation of new value backed by the creation of neighborhoods. To this end, we must stably maintain, manage, and expand the three key

financing is concerned, we have also put in place an M&A investment budget of over ¥400 billion and a start-up equity investment limit of over ¥100 billion through fiscal 2030.

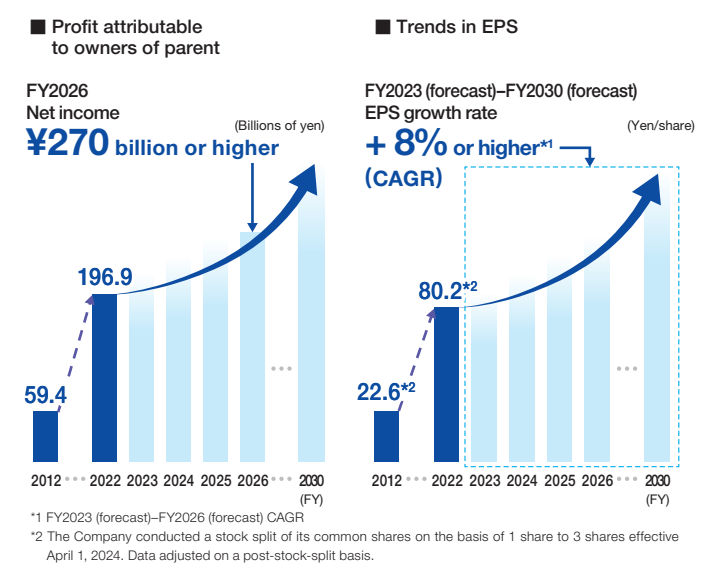
Over the period of the Group's stated vision, we will explore new promising industrial fields, allocate management resources, including human and financial capital, and paint a picture of renewed growth for both the Group and the next generation of burgeoning industries as an industry developer.

objectives: enhance growth, efficiency, and shareholder returns. Focusing equally on each of these objectives, we will efficiently employ the capital entrusted to us by investors, promote underlying sustainable growth, and expand shareholder returns commensurate with growth. Sharing this aspiration with investors, we see this as the most appropriate path to maximizing our corporate value.

## [1] Improving growth potential

From a growth potential perspective, we will work to achieve stable and continuous profit growth and enhance cash-generating capabilities by steadfastly carrying out each of the measures outlined in our previously mentioned business strategies. In particular, we have set the business and net income targets of ¥440 billion or higher and ¥270 billion or higher, respectively, in fiscal 2026, and will aim for further sustainable growth around fiscal 2030, a long-term milestone.

In similar fashion to the past, we have positioned the EPS growth rate as an important KPI and an indicator of net income growth and source of shareholder returns. We will also target an EPS CAGR of 8% or higher/year from fiscal 2023 to fiscal 2030, exceeding the 7% target under "VISION 2025," while taking into account organic profit growth through our mainstay business and the flexible and continuous repurchase of own shares.



## [2] Improving efficiency

Next, I will comment on "efficiency" in line with our approach toward balance sheet control.

From a balance sheet asset control perspective, we will endeavor to improve the Group's ROE by ramping up efforts to accelerate the turnover of assets and realize added value while taking into consideration the scale of total assets and the need to enhance the asset portfolio's quality. We will promote the turnover of assets based on a total balance sheet approach, taking into consideration not only the disposition of existing real property for sale but also such factors as fixed assets, strategic shareholdings, and stocks held purely for investment purposes. At the same time, we plan to allocate proceeds to investments for future growth.

As another measure designed to improve ROE, we will firmly implement our universal Income Gain, Capital Gain, and Management business model cycle as a means to expand assets under

management and management revenue through such means as the consignment of management following the sale of assets and promotion of development business activities utilizing the capital of other parties.

Turning to our approach toward controlling balance sheet liabilities and equity, the Group's main real estate development and neighborhood creation-oriented businesses are characterized by the heavy long-term use of the balance sheet. As such, it is extremely important that we maintain and enhance financial soundness in preparation for long-term fluctuations in financial markets and unforeseen circumstances. Over and above the need to improve ROE, we will therefore work to secure a balance between the scale of interest-bearing debt and maintaining financial soundness while promoting proper financial leverage control based on the Group's D/E ratio.



## Message from the CEO

## [3] Enhancing shareholder returns



As the manager of a business, I am acutely aware that a stable and continuous approach toward returns as the basis for sustainable growth is of the utmost importance to investors who support the Company over the long term. In formulating our vision, we have decided to further enhance shareholder returns in light of our stable cash flow underpinned by a robust asset portfolio, confidence in our ability to expand future cash-generating capabilities, and the balance between such factors as profit growth and equity. Guided by our new shareholder return policy, we will strengthen the total payout return ratio to 50% or higher for each period over the next three years.

In addition, we have decided to lift our dividend payout ratio from around 30% to around 35% each fiscal year to ensure stable dividends even in the event of a future pandemic or financial crisis.

We have also introduced continuous and progressive dividends in an effort to better clarify our policy on shareholder returns with a view to increasing dividends in tune with sustainable profit growth.

At the same time, we will adopt a flexible and continuous approach toward the repurchase of own shares over the next three years. We believe that the repurchase of own shares should be undertaken in an ongoing flexible and agile manner, while taking into consideration a comprehensive list of factors, including the level of the Company's stock price and an awareness toward increasing the value per share, which will lead to a greater sense of market security and confidence. On this basis, we are cognizant of the need to ensure the continuity of own share repurchase activities in combination with the payment of dividends as well as efforts to further increase liquidity. To this end, we have set the ratio of own shares, which represents the total payout return ratio less the dividend payout ratio, at 15% or higher. Furthermore, we recognize that the repurchase of own shares is an important factor that affects EPS growth and efforts to improve ROE. With this in mind, we will continue to consider more effective ways to increase, improve, and strengthen the three key objectives: enhance growth, efficiency, and shareholder returns.

## Expand shareholder returns

Stable and continuous shareholder returns

Total payout return  
ratio **50% or higher each period**

## Strengthen dividends

Increase in dividends linked to sustainable profit growth

Dividend payout ratio  
Around **35%** each period,  
introduce continuous and  
progressive dividends

Growth and increase  
in value per share

Flexible and continuous  
repurchase of own shares

## Infrastructure That Supports Our Business Strategy: Human Resources, DX, and ESG

In closing, I would like to convey our thoughts on human resources, DX, and ESG, which form the infrastructure that supports our business and financial strategies.

## [1] Human Resources (the Importance of D&amp;I)

For details, see P.063

Human resources who take the initiative while mobilizing their knowledge and networks, not only in the real estate sector but also in all other industries, are essential for the Group to initiate innovation across various industries as an industrial developer. As the world's values diversify amid dramatic changes in the business environment, it is equally important to embrace diversity within the organization in order to accurately grasp customers' needs and social requirements.

Put another way, D&I lies at the core of the Group's strategy. It is critical that every facet of our organization, including the decision-making layer, comprises diverse human resources. Our goal is to become a corporate

group in which human resources with diverse backgrounds and values can maximize their capabilities, share information through the exchange of opinions, stimulate a positive chemical reaction, and create new added value. To achieve this goal, we will engage in Group-wide efforts to raise the level of human resource capabilities, the source of value creation, and actively secure human resources and knowledge to accelerate innovation. Supporting the activities of diverse human resources, we will also further develop the Group's One-Team organization that brings together the strengths of the Mitsui Fudosan Group.

## [2] About DX (Developing DX Business Personnel)

For details, see P.071

Changes in behavior due to the digital shift and such emerging trends as generative AI are evolving at an accelerating pace while triggering global transformation. The inference here is that DX is sparking dramatic change in traditional values irrespective of the industry and across all fields. Against this backdrop, the environment surrounding the real estate industry is expected to become increasingly diverse with disparate ways in which people live and work.

Under these circumstances, the Mitsui Fudosan Group will pursue diversity in its human resources in the real estate DX field as well as in the development of an infrastructure to ensure AI and digital support to

deepen DX with the aim of establishing a business model that combines the real and digital and further promoting innovation. Rather than simply secure professionals well versed in the DX and digital fields, it is important that the Group's pool of DX professional recruits actively interact with existing business staff and evolve into DX business personnel with a deep understanding of both DX and the Company's business.

We will link efforts to develop DX business personnel with expertise in both DX and business to a new level of competitiveness going forward.

## [3] About ESG (The Era of Sustainability Management)

For details, see P.075

Historically, Mitsui Fudosan has employed quantitative financial indicators to measure trends in its corporate value. Having said this, we are today entering an era in which the driving force behind sustainability management, which works to increase corporate value through both the financial and non-financial perspectives, will come to the fore. In particular, the surging wave of global-scale climate change is a phenomenon that transcends national borders and is ravaging a single earth. To solve this issue, the entire supply chain must be connected as a "chain of self" toward the realization of a sustainable society. In order to solve this issue, the entire supply chain must work in unison to realize a sustainable society.

Working to fulfill its social responsibility to build and develop social infrastructure, the Mitsui Fudosan Group formulated the Group Action Plan to Realize a Decarbonized Society in 2021. We will work diligently to implement and achieve this plan. Against this backdrop, the Group is also committed to sustainable forestry and is involved in protecting

natural forests taking into consideration the need to conserve biodiversity in the roughly 5,000 hectares of forest it owns in Hokkaido. Furthermore, based on the Mitsui Fudosan Biodiversity Policy, formulated in 2023, we will endeavor to realize the Nature Positive concept.

As far as corporate governance is concerned, we have on numerous occasions taken steps to consider the structure of the Board of Directors required to bring & INNOVATION 2030 to fruition. In conjunction with these considerations, we increased the ratio of outside directors by adding one outside director with extensive knowledge of the finance and capital markets as well as insight into corporate management. Also recognizing the importance that diversity plays in the composition of the Board of Directors, we will continue to pay close attention to efforts aimed at improving the soundness, transparency, and efficiency of management.

## In Closing

Guided by the "&" Logo Principles, the Mitsui Fudosan Group's neighborhood creation goal is to provide a neighborhood platform, build communities, and develop places where various people and businesses can gather. In creating ecosystems from which new demand and needs can be expected to emerge, the Group is working to stimulate innovation while creating new industries and value. With the passage of time with people and companies, the neighborhoods that we create will become more appealing, which in turn will attract even more people and businesses. This virtuous cycle will help promote industry and corporate growth, increase the competitiveness of cities, and advance economic development. This kind of value creation is the Group's raison d'être and its social mission.

Through the announcement of & INNOVATION 2030, we will continue to engage in dialogue with stakeholders and work to create both social and economic value as two wheels of a cart while sharing the direction that the Group should take. I also believe that one of my key missions as president is to build a track record that exceeds expectations and increase shareholder value.



We will continue to take on the challenge of creating new value through the creation of neighborhoods, together with long-term investors who share the Group's vision for the future.

As we work to achieve our established goals, I ask for the continued support and understanding of all stakeholders.



# TOPICS — Selected as a participant in the Tsukiji District Urban Development Project

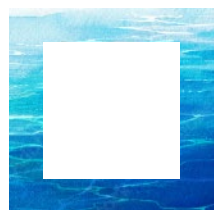


As the representative company of a consortium comprising 11 partner companies, Mitsui Fudosan announced that the consortium was selected as the prospective operator for the Tsukiji District Development Project by the Tokyo Metropolitan Government in April 2024. The former site of the Tsukiji fish market is an asset of Tokyo residents. Building on the history of Tsukiji, the goal is to create an area that is cherished by locals and attracts people from around the world.

Serving in part as a foreign settlement during the Meiji Restoration, the area helped promote the exchange of civilizations and cultures with the rest of the world. As such, plans are in place to construct a

number of buildings, including a grand-scale multifunctional venue and a meetings, incentives, conferences, and exhibitions (MICE) facility. Following the market's relocation from Nihonbashi to Tsukiji in the wake of the Great Kanto Earthquake, and continued development as a food hub, another initiative is the scheduled establishment of a food court and food lab in collaboration with the Tsukiji outer market.

In addition to a concept of "delicious" and "enjoyable," we are looking to establish innovation facilities, including life science facilities, to enhance Japan's industrial competitiveness and create cutting-edge industries.



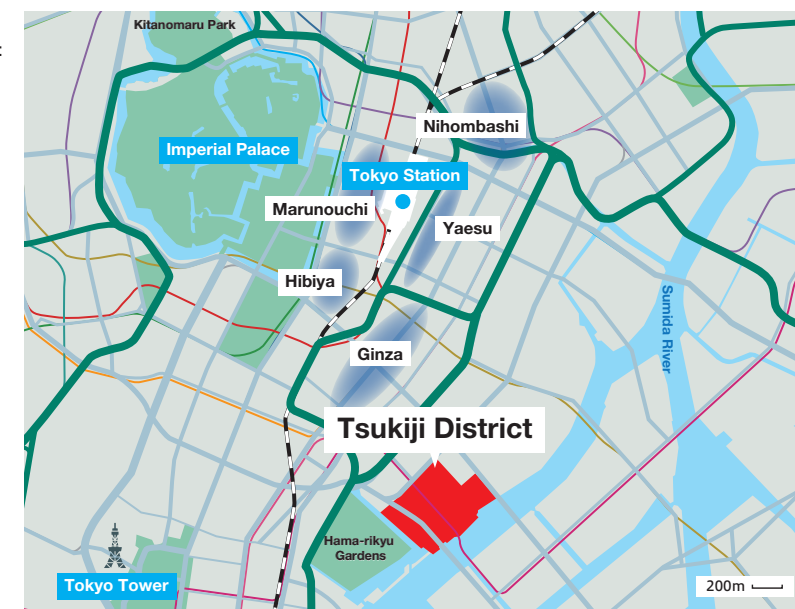
Through the creation of this neighborhood that is designed to transform the future with the next 100 years of society in mind, we will work to revitalize the Tokyo aqua metropolis, bring excitement, promote interaction and innovation, engender the admiration of locals, and attract people from around the world.



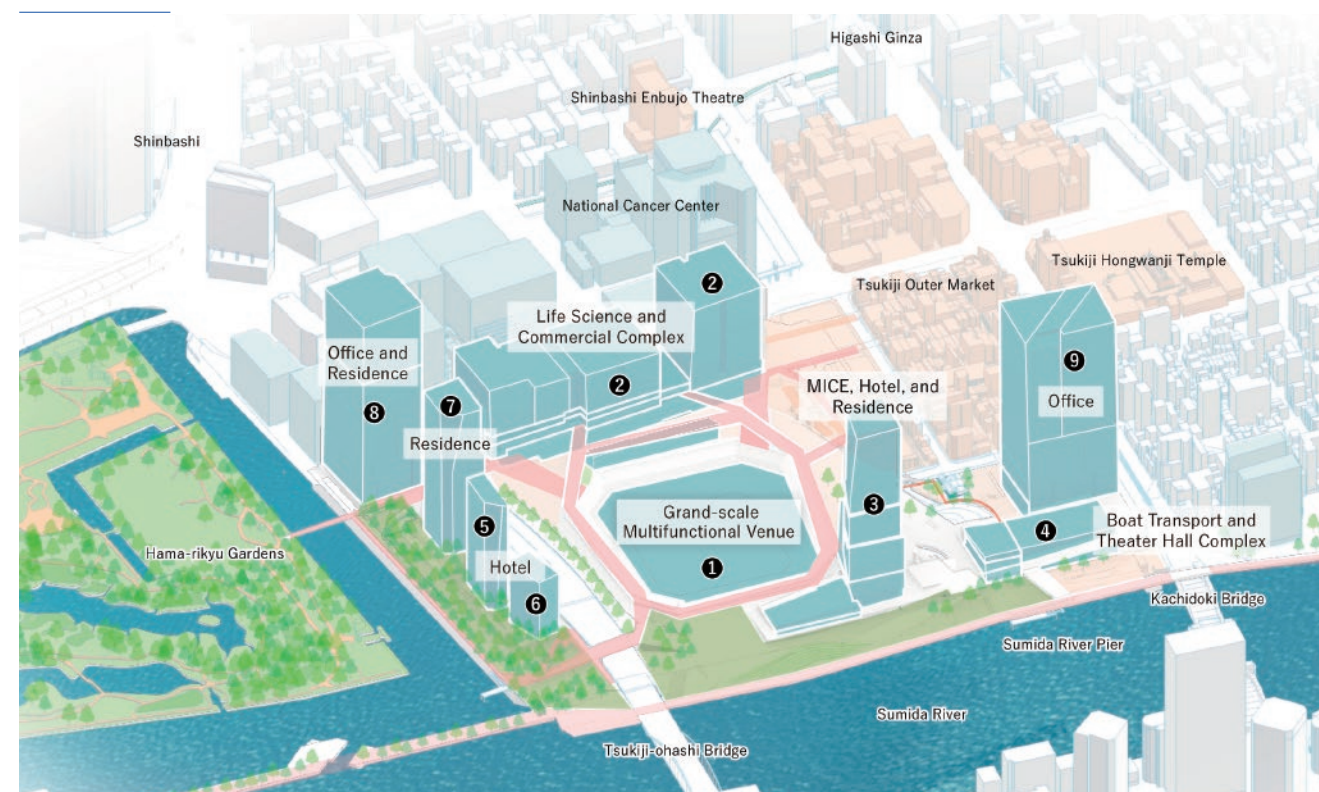
## A new neighborhood with a site area of approximately 19 hectares in central Tokyo

- Area of Tokyo Metropolitan Government-owned land to be used: Approx. 19 hectares
- Scheduled opening: First half of 2030s or later (partial opening in advance in fiscal 2029)
- Operating companies\*: Mitsui Fudosan Co., Ltd. (representative company)  
Toyota Fudosan Co., Ltd.  
The Yomiuri Shimbun Holdings
- Builders: Kajima Corporation  
Shimizu Corporation  
Taisei Corporation  
Takenaka Corporation
- Architects: Nikken Sekkei Ltd.,  
Pacific Consultants Co., Ltd.
- Partners: The Asahi Shimbun Company  
Toyota Motor Corporation

\* Companies responsible for development and operation



## Building Layout Plan





# Mitsui Fudosan: Group Materiality

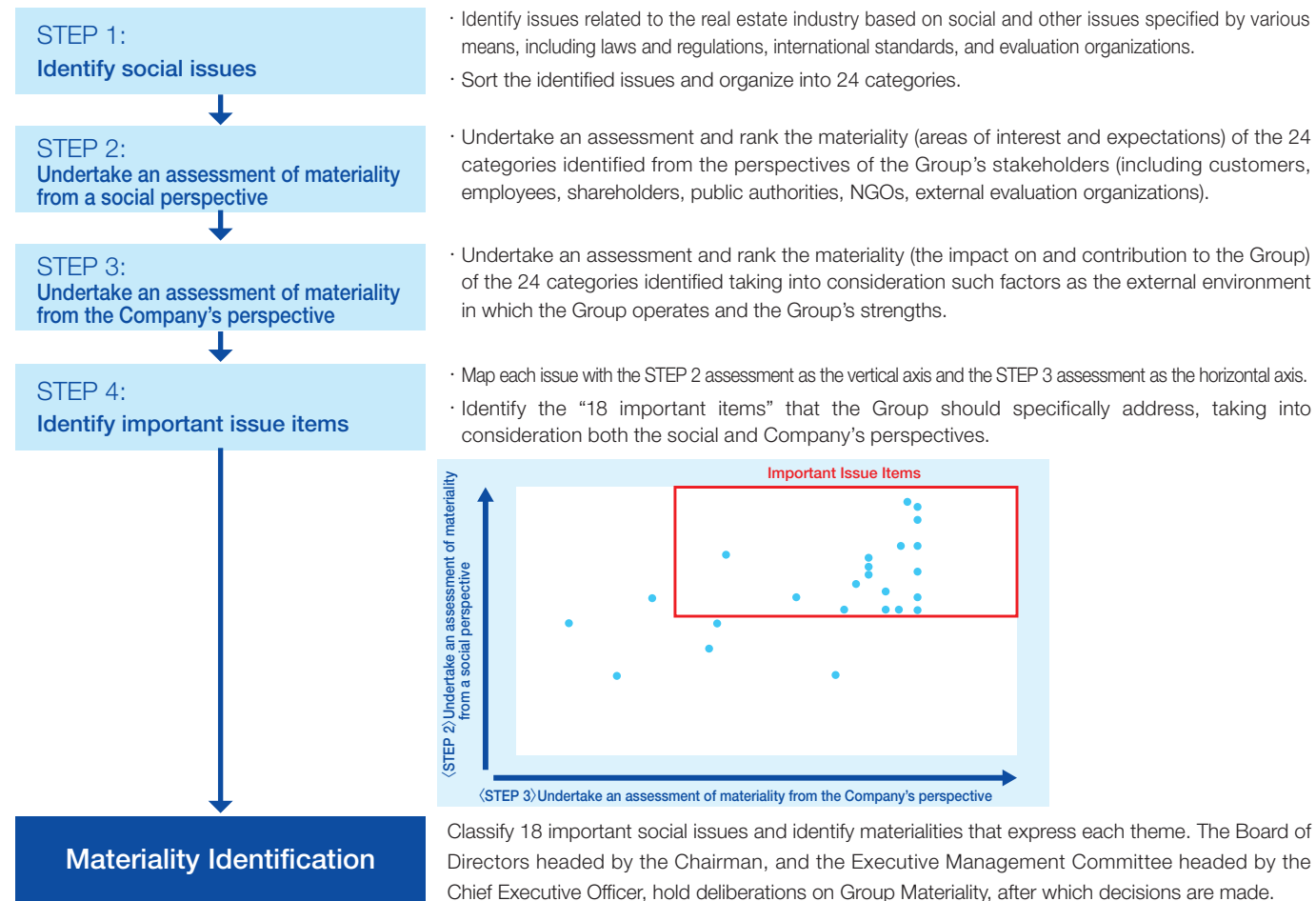
For details, please refer to the following: [https://www.mitsufudosan.co.jp/esg\\_csr/approach/materiality/](https://www.mitsufudosan.co.jp/esg_csr/approach/materiality/)

Guided by the meaning of “&” “to generate new value through cooperation, coexistence and co-creation, we forge ahead innovating,” Mitsui Fudosan is working toward the “creation of social value” and the “creation of economic value” as two wheels of a cart. Creating social value leads to the creation of economic value, which in turn leads to the creation of even greater social value.

The Company identified Group Materiality as a priority issue when formulating its new management philosophy in April 2024. Moving forward, we will contribute to sustainability by addressing this issue through our core business.

## Identification Process

Mitsui Fudosan has clarified its thoughts on six materialities, including the identification of social issues, that reflect the perspectives of various stakeholders.



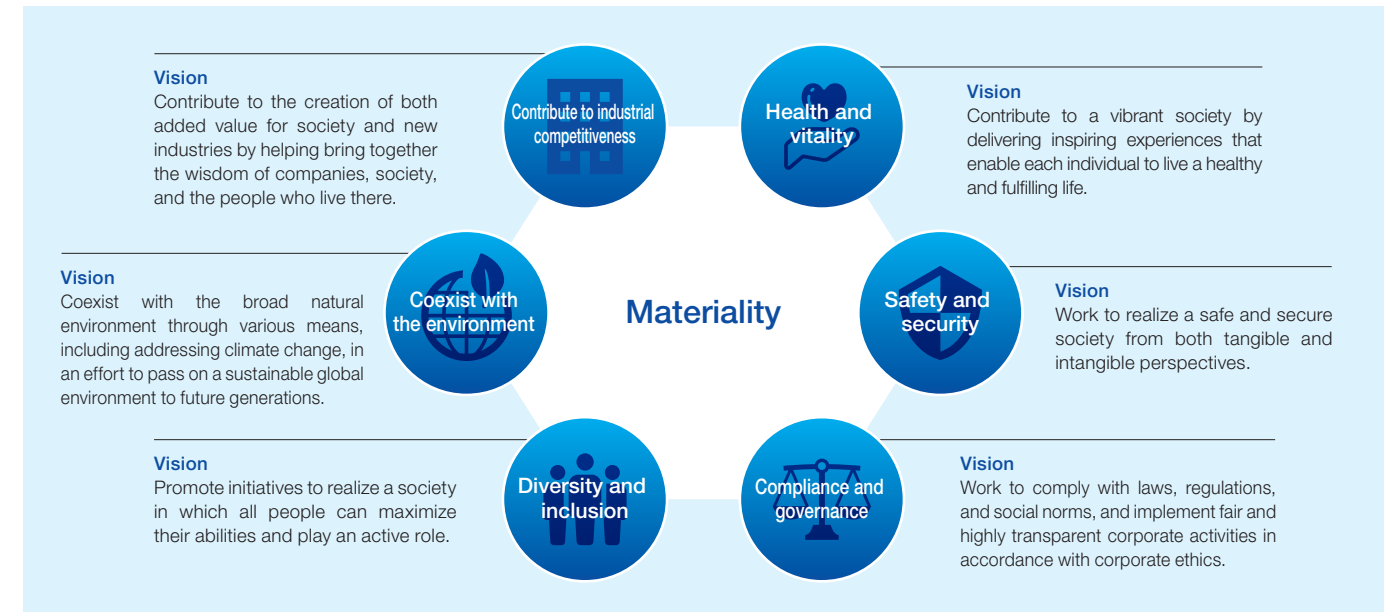
### Classification of important issue items to be addressed by theme

Creating new industries	Mitigating climate change	Promoting wellness among building users	Building safety	Realizing an inclusive society	Building strong governance
Strengthening industrial competitiveness	Transitioning to a circular economy	Improving experiential value	Preparing for disasters	Empowering diverse human resources	Ensuring compliance
	Preserving biodiversity	Employee health	Addressing the declining population and aging of society		Engaging in risk and crisis management
	Maintaining a green environment while taking into consideration the landscape				Addressing human rights

### Group Materiality (Priority Issues)



## Group Materiality (Priority Issues)



### Opinions from External Stakeholders (Experts)

We received the candid opinions of experts with diverse backgrounds and expertise on identifying materiality, which were reflected in the materiality identification process.

Tomonari Yashiro President, Tokyo City University Katsuhiko Kokubu Professor at the Graduate School of Business Administration, Kobe University

## Indicators and Targets by Materiality

Materiality	Evaluation indicator	Period	Numerical target	Materiality	Evaluation indicator	Period	Numerical target
Contribute to industrial competitiveness	Strengthen industrial competitiveness Initiatives that contribute to the creation of added value for society by supporting people's daily lives and diverse corporate activities New area expansion Initiatives that contribute to the creation of new industries by further developing the industry creation platform	Annual disclosure of initiatives*2		Health and vitality *1	Improvement in experiential value Initiatives to create neighborhood that people want to visit by delivering exciting experiences Realize a society of wellbeingInitiatives to realize a society brimming with vitality where workers and visitors are in excellent health	Annual disclosure of initiatives*2	
					Number of paid leave days taken	Annual	14 days annually
Coexist with the environment	Progress of the Decarbonization Action Plan Expansion of green spaces, utilization of forests Initiatives to increase greenery in the urban core through development and to regenerate Japan's forests	Annual disclosure of initiatives*2		Safety and security	Health checkup and screening rate	Annual	100%
	CO <sub>2</sub> and other emission reduction rate (1,000 t-CO <sub>2</sub> )	2030	40% decrease compared with FY2019		Safety and security Continuous efforts from both the hard (real estate) and soft (services) perspectives and initiatives to realize a safe and secure society	Annual disclosure of initiatives*2	
		2050	Virtually zero	Diversity and inclusion*1	Conduct disaster drills including tenant companies	Annual	2 times
	Proportion of electric power used in business activities derived from renewable energy (RE100)	FY2050	100%		Realize an inclusive society Initiatives to realize a society in which all people can maximize their abilities and play an active role	Annual disclosure of initiatives*2	
	New building external environment certification acquisition rate Note: Limited to rental properties, including office buildings, retail facilities, logistics facilities, as well as hotel and resort facilities.	Annual	100%		Improvement of employee engagement	Annual	80% or higher
	Energy consumption per base unit (kL/m <sup>2</sup> / year)	Annual	1% reduction annually		Training time per employee	Annual	Last year's level
	Clean/industrial water use per base unit (m <sup>3</sup> /m <sup>2</sup> per year)	Annual	Less than the previous fiscal year		Training expenses per employee	Annual	Last year's level
	General waste emissions per base unit (t/m <sup>2</sup> per year)	Annual	Less than the previous fiscal year		Women in management positions ratio	2025	10%
	Industrial waste emissions per base unit (t/m <sup>2</sup> per year)	Annual	Less than the previous fiscal year			2030	20%
	Waste recycling ratio (at Mitsui Fudosan Co., Ltd. headquarters)	FY2030	90%		Ratio of female hires	Annual	40%
Compliance and governance				Compliance and governance	Employment rate of people with disabilities	Annual	2.5% or higher*3
					Percentage of male employees taking childcare leave	Annual	100%
					Return rate from childcare leave	Annual	100%
					Compliance training implementation participation rate	Annual	100%
					Implementation and enhancement of human rights due diligence	Annual*2	

\*1 Quantitative KPIs on a stand-alone basis. \*2 Anticipated disclosure in the Sustainability and other reports. \*3 Work toward exceeding the legal employment rate (2.5% as of April 2024, increasing to 2.7% from July 2026).



# Mitsui Fudosan Group Long-Term Vision & INNOVATION 2030

## Structure of & INNOVATION 2030

The Mitsui Fudosan Group has positioned efforts to contribute to the creation of added value for society as an industry developer as its vision for around fiscal 2030. To bring this vision to a reality, we will work diligently to secure growth by following three paths of business strategy and promote management based on a tripartite model of enhance growth, efficiency, and return as our financial strategy.

### Relationship to Our Philosophy and Materiality

Based on Our Philosophy, we have identified Group Materiality priority issues. We will strive to resolve these Group Materiality priority issues by pressing forward with efforts to bring the Group's long-term vision & INNOVATION 2030 to fruition.

Our Philosophy

Group Materiality

&amp; INNOVATION 2030

## Vision

### Contribute to the creation of added value for society as an industry developer

#### Contribute to global innovation and industrial development

- Accelerate efforts to generate innovation and develop new industries by bringing together the wisdom of various people and companies through the provision of places and communities.

#### Create exciting experiences

- Create attractive neighborhoods to help realize a vibrant society where people's hearts are overflowing with excitement.

#### Help address social issues

- Create wide-ranging added value through innovation and the creation of neighborhoods where people can work, live, enjoy, and visit.
- Help build a sustainable society on a global scale by coexisting with the environment and contributing to such efforts as addressing climate change.

Create social value    Create economic value

### Achieve sustainable growth and efficiency in excess of the cost of capital

- Achieve stable and continuous profit and cash growth over the long term through the efficient use of invested capital.
- Further develop the "Income Gain Business, Capital Gain Business, and Management" business model (For details, please refer to page 023). In addition to stable leasing income from property holdings, accelerate efforts to realize added value by ramping up the sale of properties and promote management that enhance both growth and efficiency.

### Ensure the stable and continuous redistribution of profits among shareholders and increase value per share

- Increase shareholder value over the medium to long term by reinvesting earnings.
- Redistribute profits among shareholders, taking into consideration such factors as the business environment, performance, and financial position.
- In addition to the stable payment of dividends, increase value per share through the flexible and continuous repurchase of own shares.

## Business Strategy

### Achieve growth through three paths

- Promote further core business growth (develop and evolve)
- Expand into new asset classes
- Explore new business domains and capture business opportunities

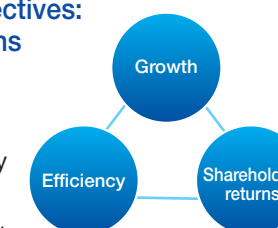


**& INNOVATION 2030**  
DREAM, VISION, REALITY

## Financial Strategies

### Manage with an equal focus on the three key objectives: enhance growth, efficiency and shareholder returns

- Achieve stable and continuous profit growth and enhance cash-generating capabilities
- Improve efficiency and maintain financial soundness by managing the Company's balance sheet
- Expand shareholder returns based on growth and efficiency



## Infrastructure That Supports the Strategy

Human resources

DX

ESG



## Mitsui Fudosan Group Long-Term Vision &amp; INNOVATION 2030

## Quantitative Targets

## ■ Quantitative Targets: Around FY2030

<b>Growth Indicator</b>	EPS* <sup>1</sup> growth rate <b>+8%</b> or higher* <sup>2</sup>	<b>Efficiency Indicator</b>	ROE <b>10%</b> or higher
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## ■ Quantitative Targets: FY2026

<b>Growth Indicator</b>	EPS growth rate <b>+8%</b> or higher* <sup>3</sup>	<b>Efficiency Indicator</b>	ROE <b>8.5%</b> or higher
PL	Business income <b>¥440 billion</b> or higher* <sup>4</sup>	Shareholder Returns (FY2024–FY2026)	Total payout return ratio <b>50%</b> or higher each period
	Net income <b>¥270 billion</b> or higher		Dividend payout ratio Around <b>35%</b> each period
BS	Total assets Around <b>¥9 trillion</b>		<b>Stable dividend increases linked to sustainable profit growth (continuous and progressive dividends)</b>
	Interest-bearing debt Around <b>¥4.5 trillion</b>		<b>Flexible and continuous repurchase of own shares</b>
Efficiency Indicator	ROA <b>5%</b> or higher* <sup>5</sup>		

## ■ Business income by segment

	FY2022	FY2026	Image of Growth
Leasing	Approx. ¥150 billion ▶	Around <b>¥180 billion</b>	Increase in leasing income due to the completion of new properties. Increase in leasing income due to such factors as the increase in existing property rent revenue.
Management	Approx. ¥153 billion ▶	Around <b>¥210 billion</b>	Focus on the stable generation of high margins. Amounts recorded each period vary depending on market conditions.
Property Sales	Approx. ¥63 billion ▶	Around <b>¥70 billion</b>	Increase in management fees due to such factors as AUM growth and increase in property management fees.
Facility Operations	Approx. -¥4 billion ▶	Around <b>¥30 billion</b>	Further improvements in ADR for hotels and resorts. Increase in the number of Tokyo Dome customers, etc.
Business Income* <sup>6</sup>	Approx. ¥313 billion ▶	<b>¥440 billion or higher</b>	

\* 1 Earnings per share

\* 2 FY2023 (forecast)–FY2030 (forecast) CAGR

\* 3 FY2023 (forecast)–FY2026 (forecast) CAGR

\* 4 Operating income + Equity in earnings/losses of affiliates (including Gain/loss on sales of shares of subsidiaries and affiliates for the purpose of real estate sales) + Gain/loss on sales of fixed assets

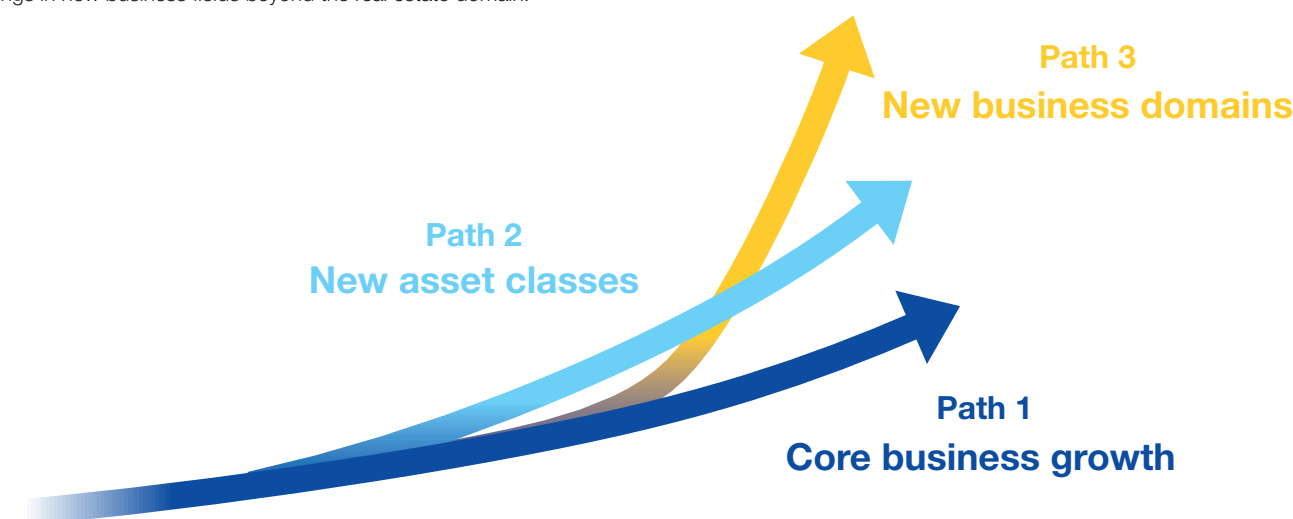
\* 5 Business income / Average total assets over period

\* 6 Business income = Operating income + Equity in earnings/losses of affiliates (including Gain/loss on sales of shares of subsidiaries and affiliates for the purpose of real estate sales) + Gain/loss on sales of fixed assets

## Business Strategy

## Three business strategy paths

The business strategies that we intend to follow through to 2030 are comprised broadly of three paths. Under each of these three paths, we will first, promote further core business growth, second, expand into new asset classes, and third, explore new business domains and capture business opportunities. Rather than an “either/or” proposition, we look at each of the three paths from an “and” perspective. As such, each path is linked to the other. In addition to our growth strategy in the existing real estate domain, we will practice ambidextrous management by increasing sources of earnings in new business fields beyond the real estate domain.



## Path 1: Promote further core business growth (develop and evolve)

Work to further grow (develop and evolve) the core businesses that have supported the Group's efforts to create value to date.

- (1) Decouple from the market\*
- (2) Strengthen development profitability~Realize added value
- (3) Further develop and evolve overseas business

\* Achieve high profitability regardless of the external environment through differentiation and efforts to create new markets.

## Path 2: Expand into new asset classes

Accelerate expansion into new asset classes by leveraging the strengths and know-how cultivated in core businesses.

- (1) Create neighborhoods harnessing the power of sports and entertainment
- (2) Expand the Mitsui Lab & Office business
- (3) Further expand business domains by strengthening the data center business, etc.

## Path 3: Explore new business domains and capture business opportunities

Explore new business domains and capture business opportunities to realize the Group's continued growth in the future.

- (1) Further develop and evolve as a platformer
- (2) Invest in mainstay fields
- (3) Establish a new division



## Mitsui Fudosan Group Long-Term Vision &amp; INNOVATION 2030

## Path 1

## Promote further core business growth (develop and evolve)

1  
Core business growth

## Decouple from the market

- Pursue a customer-centered approach. Combine real and digital media to provide experiential value that meets the diversifying needs of individual customers. Further promote the development of mixed-use neighborhoods that integrate soft (services) and hard (real estate) to strengthen the competitiveness of entire cities. Strengthen the Mitsui Fudosan Group Network while working to upgrade and expand memberships organizations.
- Decouple from the market by differentiating each business and efforts to develop neighborhoods while creating new demand.

## Increase the quality and quantity of core business value provided through real and digital measures

For details, see P072

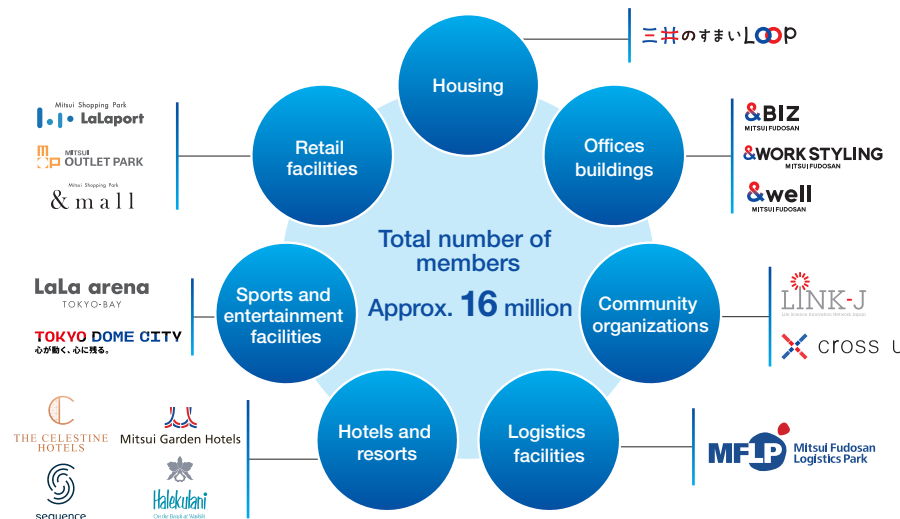
<b>Offices</b>	Develop offices you want to work in in cities you want to visit.
<b>Retail facilities</b>	Build a one-of-a-kind omni-channel platform.
<b>Housing</b>	Strengthen collaboration among Group companies, provide one-stop services.
<b>Hotels and resorts</b>	Utilize customer data and DX, propose personalized high-quality stay experiences.
<b>Logistics</b>	Help address customer issues throughout the supply chain, not just in the warehouse.

## Create mixed-use neighborhoods

- Harness the wide-ranging know-how cultivated to date and integrate soft (services) and hard (real estate) to provide value that meets the various working, living, enjoying, and relaxing needs of people.



## Strengthen the Mitsui Fudosan Group Network



## Strengthen development profitability~Realize added value

For details, see P023

- Further develop the "Income Gain Business, Capital Gain Business, and Management" business model. In addition to stable leasing income from property holdings, accelerate asset turnover and realize added value (valuation gains) at an early stage from total real property for sale and fixed assets.
- Engage in long-term management of assets under management after sale.
- Also consider the proactive use\* of third-party funding from the kickoff stage of large-scale developments.

\* Proactively call for third-party funding from various entities, including institutional investors from the business kickoff stage; in addition to the Company's share of revenues, improve business efficiency by acquiring management fees.

## Create sustainable added value

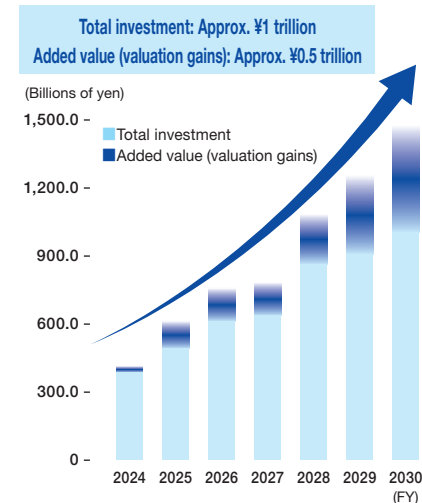
## Major Projects Scheduled for Completion between FY2024 and FY2030

- MOP MARINEPIA KOBE (reconstruction)
- MFLP・LOGIFRONT Tokyo-Itabashi
- MFLP Yokohama Shinkoyasu
- Nihonbashi 1-Chome Central District Project
- Former Yokohama City Hall Block Utilization Project
- (Tentative name) LaLaport ANJO
- Nihonbashi-Honsho 1-Chome 3 Project
- Hakone Project
- Yaesu 2-Chome Central District Project
- Uchisaiwaicho 1-Chome Central District Project
- Uchisaiwaicho 1-Chome North District Project
- Nihonbashi Muromachi 1-Chome District Project
- Hino Data Center Project

## Create added value through major projects

Notes:

1. Based on the Company's own current estimates.
2. Amounts for each fiscal year are cumulative for FY2024 and beyond.



Nihonbashi 1-Chome Central District Project

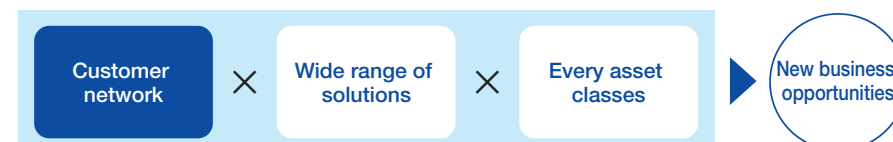


(Tentative name) LaLaport ANJO



MFLP・LOGIFRONT Tokyo-Itabashi

## Capture new business opportunities



## Further develop and evolve overseas business

## Accelerate the turnover-type investment model

- Accelerate new acquisitions focusing on turnover-type purchases while carefully selecting products and areas
- Realize profits after generating added value. Strengthen BS control endeavors.
- Target further overseas business growth by making smart decisions on when to buy sell based on conditions in each local market.



## Growth by area and product strategy

- Position such offices as 50 Hudson Yards in the United States as an earnings platform and accelerate expansion into the fast-growing Sun Belt Area as a next step.
- Expand investment in Australia and India where growth is expected.
- Build a portfolio drawing on the business environment in each area.
- Consider investing in new business domains (e.g., renewable energy facilities, student dormitories, data centers)



## Expand into the U.S. Sun Belt Area

## Promote business across a three-area structure

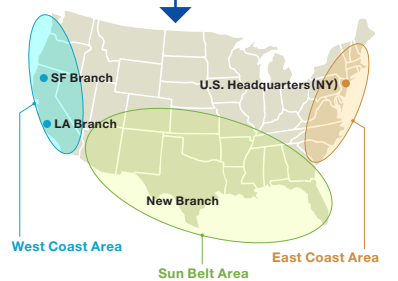
Expand high-growth investments, focusing on the Sun Belt Area\* in the United States Accelerate logistics facility and other business activities, including rental multifamily housing, which is experiencing robust real demand and remarkable growth. Open offices in the area and establish a three-area structure that includes the existing East Coast (NY) and West Coast (SF, LA) areas.

\* Generally refers to the area south of the 37th parallel north latitude.

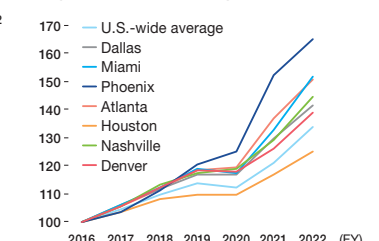
## Population trends\*1 / Trends in nominal GDP\*2 (growth rate from 2016 to 2022)

	East Coast	West Coast	Sun Belt
Population trends	101.8%	101.1%	105.7%
Trends in nominal GDP	130.2%	143.1%	144.9%

Sources: \*1 U.S. Bureau Census \*2 U.S. Bureau of Economic Analysis \*3 REIS (Real Estate Information Service) All Class



## Trends in housing complex rents\*3 (with 2016 as 100)





## Mitsui Fudosan Group Long-Term Vision &amp; INNOVATION 2030

## Path 2

## Expand into new asset classes

2  
New asset classes

## Create neighborhoods harnessing the power of sports and entertainment

- Utilize sports and entertainment, strengthen mixed-use functions, and promote the creation of neighborhoods that instill excitement.
- Capture business opportunities by leveraging TOKYO DOME CORPORATION's strengths.
- Establish a new division to maximize the value of each customer's experience through synergies between retail facilities and the power of sports and entertainment.

## Expand on the back of TOKYO DOME CORPORATION's strengths

- Employ sales and booking coordination capabilities across a wide range of genres, including sports and concerts.
- Leverage the ability to manage on-site operations for events that cater to thousands to tens of thousands of people.
- Harness the ability to plan and manage independent entertainment events.
- Utilize the ability to plan directly managed leisure facilities.

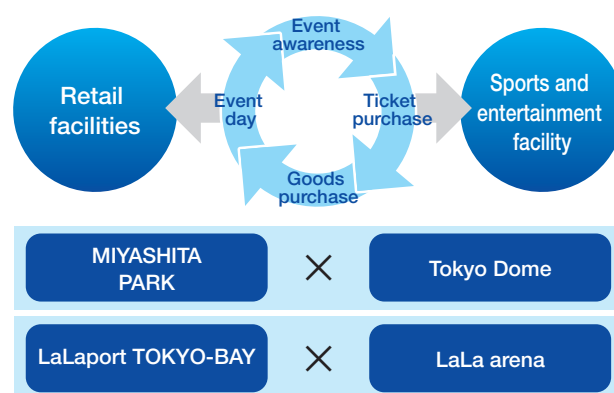


Tokyo Dome City

New Chichibunomiya Rugby Stadium project  
(utilizing the know-how of TOKYO DOME CORPORATION)

## Promote the arena business

- Increase points of customer contact through arena operations, enhance event content, etc., and develop measures to increase synergies with retail facilities.



LaLa arena TOKYO-BAY

## Create exciting experiences through sports and entertainment

- Create exciting experiences through events and content.
- Actively promote initiatives in collaboration with external partners.



## Expand the Mitsui Lab &amp; Office business

- Further expand the rental wet lab market\*, created by the Company, and capture demand.
- Contribute to open innovation in society by putting in place an environment for various research scenarios.

\* Wet lab: Research facility for conducting experiments using equipment and chemicals

- Responding to the growing importance of open innovation in the R&D environment, the Company already developed 13\* projects in Japan and abroad.
- Strengthen both urban projects, which are located in major metropolitan areas, and business seeds regional projects, which are located near academia and medical institutions.

\* Including projects scheduled to commence.

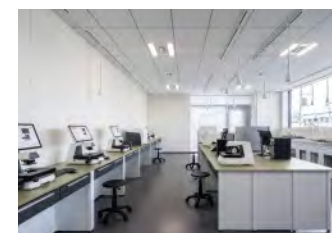


MITSUI LINK-Lab SHINKIBA 2



Torrey View (San Diego, U.S.)

- In addition to such tangible assets as buildings and equipment, support tenant company innovation creation by combining intangible services, including communication spaces and communities such as Life Science Innovation Network Japan Inc. (LINK-J).

Common Equipment Room  
(MITSUI LINK-Lab SHINKIBA 2)MITSUI LINK-Lab  
(events for interaction between tenants)

## Further expand business domains by strengthening the data center business, etc.

- Strengthen data center business to support the digitalization of society. Capture rising demand.
- Moreover, leverage the Group's strengths and expertise, expand into various asset classes, and create value for customers.

- Expand business domains to urban-and co-location -type data centers\* (DCs) by leveraging know-how in the Data Center DC business.

\* A service that rents out space to install servers, network equipment, etc.



Data center: MFLP Inzai II

- Leverage the Group's strengths and expertise, expand into various new asset classes, and increase the value provided to customers in connection with the creation of neighborhoods.



School facility: Rugby School Japan (Kashiwa-no-ha)



## Mitsui Fudosan Group Long-Term Vision &amp; INNOVATION 2030

## Path 3

## Explore new business domains and capture business opportunities

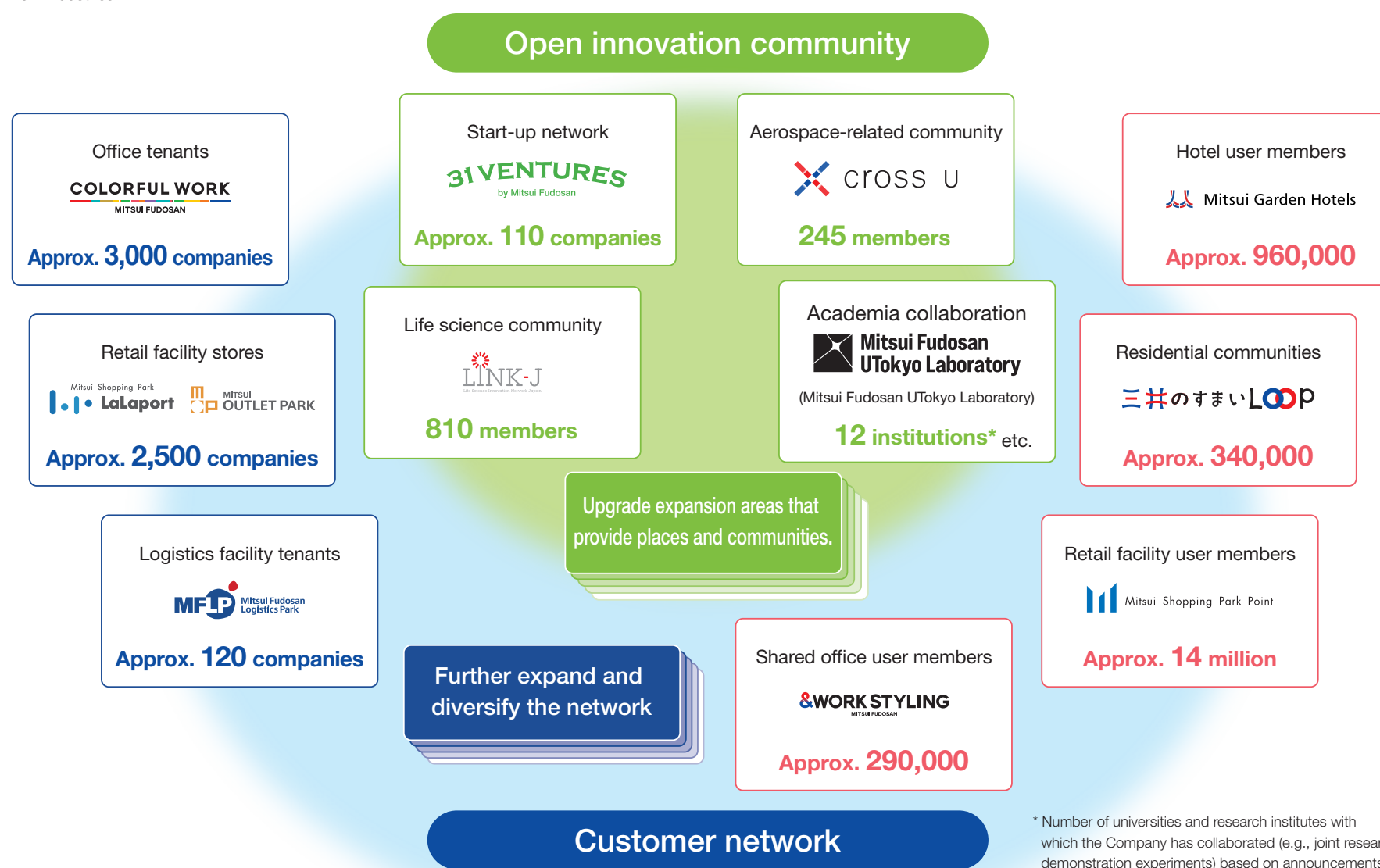
3  
New business domains

## Further develop and evolve as a platformer

- Play a role in bringing together the wisdom of companies, society, and the people who live there.
- Build a network that transcends the traditional boundaries of real estate developers by providing a platform for open innovation.
- Upgrade expansion areas (menus) that provide places and communities as an industry developer. Accelerate contributions to the innovation and creation of new industries through increased involvement as a platformer.

## Extensive networks and communities

- Upgrade place and community service menus by leveraging networks established to date.
- Play a role in bringing together the wisdom of diverse people from various areas, including large companies, start-ups, and academia, and accelerate contributions to open innovation and the creation of new industries.



## Pick up

## “cross U,” a co-creation platform for the aerospace business

- A business co-creation platform that provides places and a community for aerospace business-related players
- Established in partnership with volunteers from industry, government, and academia, activities commenced at a base in Nihonbashi in April 2023
- During the first year of activities, special members increased to 252; working to promote further growth as one of the largest space business communities in Japan

Providing spaces and creating opportunities

Example of a member and tenant company



X-NIHONBASHI

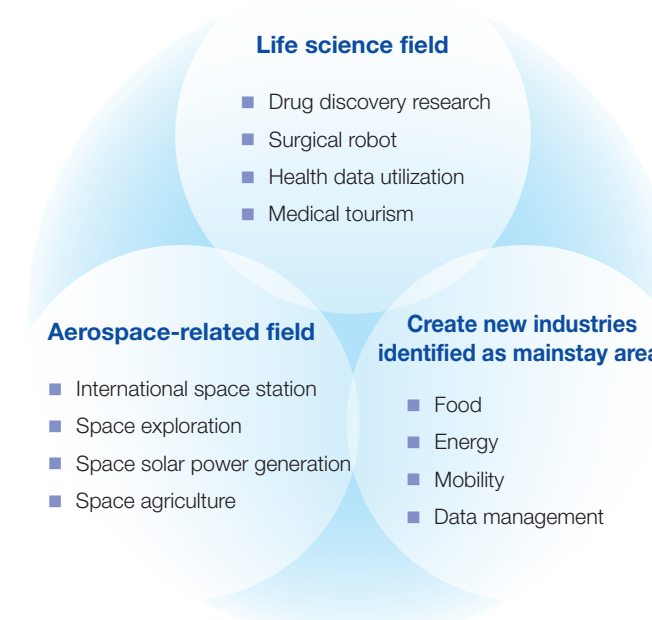


SpaceBD

## Invest in mainstay fields

- Search for business seeds that contribute to the creation of new industries by drawing on the places and communities we provide.
- Identify and invest in mainstay areas where the Group can leverage its strengths, including its diverse network, vast points of customer contact, and planning know-how.
- Work to expand into relevant business fields and nurture into a new source of revenue for the future.

## Image of investment consideration areas



## Establish a new division

- Establish a new division for Group-wide growth through innovation. Explore new business domains and effectively allocate management resources to capture business opportunities.
- Actively utilize M&As and newly establish a dedicated department.

## M&amp;A investment budget\*1

Over ¥400 billion

\*1 To FY2030

## Start-up equity investment limit\*2

Over ¥100 billion

\*2 To FY2030

## Division structure

## Innovation Promoting Division

Innovation Planning and Promoting Department  
Corporate Development Department

Industry-Academia Collaboration Department  
Open Innovation Department  
Space Business Innovation Department  
Life Science Innovation Department  
Kashiwanoha Urban Planning and Development Department



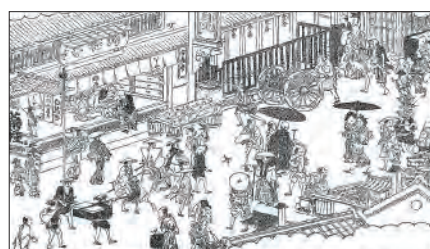
Special  
Feature

# Expand the Rental Lab and Office Buildings Businesses

## ► Why Is Mitsui Fudosan Promoting Life Sciences Businesses?

### In the Nihonbashi Area

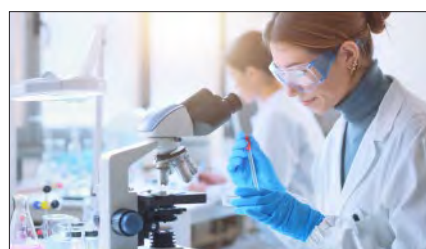
- During the Edo period, Tokugawa Ieyasu concentrated drug wholesalers in Nihonbashi, which was then the center of drug trading throughout Japan.
- Many pharmaceutical companies are still based there today
- Base for promoting "old yet new" bio-innovation



Edo Meisho Zu-e (Illustrated Book of Famous Places in Edo) Vol. 7 (National Diet Library)  
Compiled from <https://dl.ndl.go.jp/pid/2563380/1/39>

### In the United States

- Leading the world in the life science field
- The Rental Lab and Office Buildings businesses form a mature market as infrastructure supporting the life science field
- Life science clusters in Boston, San Francisco, and San Diego, which are close to the Company's U.S. business promotion areas



Launching initiatives in life science both domestically and overseas

## ► Why Is Mitsui Fudosan Able to Promote Its Rental Lab and Office Buildings Businesses?

### Features of Rental Labs and Office Buildings

- Stable asset class with high utilization rates as worker attendance rates are high
- In contrast, dedicated equipment is required, with initial investments high and tenants limited compared to regular offices

While an attractive asset class, relationships with life science companies are essential to advance business

### Status of Life Science Companies

- Start-ups: Low financial resources and unable to own research facilities  
Necessary scale changes as they grow
- Large : Research facilities in locations with good transportation companies access needed to increase competitiveness in recruiting  
Need for collaboration with start-ups, academia, and other industries

Rising demand for rental laboratories

### Mitsui Fudosan Group's Characteristics/Initiatives

- Based in Nihonbashi, Tokyo, where Japan's life science industry is concentrated
- Established LINK-J, a life science community organization, to support innovation in the life science industry as a platform provider

Mitsui Fudosan Group maintains strong relationships with many life science companies

The increasing demand for rental labs and office buildings among life science companies and the Mitsui Fudosan Group's relationships with them have enabled the promotion of the Rental Lab and Office Buildings businesses.

## ► Further Accelerating Creation of Demand for and Proliferation of Rental Labs and Office Buildings

### Building Communities



An interaction platform for life sciences established in 2016 in partnership with academia and industry

Number of members	137 (2017)	810 (Feb. 2024)
Number of events per year	380 (2017)	1,142 (2023 results)

### Providing capital

#### LP investments in life science-related funds

Providing support according to each stage; putting more advanced technological seeds into practical use.  
Further accelerating the creation of new industries



Expansion of the life science community, increase in contact points

Accelerating the development of places, absorbing demand

## Expansion of Rental Labs and Office Buildings

Positioning rental labs and office buildings as the seeds for its next growth, the Group is greatly expanding further both domestically and overseas.

Japan | 9 properties

U.S. | 4 properties\*  
\* Including planned property development



We aim to help resolve R&D environment-related issues in the life science field, a global growth field, both in Japan and overseas while capturing new demand and creating new markets.



# Financial Strategies

## Summary of Financial Strategies

Manage with an equal focus on the three key objectives: enhance growth, efficiency and shareholder returns



### Achieve stable and continuous profit growth and enhance cash-generating capabilities

- ▶ Achieve stable and continuous leasing income growth through various measures, including the development of new properties and existing property top-line growth.
- ▶ Realize development added value through the stable and continuous turnover of assets, while taking into consideration the balance between leasing income and sales profit.
- ▶ Enhance cash-generating capabilities through business planning, property development, and management capabilities that are the source of the Company's competitive advantage.

### Improve efficiency and maintain financial soundness by managing the Company's balance sheet

- ▶ Further enhance the quality of the asset portfolio by considering and executing asset turnover, reviewing not only real property for sale but fixed assets and investment securities.
- ▶ Maintain an "A" rating as a measure of financial soundness and appropriately control financial leverage.
- ▶ Steadily and sustainably improve ROE to a level that exceeds the cost of shareholders' equity.

### Expand shareholder returns based on growth and efficiency

- ▶ Improve the dividend payout ratio and achieve stable dividend increase linked to profit growth (continuous and progressive dividends).
- ▶ Undertake the flexible and continuous repurchase of own shares.
- ▶ Implement measures to increase the proportion of long-term shareholders.

## 1. Achieve stable and continuous profit growth

- Increase profit with a view toward fiscal 2030, Set the EPS growth rate as a quantitative target and key indicator of increased shareholder value and target an EPS CAGR of +8% or higher from fiscal 2023 to fiscal 2030 together with the flexible and continuous repurchase of own shares.

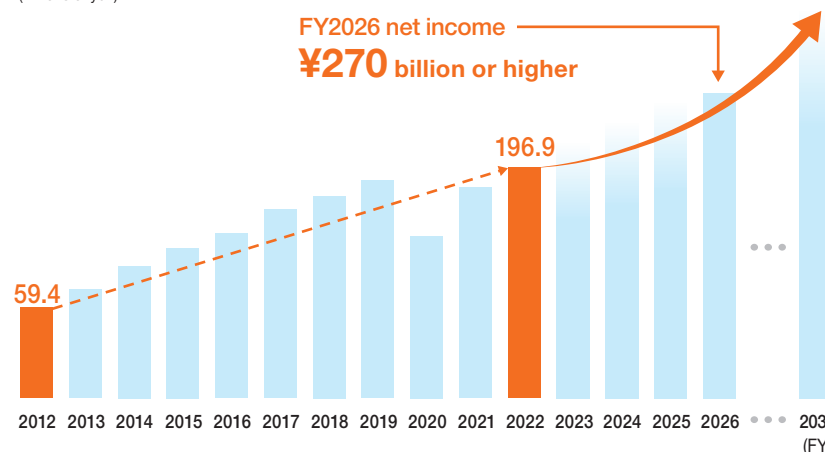
### Business income by segment

	FY2022	FY2026	Image of growth
Leasing	Approx. ¥150 billion ▶	Around <b>¥180</b> billion	Increase in leasing income due to the completion of new properties. Increase in leasing income due to such factors as the increase in existing property rent revenue.
Property Sales	Approx. ¥153 billion ▶	Around <b>¥210</b> billion	Focus on the stable generation of high margins. Amounts recorded each period vary depending on market conditions.
Management	Approx. ¥63 billion ▶	Around <b>¥70</b> billion	Increase in management fees due to such factors as AUM growth and increase in property management fees.
Facility Operations	Approx. -¥4 billion ▶	Around <b>¥30</b> billion	Further improvements in ADR for hotels and resorts. Increase in the number of Tokyo Dome customers, etc.
Business Income*	Approx. ¥313 billion ▶	<b>¥440</b> billion or higher	

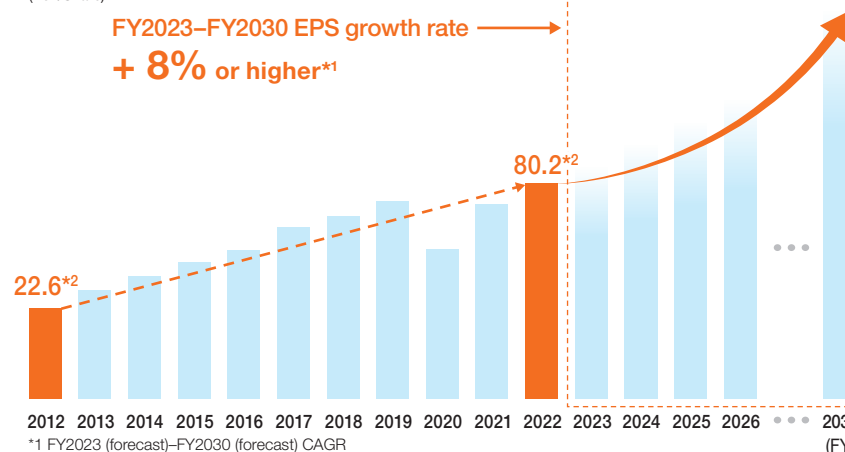
\* Business income = Operating income + Equity in earnings/losses of affiliates (including Gain/loss on sales of shares of subsidiaries and affiliates for the purpose of real estate sales) + Gain/loss on sales of fixed assets

### High profit growth

#### ■ Trends in profit attributable to owners of parent (Billions of yen)



#### ■ Trends in EPS (Yen/Share)



\*1 FY2023 (forecast)-FY2030 (forecast) CAGR

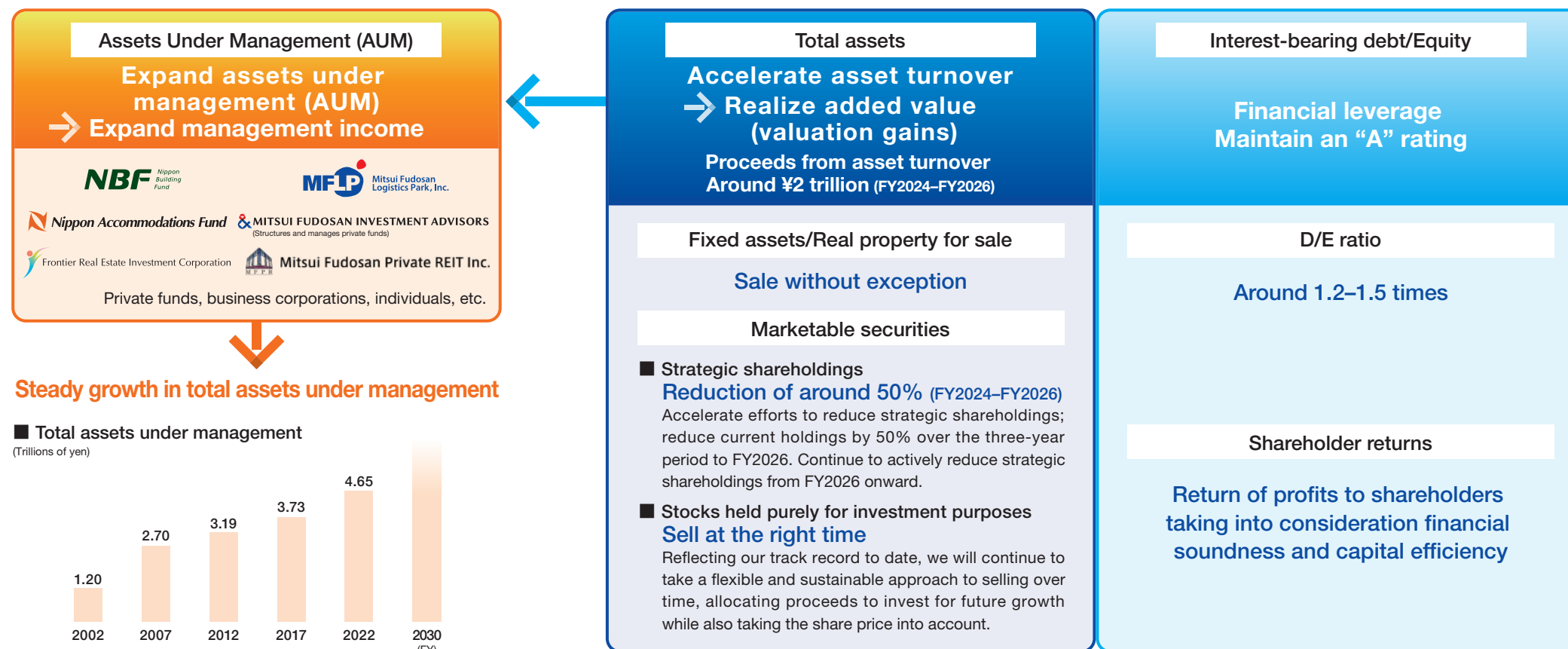
\*2 The Company conducted a stock split of its common shares on the basis of 1 share to 3 shares effective April 1, 2024. Data adjusted on a post-stock-split basis.



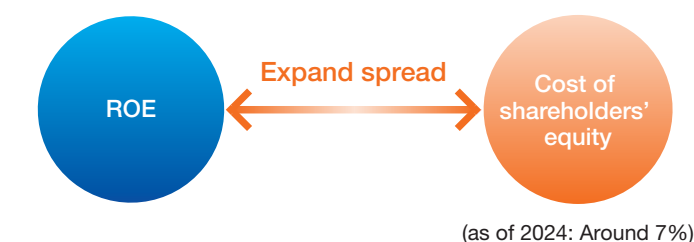
## Financial Strategies

## 2. Improve efficiency and maintain financial soundness

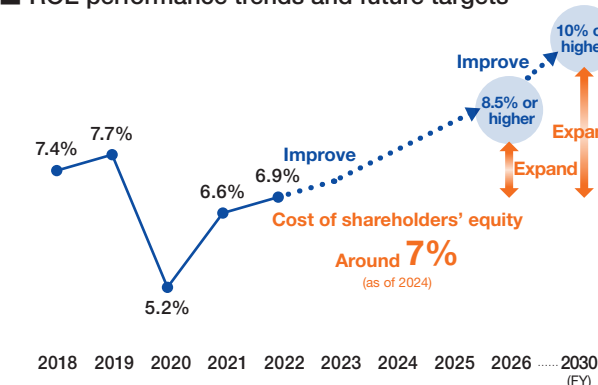
- Accelerate asset turnover and realize added value (valuation gains), while taking into consideration the balance between leasing income and sales profit. (Sale of fixed assets and real property for sale without exception; reduction of strategic shareholdings; sell at the right time stocks held purely for investment purposes.) Work to increase management revenue by expanding assets under management.
- Maintain a highly efficient and sound financial structure while controlling the balance sheet (BS).



Steadily and sustainably improve ROE to a level that exceeds the cost of shareholders' equity

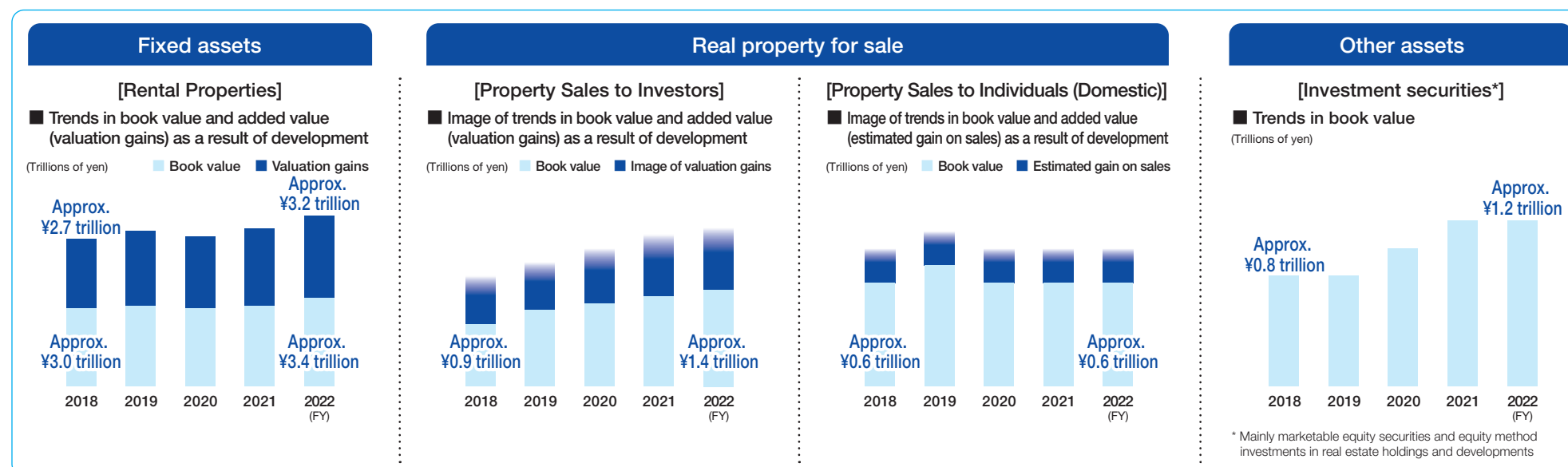


■ ROE performance trends and future targets



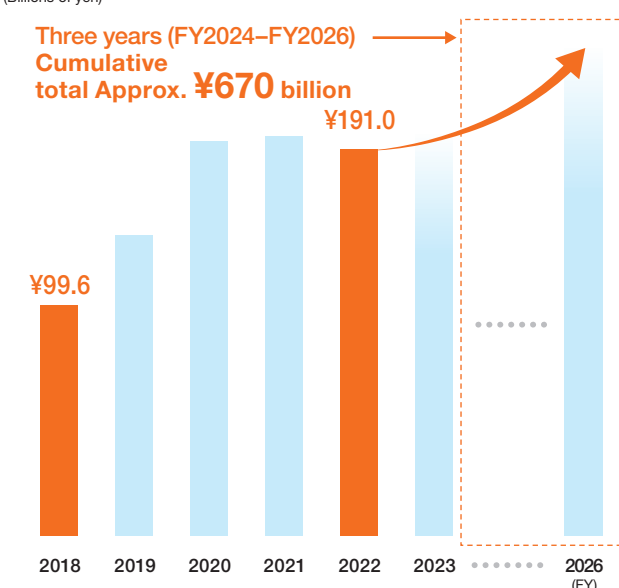
## 3. Realize added value (gain on sales)

- Enhance the quality of the asset portfolio for further growth and improved efficiency.
- Accelerate asset turnover of not only real property for sale but fixed assets and investment securities (including strategic shareholdings and stocks held purely for investment purposes). Continuously realize added value.



Added value realization

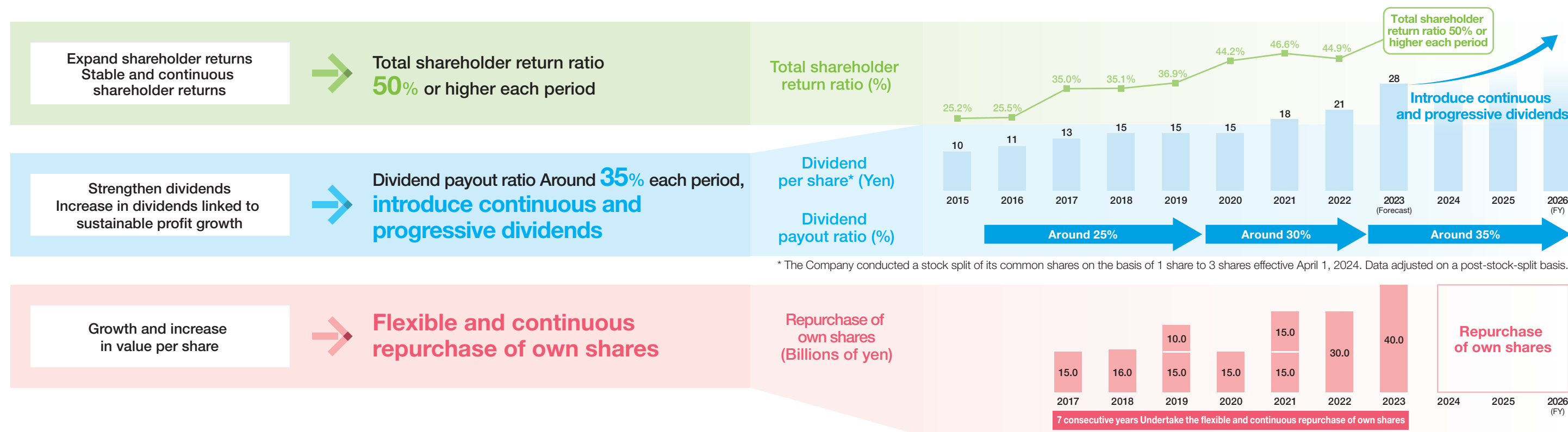
■ Fixed assets, real property for sale, marketable securities (Billions of yen)





## Financial Strategies

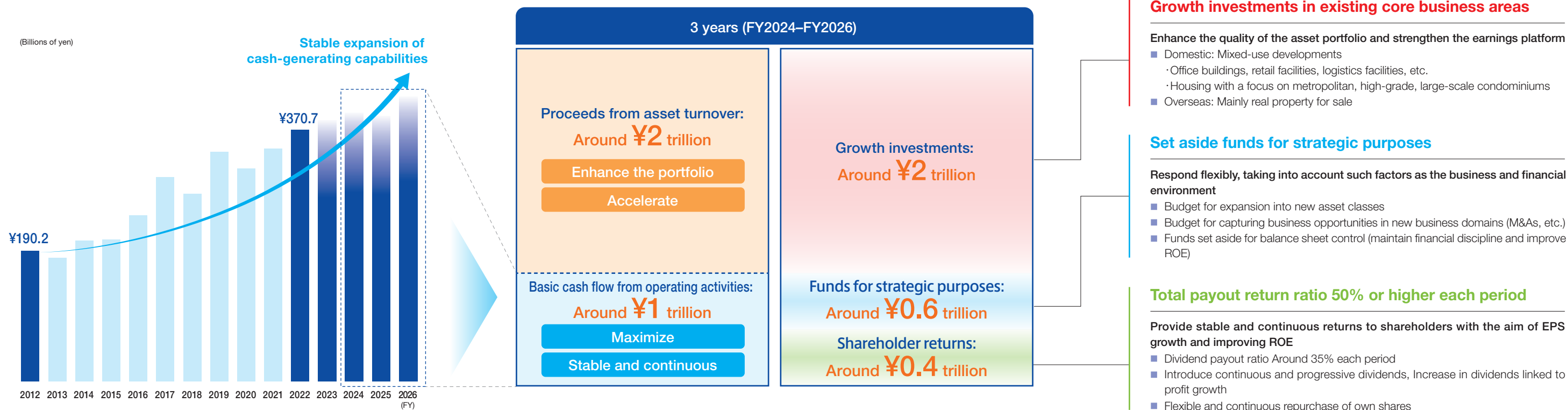
## 4. Expand shareholder returns (FY2024–FY2026)



## 5. Enhance cash-generating capabilities (FY2024–FY2026)

- Maximize basic cash flow\* generated by mainstay businesses. Strengthen stable and continuous cash-generating capabilities.
- Enhance the quality of the asset portfolio, accelerate asset turnover, and realize added value.
- Appropriately allocate basic cash flow from operating activities and proceeds from asset turnover to growth investments, strategic funds and shareholder returns with a focus on growth and efficiency while controlling increases in outstanding debt.

\* Basic cash flow from operating activities: Cash flow minus changes in such items as working capital (including increase/decrease in real property for sale) from operating cash flows, plus gains/losses on asset turnover.





## Financial Strategies

## Message from the CFO

By promoting management with an equal focus on the three key objectives: enhance growth, efficiency, and shareholder returns, I will strive to raise corporate value by advancing balance sheet control and improving our asset and capital efficiency as well as by continuing to engage in active dialogue with investors.

Chiharu Fujioka Executive Managing Officer

## Fiscal 2023 Business Results and Future Outlook

In fiscal 2023, revenue from operations reached a record high for the 12th consecutive period, while operating income, ordinary income, and profit attributable to owners of parent (hereinafter net income) reached record highs for the second consecutive period.

We also decided to apply our new strengthened shareholder return policy (total payout return ratio of 50% or higher each period, dividend payout ratio of around 35% each period) under & INNOVATION 2030, the Group's new long-term vision announced on April 11, 2024, ahead of schedule from the fiscal year ended March 2024 and revised our annual dividend upward to ¥84 per share (up ¥22 per share from the previous fiscal year). In addition, as a result of the decision to repurchase own shares worth ¥40 billion, the total shareholder return ratio is scheduled to come in at 52.7%, based on net income of ¥224.6 billion.

For fiscal 2024, revenue from operations and net income are expected to again reach record highs. These forecasts factor in increased profit from accelerated asset replacement, after taking into account a comprehensive view of fixed assets, real property for sale, and investment securities, as well as further earnings and profit growth from the thriving hotel and resort business.

Under & INNOVATION 2030, we have newly established an item called business income. An indicator comprising the total value of equity in earnings/losses of affiliates and gain/loss on sales of fixed assets added to conventional operating income, business income directly expresses the added value created by our core businesses. This indicator has been established as an expression of management's intention to actively replace assets, including not only real property for sale but also fixed assets.

The business income forecast for fiscal 2024 is ¥370 billion, an increase of ¥23.8 billion compared with the previous fiscal year.

In addition, we expect net income to increase ¥10.3 billion year on year to ¥235 billion.

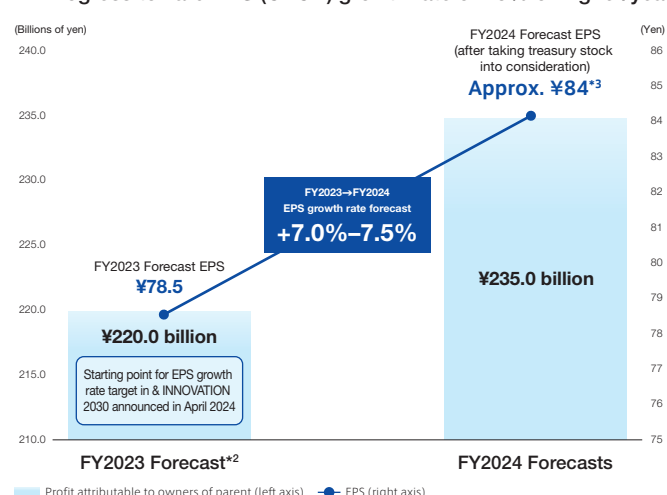
To deepen two-way dialogue with investors and other stakeholders, under & INNOVATION 2030, we have set numerical targets for growth, efficiency, shareholder returns, etc. for fiscal 2026 as milestones toward our vision for fiscal 2030. The profit targets adopted for fiscal 2026 are business income of more than ¥440 billion and net income of more than ¥270 billion. I believe that, as expected, fiscal 2024 has gotten off to a good start toward achieving these profit targets.

As far as the EPS growth rate is concerned, under & INNOVATION

2030, we have set an EPS CAGR target of +8% or more for fiscal 2026. However, as stated under & INNOVATION 2030, assuming forecast net income of ¥220 billion for fiscal 2023 as the starting point, the EPS growth rate for the forecast net income of ¥235 billion for fiscal 2024 will be in the 7.0%–7.5% range (after taking into account the previously announced ¥40 billion repurchase of own shares). It is my belief that we are off to a good start in terms of our EPS growth target for fiscal 2026.

By bringing about the realization of growth through the three business strategy paths outlined in & INNOVATION 2030 and adopted by the entire company, we will work to achieve the profit targets, including business income, net income, and EPS growth rate, as well as the efficiency targets. In my capacity as CFO, I will support these efforts, particularly in terms of cash allocations and finances.

### & INNOVATION 2030 (announced April 2024) Progress toward EPS (CAGR) growth rate of +8% or higher/year\*1



### Cash Allocation Plan for Promoting Management with Equal Focus on the Three Key Objectives: Enhance Growth, Efficiency, and Shareholder Returns

Under & INNOVATION 2030, we have outlined our cash allocations for the next three years to help investors understand, for example, how the Company plans to generate cash and the cash generated will be put to use, our thoughts on financial management, and our efforts to deepen communications.

I believe that the following three points are essential to the cash allocations we have disclosed at this time.

The first point is to maximize core operating cash flow over the next three years.

Historically, cash flow from operating activities has fluctuated dramatically from period to period due to the large scale of investment in real property for sale and recovery, making it difficult to see the stability and continuous growth of cash flow from our core businesses externally.

Therefore, we have now excluded “increase/decrease in cash from investment returns from real property for sale” from cash flows from operating activities and newly established “basic cash flow from operating activities,” which is cash flow minus changes in such items as working capital (including increase/decrease in real property for sale) from operating cash flows, plus gains/losses on asset turnover. Over the next three years, we will generate basic cash flow from operating activities of approximately ¥1 trillion through (1) Stable and continuous leasing income from the development of new properties and existing property top-line growth, and (2) Enhancing our cash-generating capabilities via our core businesses, such as the realization of development added value from the stable and continuous turnover of assets, while focusing on growth through both leasing income and sales profit.

The second point is to recover approximately ¥2 trillion in assets over the three-year period through the turnover of assets.

While taking into consideration increases in leasing income and sales profit, we will promote balance sheet control, which includes the sale not only of real property for sale but also of fixed assets and securities, and aim to recover approximately ¥2 trillion.

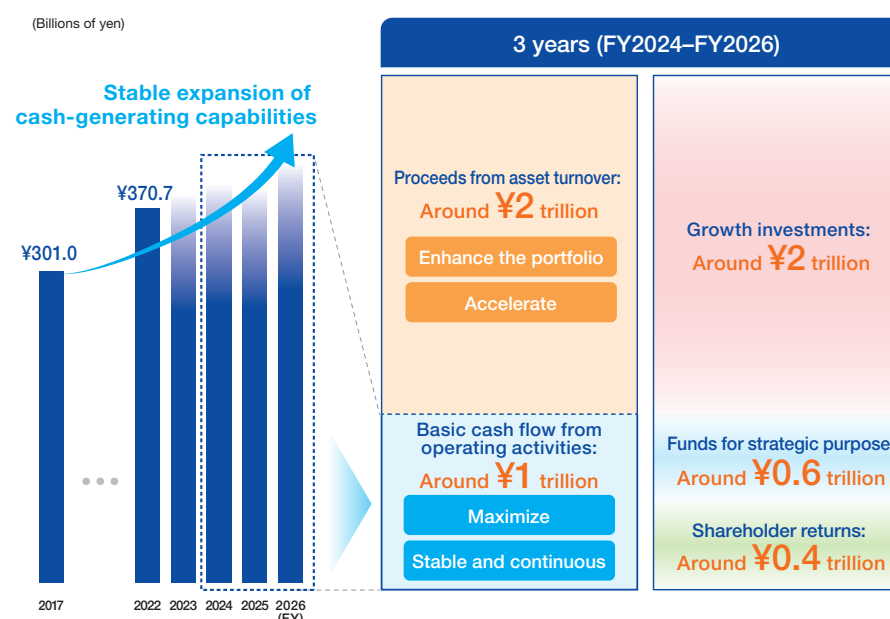
This figure is equivalent to 1.4 times the amount recovered over the past three years (fiscal 2021 to fiscal 2023), with half of the funds expected to be from domestic residential sales, and there is already a growing number of properties for which contracts have been concluded. As we have many assets suitable for sale both domestically and overseas, I believe that we will be able to fully achieve our goal of property sales to investors.

The third and final point is capital allocation of approximately ¥3 trillion in cash inflows over the three-year period.

From a cash outflow perspective, we will use the total of ¥3 trillion from the basic cash flow and asset recovery to appropriately allocate funds for growth investments, strategic funds, and shareholder returns while limiting any increase in borrowings.

In specific terms, we will allocate approximately ¥2 trillion to growth investments in our core businesses, approximately ¥600 billion to M&A investments and balance sheet control to extend our future business domains by establishing a new strategic fund framework, and approximately ¥400 billion to shareholder returns, which we have recently enhanced.

### Enhance cash-generating capabilities (FY2024–FY2026)



### Growth investments in existing core business areas

#### Enhance the quality of the asset portfolio and strengthen the earnings platform

- Domestic: Mixed-use developments  
Office buildings, retail facilities, logistics facilities, etc.  
Housing with a focus on metropolitan, high-grade, large-scale condominiums
- Overseas: Mainly real property for sale

#### Set aside funds for strategic purposes

#### Respond flexibly, taking into account such factors as the business and financial environment

- Budget for expansion into new asset classes
- Budget for capturing business opportunities in new business domains (M&As, etc.)
- Funds set aside for balance sheet control (maintain financial discipline and improve ROE)

#### Total payout return ratio 50% or higher each period

#### Provide stable and continuous returns to shareholders with the aim of EPS growth and improving ROE

- Dividend payout ratio: Around 35% each period
- Introduce continuous and progressive dividends, Increase in dividends linked to profit growth
- Flexible and continuous repurchase of own shares



## Message from the CFO

## Balance Sheet Control and Maintenance of a Sound Financial Position

Real estate development and neighborhood creation-type businesses are characterized by the heavy long-term use of the balance sheet.

However, due to the acquisition of excellent business opportunities and steady results from growth investments in recent years, combined with the impact of recent exchange rate fluctuations, from a balance sheet perspective, we recognized that total assets would stand at approximately ¥9.4 trillion and interest-bearing liabilities would total approximately ¥4.4 trillion at the end of fiscal 2023, amounts that were higher than expected.

For this reason, under & INNOVATION 2030, we will promote balance sheet control over the medium to long term, with the aim of maintaining total assets at approximately ¥9 trillion and interest-bearing liabilities at approximately ¥4.5 trillion in fiscal 2026, by accelerating asset turnover and realizing added value (valuation gains), while keeping in mind growth from both leasing income and sales profit.

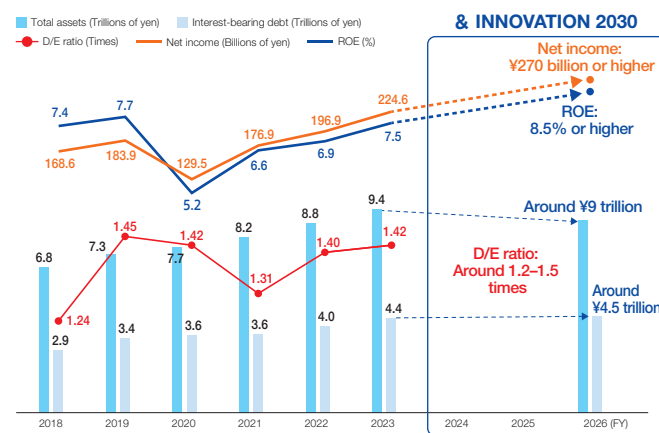
To accelerate asset turnover, we will not only sell off all fixed assets and real property for sale without exception but also take an overall view of investment securities.

As far as strategic shareholdings are concerned, which are included in investment securities, we had previously adopted a sales policy. Under & INNOVATION 2030, however, we have clearly stated that we will reduce these holdings by 50% from fiscal 2024 to fiscal 2026 and continue to actively pursue a reduction policy from fiscal 2026 onward.

In the case of shares held purely for investment purposes, we have decided that “reflecting our track record to date, we will continue to take a flexible and sustainable approach to selling over time, allocating proceeds to invest for future growth while also taking the share price into account.” Moving forward, we will undertake sales at the opportune time.

By promoting these initiatives, we will strengthen our portfolio and, without increasing our assets or liabilities, achieve profit growth while bringing about improvements in efficiency.

### ■ Current status and future outlook for net income, ROE, total assets, and liabilities



In addition, taking into consideration the high level of interest rates overseas, and the transition to a positive interest rate environment in Japan in the future, I recognize the importance of maintaining and building a sound financial base on a continuous basis and curbing our net interest burden in order to ensure the stable continuation of our business.

For this reason, I aim to maintain A ratings from the major rating agencies. I will also promote appropriate financial leverage control. This includes keeping the D/E ratio at around 1.2 to 1.5 times, and paying close attention to maintaining financial soundness.

### ■ Credit ratings

Rating agency	Long-term	Short-term	Outlook
Moody's	A3	—	Stable
Standard & Poor's	A-	A-2	Stable
Fitch Ratings	A	—	Stable
Rating and Investment Information, Inc.	AA-	a-1+	Stable
Japan Credit Rating Agency, Ltd.	AA	J-1+	Stable

Note: As of August 2, 2024

In addition, with expectations that interest rates would remain high due to the prolonged tightening of monetary policy in Europe and the United States in response to the rise in global inflation, our initial earnings forecast for fiscal 2023 projected that the net interest burden would come in at ¥80 billion (a year-on-year increase of approximately ¥26 billion from ¥53.9 billion).

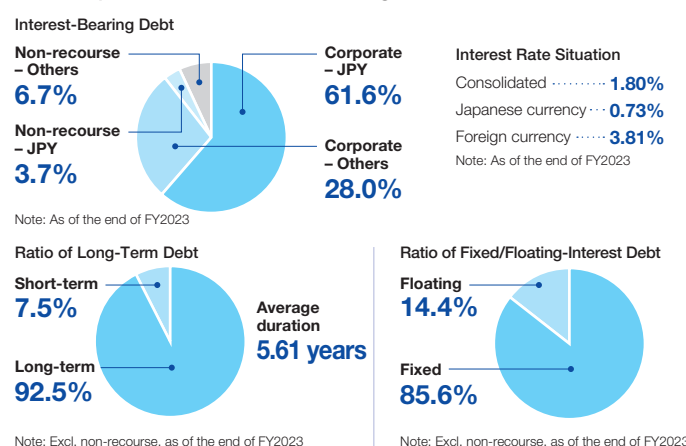
In response, we took flexible measures to reduce interest rates. This included taking advantage of the interest rate differential between the yen and the dollar and carefully selecting funding sources and methods. As a result, we were able to improve our net interest burden by approximately ¥8 billion from the ¥80 billion forecast at the beginning of the fiscal year to ¥72.3 billion.

Going forward, we anticipate that steps will be taken to lower interest rates in the United States. Notwithstanding, I expect interest rates to remain high for the time being.

However, as approximately 90% of our yen-denominated borrowings are long term and fixed, I do not anticipate any significant impact as a result of interest rate hikes. However, I expect interest rates to gradually rise domestically as well.

In this manner, I believe it is necessary to closely monitor interest rate trends in Japan and other countries. In my capacity as CFO, I will respond flexibly to each situation, and pursue a variety of measures, including adjusting borrowing maturities and methods, to control interest rates and maintain and improve financial soundness.

### ■ Fund procurement and credit rating situation



## Raising Corporate Value by Steadily and Sustainably Improving ROE to a Level That Exceeds the Cost of Shareholders' Equity

From an ROE perspective, while we were able to recover to the pre-COVID-19 level of 7.5% at the end of fiscal 2023, I believe that there are still issues to be addressed. Under & INNOVATION 2030, we have therefore set ROE targets of 8.5% or higher for fiscal 2026 and 10% or higher around fiscal 2030.

To achieve these targets, we will work to grow net income, as the numerator, and control shareholders' equity, as the denominator, by strengthening returns. Turning specifically to the numerator, net income, we will do the following:

(1) First, increase business income from ¥346.1 billion in fiscal 2023 to ¥440 billion in fiscal 2026 through income growth in each business segment. We will achieve increased income in each segment through the following initiatives:

- **Leasing:** Increase in leasing income due to the completion of new properties and increased rents from existing properties
- **Property sales:** Sales of fixed assets and real property for sale without exception, with an eye toward increasing both property sale and leasing income
- **Management:** In doing so, we will consider proactively utilizing third-party funds (borrowed capital) in the case of large-scale developments from the start-up stage as well as raising business efficiency through earning management fees, which we classify as non-asset income, in addition to our share of revenues.
- **Facility operations:** Further improve hotel resorts ADR, increase in the numbers of Tokyo Dome customers, etc.

(2) At the same time, we will proceed with the sale of investment securities.

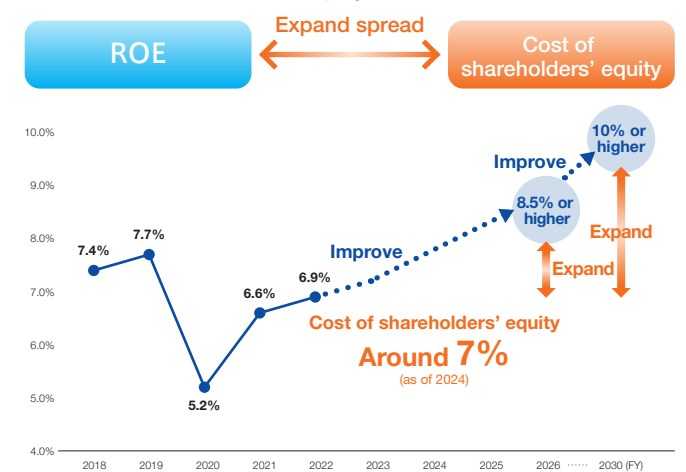
The aforementioned will increase net income from ¥224.6 billion in fiscal 2023 to ¥270 billion or more in fiscal 2026.

We will control shareholders' equity, as the denominator, by increasing our total return ratio from the previous level of approximately 45% to 50% or higher.

I am aware that there are various discussions regarding the cost of shareholders' equity, but based on the CAPM, which is the most commonly used calculation method, I believe that the cost is around 7%.

It is my belief that to raise our corporate value and increase our share price, we need to expand the equity spread between our ROE and the cost of shareholders' equity. Accordingly, I will continue to make every effort to improve our ROE.

### ■ Steadily and sustainably improve ROE to a level that exceeds the cost of shareholders' equity



## Continue to Engage in Proactive IR Dialogue

I recognize that in raising our corporate value and increasing our share price it is essential that investors have a deep understanding of our company.

For that reason, I consider dialogue with investors to be one of my most important tasks as CFO.

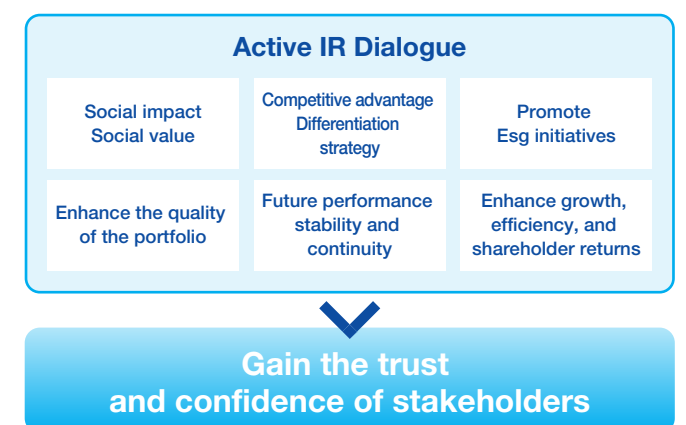
Since becoming CFO last year, I have kept mutual dialogue very much in mind, holding numerous meetings with investors, listening directly and frankly to their opinions, and explaining the Company's thinking.

The content of these dialogues was actively provided as feedback within the Company, leading to discussions within management, and was reflected in & INNOVATION 2030.

To help investors better understand its content, I am currently spearheading efforts to explain & INNOVATION 2030. Having said this, I will continue to strengthen our communications, particularly about the Company's social value, competitive advantage and differentiation strategy, efforts to improve ESG, the resilience of our asset portfolio, and the stability and continuity of our future performance. I will steadily promote management that integrates the three key objectives—enhance growth, efficiency, and shareholder returns—set out in & INNOVATION 2030 and improve each of the KPIs to achieve our

numerical targets. By proactively engaging in IR dialogue, I will work diligently to gain and maintain the trust and sense of security of our investors and other stakeholders, thereby contributing to raising our corporate value and increasing our stock price.

### ■ Communication aimed at deepening engagement with capital markets





# Human Resource Strategies

Message from a Managing Director

**We will ramp up efforts to promote human resource-related initiatives with the aim of realizing our Group Vision.**

**Makoto Tokuda**

Managing Director  
Senior Executive Managing Officer  
(In Charge of Personnel)

Since our founding, we at Mitsui Fudosan have demonstrated a spirit of enterprise and willingness to flexibly and tenaciously take on challenges that we have inherited and nurtured as our DNA and have been offering varied and innovative solutions and services for business and living. And based on the belief that human resources, as assets, are the driving force behind the continued creation of new value, we have laid out a basic approach to our human resource strategies. Specifically, we will engage with each and every employee in a way that helps them to enhance their respective fields of knowledge and capabilities, and to serve as a driving force as a team.

Within the Group's long-term vision & INNOVATION 2030, we have positioned the concept that, as assets, human resources serve as the key infrastructure for supporting our strategies to realize the Group's vision: contribute to the creation of added value for society as an industry developer. We will therefore work as a Group to raise the level of human resource capabilities, the source of value creation, and secure new human resources and knowledge that will accelerate innovation to realize the Group's vision. Moreover, we will support the activities of diverse human resources in an effort to further develop the Group into a One-Team organization that brings together the strengths of the Group in a way that only Mitsui Fudosan can.

In terms of "raising the level of human resource capabilities," we will work to further strengthen talent management and engagement that addresses the careers of individuals by understanding their career aspirations and situations, for example, by conducting annual individual interviews between the staff of the Personnel Department and all employees. We will provide more opportunities to gain new knowledge

and awareness through various educational investments, such as the provision of cross-border program in different industries and the development of a postgraduate study support system.

Moreover, in terms of acquiring new human resources and knowledge to accelerate innovation, we will promote recruitment from various fields and different industries to respond to an increasingly complex and sophisticated business environment, and expand inclusion measures such as mentoring and onboarding training to enable people with diverse backgrounds to play an active role. We will continue to expand inclusion measures such as mentoring and onboarding training to enable people with diverse backgrounds to flourish. And we will work to strengthen training and provide education in new areas in an effort to develop capabilities in the fields of technology and global business, including DX training for all employees and overseas language training for young and mid-career employees.

As our approach to preparing an environment that supports the participation of this diverse group of human resources, in addition to enhancing employee benefits, we will work together as a Group in the area of D&I, including efforts to create a safe working environment through health and productivity management, as well as by empowering women. Moreover, to further mobilize the Group's strength, the Group is working to deepen its organisation into a One Team organisation by spreading values such as "a thoroughgoing customer-centered approach" and "the importance placed on team results" throughout the Group, strengthening inter-Group personnel exchanges. The Group is working to deepen its organisation into a One Team organisation.

For more detailed information about our human resource initiatives, please refer to the following link. (In Japanese only)  
<https://www.hrm.mitsui-fudosan.co.jp/>

For more detailed information about the promotion of active roles for women, please refer to the following link.  
[https://www.women.mitsui-fudosan.co.jp/index\\_en.html](https://www.women.mitsui-fudosan.co.jp/index_en.html)

## Positioning of Human Resources in the Mitsui Fudosan Group

Within the Group's long-term vision & INNOVATION 2030, we have positioned the concept that, as assets, human resources serve as the infrastructure that supports our strategies to realize the Group's vision: contribute to the creation of added value for society as an industry developer.



### Five priority measures under our human resource strategies For details, see P. 65

Under our human resource strategies, we have defined and will promote the following five priority measures.

The initiatives described on the following pages include the numbers corresponding to the relevant priority measures next to the initiative titles.

**1**  
Diversity and Inclusion

**2**  
Human Resource Development and Improvement of Skills

**3**  
Diverse Workstyles

**4**  
Health and Productivity Management

**5**  
Improvement of Employee Engagement



## Human Resource Strategies

## Raise the level of human resource capabilities, the source of value creation

## Engage in talent management commensurate with individual careers

Priority measures



## Human Resource Development

Our approach to human capital is to prepare an environment for action to enable the improvement of employees' professional knowledge and capabilities and enhancement of their ability to create added value and to bring together diverse values in a spirit of mutual respect while being a driving force as a team. Similarly, our basic approach to human resource development is to expand upon the individual capabilities of each employee through a combination of four human resource development opportunities, according to the individual's career. This approach aims to develop employees with advanced expertise and a broader perspective, and who are able to fully demonstrate their individual attributes.

## Diverse Workstyles

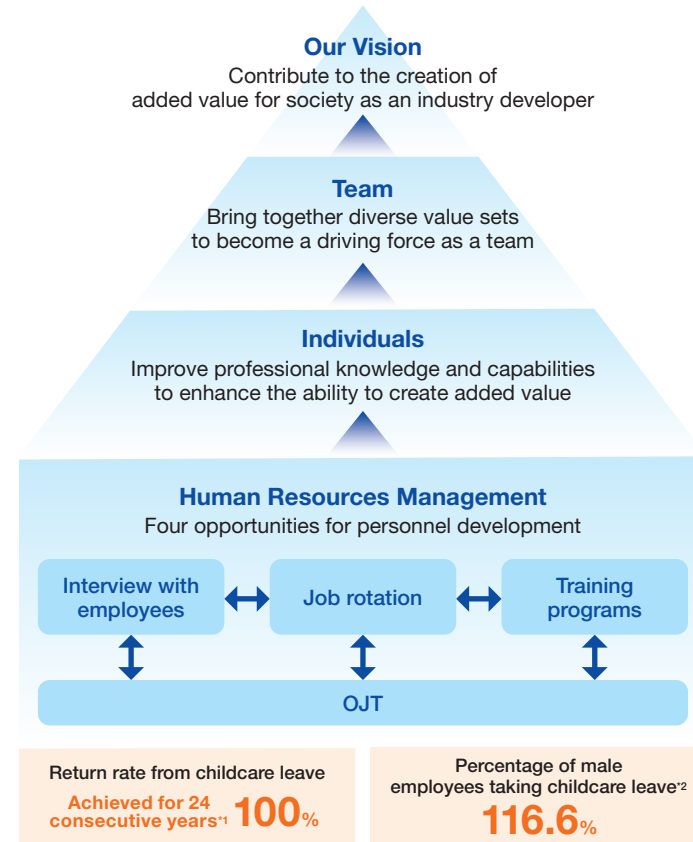
We are putting in place organizations in which human resources with diverse talents, lifestyles, and perceptions of value can maximize their respective abilities.

## [Examples of initiatives for realizing flexible work locations and times]

- Set targets for the number of paid leave days taken and set recommended days for taking leave
- Establish a remote work system and a super flex-time system for all employees
- Support productivity improvements through the use of DX

## [Examples of initiatives for balancing childcare and nursing care]

- In-office nurseries, subsidy system for babysitter and housekeeping service expenses
- Childbirth and childcare interview system and training programs for those returning to work from maternity/childcare leave
- Nursing care consulting system, subsidizing the cost of providing nursing care
- Partially subsidizing expenses involved in fertility treatments



\*1 Fiscal 2000 to fiscal 2023

\*2 The denominator is the number of male employees whose partner gave birth in the relevant fiscal year, and the numerator is the number of male employees who used the leave system either as childcare leave at the time of their child's birth or childcare leave in the relevant fiscal year. Where there are male employees who take childcare leave, etc. in a different fiscal year from that of their child's birth, this rate might exceed 100%.

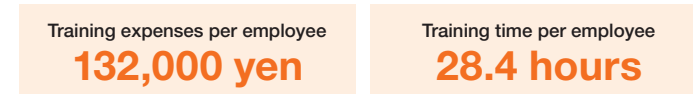
## Strengthen investment in education to secure new knowledge and awareness

Priority measure



We offer more than 100 different types of training programs, including mandatory rank-based training ranging from new employees to the management level, systematic elective training that encourages learning by individual employees, and cross-boundary learning, global training, and other offerings for nominated employees only. We are also strengthening investments in education intended to encourage new insights and awareness, including a business proposal system, a

side-job system, a reemployment system, a leave whereby employees can take time to study at graduate school, and a graduate school tuition fee subsidy system.

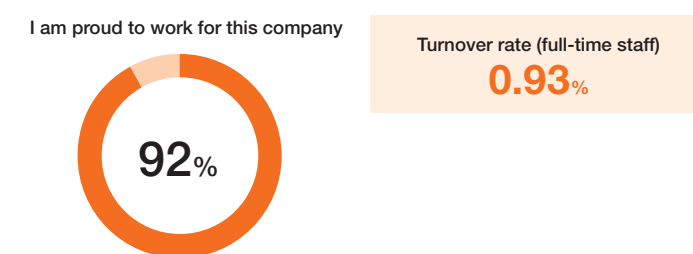


## Further strengthen the current high level of engagement

Priority measure



We distribute engagement surveys to all employees for the purpose of measuring the coherency between the values and orientations of our employees and the organization as it currently stands. We believe that the fact that more than 90% of our employees are proud of working for the Company, possess the desire to independently contribute to their organization and work, and are able to engage in work of their own initiative has materialized in the low turnover rate.



Note: The proportion who responded to the statement "I am proud to work for this company" with a 4 or 5 out of a five-point scale of agreement.

## Actively secure human resources and knowledge to accelerate innovation

## Recruit and include employees from various fields and industries

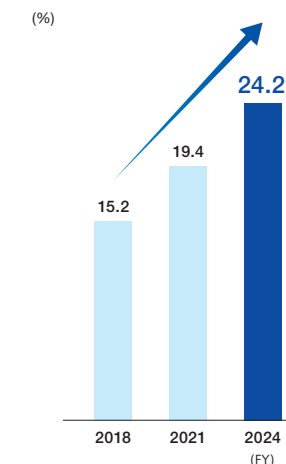
Priority measures



To contribute to the creation of added value for society as an industry developer, we actively recruit mid-career human resources from various fields and industries, with the number of mid-career hires increasing each year. More recently, we have strengthened efforts to recruit professionals in the field of IT and have focused on recruiting those with overseas experience, foreign nationals, and other globally minded human resources. This move has served to establish business models that combine real and digital tools and to further develop DX in a way that promotes innovation.

Similarly, we are engaging in efforts to expand our various approaches to onboarding for mid-career hires so that as human resources with a diverse range of backgrounds come together, they can play an active role in the Company by fully exercising their unique attributes based on their respective experiences and capabilities. Specifically, we offer a mentoring system to help build networks within the Company, introduce employees hired at the same timing to each other, hold regular one-on-one meetings between employees and superiors, organize group training sessions for self-reflection and goal-setting, and run site tours of the Company's major facilities.

## Percentage of mid-career hires among regular employees



Note: As of April 1

Number of Expert Positions Hired

Cumulative total: 90

Note: As of April 2024



## Strengthen training to utilize technology and global resources and education that encourages employees to take on challenges in new fields

Priority measures



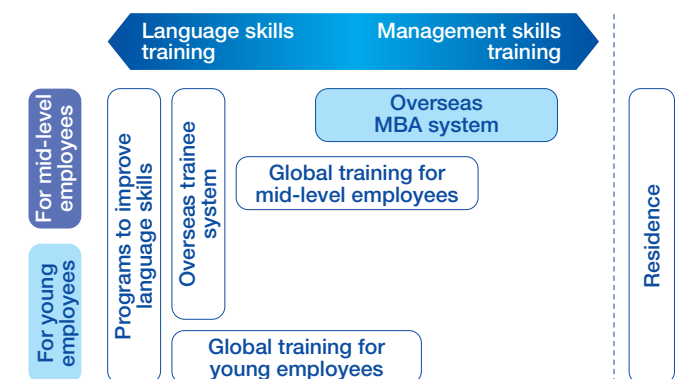
## Development of Global Personnel

We are striving to develop global-oriented staff through measures such as a one-month language learning program for younger employees, a specific language training for mid-level employees, a one-year overseas internship program, an MBA system provided by overseas graduate schools, and stints working overseas through job rotation.

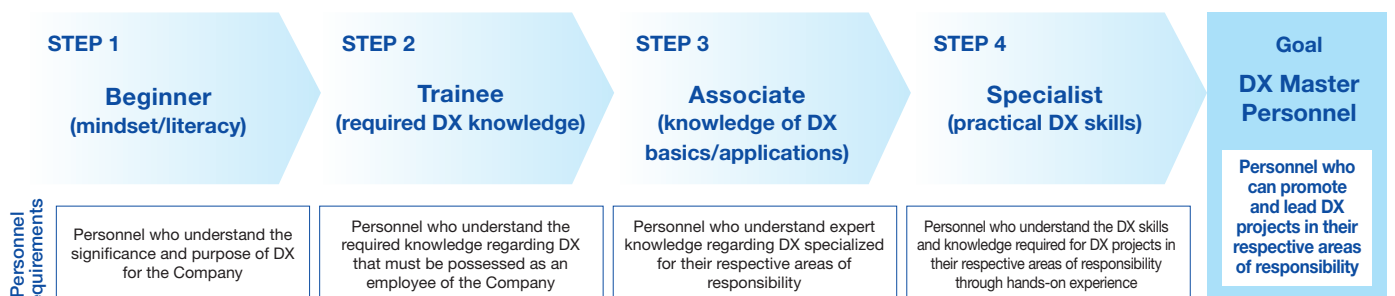
## Development of DX Business Personnel

In fiscal 2021, we established the DxU, a DX training program targeting all employees in an effort to develop human resources with both excellent planning and digital tool implementation skills. Employees who have completed each step are certified as DX Masters who can promote and lead DX projects in their respective areas of responsibility and are awarded a corporate commendation. Also, see the DX Strategy (page 071) for details on human resource development initiatives intended to provide the ability to understand both business and digital tools.

## Global personnel development program



## DX Training Road Map





## Human Resource Strategies

## Support the activities of diverse human resources and further develop the Group's One-Team organization that brings together the strengths of the Group

## Diversity and inclusion

Priority measure 1

## Diversity and Inclusion Declaration

As the principle behind the "&" logo, the Group's DNA is based on the concept of "to generate new value with society through cooperation, coexistence, and co-creation, we forge ahead, innovating." Believing that the driving force for continuous creation of new value as "an industry developer" that goes beyond the boundaries of a real estate developer resides in human resources as assets, Mitsui Fudosan positions promoting diversity and inclusion as one of the fundamental business strategies and works throughout the Group in unison toward developing an organization where people with diverse values, talents, and lifestyles can achieve their potential.

## Policy

Our passionate, capable employees have a diverse range of skills, experiences, and values; as such, we are working to ensure an environment where they can demonstrate their individual abilities to the utmost, and recognize one another as individuals, evaluated fairly regardless of their race, nationality, religion, sex, age, presence or not of disability, gender identity, sexual orientation, or other characteristics. To this end, we are promoting workstyle reforms and enhancing our human resource system so as to raise organizational productivity and enhance our employees' work-life balance. We have made promoting female participation a key theme, setting Group-wide quantitative goals and qualitative action plans, and we will formulate various measures to promote this as a united Group.

## Promotion Framework

Under our Management's Commitment, the Director in Charge of Personnel bears ultimate responsibility for ensuring diversity- and inclusion-related initiatives are pushed forward with the Personnel Department's D&I Promotion Office at their heart, with knowledge input from inside and outside the Group. In this way, diversity and inclusion is an important management strategy. Reports of our activities, policies for each fiscal year, and other matters are discussed by the Board of Directors. Furthermore, we are promoting this topic as a united Group and share policies at meetings at which Group company presidents are present, as well as periodically convening the Diversity & Inclusion Promotion Council.



Feedback training for organization heads

Priority Measures: Promoting Active Roles for Women  
An Environment Where People Want to Work for a Long Time

To develop an environment where diverse personnel, whether male or female, can play an active role, we are working to change the awareness of the organization and our managers. To do this, we are implementing unconscious bias training and other measures for all our employees. Through efforts by members of the Personnel Department, such as discussions and individual interviews with all employees, we will grasp the circumstances that employees face and their hopes, and develop an environment and various systems, including those that support childcare and caring for others, accordingly.

Through improving the environment and actively hiring women (with a ratio of female hires target of at least 40%), female employees are playing active roles in many departments as corporate officers, company staff, and business line staff in Japan and overseas. As of April 2024, we had a 9.2% ratio of female managers and a 25.0% ratio of female sub-section managers or the equivalent. We are working to increase the ratio of female managers to 10% by 2025 and 20% by 2030.

In recognition of our various initiatives, we were selected for the third consecutive year as a Nadeshiko Brand, a program in which Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) jointly select companies that excel in the promotion of women's participation. Similarly, we were selected for the seventh consecutive year as a constituent stock in the MSCI Japan Empowering Women Index, an index composed of companies that excel in gender diversity practices.

2024 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

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Selected for inclusion in the MSCI Japan Empowering Women Index (WIN)

## Raising Motivation and Supporting Career Development

By conducting diversity and inclusion training, and other measures for organization heads, we are promoting female participation and advancing changes in awareness throughout the organization. We also offer female managers career development support via a mentor system and other initiatives, such as career development planning for female employees in management positions and female manager candidates. In addition, we work to enhance the motivation of female employees and support their career development through exchanges of opinions as part of D&I working groups composed of members openly recruited from within the Company, lectures and seminars organized by female role models from inside and outside the Company, and exchange events within the Company.

## Various Diversity Promotion and Inclusion Initiatives

The Company is advancing initiatives intended to realize a corporate culture in which personnel with diverse values accept each other and demonstrate their individual abilities to the fullest, regardless of their race, nationality, religion, sex, age, presence or not of disability, gender identity, sexual orientation, or other characteristics.

As a means of enabling employees to choose from among a diverse range of workstyles and careers, we have established a system related to changing official duties, as well as a system to allow contract employees to become regular employees, through which we encourage employees to further their careers within the Company. In addition, we have introduced the Return Entry System for reemploying employees who have resigned for unavoidable reasons, such as the relocation of a spouse, childcare, or nursing care.

We are also engaged in ongoing efforts regarding the hiring of people with disabilities, including establishing the Challenged Center in the Company's Personnel Department composed of employees with intellectual disabilities as well as full-time advisors. Moreover, in collaboration with Hakuodo Incorporated, we established SUPERYARD Co., Ltd., to expand employment at companies for people with mental disabilities and to support their career advancement after they have been employed. Staff with mental disabilities also play a role at the Company, so we expect to hire more in the future.

From the perspective of diversity of gender identity and sexual orientation, we have established internal regulations to enable employees with same-sex partners to apply for and use various Company programs that cover spouses, family members, etc. In addition, we offer e-learning courses for all employees and training for Personnel Department staff to help them acquire knowledge on LGBTQ+. Moreover, we are advancing various D&I initiatives that reflect the views of our employees. These views are acquired through exchanges of opinions as part of D&I working groups composed of members openly recruited from within the Company and through in-house questionnaires.



LGBTQ+ training for Personnel Department staff



Exchanging opinions as part of working groups composed of members openly recruited from within the Company

## Group-Wide Initiatives

To support the activities of a diverse range of human resources and bring together the strengths of the Group, we engage in various activities involving the promotion of D&I and the empowerment of women as a unified group. For example, with Mitsui Fudosan's Personnel Department serving as secretariat, the Company established the Group Women's Participation Promotion Subcommittee to promote active roles for women as a unified group. Furthermore, we are promoting initiatives within the Group, including sharing policies and confirming progress at meetings at which Group company presidents are present, periodically convening the Diversity and Inclusion Promotion Council together with the departments in charge of D&I at each Group company, and implementing universal Group initiatives. We have also set and manage the progress of targets for each Group company regarding indicators such as the ratio of female managers.

Moreover, we are working to evolve the entire Group into a One Team organization through inter-Group personnel exchanges and by expanding Group-wide employee benefits.

## Mitsui Fudosan Group Get Connected and Grow Project

We organize the Mitsui Fudosan Group Get Connected and Grow Project, through which we hold joint Group training programs and networking events that have been attended by more than 6,000 people in total. In addition to acquiring skills and abilities, these jointly organized Group events offer the opportunity for women to form inter-organizational networks with each other and to discover a variety of different role models.

## [Project Activity Examples]

- Seminar for young female employees (e.g., fostering career awareness)
- Seminar for female manager candidates (one-step-higher perspective and understanding roles)
- Female manager forums (attaining the point of view of management positions, networking between female managers)
- Seminar for managers (e.g., management skills)
- Roundtable discussion by theme (working fathers, self-improvement)
- One-time training (psychological safety, organizational knowledge management)
- e-learning (e.g., diversity management)



Discussion during a seminar-style training



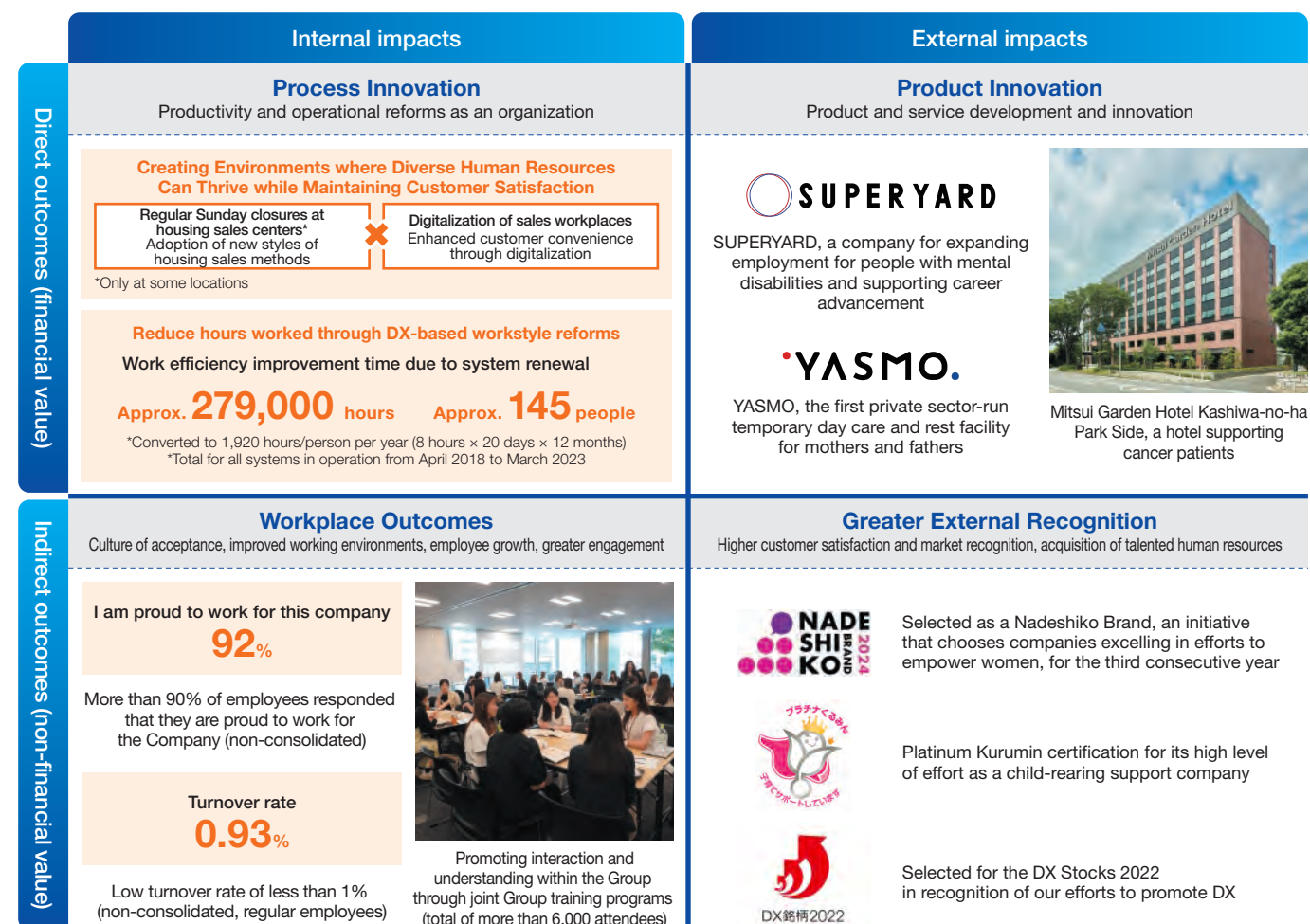
Message from a managing officer at a seminar-style training



## Human Resource Strategies

## Examples of Diversity and Inclusion Promotion Outcomes

Our Group-wide efforts to promote diversity and inclusion have led to operational reforms throughout the Group, a corporate culture of acceptance, and a greater level of engagement. Moreover, they have helped to create various services that support a diverse group of customers and lifestyles, as well as to enhance our reputation among society, including our selection by multiple external recognition programs, for example.

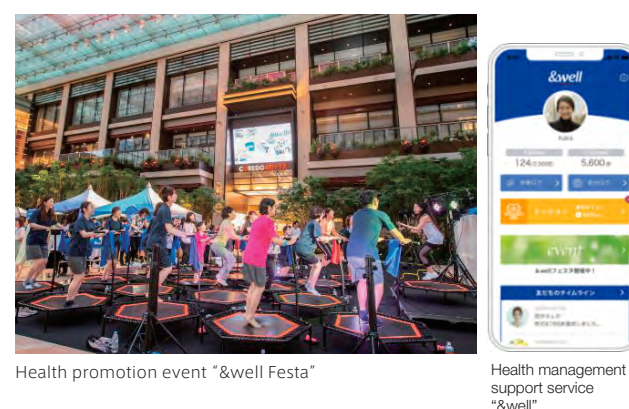


## Health and productivity management

## Priority measure 4

We formulated our Health and Productivity Management Declaration given our recognition that the health and safety of all employees is an important issue for management in strengthening the Company's competitiveness and achieving sustainable growth. With responsibility placed on the managing director in charge of personnel affairs, we have taken action to maintain and improve employees' health to create environments where employees can work energetically in ways suited to their individual lifestyles.

Specifically, we conduct consultations for employees by personnel staff and provide health checkup expense subsidies for employees and their spouses. We also organize health promotion events, seminars, and step count challenges, as well as distribute online articles, as part of the &well service that we offer as a health and productivity management support service for companies. Moreover, we have established a specialized organization responsible for maintaining and promoting employee health: the Health Management Center. We also plan and verify the outcomes of measures to address health issues in consultation with the health insurance association. In recognition of these initiatives, we were selected as a 2023 Health & Productivity Stock Constituent as a company that excels in health and productivity management practices, and for eight consecutive years, we have been certified under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500, Large Enterprise Category).



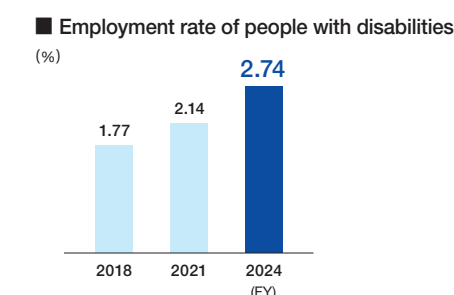
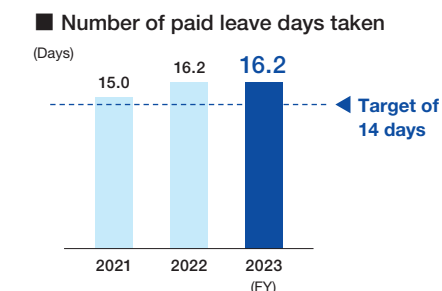
Health checkup and screening rate  
**100%**



## KPIs &amp; Progress (Mitsui Fudosan non-consolidated)

## Raising the level of human resource capabilities and actively securing human resources and knowledge to accelerate innovation

Indicators	Period	Numerical target	FY2023
Training time per employee <sup>*1</sup>	Annual	Last year's level	28.4 hours (+0.2 hours compared with the previous year)
Training expenses per employee <sup>*2</sup>	Annual	Last year's level	¥132,000 (+¥1,000 compared with the previous year)
Return rate from childcare leave	Annual	100%	100%
Percentage of male employees taking childcare leave <sup>*3</sup>	Annual	100%	116.6%
Number of paid leave days taken	Annual	14 days annually	16.2 days
Employee engagement <sup>*4</sup>	Annual	80%	92%

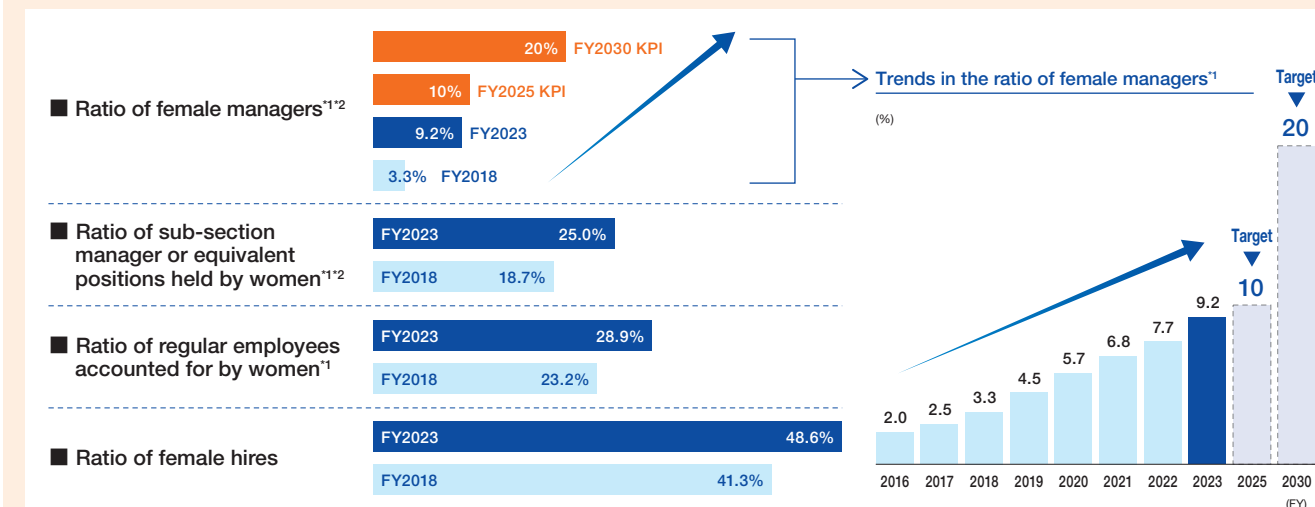


## Supporting the activities of diverse human resources and further develop the Group's One-Team organization

Indicators	Period	Numerical target	FY2023
Ratio of female managers <sup>*5</sup>	2025	10%	9.2%
	2030	20%	
Ratio of female hires	Annual	40%	48.6%
Employment Rate of People with Disabilities <sup>*6</sup>	Annual	2.5% or higher <sup>*7</sup>	2.74%
Health checkup and screening rate	Annual	100%	100%

\*1 Calculated by dividing the total amount of training hours by the total number of permanent employees  
 \*2 Calculated by dividing the total amount of training expenses by the total number of permanent employees  
 \*3 The denominator is the number of male employees whose partner gave birth in the relevant fiscal year, and the numerator is the number of male employees who used the leave system either as childcare leave at the time of their child's birth or childcare leave in the relevant fiscal year. Where there are male employees who take childcare leave, etc. in a different fiscal year from that of their child's birth, this rate might exceed 100%.  
 \*4 The proportion who responded to the statement "I am proud to work for this company" with a 4 or 5 out of a five-point scale of agreement.  
 \*5 Among career-track employees, the ratio of female managers as of April 1 of the following fiscal year  
 \*6 Figures for each fiscal year are those for June 1 of the relevant fiscal year  
 \*7 Work toward exceeding the legal employment rate (2.5% as of April 2024, increased to 2.7% from July 2026)

## KPI related to the empowerment of women and progress updates (Mitsui Fudosan non-consolidated)



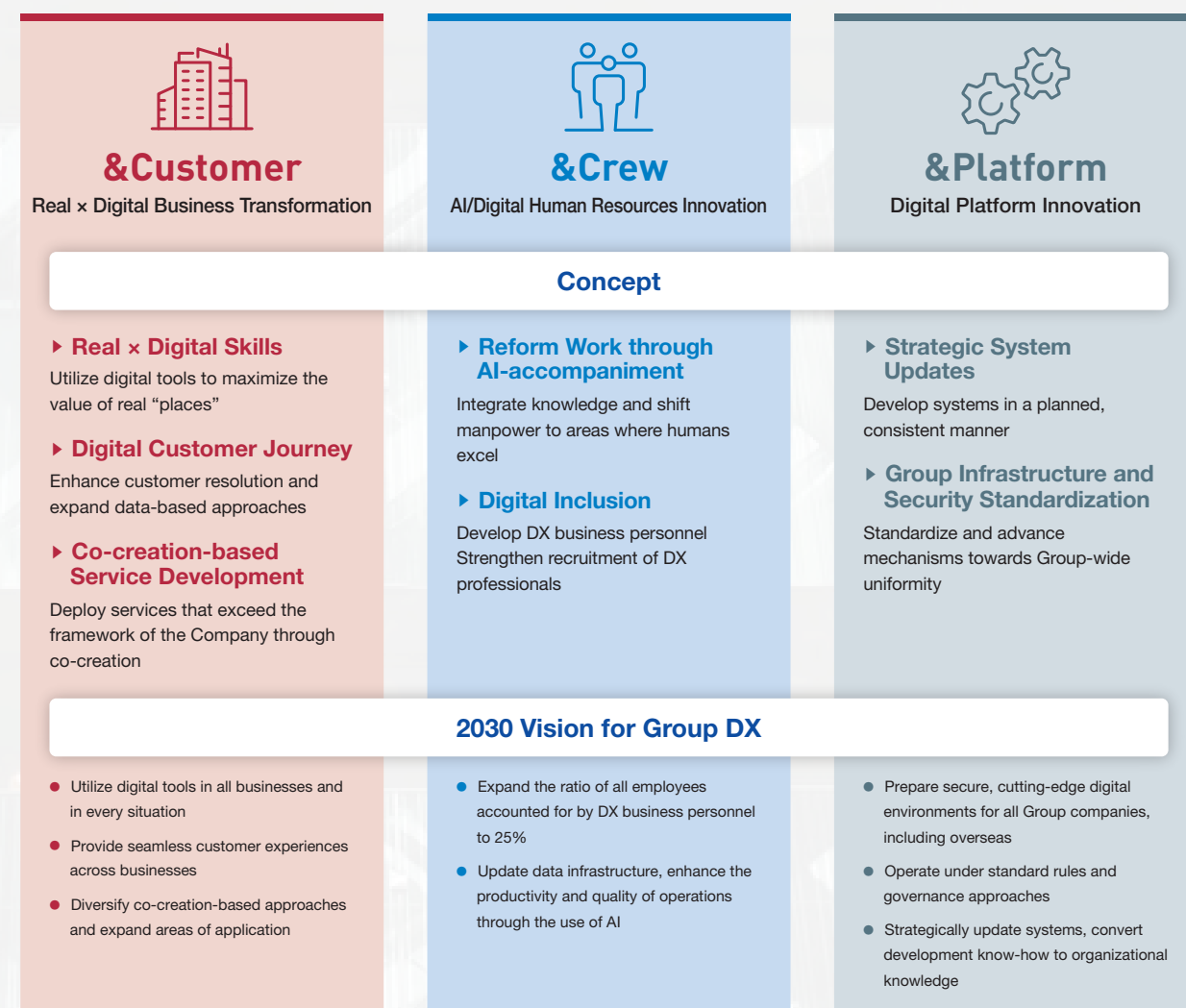
\*1 Figures for each fiscal year are those for the beginning of the fiscal year starting April 1 of the following year.

\*2 Among career-track employees, the ratio of manager, sub-section manager, or equivalent positions held by women



# Digital Transformation Strategy

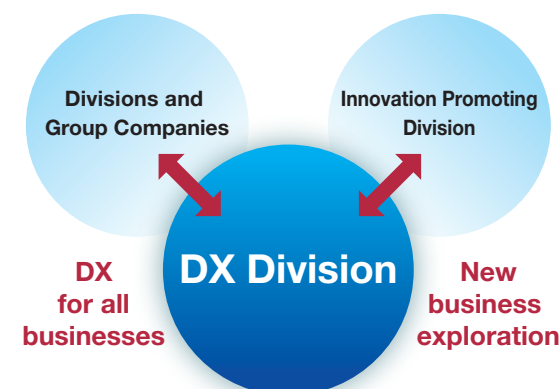
## Positioning of the DX Strategy in the Mitsui Fudosan Group



## &Customer (Real x Digital Business Transformation)

### Real x Digital Skills

- Prioritize the value provided to customers and maximize the value of various real “places” using digital tools

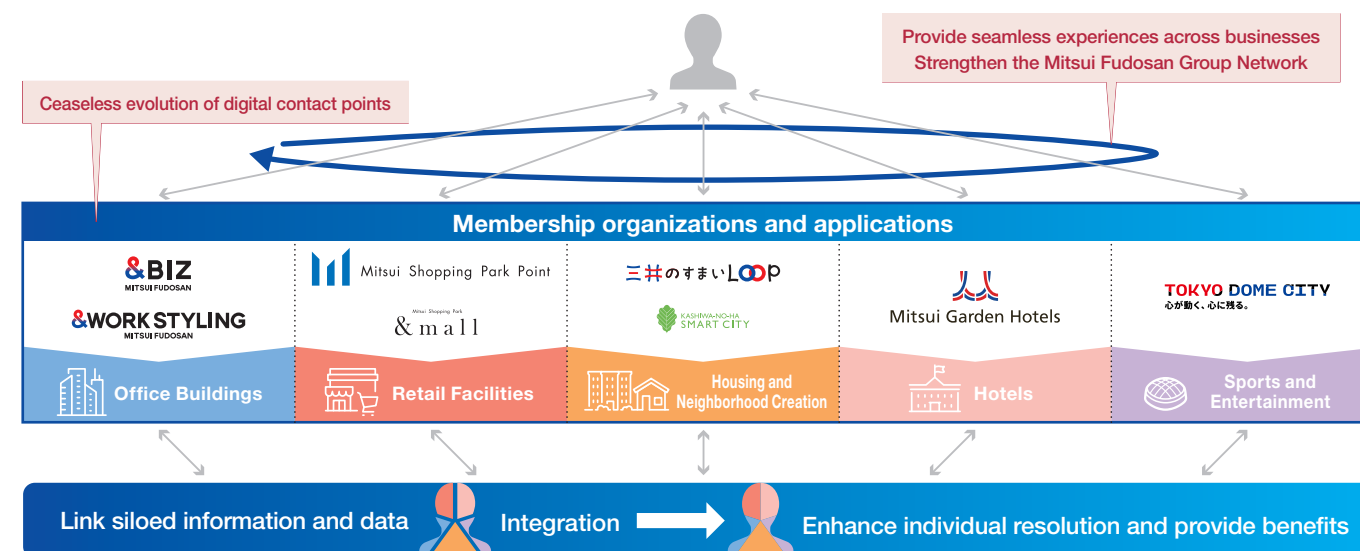


### Real x Digital Strategies for each business

<b>Office Building Division</b>	Realize offices in which people want to work in the cities they want to visit, and strengthen intangible services.
<b>Retail Properties Division</b>	Diversify revenue sources by providing various services through a combination of physical facilities and an omni-channel platform, and innovate business models.
<b>Homes and Lifestyle Promotion Division</b>	Integrate the management of customer data and strengthen collaboration among Group companies. Provide one-stop service.
<b>Hotels and Resorts Division</b>	Utilize customer data to propose a full-package (pre and post travel) and a personalized stay experience. Promote DX while putting in place an environment in which staff can focus on service.
<b>Logistics Properties Business Division</b>	Strengthen various service functions using digital technology and implement a platform strategy through community formation.
<b>Neighborhood creation related divisions</b>	Evolve smart cities (data-based services).

### Digital customer journey

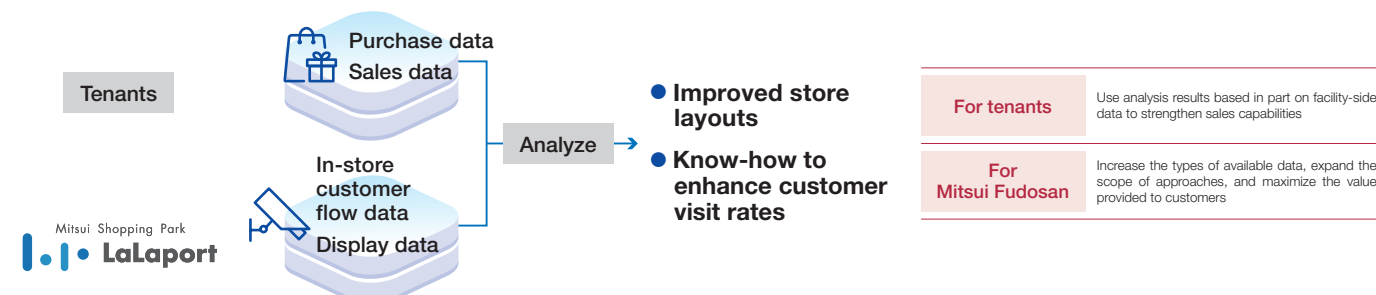
- Enhance customer resolution by evolving contact points, and help strengthen the Mitsui Fudosan Group Network using digital skills



### Co-creation-based service development

- Collaborate with tenant and partner companies to develop new services, as well as to utilize data, in a way that goes beyond the scope of individual companies

### Example of co-creation with LaLaport Tenants





## Digital Transformation Strategy

## &amp;Crew (AI/Digital Human Resources Innovation)

## Reform work through AI-accompaniment

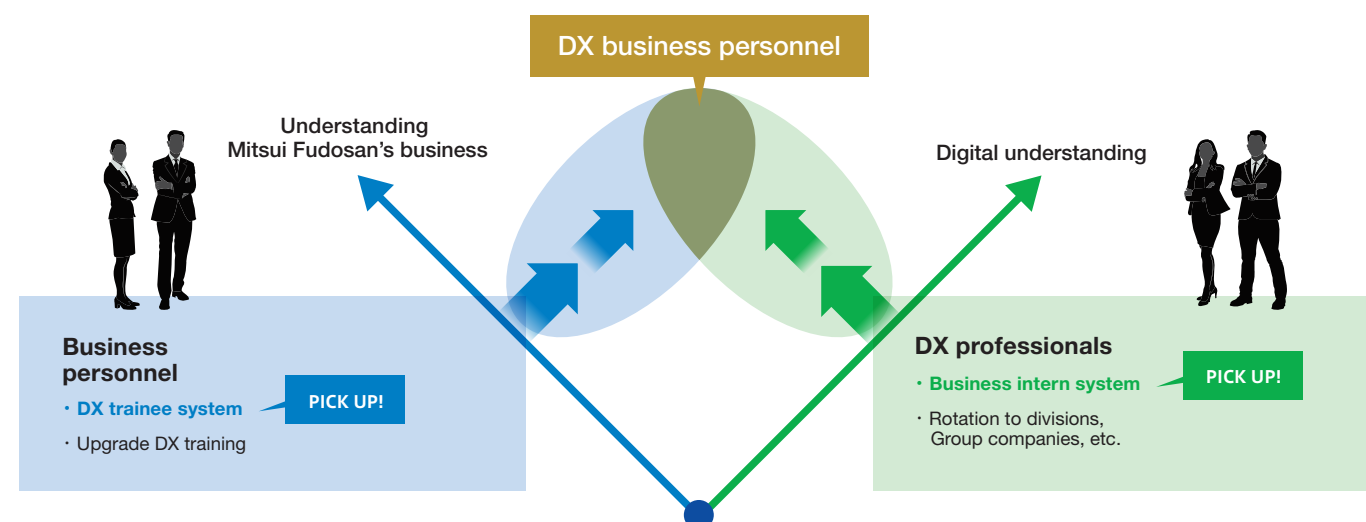
- Fully leverage AI to elevate knowledge into wisdom as a group

## Digital inclusion

- Develop DX business personnel that can understand both business and digital tools

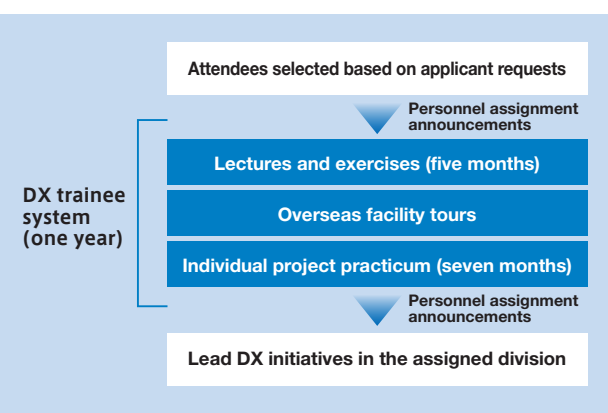
## DX business personnel development structure

In addition to continuously developing DX business personnel, secure DX professionals from outside



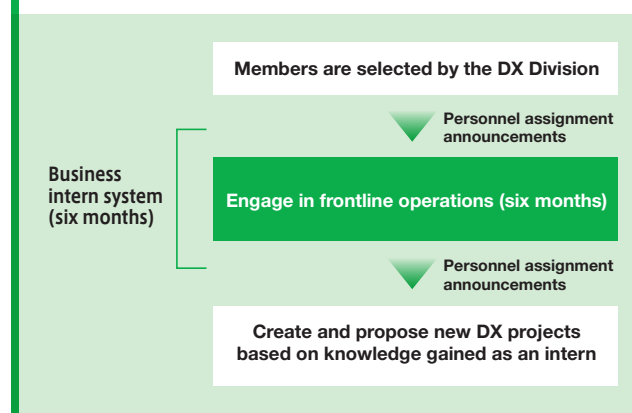
## PICK UP! DX trainee system

- A year-long DX business personnel development program attended by only selected employees during their first personnel reassignment in the Group
- Develops the skills and strengths to fully implement DX and provides a practical framework



## PICK UP! Business intern system

- Six-month Mitsui Fudosan business experience program coinciding with personnel reassignments
- Provides experience at the site of operations and customer contact points. Provides relevant knowledge for business units and connects to DX project planning



## &amp;Platform (Digital Platform Innovation)

## Strategic system updates

- With a comprehensive view of the Group, strategically update systems from the perspectives of integration, simplification, and differentiation

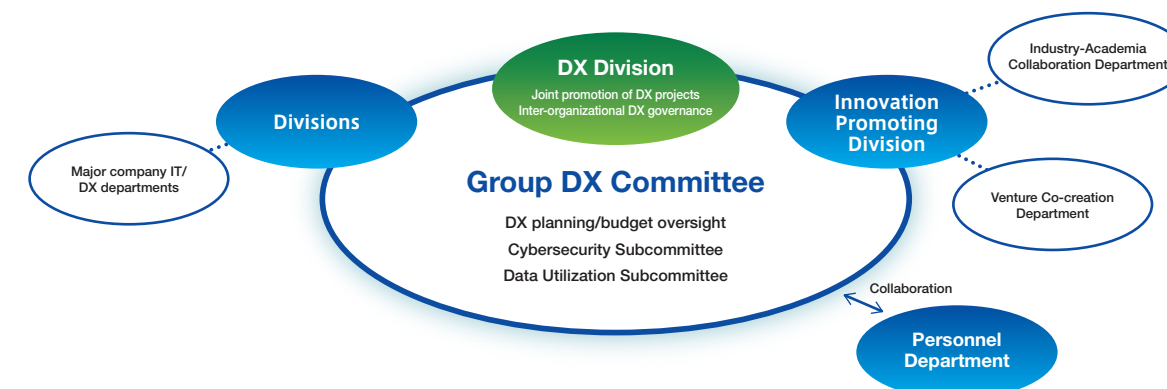
## Group infrastructure and security standardization

- Standardize and advance mechanisms toward Group-wide uniformity
- Take more sophisticated action against dramatically evolving cyberattacks

## DX Promotion Framework

## Promoting DX simultaneously in all businesses

- Under our management's commitment, the divisions and Innovation Division collaborate on promoting DX through the an ambidexterity approach of evolving existing businesses and exploring new businesses.
- Simultaneously promote DX in nearly the entire range of existing businesses for the purpose of enhancing customer satisfaction and solving social issues.
- Work to recruit DX professionals and provide DX training for all companies in collaboration with the Personnel Department.



## Successful Examples of DX Promotion

## Result 1 &amp; Customer (Real × Digital Business Transformation)

- Simultaneously promoting DX in all businesses with the aim of improving customer satisfaction and solving social issues
- Releasing new businesses that go beyond the boundaries of existing businesses one after another

## Major Real × Digital projects

	FY2021	FY2022	FY2023
Released services	11	14	11
Main projects under development	12	9	7
Main demonstration experiment projects	6	4	1

## Our main membership organizations

Oct. 2021	Retail facilities	14 million people
	Housing	340,000 people
	Hotels	960,000 people
As of the end of July 2024	Office buildings (WORK STYLING members)	290,000 people
	Office buildings (& Life-Biz)	150,000 people
	Tokyo Dome	600,000 people

## Result 2 &amp;Crew (AI/Digital Human Resources Innovation)

## DX Division personnel

	FY2020	FY2021	FY2022	FY2023
	92	105	119	138

Go beyond system development and infrastructure preparation to realize diverse approaches to DX promotion, including data-based marketing, etc.

## Mitsui Fudosan specialized generative AI: &amp;Chat

Used by nearly all **2,000** employees

Enhance the quality and productivity of operations by preparing a secure data protection environment and by linking internal data

## Result 3 &amp;Platform (Digital Platform Innovation)

## Number of cybersecurity inspection sites

	FY2020	FY2021	FY2022	FY2023
	101 Sites	103 Sites	106 Sites	114 Sites

Under way at all target sites

## Cloud-usage ratio (Mitsui Fudosan Co., Ltd., non-consolidated)

	FY2020	FY2021	FY2022	FY2023
	80%	94%	95%	96%

The transition to cloud-based operations by Mitsui Fudosan on a non-consolidated basis is nearly complete



# Sustainability Strategy

Message from a Managing Director

We will help realize a decarbonized society, an important social issue, across the entire supply chain.

Nobuhiko Mochimaru

Managing Director  
Executive Managing Officer  
(In charge of sustainability promotion-related activities)

We recognize that the Mitsui Fudosan Group has a social responsibility to help build a global-scale sustainable society and work to coexist with the environment through various measures, including efforts to address climate change. We formulated a new Group Philosophy in April 2024, positioning the idea “to generate new value through cooperation, coexistence, and co-creation, we forge ahead, innovating” at the heart of the “&” Logo Principles. At the same time, we have identified “& EARTH: Together with Nature, Together with the Future” as one of the missions that we wish to fulfill. Conscious that the creation of neighborhoods must remain in harmony with the global environment, we will work to realize a society that coexists with the Earth while calling on the support of the entire supply chain.

The Group has set the goal of achieving net-zero greenhouse gas (GHG) emissions by 2050. Drawing on the Group Action Plan to Realize a Decarbonized Society, we are working with suppliers and tenants to achieve this goal. As a part of efforts to improve the environmental performance of our properties, including the acquisition of external green building certification for all of our new buildings, we expect to provide green energy to the tenant companies of a cumulative total of more than 140 properties by the end of this fiscal year. Meanwhile, approximately 90% of the Group's GHG emissions stem from upstream and downstream supply chain activities, which are classified as Scope 3 emissions. To reduce these emissions, we recognize the critical need to expand our efforts beyond our own operations to the entire supply chain. We formulated the GHG Emissions Calculation Manual to help calculate CO<sub>2</sub> emissions during construction in fiscal 2021. Following an approach to the Real Estate Companies Association of Japan, our Manual led to the publication of an industry manual in fiscal 2023. This manual helps “visualize” GHG emissions throughout the supply chain and encourages the industry as a whole to reduce GHG emissions associated with the construction of buildings. In addition to taking up an equity interest in venture capital companies that specialize in

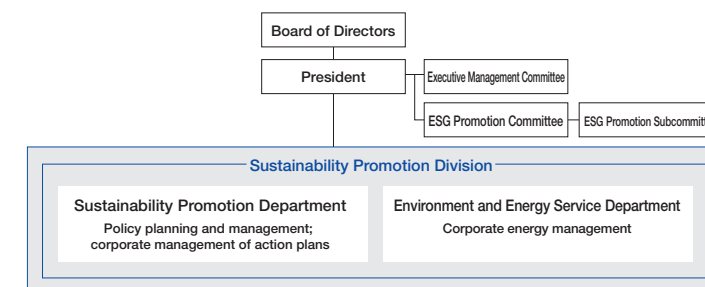
decarbonization both at home and abroad, we invest in and support the development of new technologies that are indispensable to achieving net zero emissions across a broad area. This includes the fusion energy field, which is expected to provide a new energy source that does not emit CO<sub>2</sub> in the power generation process. In each instance, we are advancing initiatives in collaboration with the supply chain and stakeholders.

The Mitsui Fudosan Group owns and manages approximately 5,000 hectares of forest in Hokkaido and is committed to promoting “never-ending forests” based on a cycle of “planting,” “cultivating,” and “using.” We are working to conserve biodiversity in Company-owned forests. In recognition of these endeavors, a portion of the Company's forests was certified as a Nature Harmony Site by Japan's Ministry of the Environment. Furthermore, we are increasing the green spaces in urban areas through the creation of neighborhoods. Working in this way to preserve the natural environment, we are trying to realize nature positivity.

As a measure of the high esteem in which the Group's contributions to sustainability are held, we were selected for inclusion by CDP, a nonprofit organization engaged in international environmental surveys and information disclosure, in the “CDP 2023 Climate Change A List” of top-ranking companies in the climate change category (for the third consecutive year since 2021). In addition, we obtained the highest rank of “5 Stars” in the GRESB Real Estate Assessment, which measures the level of consideration toward ESG concerns among real estate companies and funds, and were selected as a Global Sector Leader, making us one of the companies to receive the highest rank, particularly among global real estate companies and funds in the sector. We will continue to work with our diverse stakeholders to achieve a sustainable society and resolve various social issues, including climate change.

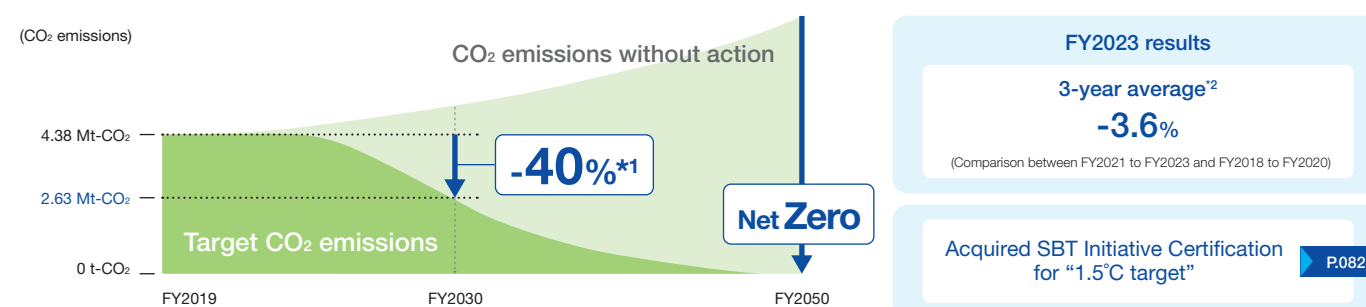
## Sustainability Promotion Framework

To accelerate ESG and SDG initiatives, including further strengthening the framework for promoting the “Group Action Plan to Realize a Decarbonized Society,” the Sustainability Promotion Division was established in fiscal 2022.



## Greenhouse Gas Emission Reduction Targets

See details of the Mitsui Fudosan Group's Reduction Targets for Greenhouse Gas Emissions here.  
[https://www.mitsui-fudosan.co.jp/english/esg\\_csr/carbon\\_neutral/](https://www.mitsui-fudosan.co.jp/english/esg_csr/carbon_neutral/)



\*1 Scope 1 + Scope 2: 46.2% reduction by FY2030 (vs. FY2019)

\*2 The majority of our Group's greenhouse gas emissions (total of Scope 1, 2, and 3) are from the emissions at the time of construction (Scope 3-1, 3-2), which are recorded at the time of completion of buildings for lease and at the time of sale of buildings for sale, as well as emissions from future operations until the demolition of buildings for sale (Scope 3-11). These emissions vary greatly depending on the increase or decrease in the number of properties completed or sold in each fiscal year, so it is not possible to verify the reduction effect only by the emissions in a single fiscal year. Therefore, our Group has decided to verify the progress of emission reductions by comparing the average emissions over a three-year period, not just a single year.

## Progress of the Group Action Plan to Realize a Decarbonized Society

Action plans	Major programs in fiscal 2023
<b>Action Plan 1</b> <ul style="list-style-type: none"><li>● <b>New properties: Realize ZEB/ZEH-level environmental performance for all properties</b></li><li>● <b>Existing properties: Create on-site renewable energy for the renovation of properties to improve the energy efficiency of properties</b></li></ul>	<ul style="list-style-type: none"><li>● New buildings: In principle, all new buildings constructed after the “Decarbonization Action Plan” achieved ZEB/ZEH-level environmental performance</li><li>● Existing properties: Implemented renovation for improved energy-saving performance as needed</li></ul>
<b>Action Plan 2</b> <ul style="list-style-type: none"><li>● <b>By fiscal 2022, achieve greening of electricity consumption in common areas of properties owned and areas used by the Group in 25 properties in the Tokyo metropolitan area</b></li><li>● <b>By fiscal 2030, achieve greening of electricity consumption in common areas of properties and areas used by the Group</b></li></ul>	<ul style="list-style-type: none"><li>● Achieved the greening of electricity consumption in common areas of properties and areas used by the Group in 25 buildings in the Tokyo metropolitan area</li><li>● Achieved greening of electricity consumption in common areas of properties and areas used by the Group amounting to a total of 100 million kWh</li></ul>
<b>Action Plan 3</b> <ul style="list-style-type: none"><li>● <b>Provide a Green Menu to tenants and buyers</b></li></ul>	<ul style="list-style-type: none"><li>● Concluded an agreement for introducing green energy: A total of 107 cases</li></ul>
<b>Action Plan 4</b> <ul style="list-style-type: none"><li>● <b>Develop mega-solar with a total output of approximately 175,000 kW by fiscal 2030</b></li></ul>	<ul style="list-style-type: none"><li>● Expanded to a total of 16 sites, amounting to 56,000 kW</li></ul>
<b>Action Plan 5</b> <ul style="list-style-type: none"><li>● <b>Develop tools to accurately grasp CO<sub>2</sub> emissions during construction</b></li><li>● <b>Require submission of a reduction plan by construction companies, etc.</b></li></ul>	<ul style="list-style-type: none"><li>● Construction companies are required to calculate CO<sub>2</sub> emissions during construction and submit reduction plans using the Company's GHG Emissions Calculation Manual as of October 2023</li></ul>
<b>Action Plan (Other)</b> <ul style="list-style-type: none"><li>● <b>Acquire external certifications</b></li><li>● <b>Introduce an Internal Carbon Pricing (ICP) System</b></li><li>● <b>Establish a system for promoting action plans</b></li></ul>	<ul style="list-style-type: none"><li>● Mitsui Fudosan Obtains Highest Rank of “5 Stars” in GRESB Real Estate Assessment Selected as a Global Sector Leader</li><li>● All newly constructed properties acquired external certifications</li></ul>



# TOPICS — Creating “never-ending forests” that last into the future

The Mitsui Fudosan Group is actively engaged in the creation of sustainable “never-ending forests” that will lead to a more abundant future while continuing to promote a cycle of planting, cultivating, and using the roughly 5,000 hectares of forests it owns in Hokkaido.

## Creating never-ending forests



### Planting



#### Planting 90,000–100,000 saplings each year

Every year since 2008, Group employees have been conducting tree-planting training activities. By planting saplings one at a time, employees experience being a part of creating a “never-ending forest” and a creator of the future environment.

**Forests owned by the Mitsui Fudosan Group absorb and store 21,315 t-CO<sub>2</sub>/year\*<sup>1</sup> equivalent to the emissions of 7,400 households\*<sup>2</sup>.**

\*<sup>1</sup> Figures certified by FORESTOCK Association as of Jan. 1, 2023.

\*<sup>2</sup> CO<sub>2</sub> emissions per household in Japan: 2.88 t-CO<sub>2</sub>/year (Ministry of the Environment, 2020)

### Using



Wooden rental office buildings Wooden condominium “MOOXION”

#### Active use of wood from thinning

Timber that has been systematically harvested at the right time or thinned for forest maintenance is actively used by Group companies as construction materials or to build office furniture and toys.

### Cultivating



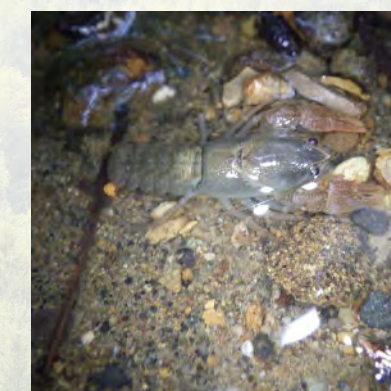
#### Putting in place and environment conducive to the cultivation of trees

Regular maintenance is essential to sustain a healthy forest. The planted forests owned by the Mitsui Fudosan Group are maintained by clearing underbrush and thinning trees. In this manner, we are putting in place an environment in which trees can thrive.

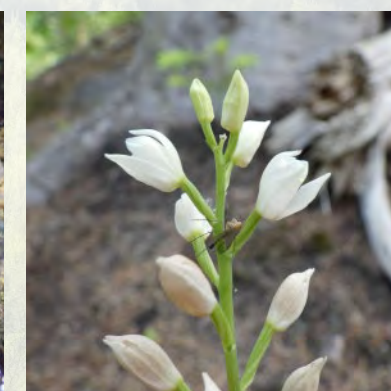
## Nature positive initiatives

We are contributing to the Nature Positive goal by protecting forests and conserving ecosystems centered on trees, plants, and animals. Just under 40% of our forests are natural forests that are preserved in their natural state with minimal management. Meanwhile, just over 60 percent are planted forests dominated by Sakhalin fir and other trees species, which must be properly managed to maintain the health of the forest. In addition, steps have been taken to confirm that vulnerable plant and animal species identified in Japan's Ministry of the Environment's Red List inhabit these forests.

● Scarce flora and fauna that inhabit the Group's forests



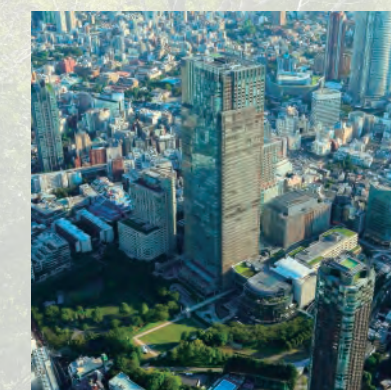
Japanese crawfish



Cephalanthera longifolia

## Creating forests in cities

As far as the creation of neighborhoods in urban areas is concerned, we are working to create neighborhoods that are overflowing with greenery and “get better with age” by actively providing green spaces while carrying forward each urban area's history through various measures, including the preservation and transplanting of existing trees.



TOKYO MIDTOWN



Uchisaiwaicho 1-Chome District Project



# 3

## Our Base for Value Creation

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# Main Environmental Initiatives

For details regarding the main initiatives being carried out, please refer to our website.  
[https://www.mitsui-fudosan.co.jp/english/esg\\_csr/environment/](https://www.mitsui-fudosan.co.jp/english/esg_csr/environment/)

## Responding to Climate Change

### Policy

The Mitsui Fudosan Group recognizes that responding to climate change is a key management issue. We create buildings and neighborhoods with low energy consumption and reduced emissions of greenhouse gases, and we aim to build a low-carbon society by taking steps together with our business partners, tenant companies and stores, and customers, to address global warming, such as conservation of energy.

### Participation in Initiatives Concerning Response to Climate Change

#### Climate-Related Financial Disclosure in Accordance with TCFD

##### TCFD and Mitsui Fudosan's Position

Our Group endorses the agenda of the Task Force on Climate-related Financial Disclosures (TCFD), which encourages corporations and others to disclose information relating to climate-related risks and opportunities. With our endorsement now in place, we will disclose our analysis and response to climate change-related business risks and opportunities, and other related information.

#### Scenario Analysis

Our analysis is based on the 1.5°C and 4°C scenarios. As the time axis for analysis, we considered the typical life cycle of real estate assets, and calculated the impact of climate change by approximately the year 2050. In our scenario analysis, we used our Housing, Office Buildings, and Retail Properties businesses as the object of analysis, as these three categories represent the principal focus of the commercial activities of our Group and are likely to be major recipients of climate change impact.

#### Affiliation with RE100

The Group is a member of RE100, a global initiative committed to utilizing 100% renewable energy. We are also proud to be fighting climate change as a recognized member of the JCLP (Japan Climate Leaders' Partnership), a local partner of RE100.



For more detailed information about RE100, please refer to the following link.  
<https://www.there100.org/re100-members>

### Estimates of Financial Impacts on the Businesses of the Mitsui Fudosan Group in 2050

Type		Principal risks and opportunities	Factors with possible business impact	Results of financial impact estimate	
				4°C Scenario	1.5°C Scenario
Risks	Transition	Major carbon tax increase	Tax applicable to company emissions	Minor	Moderate
			Major increase in raw materials costs	Minor	Moderate
		Energy conservation measures	Increase in energy conservation renovation costs due to strengthened energy conservation requirements for buildings	Moderate	Large
			Increase in ZEH construction costs	Minor	Moderate
	Physical	Average temperature increase	Revenue reduction from construction delays due to greater number of extremely hot days	Moderate	Moderate
			Increase in air-conditioning load	Moderate	Moderate
		Rising sea levels/intensification of abnormal weather patterns	Flood damage due to high tides and heavy precipitation accompanying sea level rise	Moderate	Minor
	Results derived from analysis			Moderate	Moderate

### Acquired SBT Initiative Certification for Greenhouse Gas (GHG) Emission Reduction Targets

Greenhouse gas (GHG) emission reduction targets for the whole Group have been set as the 1.5°C Target, which aims to limit the global average temperature increase to below 1.5°C compared to pre-industrial levels from the international Science Based Targets (SBT) initiative.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

For more detailed information about the SBT initiative, please refer to the following link.  
<https://sciencebasedtargets.org/companies-taking-action>

### External Evaluations

We have been selected for inclusion by CDP, a nonprofit organization engaged in international environmental surveys and information disclosure, in the "CDP 2023 Climate Change A List" of top-ranking companies in the climate change category (for the third consecutive year since 2021). On the basis of data reported in the CDP's 2023 Climate Change Questionnaire, we were selected as an A List company, placing us in the top 2% of companies in the world, in recognition of our efforts to promote renewable energy projects, collaboration with suppliers, and other efforts.

Moreover, we announced that we obtained the rank of "5 Stars" for both the GRESB Standing Investment Benchmark and the GRESB Development Benchmark in the GRESB Real Estate Assessment conducted in 2023. Mitsui Fudosan was also selected as a Global Sector Leader under the GRESB Development Benchmark of Diversified for the first time, making us one of the companies to receive the highest rank particularly among global real estate companies and

funds in the sector. Mitsui Fudosan was also highly evaluated for its efforts toward ESG disclosures and received the highest rank of "A Level" for the GRESB public disclosure evaluation, which assesses the adequacy of ESG disclosures.





Main Environmental Initiatives

Biodiversity Conservation

Policy

Coexistence with nature, which is home to a diverse range of living creatures, adds significant value to communities, such as by providing places of enrichment and relaxation. On the other hand, the development of real estate by the Group and the extraction of natural resources used as raw materials for building materials in the supply chain are altering ecosystems and impacting biodiversity. In light of this, we believe that consideration of the impact on biodiversity is one of the most important management issues and have recently established the “Mitsui Fudosan Group Biodiversity Policy.” Based on this policy and a separately established basic plan, we will promote a wide range of integrated environmental initiatives, including the conservation of biodiversity. In addition, we will proactively disclose information while referring to the Taskforce on Nature-related Financial Disclosures

(TNFD), a framework built for the disclosure of nature-related risks and opportunities.

Policy and Basic Plan with Regard to Biodiversity (formulated in Fiscal 2022)

“Mitsui Fudosan Group Biodiversity Policy”  
“Biodiversity Conservation Basic Plan”

\* For details on each policy and basic plan, please refer to our website.  
[https://www.mitsuifudosan.co.jp/english/esg\\_csr/environment/06.html](https://www.mitsuifudosan.co.jp/english/esg_csr/environment/06.html)

Biodiversity Conservation-Related Disclosures (Compliance with the TNFD Guidance)

The Group has endorsed the Taskforce on Nature-related Financial Disclosures (TNFD), an initiative encouraging financial disclosures relating to nature. In April 2024, we completed registration procedures as a TNFD Adopter. As such, we acknowledge the guidance recommended by the TNFD. We aim to make disclosures in line with the TNFD guidance by fiscal 2025 as an early adopter of the TNFD.



Major Initiatives

Activities in Various Organizations

The Company has joined the Keidanren Committee on Nature Conservation. The committee administers a fund that supports nature preservation activities in developing countries as well as Japan. We are also a member of the 30by30 Alliance for Biodiversity, an initiative driven by the Ministry of the Environment, which serves as secretariat, that aims to conserve and protect at least 30% of Japan’s terrestrial and marine areas with the goal of halting and restoring biodiversity loss by 2030.



Initiatives at Group-Owned Forests

The Group owns roughly 5,000 hectares of forest in Hokkaido and every year cuts down a certain amount of timber to use in building materials for its real estate business. Around 40% of this total is natural forest and generally this remains untouched, and as such we believe that here there is minimal impact on the forest’s ecosystems through our business activities. However, the remaining 60% is artificial forest, and here we recognize that the varying ages and types of trees, as well as other factors, are impacting ecosystems and biodiversity. In line with the above, in March 2023 we formulated the “Biodiversity Conservation

Basic Plan” for our Group-owned forests and disclosed information on the relationships between our forests and biodiversity as per the LEAP approach of the TNFD framework.

Certification as a Nature Harmony Site by Japan’s Ministry of the Environment

The Yudoromap Forests (163.73 ha) in Rumoi, Hokkaido, a part of the Group’s forestland, was certified by the Ministry of the Environment as a “Nature Harmony Site” as of March 18, 2024. In March 2023, the Group created a basic plan on considering biodiversity in Group-owned forestland, appropriately managing man-made forests by planned thinning and maintaining biodiversity through natural forest, riparian trees, and ponds. The Ministry of the Environment determined that the forest contributed to protection of rare plants and animals designated as vulnerable on the ministry’s Red List.

Overview of the Mitsui Fudosan Group-Owned Forests

Locations	31 municipalities (70 forests)* *Forests: One grouping of trees
Area	4,942.47 ha (including 63% that are artificial, 36% natural)
Usage situation	Every year, approximately 100 to 200 hectares of timber are harvested (including thinning, etc.). This timber is used as building materials for the Group’s real estate business and in office furniture.
External certifications	· Sustainable Green Ecosystem Council (SGEC) certification for sustainable forest management, and is mutually recognized as a member of the Programme for the Endorsement of Forest Certification (PEFC). · FORESTOCK certification

With Regard to the Relationship between Group-Owned Forests and Biodiversity

Locate	The Importance of the Geographic Location of Group-Owned Forests
	Of our 70 forests, those where biodiversity conservation requires particular attention due to the following four perspectives have been designated as priority forests. (1) Ratio of natural forest (2) Variation in tree age in artificial forests (3) Position relative to nature reserves and protected forests (4) Level of contribution to forestry management

Evaluate	Impact on Ecosystems and Biodiversity and Dependence
	The impact and dependence of forestry operations on ecosystems and biodiversity in the Group’s forest holdings are identified and analyzed based on the results of on-site surveys of flora and fauna and interviews with local authorities.

Assess

Risks and Opportunities Related to Biodiversity

In line with the knowledge we have gained regarding our forests’ impact on ecosystems and their mutual dependence, as well as international movements surrounding biodiversity, we have identified, on a trial basis, our biodiversity-related risks and opportunities.

	Risks and opportunities related to biodiversity	Resulting economic impacts
Risks	Tree-cutting in forests near ridges could cause sediment runoff, and in turn lead to the loss of trees and other woodland ecosystems	The amount of timber production could fall as a result
	In artificial forests, if the simplification of tree species and forest layers and the disturbance of forest environments progress, it could lead to the loss of biodiversity	The resulting biodiversity imbalances could cause an increase in certain types of vermin, diseases, and pests, and in turn reduce the amount of timber produced
Opportunities	Market growth for wooden structures, which are said to have minimal environmental impact throughout their life cycle	Enhanced ability to respond to changes in consumer needs, improved competitive advantage, and higher revenue
	Introduction of financial incentives for nature conservation areas that have received OECM and other certifications	Possibility to lower operational costs

Note: The risks and opportunities above are examples of those anticipated for Group-owned forests. We will continue to conduct detailed assessments (such as quantitative analyses) of potential risks and opportunities.

Prepare	Implementation of Biodiversity Conservation Measures
	Based on the analysis conducted to date, we performed surveys of all 25 of the forestry cooperatives to which we outsource forest management, investigating their implementation of biodiversity conservation measures. While many cooperatives are implementing the measures they can within small sections of their forest, relatively few have implemented initiatives in wide areas or taken initiatives that require a combination of efficiency and safety in operations, which will be improved in the future.

\* For details on each policy and basic plan, please refer to our website. [https://www.mitsuifudosan.co.jp/english/esg\\_csr/environment/06.html](https://www.mitsuifudosan.co.jp/english/esg_csr/environment/06.html)

Water

Policy

We develop buildings and create neighborhoods that help preserve the water environment through measures such as the effective utilization of water and replenishment of subterranean aquifers. We also preserve water resources through water conservation and effective use of water resources together with our business partners, tenants and stores, and customers.

Environmental Pollution and Resources

Policy

We prevent environmental pollution by observing laws, regulations, and ordinances relating to air pollution, water pollution, soil contamination, and hazardous materials, and we work hard to curb emissions of pollutants and contaminants that are not subject to regulation by laws, regulations, and ordinances. In addition, we take hazardous materials into consideration when acquiring land as well as in the building design stage. We also ensure appropriate management and disposal, and thereby prevent impacts due to hazardous materials on the environment or building users. Furthermore, when advancing construction, we strive to procure materials that lessen global environment load and reduce the amount of waste produced.



## Main Environmental Initiatives

## Sustainable Finance

## Policy

As the international movement on environmental and social issues accelerates, further substantial efforts are required to achieve a decarbonized society. Sustainable finance to support the realization of such a society is becoming increasingly important. By proactively engaging in sustainable finance, we intend to raise more awareness of the Group's policy among a wide range of stakeholders and promote the diversification of financing and the realization of a decarbonized society.

## Features of the Framework

## Green Finance Framework

We have formulated the Green Finance Framework as we look to issue green bonds and execute green loans flexibly. The framework has set both domestic and global environmental certifications as eligibility criteria, allowing for investment in both domestic and global projects. We obtained a second-party opinion from Moody's Japan, an outside institution, and received a Sustainability Quality Score of SQS2 (very good).

## Sustainability-Linked Loan Framework

We have formulated the Sustainability-Linked Finance Framework, which defines the sustainability-linked finance requirements, including SPTs and reporting. We obtained a second-party opinion from Moody's Japan, an outside institution, and received a Sustainability Quality Score of SQS2 (very good).

## Sustainable Finance Track Record (as of the end of fiscal 2023)

## Green Bonds (GB) and Green Loans (GL)

Bonds and loans to be issued for investment in green projects. Issued ¥130 billion in Green Bonds in May 2023, the largest ever in the industry.

## Examples of Properties to which Green Bonds and Green Loans Have Been Allocated

- TOKYO MIDTOWN YAESU Yaesu Central Tower
- 50 Hudson Yards
- Nihonbashi Muromachi Mitsui Tower

## Positive Impact Finance (PIF)

Borrowings to be implemented after evaluation by financial institutions based on medium- to long- term goals and KPIs for corporate activities that have an impact on the environment, society, and the economy.

## Evaluation Themes

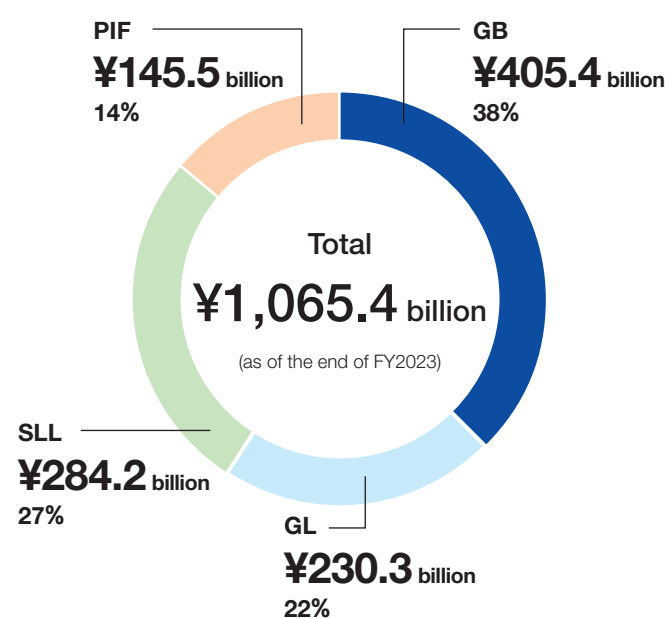
- Reduction of environmental burden and energy generation
- Realization of a "super-smart society" through urban development
- Realization of healthy, safe, and secure lifestyles
- Realization of a society in which diverse human resources can play an active role

## Sustainability-Linked Loans (SSL)

Borrowings with preferential interest rates based on achievement of sustainability goals.

## Targets (SPTs)

Reduce total greenhouse gas emissions in Scope 1 + Scope 2 by 46.2% (compared with fiscal 2019) in fiscal 2023.



Note: Totals might not add up to 100% due to rounding.

## Main Social Initiatives

## Supply Chain Management



For details regarding the main initiatives being carried out, please refer to our website. [https://www.mitsuifudosan.co.jp/english/esg\\_csr/society/04.html](https://www.mitsuifudosan.co.jp/english/esg_csr/society/04.html)

## The Mitsui Fudosan Group's Sustainable Procurement Standards

As a corporate group that supports the foundations of life such as offices and housing, the Group recognizes the need to fulfill its social responsibilities at a higher level. To this end, we believe that the entire supply chain should work together to promote sustainable procurement that contributes to the resolution of ESG issues. The Group has formulated the Sustainable Procurement Standards outlining the basic guidelines, and we published these standards on our website in December 2018 and have notified our main business partners. In February 2022, we revised these standards to prepare for human rights due diligence, and include basic guidelines on items to be complied with or actively promoted by both the Mitsui Fudosan Group and its business partners related to ordering.

We share these standards within the Group to build and operate an ordering and contract process in line with the nature of our business,

and notify and request the understanding of our business partners. We address the promotion of sustainable procurement throughout the supply chain to realize a sustainable society.

## Sustainable Procurement Standards Item List

- |  |   |
|--|---|
| 1. Compliance with Laws and Regulations, etc.      | 5. Establishment of Business Ethics               |
| 2. Respect for Human Rights in Business Activities | 6. Ensuring Quality                               |
| 3. Respect for Human Rights Related to Labor       | 7. Consideration for the Environment              |
| 4. Safe and Healthy Working Environment            | 8. Information Security                           |
|  | 9. Crisis Management and Business Continuity Plan |

## Surveys and dialogue with suppliers

As a result of appraisals into human rights risks, for existing suppliers, such as general contractors, that have a great deal of overlap with, and influence on, the Group's ESG issues, we carry out surveys and dialogue in line with our Sustainability Procurement Standards to promote and raise awareness of important themes.

## Future issues

Through the survey, we discovered issues in the following areas at certain companies.

## General contractors &amp; builders

- Measures to address working long hours and health issues that arise from that
- Accurate technical guidance for foreign technical intern trainees
- Thorough compliance with the Labor Standards Act
- Checks at materials suppliers to ensure there are no human rights or environmental problems and measures to ensure no illegally logged lumber in wood procurement
- Corruption prevention

## Security companies &amp; cleaning/equipment management companies

- Measures to address working long hours and health issues that arise from that
- Measures to address occupational accidents such as tripping or falling
- Corruption prevention

## Engagement with suppliers that takes issues into account

Taking on board the results of the surveys, we conducted current status interviews with contractors whose initiatives are lacking in some way, and carried out dialogue and engagement to lead to future improvement. In the future, we plan to continue conducting monitoring and engaging in dialogue.

## Suppliers we have engaged with to make improvements (as of March 2024)

- Medium-sized general contractors: 2
- Small general contractors/builders: 4

## Survey subjects and periods

- FY2021: 6 large general contractors
- FY2022: 3 large security companies  
3 large cleaning/equipment management companies
- FY2023: 22 medium-sized general contractors  
84 small general contractors/builders

## Survey contents

- (1) Questionnaire survey
- (2) On-site inspection
- (3) On-site interviews at the head office



Main Social Initiatives

Human Rights Initiatives

For details regarding the main initiatives being carried out, please refer to our website.  
[https://www.mitsuifudosan.co.jp/english/esg\\_csr/society/03.html](https://www.mitsuifudosan.co.jp/english/esg_csr/society/03.html)

Policy

The Mitsui Fudosan Group respects basic human rights and complies with laws and regulations concerning workers' rights in each country where it conducts business.

Basic Approach to Human Rights

The Mitsui Fudosan Group complies with the laws and regulations of each country and region in which it conducts business activities.

- (1) We will eliminate all discrimination on the grounds of race, nationality, religion, sex, age, disability, or sexual orientation.
- (2) We will not tolerate any form of harassment, including sexual harassment or abuse of power.
- (3) We will not permit child labor or forced labor.
- (4) We respect freedom of association and the right to collective bargaining.
- We also support and respect the basic rights for workers set out in the ILO Declaration on Fundamental Principles and Rights Fiscal 2021. In regard to construction sites believed to have the highest degree of impact, we conducted a questionnaire regarding the overall ESG initiatives, including human rights, of six construction companies, and

conducted an on-site survey at the construction sites of two companies. Alongside an at Work and the UN's Guiding Principles on Business and Human Rights. Furthermore, we pursue methods to ensure that basic human rights are respected in countries and regions that do not adhere to internationally recognized basic human rights.

Initiatives for Raising Human Rights Awareness

Mitsui Fudosan has established a Code of Employee Conduct with regard to human rights. We are also building a Group-wide framework for respecting human rights by establishing the internal Fair Employment Screening and Human Rights Awareness Raising Promotion Committee and organizing Fair Employment Screening and Human Rights Awareness Raising Liaison Conferences with each Group company. In addition, we are continuously working to improve understanding and awareness regarding human rights through initiatives such as holding human rights awareness training for all Mitsui Fudosan employees.

Human rights due diligence

In 2020, we started human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights. As a supplement to the Human Rights Policy, we designated major issues related to human rights. We are continuously evaluating their impact on human rights, and putting in place initiatives to prevent or minimize their impact, and will continue monitoring.

Human rights impact evaluation

Human rights impact evaluation is carried out for new and existing Group-wide business (predominantly in Japan) in the manner detailed below. This evaluation also covers human rights issues that relate to

labor problems or health and safety. When evaluating impact, we also took advice from Akiko Sato, an attorney. We will ensure that in the future, too, we will continue to have such opportunities to gather feedback periodically.

To select major human rights impacts, we investigated the impact of issues related to our activities or business dealings that would infringe human rights of any of our stakeholders in each business segment (from a total of 202 issues). In line with their severity according to the UN Guiding Principles, and other factors, we narrowed the list down to a total of 42 important human rights issues (human rights impacts) unique to our business.

Human Rights Impact Assessment Procedure



Sample of impact on stakeholders and human rights

		Business				
		Rental	Built-for-sale	Management	Agency	Contracting, etc.
Stakeholders	Group employees	Total for all segments (regular/non-regular)				
	Supplier employees	Total for all segments (regular/non-regular)				
	Tenants' employees, etc.	○	○ (incl. investors)	○	—	—
	Buyers, orderers, etc.	—	○	○	○	○
	Building users, visitors, etc.	○	—	○	—	—
	Local residents, businesses, etc.	○	○	○	—	○

Refining by severity and probability

Probability		Low (less than once a decade)	Medium (more than once a decade, less than once every three years)	High (once or more every three years)
Severity: High	Direct		We selected issues in this area as important human rights issues (human rights impacts)	
	Indirect			
Severity: Medium	Direct			
	Indirect			
Severity: Low	Direct			
	Indirect			

Salient issues related to human rights initiatives

- Prohibition of discrimination, harassment, or other unfair treatment in the workplace
- Ensuring a safe and healthy working environment
- Consideration for safety, security, and health in urban development
- Consideration of minorities and prohibition of unfair discrimination toward them in business activities
- Sufficient communication with clients and other stakeholders in business activities

Survey into the status of initiatives to address human rights issues in our business

As part of the Mitsui Fudosan Group's human rights due diligence, in fiscal 2022, we carried out a questionnaire survey into initiatives to respect human rights at four divisions and 10 Group companies (as well as interviews at a Group company).

The questionnaire looked into 15 issues—those strongly relevant to the work of the divisions and Group companies taken from 42 human rights issues identified during the formulation of the Mitsui Fudosan Group Human Rights Policy—and surveyed internal systems to prevent human rights violations, ensure awareness of manuals and procedures, report on the status of training, etc.

Stakeholder engagement to designate issues that impact on human rights (Conducted on October 26, 2020, and August 2, 2021)

To designate issues that impact on human rights, we engaged with Akiko Sato, an attorney. We have reflected Ms. Sato's opinions as much as possible in the formulation of our Human Rights Policy, amendments to our Sustainable Procurement Standards, and in the implementation of our human rights due diligence. In the future, we hope to have Ms. Sato give feedback on how best to promote initiatives on the theme of business and human rights.

Attorney at Kotonoha Law. Business and Human Rights Liaison Officer, United Nations Development Program (UNDP). Currently, Ms. Sato works to enhance awareness and understanding of business and human rights by providing advice on topics such as human rights policy and human rights due diligence; coordinating stakeholder engagement; and proposing policy to the government.

Akiko Sato



Relief Mechanism Initiatives

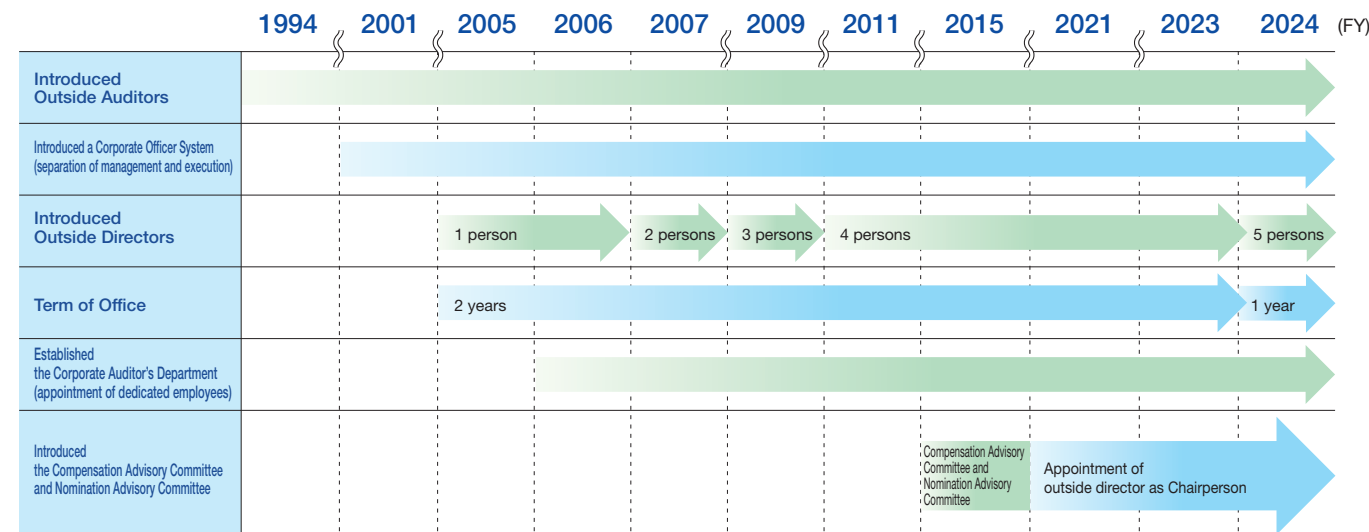
The Group is a member of the Platform for Responsible Recruitment of Foreign Workers (JP-MIRAI), originally established in January 2020 by a diverse group of stakeholders for the purpose of providing relief for foreign workers in Japan. We also participate in the Foreign Workers Consultation and Relief Pilot Project, launched by JP-MIRAI in May 2022 (membership of eight private-sector companies, including the Group). This project is the first of its kind in Japan to package an integrated mechanism from provision of information to foreign workers, a multilingual consultation service, and independent and neutral dispute resolution, to feedback on human rights risks to companies. Specifically, JP-MIRAI provides several services to foreign workers at participating companies, including (1) a portal site that provides

beneficial information to those working in Japan, (2) a consultation service that eases the psychological barriers to making contact by offering help in the workers' native languages, (3) support for problems that are difficult for foreign workers to solve on their own, and (4) a mechanism to resolve disputes outside of court in the event of a disagreement with an employer. At the same time, the project analyzes issues faced by foreign workers based on data collected through the provision of services. We are working to strengthen our supply chain management and human rights due diligence by utilizing the human rights violation risk information regarding foreign workers provided by JP-MIRAI.

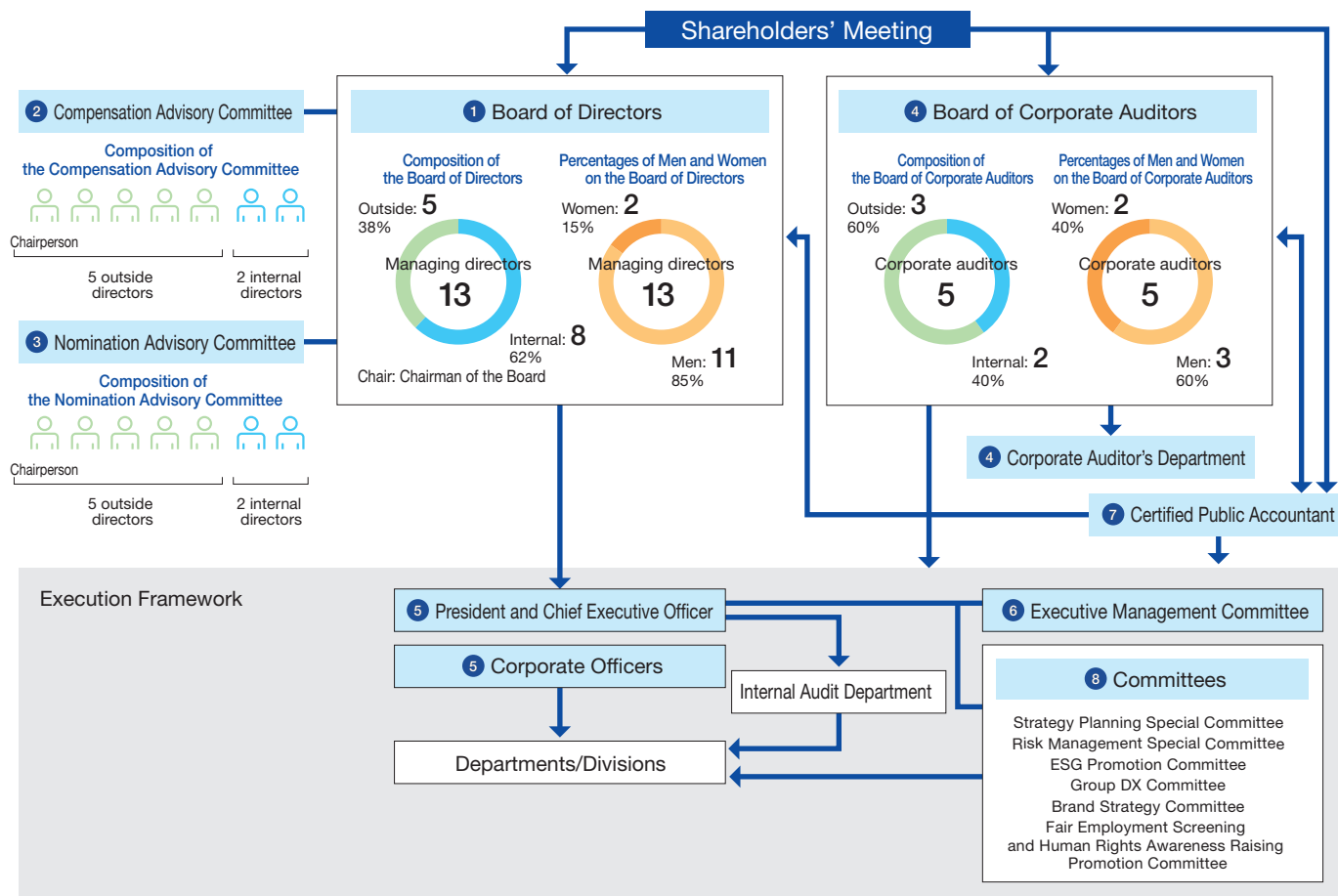


# Corporate Governance

## Initiatives for Enhancing Corporate Governance



## Corporate Governance Structure



## Organizations in the Corporate Governance Structure

### 1 Board of Directors

The Board of Directors, headed by Chairperson Masanobu Komoda and comprising 13 members, including eight internal directors (Masanobu Komoda, Takashi Ueda, Takashi Yamamoto, Shingo Suzuki, Makoto Tokuda, Hisashi Osawa, Yutaka Saito, and Nobuhiko Mochimaru) and five outside directors (Tsunehiro Nakayama, Shinichiro Ito, Eriko Kawai, Mami Indo, and Takashi Hibino), decides on issues material to Mitsui Fudosan and monitors the execution of business by managing directors. The corporate auditors also attend meetings of the Board of Directors and provide opinions as necessary.

### 2 Compensation Advisory Committee

The Compensation Advisory Committee, headed by independent outside director Shinichiro Ito as Chairperson and comprising seven members, including five independent outside directors (Tsunehiro Nakayama, Shinichiro Ito, Eriko Kawai, Mami Indo, and Takashi Hibino), President and Chief Executive Officer Takashi Ueda, and one internal director (Makoto Tokuda), advises on matters pertaining to the compensation of managing directors when the Board of Directors makes resolutions on such matters. Two meetings were held in fiscal 2023 with all committee members in attendance.

#### <Specific Advisory Matters>

- Recent trends in executive compensation
- Review of the restricted stock compensation system
- Directors' basic compensation, bonuses, and restricted stock compensation paid

### 3 Nomination Advisory Committee

The Nomination Advisory Committee, headed by independent outside director Shinichiro Ito as Chairperson and comprising seven members, including five independent outside directors (Tsunehiro Nakayama, Shinichiro Ito, Eriko Kawai, Mami Indo, and Takashi Hibino), President and Chief Executive Officer Takashi Ueda, and one internal director (Makoto Tokuda), advises on matters pertaining to the nomination of managing directors and corporate auditors, as well as the appointment and dismissal of managers when the Board of Directors makes resolutions on such matters. Two meetings were held in fiscal 2023 with all committee members in attendance.

#### <Specific Advisory Matters>

- Division of duties of the executive directors
- Delegation of responsibilities, appointment, and dismissal of corporate officers
- Appointment and dismissal of executive corporate officers and corporate officers and the delegation of responsibilities
- Preliminary selection of director and corporate auditor candidates
- Appointment of Group senior officers and Group corporate officers

### 4 Board of Corporate Auditors

The Board of Corporate Auditors, comprising five corporate auditors, including two internal auditors (Wataru Hamamoto and Yoshihiro Hirokawa) and three outside auditors (Minoru Nakazato, Mayo Mita, and Michiko Chiba), formulates auditing policies and determines assignments. It also receives reports and discusses material items on audits conducted according to these policies and assignments. Note that the Corporate Auditor's Department has been established specifically to assist the corporate auditors with their work, and each corporate auditor has been assigned two dedicated employees.

### 5 Corporate Officers

Mitsui Fudosan has introduced a corporate officer system with the aim of creating a business execution framework that best suits its operating environment and activities. By promoting the separation and reinforcement of the management and executive functions, a role that was previously undertaken by managing directors, the system enhances management soundness and efficiency. In addition, seeking to further reinforce the management of the Mitsui Fudosan Group, we have expanded the range of managers across the Group and introduced a Group corporate officer system, under which executives at Group companies have been given a status and mission similar to those of the corporate officers.

### 6 Executive Management Committee

The Executive Management Committee, consisting of executive corporate officers, has been formed to deliberate and report on important matters related to business execution, and supervises internal control and risk management. Full-time corporate auditors also attend meetings to stay informed of important decision-making processes and the status of business execution, and provide opinions as necessary.

### 7 Certified Public Accountant

Mitsui Fudosan has concluded an auditing contract with KPMG AZSA LLC as its certified public accountant, which conducts audits. There is no shared interest between the auditor and the Company, nor between employees conducting operations for the auditor and the Company.

### 8 Committees

Mitsui Fudosan has established committees headed by the President and Chief Executive Officer. The Risk Management Special Committee is an organization that manages work risks, while the Strategy Planning Special Committee is an organization that manages business risks. Through these, we identify and assess risk issues and draft countermeasures. In addition to these, the ESG Promotion Committee manages the Company's initiatives involving sustainability. Moreover, the Group DX Committee, the Brand Strategy Committee, and the Fair Employment Screening and Human Rights Awareness Raising Promotion Committee have been established as advisory bodies to the President and Chief Executive Officer.



## Corporate Governance

## Enhancement of the Effectiveness of the Board of Directors

## Evaluation of Board of Director Effectiveness

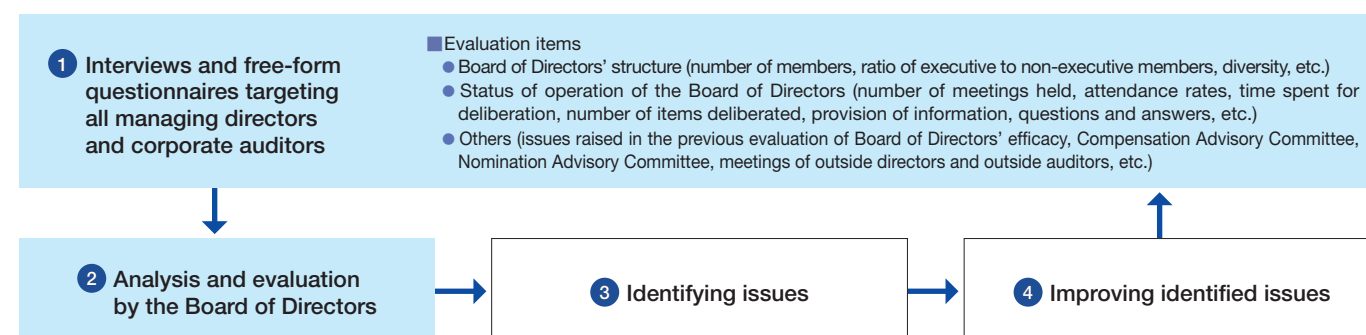
Aiming to further enhance the functions of the Board of Directors, the Company analyzes and evaluates the efficacy of the Board of Directors every year to identify issues and respond to such issues. As a means of analysis and evaluation, the Company uses a third-party organization for preparation and analysis of questionnaires. The evaluation and improvement process for the effectiveness of the Board of Directors is as described in (1) below.

In the evaluation of the effectiveness of the Board of Directors in fiscal 2023 (current year), each evaluation item was generally highly evaluated, as shown in (2) below, and it was confirmed that the Board of Directors' efficacy was properly maintained.

In the future, we will continue to identify issues and formulate action policies as described in (3) below.

## (1) Evaluation and improvement process

Process of utilizing a third-party organization



## (2) Issues identified and actions taken in FY2022 (previous year)

<Issues>	<Details of Improvements>
Report on the status of communication with investors	The status of communication with investors will continue to be reported at Board of Directors' meetings in a timely and appropriate manner, as there was an opinion in this efficacy evaluation that this initiative was appreciated.
Deepening the discussions at Board meetings	The discussion at the execution side was further shared during the explanation of each agenda item and the criteria for the agenda for the Board of Directors was changed so that the discussion time could be used more effectively for the discussion of more important topics.
Discussion on brand and PR strategies	Opportunities were set up at the Board of Directors to report on PR strategies, brand strategies, etc., and discussions at the Board of Directors were fed back to the execution side for action, etc.

## (3) Issues identified and actions taken in FY2023 (current year)

Generally, a high evaluation was given to each evaluation item. The improvement initiatives listed above are being implemented based on the findings of the previous evaluation of Board of Directors' efficacy, and it was confirmed that the Board of Directors' efficacy was properly maintained.

<Issues>	<Initiative Policy>
Monitoring of the Group's Long-Term Vision	The Board of Directors continuously monitors the progress of future plans and other aspects of both financial and business strategies from the perspective of achieving the goals of the Group's Long-Term Vision.
Discussion on priority areas of business strategies and infrastructure to support the strategies	In making progress on the Group's Long-Term Vision, discussions on necessary topics are held through Board of Directors and external officer meetings, etc., and the results are fed back to the execution side.

## Initiatives Aimed at Holding Meaningful Discussions

To aid managing directors and corporate auditors in ably fulfilling their roles, the Company conducts orientations upon appointing new officers, performs regular executive training, and otherwise provides information necessary for the performance of duties.

In addition to creating opportunities for exchanges of opinions between outside officers and top management, assigning staff to

support the Board of Directors and the Board of Corporate Auditors, and distributing materials and providing briefings to outside directors in advance of Board of Directors meetings, the Company bears expenses required by managing directors and corporate auditors in carrying out their roles.

## Practical example

<b>Outside Officer Meetings (conducted five times in FY2023)</b>	We hold Outside Officer Meetings as appropriate to enable exchanges of opinions with corporate auditors, outside directors, and internal directors, including the President and Chief Executive Officer. These meetings address our business strategy and specific businesses.
<b>Project Tours (held four times in FY2023)</b>	The Company holds site tours for outside officers as and when required to deepen their understanding of its projects. (Among a number of sites, outside officers toured the area around Minami-Funabashi and Mita Garden Hills.)

## Board of Directors Decisions and Reports

The following matters are resolved by or reported to the Mitsui Fudosan Board of Directors as stipulated by laws and regulations, the Company's Articles of Incorporation, and Company rules such as those regarding the Board of Directors. Agenda items to be deliberated by the Board of Directors are, in principle, deliberated in advance by the

Executive Management Committee, which is composed of executive corporate officers. Full-time corporate auditors also attend Executive Management Committee meetings to stay informed on important decision-making processes and the status of business execution, and provide opinions as necessary.

## (1) Matters related to shareholders' meetings

## (2) Matters related to managing directors

- Preliminary selection of director candidates
- The appointment and dismissal of the managing director and executive vice president
- The appointment and dismissal of executive directors
- Basic compensation, bonuses, and restricted stock compensation for directors
- Other important matters

## (3) Matters related to the Company's structure

## (4) Important matters related to compliance, etc.

- Formulating a risk management plan for the fiscal year
- Reporting on the results of risk management-related activities implemented during the fiscal year
- Formulating an audit plan for the fiscal year
- Reporting on audit activities implemented during the fiscal year
- Evaluating internal controls concerning financial reporting during the fiscal year and formulating audit-related policy (J-SOX activities)

## (5) Important matters related to personnel

- The appointment and dismissal of corporate officers and executive corporate officers
- The appointment and dismissal of key employees
- Basic compensation, bonuses, and restricted stock compensation for corporate officers, etc.

## (6) Important matters related to finance and assets

## (7) Other matters that are especially important in regard to managing the Company or executing duties

- Fiscal year plan
- ESG plan
- Report on risk management
- Verification of stock holdings regarding strategic shareholdings
- Other important matters



Corporate Governance

Expertise and Experience of Each Director and Corporate Auditor

In April 2024, the Group formulated its long-term vision “& INNOVATION 2030.” Based on this policy, we have identified the following skills that the Board of Directors as a whole should possess to realize the Group’s “ideal state”: “Corporate management,” “Treasury, accounting and finance,” “Risk management,” “Urban development (real estate development, etc.),” “Global,” “Technology and innovation,” “Human resources strategy,” and “Sustainability.”

Skills that the entire Board of Directors should include

The skills that the entire Board of Directors should include are broadly divided into the following three categories.

Management-related skills	Fundamental skills for managing the Company
Core competence	Skills related to urban development, which is the source of the Company's competitive advantage
Expert skills	Expert skills in other individual fields that officers are expected to demonstrate

Skills		Reason for selection of each item
Management-related skills	Corporate management	Having experience in management of companies, etc., is an important skill for supervising the management of the Group, which has diverse business fields.
	Treasury, accounting and finance	Applying appropriate controls on stable and continuous profit growth and efficiency improvement from a finance and accounting perspective is an important skill for achieving management targets.
	Risk management	Appropriately establishing risk management systems is an important skill for ensuring the continuity of business activities and realizing stable profit growth.
Core competence	Urban development (real estate development, etc.)	Urban development is at the heart of the Company's businesses and is the source of its competitive advantage. Decoupling (achieving high profitability regardless of the external environment through differentiation and market creation) is an important skill for realizing stable profit growth of the Company.
Expert skills	Global	The Company considers its overseas business to be one of its core businesses, and realizing stable profit growth in the overseas business is an important skill for achieving the Company's management targets.
	Technology and innovation	Utilizing knowledge of various technologies such as ICT, etc. and appropriately conducting management to realize the establishment of business models combining the real-world and digital and the creation of new industries are important skills for the Company's business strategies.
	Human resources strategy	The Company considers human resources to be the source of value creation. Acquiring and supporting diverse human resources to accelerate innovation and further developing the Group's One-Team organization are important skills for realizing management targets.
	Sustainability	The Company is promoting sustainability management to actively contribute to a sustainable society. Appropriately managing initiatives to realize a decarbonized society, etc. is an important skill required of the Company's managing directors.

Skills matrix for managing directors and corporate auditors

Name / Position		Management-related related skills			Core competence	Expert skills			
		Corporate management	Treasury, accounting and finance	Risk management	Urban development (real estate development, etc.)	Global	Technology and innovation	Human resources strategy	Sustainability
Masanobu Komoda	Chairman of the Board	●	●	●	●	●		●	●
Takashi Ueda	President and Chief Executive Officer	●	●	●	●	●	●		●
Takashi Yamamoto	Managing Director and Executive Vice President	●		●	●	●			
Shingo Suzuki	Managing Director				●		●		●
Makoto Tokuda	Managing Director		●	●	●			●	
Hasashi Osawa	Managing Director		●		●	●			
Yutaka Saito	Managing Director				●			●	
Nobuhiko Mochimaru	Managing Director		●		●		●		●
Tsunehiro Nakayama	Outside Director	●	●	●		●			
Shinichiro Ito	Outside Director	●		●			●	●	
Eriko Kawai	Outside Director		●			●		●	●
Mami Indo	Outside Director	●	●	●					
Takashi Hibino	Outside Director	●	●	●		●			
Wataru Hamamoto	Senior Corporate Auditor		●		●		●		●
Yoshihiro Hirokawa	Senior Corporate Auditor			●	●			●	●
Minoru Nakazato	Outside Auditor		●	●		●			
Mayo Mita	Outside Auditor		●	●		●			
Michiko Chiba	Outside Auditor		●	●					

Note: ● represents an item in which the candidate is expected to demonstrate particular strengths based on their performance and experience inside and outside the Company. It does not represent all expertise and experience.



Corporate Governance

Executive Compensation

Breakdown of Compensation

Managing directors' compensation consists of basic compensation, bonuses as a short-term incentive approved by a resolution at the General Shareholders' Meeting after a comprehensive examination of performance, etc., for each fiscal year, and restricted stock compensation as a medium- to long-term incentive with the purpose of

achieving continuous improvement of the Group's corporate value and encouraging the further sharing of value with shareholders. Compensation paid to outside directors is solely basic compensation. In addition, compensation paid to corporate auditors is solely basic compensation.

Breakdown of Managing Directors' Compensation

Restricted Stock Compensation (Medium- to Long-Term Incentives)	Performance-based: About 50–60%* (about 60–70% for the President)
Bonuses (Short-Term Incentives)	
Basic Compensation	Non-performance-based: About 40–50%* (about 30–40% for the President)

\* Data for all internal directors.

Performance-Based Compensation Indicators

To increase the linkages between managing directors' compensation, performance, and shareholder value, indicators for bonuses and restricted stock compensation, and to strengthen directors' incentives toward increasing corporate value and achieving management targets, the following factors are taken comprehensively into consideration.

- Performance for the fiscal year under review (operating income and profit attributable to owners of parent)
  - Status of ESG initiatives
- Return of profits to shareholders in accordance with the Company's shareholder return policy (actual results of dividends and repurchases of own shares)
  - Progress of the Group's long-term vision, etc.

Executive Compensation Structure

Title	Basic compensation	Short-term incentives	Medium- to long-term incentives
		Bonus	Restricted stock compensation
Managing Directors (excluding outside directors)	○ Up to ¥90 million per month (including ¥10 million per month for outside directors)	○	○ Up to ¥2,000 million and 900,000 shares per year
Outside Directors		—	—
Corporate Auditors	○ Up to ¥20 million per month	—	—

Compensation by Title, Amount of Compensation by Type, and Number of Applicable Executives (FY2023)

Title	Total compensation (Millions of yen)	Amount of compensation by type (Millions of yen)			Number of applicable executives
		Basic compensation	Bonus	Restricted stock compensation	
Managing Directors (of which, outside directors)	1,685 (92)	737 (92)	596 (—)	351 (—)	17 (5)
Corporate Auditors (of which, outside corporate auditors)	162 (55)	162 (55)	—	—	8 (5)
Total (of which, outside officers)	1,847 (148)	900 (148)	596 (—)	351 (—)	25 (10)

Note: The number of persons and the amount of compensation above include five managing directors and three corporate auditors who retired at the conclusion of the 111th Ordinary General Shareholders' Meeting held on June 29, 2023.

Compensation of Executives Exceeding ¥100 million (FY2023)

Name	Title	Company	Amount of compensation by type (Millions of yen)			Total compensation (Millions of yen)
			Basic compensation	Bonus	Restricted stock compensation	
Masanobu Komoda	Chairman of the Board	Mitsui Fudosan Co., Ltd.	138	141	104	384
Takashi Ueda	President and Chief Executive Officer	Mitsui Fudosan Co., Ltd.	138	172	95	405
Takashi Yamamoto	Managing Director and Executive Vice President	Mitsui Fudosan Co., Ltd.	68	67	30	178
	Managing Director	Mitsui Fudosan Residential Co., Ltd.	11	—	—	
Takayuki Miki	Managing Director	Mitsui Fudosan Co., Ltd.	63	51	25	139
Yoshihiro Hirokawa	Managing Director	Mitsui Fudosan Co., Ltd.	47	51	19	118

Note: Executive officer data are for fiscal 2023.

Restricted Stock Compensation System

The Group has introduced a restricted stock compensation system in lieu of stock options as compensation for managing directors, excluding outside directors with the aim of providing an incentive to achieve continuous improvement of the Company's corporate value and to encourage the further sharing of value with shareholders (resolved at the 108th Ordinary General Shareholders' Meeting held on June 26, 2020). Meanwhile, stock acquisition rights that have already been granted as stock options but have not yet been exercised will continue to exist. However, no new stock options will be granted.

- Purpose of introduction

Providing incentives for eligible directors\* to achieve continuous improvement of the Company's corporate value and to encourage the further sharing of value with the shareholders.
- Maximum amount

Up to ¥2 billion/900,000 shares per year
- Restriction period

For the duration of the period until the point immediately after the eligible director loses his or her position as the Company's managing director.
- Other

In addition to the eligible directors, the Company has introduced the system to managing officers and Group officers who do not concurrently serve as managing directors of the Company.

\* Eligible directors: Directors excluding outside directors

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

The Company will strive to achieve stable and continuous improvement of ROE that exceeds the cost of capital by managing with an equal focus on the three key objectives: enhance growth, efficiency, and shareholder returns as follows. For details, please refer to Financial Strategies on page 053.

- Profit growth achieved stable and continuous leasing income growth and realized development added value through the stable and continuous turnover of assets, and Enhancing cash-generating capabilities through business planning, property development, and management capabilities that are the source of the Company's competitive advantage.
- Balance sheet control, by enhancing the quality of the asset portfolio by considering and executing asset turnover reviewing not only real property for sale but also fixed assets and investment securities, and by controlling financial leverage appropriately.
- Expanding shareholder returns through a combination of the improved dividend payout ratio and the flexible and continuous repurchase of own shares.



Corporate Governance

Appointment of Managing Directors/Corporate Auditors and Corporate Officers

Appointment of Managing Directors and Corporate Auditors

Based on the Group's management philosophy and management strategy, the Company performs comprehensive evaluations of character, capabilities, insights, gender, and other factors to appoint persons considered suitable as managing directors and corporate auditors.

Introduction of the Corporate Officer System

Mitsui Fudosan has introduced a corporate officer system with the aim of creating a business execution framework that best suits its operating environment and activities. By promoting the separation and reinforcement of the management and executive functions, a role that was previously undertaken by managing directors, the system enhances management soundness and efficiency.

In addition, seeking to further reinforce the management of the Mitsui Fudosan Group, we have expanded the range of managers across the Group and introduced a Group corporate officer system, under which executives at Group companies have been given a status and mission similar to those of the corporate officers.

Attendance at Board of Directors Meetings and Board of Corporate Auditors Meetings

Name/Position		Independent officer	Fiscal 2023 attendance at Board of Directors Meetings and Board of Corporate Auditors Meetings
Masanobu Komoda	Chairman of the Board		Board of Directors Meetings: 12/12
Takashi Ueda	President and Chief Executive Officer		Board of Directors Meetings: 12/12
Takashi Yamamoto	Managing Director and Executive Vice President		Board of Directors Meetings: 12/12
Shingo Suzuki	Managing Director		Board of Directors Meetings: 10/10
Makoto Tokuda	Managing Director		Board of Directors Meetings: 10/10
Hisashi Osawa	Managing Director		Board of Directors Meetings: 10/10
Yutaka Saito*1	Managing Director		—
Nobuhiko Mochimaru*1	Managing Director		—
Tsunehiro Nakayama	Outside Director	○	Board of Directors Meetings: 12/12
Shinichiro Ito	Outside Director	○	Board of Directors Meetings: 12/12
Eriko Kawai	Outside Director	○	Board of Directors Meetings: 12/12

\*1 Newly appointed on June 27, 2024.  
\*2 Newly appointed on June 27, 2024. Attended 10/10 meetings of the Board of Directors as a Director in fiscal 2023.

Name/Position		Independent officer	Fiscal 2023 attendance at Board of Directors Meetings and Board of Corporate Auditors Meetings
Mami Indo	Outside Director	○	Board of Directors Meetings: 10/10
Takashi Hibino*1	Outside Director	○	—
Wataru Hamamoto	Senior Corporate Auditor		Board of Directors Meetings: 9/10
			Board of Corporate Auditors Meetings: 9/10
Yoshihiro Hirokawa*2	Senior Corporate Auditor		—
Minoru Nakazato	Outside Auditor	○	Board of Directors Meetings: 10/10
			Board of Corporate Auditors Meetings: 10/10
Mayo Mita	Outside Auditor	○	Board of Directors Meetings: 9/10
			Board of Corporate Auditors Meetings: 8/10
Michiko Chiba*1	Outside Auditor	○	—

Independence of Outside Directors and Outside Corporate Auditors

Mitsui Fudosan appoints its outside directors with the expectation that they will contribute their extensive experience and broad knowledge to the Company's management, and that they will play an appropriate role in strengthening the audit function of the Board of Directors and ensuring transparency. The Company also appoints its outside auditors with the expectation that they will bring an objective stance to auditing the directors in the performance of their duties, based on their expert knowledge and extensive experience. Note that, in line with Tokyo

Stock Exchange requirements for judging the independence of independent officers, the Company uses the following standards for judging said independence: whether there is a risk of conflict of interest with any of the Company's general shareholders; whether any special interests exist with the Company; and whether in working to enhance the soundness and transparency of the Company's management, the individual is capable of making objective, fair, and impartial judgments.

Strategic Shareholdings

Concept and standard for the classification of investment stocks

Standard (Established February 2023)

Investment stocks held purely for investment purposes

Stocks held as part of business investments for the purposes of benefiting from a medium- to long-term increase in share value, etc.

Investment stocks held for purposes other than purely investment purposes (strategic shareholdings)

Stocks held for purposes other than above

Note: Stocks considered effective in management strategy from a medium- to long-term perspective to improve the Group's corporate value by comprehensively taking into account business strategy, relationships with clients, and other factors.

Approach

In its business model, in addition to investing directly in real estate and benefiting from an increase in value, the Group might also invest in businesses in the form of equity capital and benefit from the increase in share value. Based on our actual business model, we define "investment stocks held for pure investment purposes" as "Stocks, as part of business investments, held for the purposes of benefiting from medium- to long-term increase in share value, etc."

About our investment in Oriental Land Co., Ltd.

Involved in the establishment of Oriental Land Co., Ltd., in 1960, Mitsui Fudosan invested in a form of equity capital for the purpose of developing urban resorts and engaging in entertainment business activities. This investment was made as part of our core business, real estate investment, and we hold these shares for the purpose of benefiting from a medium- to long-term increase in share value, etc.

Investment stocks held for pure investment purposes

Under & INNOVATION 2030 (the Group's Long-Term Vision), reflecting our track record to date, we will continue to take a flexible and sustainable approach to selling those stocks over time, allocating proceeds to invest for future growth while also taking the share price into account.

Policy Regarding the Reduction of Strategic Shareholdings

Mitsui Fudosan continuously reviews the status of its strategic shareholdings. Upon confirming the significance of shareholdings based on the quantitative rationality of holdings and relationships with business partners, we have decided to reduce our shareholdings. Meanwhile, in overall consideration for business strategy and relationships with business partners, to improve the Group's corporate value, Mitsui Fudosan holds shares considered effective for management strategies as shares for purposes other than net investments (strategic shareholdings) from a medium- to long-term perspective.

Mitsui Fudosan will accelerate efforts to reduce strategic shareholdings, reduce current holdings by 50% over the three-year period to fiscal 2026, and continue to actively reduce strategic shareholdings from fiscal 2026 onward.

Sales Results Related to Strategic Shareholdings

Since establishing this reduction policy in December 2018, the Company has sold 23 stocks totaling 18.86 million shares, amounting to ¥174.5 billion.

[Sales results] (Mitsui Fudosan Co., Ltd. Non-consolidated)

- FY2019: ¥20.3 billion (3.68 million shares, 13 stocks)
- FY2020: ¥45.9 billion (5.06 million shares, 3 stocks)
- FY2021: ¥50.7 billion (3.65 million shares, 4 stocks)
- FY2022: ¥46.5 billion (3.10 million shares, 3 stocks)
- FY2023: ¥10.9 billion (3.34 million shares, 6 stocks)

Verification by the Board of Directors

When verifying the rationality of shareholdings, we verify whether the benefit, risk, etc., associated with the shareholdings are commensurate with the capital cost. Furthermore, in addition to confirming the significance of shareholdings from the perspectives of transaction performance, stable funding, and creation of business opportunities, we verify whether the holdings contribute to improving the medium- to long-term corporate value of the Group. At a meeting held on May 10, 2024, the Board of Directors verified appropriateness with regard to the significance of strategic shareholdings based on the quantitative rationality of holding and relationships with business partners for each stock brand. As a result, for stocks for which the rationality of holding or significance of holding has decreased, we will examine selling by considering factors such as impact on the stock market.

Standard for Exercising Voting Rights

In exercising voting rights, Mitsui Fudosan makes comprehensive decisions based on viewpoints including whether it will lead to improved shareholder returns or enhanced corporate value of the company invested in over the medium to long term. In addition, regarding important matters such as those indicated below, Mitsui Fudosan conducts individual examinations based on internal standards and appropriately determines the approval/disapproval of each matter. (Appropriation of surplus, appointment/dismissal of managing directors and corporate auditors, director compensation and retirement benefits, changes to the Articles of Incorporation, etc.)

Strategic Shareholdings (as of the end of FY2023)

Stockholdings	
Number of stocks owned:	119 (of which, 51 are shares of listed companies)
Amount recorded on balance sheet:	¥270.4 billion (of which, ¥260.3 billion is for shares of listed companies)

For details, please refer to the Corporate Governance Report.  
[https://www.mitsuifudosan.co.jp/english/corporate/governance/download/governance\\_report.pdf](https://www.mitsuifudosan.co.jp/english/corporate/governance/download/governance_report.pdf)



## Corporate Governance

# Outside Directors' Discussion

A roundtable discussion was held among Tsunehiro Nakayama, Shinichiro Ito, Eriko Kawai, and Mami Indo, all four of whom serve as outside directors, covering themes ranging from their review of the Long-Term Vision: VISION 2025 to their expectations and assessments of & INNOVATION 2030 as the Group's new long-term vision, the effectiveness of the Board of Directors, and the human resource strategies. Details are presented as follows.



## Eriko Kawai

Member of the Nomination  
Advisory Committee  
Member of the Compensation  
Advisory Committee

## Shinichiro Ito

Chairperson of the Nomination  
Advisory Committee  
Chairperson of the Compensation  
Advisory Committee

## Mami Indo

Member of the Nomination  
Advisory Committee  
Member of the Compensation  
Advisory Committee

## Tsunehiro Nakayama

Member of the Nomination  
Advisory Committee  
Member of the Compensation  
Advisory Committee

## Toward Realizing the Group's Long-Term Vision

### Looking Back on VISION 2025, the Group's Long-Term Vision

What are your thoughts on how Mitsui Fudosan has grown thus far through VISION 2025, the Group's Long-Term Vision?

**Ito** I feel that the Company has steadily grown throughout this period. Even as the facility operations business, including retail facilities as well as hotels and resorts, struggled owing to the pandemic, which we failed to predict when initially formulating VISION 2025 in 2018, the office leasing and property sales businesses experienced steady growth and

the logistics properties and other businesses witnessed robust trends. Meanwhile, the retail facilities and facility operations businesses enjoyed an extremely quick positive turnaround following the end of COVID-19, so in this sense, I feel the Company has grown steadily overall. I also believe VISION 2025 produced significant outcomes during this period

in such areas as our evolution into a global company, particularly with the emergence of several large-scale projects in New York, London, and elsewhere that will underpin our bright future.

**Nakayama** I agree. I think the Company has fared well and has shown signs of achieving the aspirations of VISION 2025 well in advance. As Mr. Ito just mentioned, the businesses that struggled the most during the pandemic emerged as engines of growth quite rapidly after COVID-19 came to an end. I feel their ability to release the energy

pent up over this time also benefited the Company. Moreover, having raised the key concepts of "getting better with age" and "real estate as a service" under VISION 2025, another key aspect of this growth was the Company's efforts to evolve its core business of real estate. One outcome of VISION 2025 that left a particularly deep impression on me is that the Mitsui Fudosan Group was able to clearly illustrate its message of keeping one step ahead of the industry.

### & INNOVATION 2030, the Group's New Long-Term Vision

The Company formulated & INNOVATION 2030 as its new long-term vision. What are your expectations and thoughts on such matters as the formulation process and hopes in putting the Vision in place?

**Indo** As Mr. Nakayama mentioned, the Company has achieved the targets it initially laid out under VISION 2025 in terms of numbers and has established the foundation for further evolution. The Board of Directors therefore formulated & INNOVATION 2030 in light of these achievements, particularly by involving us as outside directors in multifaceted discussions on how we will change going forward under the new long-term vision. Looking at both Japan and the world beyond, natural disasters, fluctuations in interest and exchange rates, the emergence of generative AI, and other changes in the external environment are having increasingly profound impacts on management. Against this backdrop, we thoroughly debated the long-term vision from the perspective of how the Company should grow in a manner that goes beyond the framework of a real estate company. Although it might appear that the real estate industry has changed in a relatively moderate way over its long history, the Company is now attempting to significantly transform the industry. And for this reason, we offered a broad range of opinions as outside directors with a diverse range of backgrounds.

**Kawai** I feel the same way. As far as the formulation process is concerned, I was impressed that the Board truly incorporated our opinions as outside directors, and I believe that this created a long-term vision that everyone could accept. While the vision under & INNOVATION 2030 is to contribute to the creation of added value for society as an industry developer, I feel the plan maintains a good balance in progressing toward this bigger picture under the two approaches of business strategies and financial strategies. Moreover, in a positive sense, I am also glad we were able to hammer out aggressive numerical targets.

**Nakayama** As soon as the outside directors became involved in the formulation process, the Company prepared an extensive array of materials, which allowed us to really debate the new vision. I heard the internal management team even lodged together during the process, and it was easy for us to join in the discussions.

**Ito** I believe we were fully prepared to proceed with our discussions from the perspective of deciding what path to take toward 2030, using VISION



Tsunehiro Nakayama | Outside Director

After serving for many years in top management positions in the financial industry, including Representative Director and Deputy President of Mizuho Corporate Bank, Ltd. and Representative Director and Chairperson of Merrill Lynch Japan Securities Co., Ltd., Mr. Nakayama was appointed a director of Mitsui Fudosan in June 2019. He also serves as a member of the Company's Nomination Advisory Committee and Compensation Advisory Committee.

2025 as the launchpad. The term "industry developer" includes the Mitsui Fudosan Group's policy of going beyond the bounds of a real estate developer in a way that allows it to undertake the challenge of entering into new industries. In this sense, I believe this term matches quite well with the new vision.

**Indo** From & INNOVATION 2030, I strongly sense the Company's aspiration to drive innovation in a way that exceeds the framework of the real estate industry. We considered the approaches through which the Company can have a major impact on society, as well as how to create social value, in a manner that goes beyond the bounds of the real estate industry. We also raised the idea of exploring new business domains, as well as further developing and evolving as a platformer, as the methods for achieving these goals. But I feel the term "platformer" is also a central



## Outside Directors' Discussion

keyword that must be considered in concert with the term "industry developer." Specifically, the reason for this is that the Company is not simply stating it will coordinate related parties for the purpose of developing industries, but that this combination of the two terms serves as the Company's declaration that it will become a platformer for this

purpose. I believe this concept is extremely important as the Mitsui Fudosan Group transforms toward more innovative business models in the future.

### What is your assessment of the financial strategies in & INNOVATION 2030?

**Nakayama** Going beyond simply creating social value through its business strategies, & INNOVATION 2030 also presents a path toward the creation of economic value through its financial strategies. As such, I believe the plan as a whole is firmly grounded. Discussions focused entirely on creating social value can without question, however, become somewhat detached. In this regard, the plan lays down concrete numerical targets and financial strategies from the perspective of creating economic value and looks beyond simple profit growth for these strategies, in particular, as a means of indicating ways of giving back the generated profits and improving efficiency. I feel the plan presents a more complete picture and is extremely important, in the sense that, as a private-sector operating company, Mitsui Fudosan has illustrated a cycle whereby it generates profits while contributing to society, and then returns these profits back to society, as well.

**Kawai** The financial strategies are also easy to understand and stand firmly. They serve to strengthen shareholder returns through consistent, sustained profit growth, as well as improvements in asset efficiency based on BS control, for a company like Mitsui Fudosan that is involved in long-term projects.

**Indo** I wholly agree. I feel that working out financial strategies from this kind of overall perspective also helps put the capital markets at ease, yet the quantitative ROE target level of at least 10% for the period around fiscal 2030 is not one the Company will necessarily be able to easily achieve. Even so, I feel the capital markets have high expectations for the Company.

**Ito** I believe these areas fully leverage the President's message, which link the dreams and visions of each individual to reality, as well as the Company's culture. I think President Ueda's leadership here has been particularly impressive.

**Indo** I agree. From a laboratory perspective, Japan and the world beyond are aiming to create new value in the life science and other scientific fields, so these areas readily attract capital. Which is exactly why I feel the Company will be able to demonstrate its full functionality as an industry developer. I have high expectations for the Company here because, in one sense, the term "industry developer" holds the same meaning as creator of industry frontiers. In regard to the data center business, the arrival of the era of AI will drive increased power consumption and give rise to major changes in the very design methods for semiconductors. Against this backdrop, the key points will be how the Company aligns the new assets possessed by the Mitsui Fudosan Group with this era and whether it can lead the world.

**Nakayama** As far as these new challenges for the next generation, including new business domains, are concerned, there is no need to achieve the same profit margins in the same time frame for each new domain. Although this approach requires calm, calculated monitoring, I think it would be interesting for the Company if all goes well.



Eriko Kawai | Outside Director

Ms. Kawai serves as Professor Emeritus of Kyoto University. Active overseas for many years, and with a wealth of experience as a management consultant at various international organizations, including the Bank for International Settlements (BIS) and the Organization for Economic Cooperation and Development (OECD), Ms. Kawai was appointed a director of Mitsui Fudosan in June 2021. She also serves as a member on the Company's Nomination Advisory Committee and Compensation Advisory Committee.

## Effectiveness of the Board of Directors and Dialogue with Capital Markets

### Please tell us about your future roles as outside directors.

**Indo** One of our roles as outside directors is to thoroughly monitor the Company and ensure that it does not exceed risk tolerances while observing the progress in the business strategies we have discussed thus far. I feel that one of the obligations of the Board of Directors, and of us as the outside directors in particular, is to observe whether the Company remains on-balance even as it creates social value through the long reach of the Mitsui Fudosan Group.

**Nakayama** I feel the same way. Our stance as outside directors is to make sure the discussions on the executive side remain on track and are sustainable from the viewpoint of socially accepted common sense. Thoroughly monitoring management is therefore the role of the outside directors. The current Board of Directors includes an additional outside director, which means that five of the 13 directors are now outside directors. Yet I think we must also continue discussing this composition based on the perspective of the skills matrix for the entire Board of Directors. At the same time, we must also listen closely to feedback from the capital markets, where the standpoint of investors will serve as an opportunity for us to gain a new awareness. Moreover, I feel it is important for us as outside directors to share the feedback of the capital markets at Board of Directors' meetings and to deepen our discussions based on this feedback.

**Ito** Mitsui Fudosan has raised lofty targets for fiscal 2030, so I feel that

society is watching with interest as to whether the Company will be able to clearly indicate its progress in numbers as it moves toward these goals in the future. I also hope that we can spend much more time discussing these themes further at the Board of Directors.

**Kawai** I agree. In addition to our discussions at the Board of Directors, we use the Outside Officer Meeting to take up themes that we have deemed important. This gives us more time to spend on debate, after which we provide the results of our discussions as feedback to the executive side. I feel this also serves as an effective form of monitoring, and as a good opportunity to reflect in management the various areas of knowledge possessed by the outside officers. I am convinced that the responsibilities of the outside directors are only going to grow more important over time.

### What are your expectations in terms of expanding into new asset classes and exploring new business domains as worked out in the business strategies?



Shinichiro Ito | Outside Director

After serving for many years in top management positions, including President & Chief Executive Officer, Representative Director and Chairperson of the Board, Representative Director of ALL NIPPON AIRWAYS CO., LTD. and ANA HOLDINGS INC., Mr. Ito was appointed a director of Mitsui Fudosan in June 2019. He also chairs the Company's Nomination Advisory Committee and Compensation Advisory Committee.

**Nakayama** I feel there is significant room for growth in regard to creating neighborhoods that harness the power of sports and entertainment, which was raised as a new asset class.

**Indo** I think so, too. After I toured the completed LaLa arena TOKYO-BAY in Funabashi, Chiba, I gained a completely new perspective on the value I had placed on arenas up until that point. The jumbotrons that show the arena can be seen comfortably from any seating level, regardless of where you sit, thereby creating the sense of a live performance. In this regard, the facility offers a lot of added value.

**Ito** I think the impacts of the Tokyo Dome coming under the umbrella of the Mitsui Fudosan Group have also shown up in a major way in these kinds of facilities.

**Nakayama** That makes sense. In addition, the new asset classes covering the rental labs and office buildings, as well as data centers, are domains in which the Company has introduced its intention of demonstrating its abilities as an industry developer and platformer.

**Indo** The rental labs and office buildings businesses will go beyond providing social value to create economic value as well. In fact, the Company has already established a track record in creating aerospace business-related networks such as LINK-J and cross U.



## Outside Directors' Discussion

## What are your thoughts on the initiatives for ensuring the effectiveness of the Board of Directors?

**Nakayama** I believe that the changes we made to some of the debate criteria for the current Board of Directors was a positive move in terms of further enhancing discussions. Naturally, for the Company, deciding whether to debate a topic at the Board of Directors is not simply an issue of money. And, obviously, I think the Company should raise topics that it feels are important in terms of management at the Board of

Directors. So, I believe the Board should have this kind of flexibility. In this respect, I think we need to continue studying both the debate criteria and the necessary format for Board of Director discussions.

## Human Resource Strategies for Realizing the Vision

## Finally, what are your thoughts on the human resources who will support the Company's drive for innovation as it aims to realize its vision?

**Kawai** My impression is that Mitsui Fudosan presents a sense of stability through management policies based on long-term perspectives, values its people, and sincerely engages in efforts to develop human resources. It is therefore an excellent company at which all employees can work with abandon. So, I am glad to see the Company striving through work style reforms in recent years in an attempt to create stress-free work environments for women as well.

**Ito** It seems so to me, as well. The Company has a high level of employee engagement, and, under the leadership of President Ueda

and his banner of dream, vision, reality, I think it has cultivated the soil to nurture vibrant employees.

**Kawai** On the other hand, I think the Company might need to further enhance its flexibility in regard to human affairs, particularly in terms of better attracting innovative personnel. The innovative class beyond the walls of the Company is highly fluid in terms of manpower. Even so, I think that Mitsui Fudosan should leverage its currently high level of engagement and aspire to be a company that balances these two aspects of fluidity and engagement.

**Nakayama** I have heard from employees that President Ueda has gone directly to the offices and sites where they work to explain the new long-term vision. And these employees have also commented that this action by the President is highly refreshing and felt it was good that his thoughts reached them directly.

**Indo** Human resource strategies tend to focus on the viewpoint of where and how to assign employees. I feel, however, that it is extremely important that these strategies take the fundamental perspective of how to ensure employees are satisfied with their work and become part of a team while working without stress.

**Ito** I fully agree. On another point, many of the workplaces at the Company's facilities are led by employees from Group companies, so I also think these strategies must incorporate the perspective of strengthening engagement across the entire Group.



**Mami Indo** | Outside Director

Having worked as an analyst and consultant at Daiwa Securities Co. Ltd. and Daiwa Institute of Research Ltd. and as a member of the Securities and Exchange Surveillance Commission, Ms. Indo has a wealth of experience and broad insight. Appointed as a director of the Company from June 2023, she is a member of the Nomination Advisory Committee and Compensation Advisory Committee.

## Message from a Newly Elected Outside Director

## Takashi Hibino

Outside Director



After serving as President and Chairperson of Daiwa Securities Group Inc., Mr. Hibino was appointed as outside director of Mitsui Fudosan in June 2024. He possesses a broad range of knowledge and extensive experience in finance, the capital markets, and management in general.

## — What is your impression of the Company?

I feel that one of the factors that sets the Company apart from its competitors in the real estate industry is its strengths in neighborhood creation, including the MIDTOWN series and Kashiwa-no-ha Smart City, for example. And as mentioned in the Group's new long-term vision, & INNOVATION 2030, I have experienced the Company's culture of going beyond simple real estate development to create social and industrial infrastructure itself. As experts in neighborhood creation, the Company has advanced its business under the unwavering concept of creating neighborhoods that include sports, commercial facilities, and other aspects that allow people to enjoy fruitful lives. It seems to me that this approach is just now starting to spread.

Daiwa Securities Group also relocated its head offices to GRANTOKYO NORTH TOWER, which the Company developed in 2009. Relocating the major part of Daiwa Securities along with its group companies to a centralized location served to create synergy and helped strengthen consolidated group management. And the excellent location, being directly connected to Tokyo Station, and the ability to work in a high-spec office environment have naturally bolstered the motivation of its employees, as well as led to other positive outcomes, including attracting talented personnel. This experience clearly revealed to me the Company's extensive property development strengths.

## — Please tell us about your career to date.

After joining Daiwa Securities in 1979, I established a career centered on the market departments for both bonds and stocks, as well as the corporate planning department, which also included a five-year stint in the United Kingdom. Looking back, from the time I began working professionally in 1979 through around 2012, when Abenomics got its start, the financial industry transitioned through a period of change that went beyond securities to engulf both banks and insurance companies. Following the collapse of its bubble economy at the start of the 1990s, Japan experienced a financial crisis with the implosion of one major domestic financial institution after another, as well as the Asian financial crisis. Over this period, I was responsible for addressing many aspects of this crisis working together with the management team. After being appointed as a director at Daiwa Securities Group in 2004, I continued to face a succession of critical phases, including the Lehman shock in 2008. Against this backdrop, I aimed to transition Daiwa Securities to a more stable management structure that would be resistant to changes in the market. Throughout this process, as a manager I engaged in various efforts to reorganize the earnings structure, transition to a company with a nominating committee, and release the first medium-term management plan for a securities company in Japan, among others. Based on this store of experience, I hope to contribute to the management of the Company.

## — Please tell us about your aspirations for the future.

Although the financial and real estate industries border each other, I am very excited to have the opportunity to become involved in the Company's management as it engages in real-world projects on the huge scale of neighborhood creation. Starting at the first Board of Directors' meeting I attended the other day, I have witnessed the Company's careful approach to studying discussion proposals and sensed the well-balanced nature of its management. Under the Company's long-term management vision, energies will be directed toward firmly grasping its core businesses and focusing on initiatives that will nurture new industries as an industry developer, even as the Company further expands and develops the sports, entertainment, and other domains. In this manner, I feel the Company is working to enhance economic and social value in a well-balanced manner. Meanwhile, as the attention of investors in Japanese companies grows to unprecedented levels worldwide, calls for management to pay closer attention to the perspectives of investors are similarly mounting. From the perspective of the capital markets built on my past experience and the viewpoint of stock and bond investors, I will monitor the Company's management and work alongside the executive team so that it can engage in business with confidence.



Corporate Governance

Management Team

Members of the Board (as of June 27, 2024)



**Masanobu Komoda**  
Chairman of the Board  
Shares in Company:  
397 thousand shares  
  
Apr. 1978 Joined the Company  
Apr. 2023  
Chairman of the Board  
(Representative)



**Takashi Ueda**  
President and  
Chief Executive Officer  
Shares in Company:  
247 thousand shares  
  
Apr. 1983 Joined the Company  
Apr. 2023  
President and Chief Executive Officer  
(Representative)



**Takashi Yamamoto**  
Managing Director and  
Executive Vice President  
Shares in Company:  
121 thousand shares  
  
Mar. 1990 Joined the Company  
Apr. 2023 Managing Director  
(Representative)



**Shingo Suzuki**  
Managing Director  
Shares in Company:  
78 thousand shares  
  
Apr. 1987 Joined the Company  
Jun. 2023 Managing Director



**Makoto Tokuda**  
Managing Director  
Shares in Company:  
55 thousand shares  
  
Apr. 1987 Joined the Company  
Jun. 2023 Managing Director



**Hisashi Osawa**  
Managing Director  
Shares in Company:  
66 thousand shares  
  
Apr. 1987 Joined the Company  
Jun. 2023 Managing Director



**Yutaka Saito**  
Managing Director  
Shares in Company:  
90 thousand shares  
  
Apr. 1990 Joined the Company  
Jun. 2024 Managing Director



**Nobuhiko Mochimaru**  
Managing Director  
Shares in Company:  
59 thousand shares  
  
Apr. 1990 Joined the Company  
Jun. 2024 Managing Director

Corporate Auditors (as of June 27, 2024)



**Wataru Hamamoto**  
Senior Corporate Auditor  
Shares in Company:  
99 thousand shares  
  
Apr. 1984 Joined the Company  
Jun. 2023 Senior Corporate Auditor



**Yoshihiro Hirokawa**  
Senior Corporate Auditor  
Shares in Company:  
98 thousand shares  
  
Apr. 1984 Joined the Company  
Jun. 2024 Senior Corporate Auditor



**Minoru Nakazato**  
Corporate Auditor  
Shares in Company:  
0 shares  
  
Jun. 2023 Corporate Auditor



**Mayo Mita**  
Corporate Auditor  
Shares in Company:  
0 shares  
  
Jun. 2023 Corporate Auditor



**Michiko Chiba**  
Corporate Auditor  
Shares in Company:  
0 shares  
  
Jun. 2024 Corporate Auditor

Corporate Officers (as of April 1, 2024)

President and Chief Executive Officer	<b>Takashi Ueda</b>
Executive Vice President	<b>Takashi Yamamoto</b>
Senior Executive Managing Officers	<b>Yasuki Kaibori</b> <b>Shingo Suzuki</b> <b>Makoto Tokuda</b>
Executive Managing Officers	<b>Yutaka Kawamura</b> <b>Retsu Togashi</b> <b>Motoyasu Kato</b> <b>Kazunori Yamashita</b> <b>Hisashi Osawa</b> <b>Chiharu Fujioka</b>

Executive Managing Officers	<b>Yutaka Saito</b> <b>Nobuhiko Mochimaru</b> <b>Mizuho Wakabayashi</b> <b>Tetsuya Matsufuji</b>
Managing Officers	<b>Takashi Furuta</b> <b>Yugo Ono</b> <b>Tatekazu Nakamura</b> <b>Atsumi Kanaya</b> <b>Jiro Ueda</b> <b>Takao Sakiyama</b> <b>Mikiko Utsunomiya</b>

Managing Officers	<b>Hiroyuki Shinozuka</b> <b>Hirotaka Uematsu</b> <b>Kyosuke Hosoda</b> <b>Akiko Kaito</b> <b>Tomoo Nakamura</b> <b>Hideaki Takanami</b> <b>Tadahiro Murata</b> <b>Masakazu Hida</b> <b>Tomohiko Okuue</b>
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Group Officers (as of April 1, 2024)

Group Senior Officers	<b>Yasushi Endo</b> <b>Toru Kamura</b> <b>Hiroki Saito</b> <b>Akira Ikeda</b>	[Mitsui Fudosan Realty Co., Ltd.] [Mitsui Fudosan Residential Co., Ltd.] [Mitsui Fudosan Investment Advisors, Inc.] [Mitsui Home Co., Ltd.]
Group Officers	<b>Yosuke Seko</b> <b>Osamu Obayashi</b> <b>Takao Yamada</b> <b>Mitsuhiro Kodama</b> <b>Ken Aoki</b> <b>Hiroshi Murakami</b> <b>Kazuyuki Hiruta</b> <b>Hidetoshi Nojima</b> <b>Daijiro Eguchi</b>	[Mitsui Fudosan Residential Services Co., Ltd.] [Mitsui Fudosan Retail Management Co., Ltd.] [Mitsui Fudosan Residential Co., Ltd.] [Mitsui Fudosan Realty Co., Ltd.] [Mitsui Fudosan Residential Co., Ltd.] [Mitsui Fudosan Building Management Co., Ltd.] [Mitsui Fudosan Residential Co., Ltd.] [Mitsui Home Co., Ltd.] [Mitsui Fudosan (Asia) Pte. Ltd.]

Note: The Company conducted a 3-for-1 stock split of its common shares on April 1, 2024; therefore, the number of the Company's shares owned is based on the shares after the stock split.



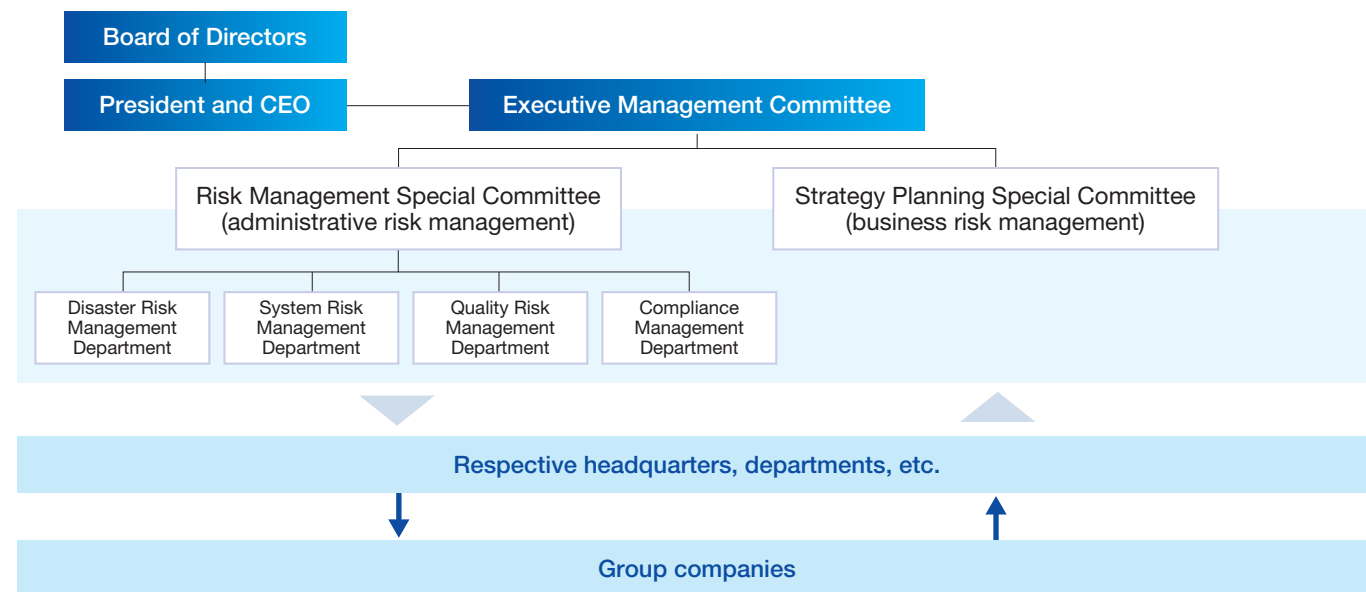
# Risk Management

## Risk Management System

The Executive Management Committee supervises overall risk management for the Group, and the President and Chief Executive Officer, who chairs the Executive Management Committee, supervises risk management. Under their supervision, the Strategy Planning Special Committee and the Risk Management Special Committee manage business risk and administrative risk, respectively, and these

risk management systems are supervised by the Board of Directors.

The Risk Management Special Committee meets in principle once a month to identify and delineate risk issues and evaluate and propose preventive and response measures. Where required, the committee shares information and/or communicates in other ways with the Mitsui Fudosan Group.



## Major Risks

See our annual securities report for details (In Japanese only).  
[https://www.mitsui-fudosan.co.jp/corporate/ir/library/fs/pdf/YUHO\\_2403.pdf](https://www.mitsui-fudosan.co.jp/corporate/ir/library/fs/pdf/YUHO_2403.pdf)

### Business Risk: Business risk is primarily risk associated with advancing business and earning profits.

Name of risk	Overview	Action
Risk due to change in the business environment	<ul style="list-style-type: none"><li>Changes in business environment in general (exchange rate fluctuations, rising interest rates, declining birth rate and aging population, etc.)</li><li>Changes in customer needs (lifestyle changes following the spread of the coronavirus infection, etc.)</li></ul>	<ul style="list-style-type: none"><li>Strengthen coordination between Group companies</li><li>Develop products that anticipate customer needs</li><li>Further strengthen neighborhood creation</li><li>Provide new business infrastructure to customers</li><li>Promote DX</li><li>Develop a location strategy that takes into account population and supply trends</li><li>Build a strategic asset portfolio including overseas assets, etc.</li></ul>
Risk associated with market interest rates	<ul style="list-style-type: none"><li>Rising fund procurement costs associated with rising interest rates</li><li>Deterioration in the Company's performance associated with rising interest rates (falling housing sales prices, rising investor yield expectations)</li></ul>	<ul style="list-style-type: none"><li>Procure the necessary funding with a focus on long-term, fixed-rate interest loans that are comparatively resistant to rising market interest rates</li><li>Pay close attention to fluctuations in housing loan interest rates and capitalization rates resulting from interest rate trends</li><li>Mitigate the risk of rising interest rates by appropriately controlling balance sheets</li></ul>
Risk associated with exchange rate fluctuations	<ul style="list-style-type: none"><li>Cost fluctuations through import prices</li><li>Impact of the inclusion of the PL/BS statements of overseas business</li><li>Decrease in rent revenues due to the impact of tenant companies' performance</li></ul>	<ul style="list-style-type: none"><li>Control various costs by paying close attention to cost fluctuations, including changes in exchange rates, and by taking appropriate action</li><li>Leasing business: Reduce decreases in revenue, etc., by maintaining product competitiveness and by strengthening efforts to attract tenants</li><li>Overseas business: Reduce exchange rate fluctuation risk by procuring funds backed by local currencies and through portfolio decentralization</li></ul>
Risk associated with climate change	<ul style="list-style-type: none"><li>Large-scale climate change</li><li>Changes in needs that take climate change risks into account</li></ul>	<ul style="list-style-type: none"><li>Position action on climate change as a key management issue</li><li>Formulate the Group Action Plan to Realize a Decarbonized Society, and strengthen forecasting and action on climate change</li></ul>
Geopolitical risk	<ul style="list-style-type: none"><li>Impact of countries/areas concerned</li><li>Impact of supply chain disruptions, etc.</li></ul>	<ul style="list-style-type: none"><li>Appropriately decentralize the portfolio by area and product</li><li>Make investment decisions and promote business in consideration of risk on an individual project basis</li></ul>

Name of risk	Overview	Action
Risk associated with the spread of infectious diseases	<ul style="list-style-type: none"><li>Business restrictions due to the spread of the coronavirus infection</li><li>Decrease/change in customer needs due to the spread of the coronavirus infection</li></ul>	<ul style="list-style-type: none"><li>Formulate Mitsui Fudosan 9BOX Infection Control Measure Standards for the purpose of mitigating and preventing damages from infectious diseases</li><li>Maintain and strengthen competitiveness through measures that consider the impact of infectious diseases</li><li>Take a well-balanced approach to business activities in a way that also prioritizes the protection of human life in the event new infectious diseases emerge</li></ul>
Risk from competition in the real estate industry	<ul style="list-style-type: none"><li>Competition with other companies in each business</li><li>Disruptive innovation</li></ul>	<ul style="list-style-type: none"><li>Strengthen coordination between Group companies</li><li>Develop products that anticipate customer needs</li><li>Further strengthen neighborhood creation</li><li>Provide new business infrastructure to customers</li><li>Promote DX</li><li>Enhance the value of existing facilities</li><li>Use the Group's capabilities to seize business opportunities, etc.</li></ul>
Risk associated with rental income	<ul style="list-style-type: none"><li>Decrease in rental income due to tenant cancellations/rent reductions, contract cancellations, tenant bankruptcies, etc.</li></ul>	<ul style="list-style-type: none"><li>Strengthen coordination between Group companies</li><li>Develop products that anticipate customer needs</li><li>Further strengthen neighborhood creation</li><li>Provide new business infrastructure to customers</li><li>Promote DX</li><li>Enhance the value of existing facilities</li><li>Strengthen and promote tenant leasing</li></ul>
Risk of changes in asset values	<ul style="list-style-type: none"><li>Falling asset values due to declining demand for housing/rising investor yield expectations</li></ul>	<ul style="list-style-type: none"><li>Build a risk-resistant business platform by optimizing balance sheets and portfolios</li><li>Mitigate the risk of asset value fluctuation by ascertaining changes in market-based asset values and by strengthening market competitiveness</li></ul>
Cost fluctuations risk	<ul style="list-style-type: none"><li>Price fluctuations in costs for construction, energy, labor, etc.</li></ul>	<ul style="list-style-type: none"><li>Control various costs by ascertaining market cost fluctuations and by taking appropriate action on an individual project basis</li></ul>
Fund procurement risk	<ul style="list-style-type: none"><li>Increase in funding costs due to changes in the lending attitudes of financial institutions, etc.</li><li>Rise in market interest rates</li><li>Financial market turmoil</li><li>Downgrading of the Company's credit rating, etc.</li></ul>	<ul style="list-style-type: none"><li>Maintain financial soundness through D/E ratio management</li><li>Secure stable funding through capital procurement that ensures sufficient liquidity</li></ul>
Real estate development risk	<ul style="list-style-type: none"><li>Cost increases and schedule delays due to a variety of circumstances during development (weather, disasters, buried objects, soil contamination, etc.)</li></ul>	<ul style="list-style-type: none"><li>Promote projects and engage in construction management based on investment decisions that consider risk</li><li>Build a governance framework that can rapidly and appropriately take action in preparation for problems that impact business</li></ul>
Risk associated with overseas business	<ul style="list-style-type: none"><li>Business environments in overseas countries (inflation, exchange rates, civil wars/conflicts, impact of geopolitical risks on countries/areas concerned, etc.)</li><li>Financial status, etc. of local partner companies</li></ul>	<ul style="list-style-type: none"><li>Collect the necessary information for overseas business expansion</li><li>Select local partner companies that are well-versed in local matters</li><li>Formulate the Global Governance Guidelines as a standard governance policy for overseas businesses</li><li>Implement appropriate risk management through a three-tiered approach consisting of overseas subsidiaries, the Head Office's International Division, and Head Office staff</li></ul>
Risk related to property portfolio location	<ul style="list-style-type: none"><li>Occurrences of natural disasters, man-made disasters or acts of terrorism (earthquakes, typhoons, missiles, etc.) that cause damage to areas where our assets are concentrated</li></ul>	<ul style="list-style-type: none"><li>Decentralize portfolio areas</li><li>Enhance building durability</li><li>Introduce damage assessment systems</li><li>Commission emergency generators that can operate for 72 hours</li><li>Promote BCP measures for the special power business, etc.</li></ul>
Risk associated with changes to laws, regulations, and government policy	<ul style="list-style-type: none"><li>Changes to business structure and fund procurement methods in response to changes in laws and regulations</li></ul>	<ul style="list-style-type: none"><li>Take appropriate action upon collecting and analyzing information regarding trends in domestic and overseas legal and regulatory environments, and after sharing this information with each organization as necessary</li></ul>
Risk associated with securing diverse human resources	<ul style="list-style-type: none"><li>Insufficient human resource development and recruitment to respond to changes in the business environment and changing needs</li></ul>	<ul style="list-style-type: none"><li>Position the promotion of diversity and inclusion as a key management issue</li><li>Formulate the Diversity and Inclusion Declaration, and Initiative Policy</li></ul>

### Administrative Risk: Operational risk associated with administrative duties

Name of risk	Overview	Action
Disaster risk	<ul style="list-style-type: none"><li>Natural disasters (earthquakes, wind and flood damage, etc.)</li><li>Man-made disasters (war, acts of terrorism, etc.)</li></ul>	<ul style="list-style-type: none"><li>Formulate a business continuity plan (BCP) for each disaster type</li><li>Prepare a framework that minimizes the impact of disasters</li><li>Regularly conduct disaster response training assuming large-scale earthquakes</li><li>Prepare a 24-hour, year-round system based on a day and night shift system</li><li>Implement measures to design disaster-resistant facilities</li></ul>
System risk	<ul style="list-style-type: none"><li>Systems failures and data leaks due to cyberattacks, etc.</li><li>IT systems</li><li>Control systems</li></ul>	<ul style="list-style-type: none"><li>Conduct systematic security diagnoses and inspections of information and control systems</li><li>Improve the environment for handling cyberattacks and information leaks</li><li>Establish Information Management Rules and Confidential Information Handling Rules, and conduct regular educational and awareness raising activities regarding personal information</li></ul>
Compliance risk	<ul style="list-style-type: none"><li>Violations of laws, company rules, social norms, etc.</li><li>Violations of laws and regulations in business execution</li><li>Violations of laws and regulations for employee personal gain</li></ul>	<ul style="list-style-type: none"><li>Formulate the Mitsui Fudosan Group Compliance Policies and other internal regulations, and thoroughly inform employees of these through regular training</li><li>Formulate an operations flow for legal compliance, and implement regular voluntary inspections</li></ul>
Quality risk	<ul style="list-style-type: none"><li>Caused by product/service/operation quality</li><li>Properties/real estate</li><li>Management and operation business</li><li>Other business</li></ul>	<ul style="list-style-type: none"><li>Real estate development business: Establish proprietary Group quality standards, ensure compliance among construction companies, verify construction progress, and implement quality inspections</li><li>Operational quality for leased and managed facilities: Formulate and apply manuals according to operational details</li><li>Insure against damages</li></ul>



# Compliance

## Basic Policy

Based on the Mitsui Fudosan Group Compliance Policies, the Mitsui Fudosan Group has positioned compliance as a key issue in Group management and works to comply with laws, regulations, and social norms, and implement fair and highly transparent corporate activities in accordance with corporate ethics.

## Compliance Structure

Mitsui Fudosan has made the officer in charge of general administration the person responsible overall for compliance. In this role, the officer receives reports from the Compliance Management Department and others, and particularly important matters are reported to or submitted for discussion by the Board of Directors or the Executive Management Committee. Said officer is also responsible for formulating a compliance-related action plan each fiscal year, including the enactment, revision, or abolition of Company rules; the implementation

of training regarding laws, regulations, or Company rules; and the surveying and reporting of the situation regarding compliance with laws, regulations, or Company rules. Said officer is also responsible for implementing compliance activities based on this plan. Group companies are also required to formulate and implement risk management plans, and this is reported to and confirmed by the Company at the end of the fiscal year.

## Internal Consultation Service

Mitsui Fudosan has established two points of contact providing consultation for employees of the Company, an internal contact and an external law firm. These contacts can provide consultation on issues regarding compliance with laws and regulations, as well as matters pertaining to the work environment.

## Compliance Training

Mitsui Fudosan provides compliance training to new employees and various directors and management-level employees of the Company, including newly appointed executive managers and officers, with the aim of improving compliance awareness. It also implements e-learning for all employees.

### ■ Main Training and Awareness-Raising Initiatives (Mitsui Fudosan)

Initiative		Target	Content
Training	New employee training	New employees, contract/dispatch employees, and career employees	Overall compliance
	Company-wide training (e-learning)	All employees	Overall compliance (Topics based on social trends, etc.)
	Newly appointed executive manager training	Newly appointed executive managers	Overall compliance
	Officer training	Officers/Group officers, etc.	Select themes and lecturers each fiscal year based on social trends
	Overseas onsite training	Employees assigned to overseas subsidiaries, etc.	General details on global governance guidelines, etc.
Awareness-raising activities	Mitsui Fudosan Group Compliance Policies	All employees	Display on the in-house portal site and employee handbook
	Compliance poster	All employees	Display on in-house bulletin boards, etc.
	Compliance news	All employees	Distribute information on items that require particular attention in the course of business in light of social trends (6 times/year)

## Preventing Improper Conduct

### In Interactions between the Company and Society and the Economy

#### Eliminating Interactions with Organized Crime

Mitsui Fudosan strictly forbids any kind of connection to organized crime and, as a company, takes a firm stance in dealing with such groups. Each division of the Company also investigates and confirms that a transaction partner is not involved in organized crime before the transaction begins. Should the unlikely situation occur that forces the Company to face unwarranted demands or violent behavior from such organizations, it will contact the relevant police department and take any other action necessary, including legal measures.

#### Ensuring Fair Transactions and Competition

Mitsui Fudosan will comply with all relevant laws, such as the Antimonopoly Act, and will avoid any conduct that could result in unfair transactions or unjust competition. We will engage with business connections sincerely as an equal partner and handle the procurement of goods and services based on fair standards.

#### Preventing Corruption

##### (1) Prohibiting Bribery and Handling of Gifts and Entertainment

Mitsui Fudosan has prohibited the illicit provision of benefits to public officials and other individuals in similar positions. Also, in dealings with business connections and affiliates, etc., a rule has been established preventing the giving or receiving of excessive gifts, entertainment, and the like.

Also, the Company has established a structure and rules to be followed to prevent bribery and has formulated and is implementing Regulations for Preventing Bribery with the aim of preventing such conduct before it occurs.

##### (2) Donations to Politicians and Political Organizations

Mitsui Fudosan does not provide donations for political activities to any parties other than official political parties and political fundraising organizations. Furthermore, support for activities by political organizations is conducted appropriately in accordance with the Political Funds Control Law, laws and regulations connected to the Public Offices Election Law, and other relevant laws and regulations.

### In Interactions between the Company and Its Employees Respecting Human Rights

Mitsui Fudosan does not discriminate due to sex, age, birthplace, nationality, race, ethnicity, creed, religion, disability, or any other grounds. The Company respects human rights and strives to maintain fair workplaces.

#### Managing Company Information Appropriately

Mitsui Fudosan recognizes the importance of managing documents and information and strives to implement appropriate management based on its Information Management Rules, Document Rules, Information System Management Rules, and the like.

#### Other

- (1) Decision-making according to rules
- (2) Prohibition of sexual and power harassment
- (3) Separation of public and private



# 4 Strategies by Business Segment

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# At a Glance

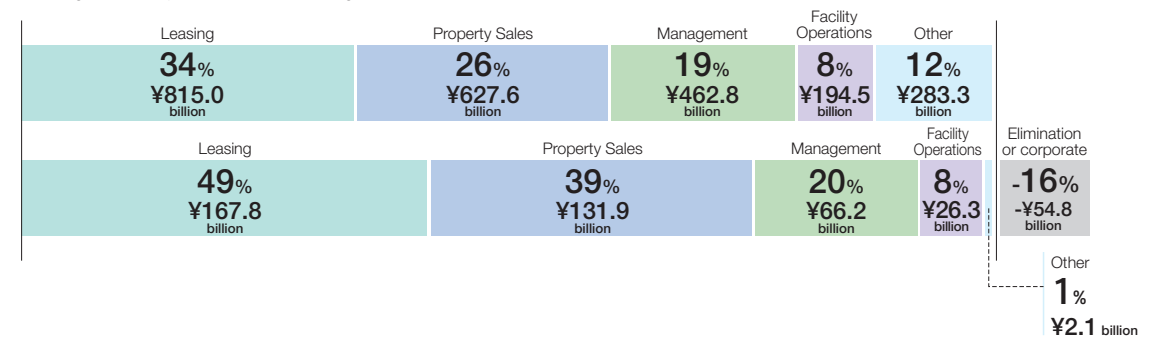
The Mitsui Fudosan Group's main business activities are implemented through its leasing business, property sales business, management business, and facility operations business. In line with this structure, we have adopted the five accounting segments of Leasing, Property Sales, Management, Facility Operations, and Other from fiscal 2023. Furthermore, revenues and profits generated by individual projects are classified into these segments and can be allocated to a single segment or multiple segments.

## Fiscal 2023 results

Note: Totals might not add up to 100% due to rounding.

Revenue from Operations  
(consolidated)  
**¥2,383.2 billion**

Operating Income  
(consolidated)  
**¥339.6 billion**



## Overview of Accounting Segments (Facility Operations segment established from fiscal 2023)

	Leasing	Property Sales	Management	Facility Operations	Other
<b>Segment Explanation</b>	Includes revenue gained from lessees, including tenants from the leasing of real estate.	Includes revenue gained from real estate property sales to individuals and investors.	Includes revenue from fees gained through the management and operation of real estate, brokering deals, and other sources.	Includes revenue gained from facility operations, including hotels, resorts, and Tokyo Dome City.	Includes revenue gained from the new construction of wooden housing under consignment and the renovation business.
<b>Sub-Segments</b>	Office, Retail, Other	Property Sales to Individuals (Domestic), Property Sales to Investors and Individuals (Overseas), etc.	Property Management, Brokerage, Asset Management, etc.	Hotels and Resorts, Sports/Entertainment	New Construction under Consignment/Reform etc., Other
<b>Revenue from Operations by Segment and Sub-Segment Breakdown</b> <small>Note: Fiscal 2022 results are after the new segment reclassification.</small>					
<b>Operating Income by Segment and Sub-Segment Breakdown</b> <small>Note: Fiscal 2022 results are after the new segment reclassification.</small>					
<b>Main Segment for Recording Revenue for Each Asset Class</b> <small>Note: The categories shown here are to give an idea of the segments for recording revenues and profits, however, the actual details might differ.</small>	✓ : Category which is a main segment for recording revenue Office, Retail, Other	To Individuals (Domestic, Overseas), To Investors	Property Management, Brokerage, Asset Management	Hotels and Resorts, Sports/Entertainment	New Construction under Consignment/Reform, etc.
<b>Main Asset Classes</b>	Office Buildings (P.115) ✓ Retail Facilities (P.117) ✓ Logistics Facilities (P.119) ✓ Housing: Condominiums (P.121) ✓, Detached Housing (P.121) ✓ Hotels and Resorts (P.123) ✓ Sports and Entertainment (P.125) ✓				





# Office

## Business Domains

Office development/operation, leasing to tenants, property sales to investors, management, etc.

## Market Environment

### Risks

- Increase in office supply and intensifying competition to attract tenants in 2025
- Increases in such expenditures as construction, operating, and maintenance costs

### Opportunities

- Heightened mindset toward human capital management
- Need for high-specification office buildings aimed at improving work engagement and attracting talent
- Diversification of times, places, etc. for working associated with changes in working styles
- Expansion of corporate initiatives to achieve carbon neutrality

## Business Strategies

- Develop offices where you want to work in cities you want to visit
- Differentiate entire cities by promoting the creation of mixed-use neighborhoods
- Strengthen solution proposals and service menus tailored to tenant companies; provide optimal workstyles for each customer by increasing workplace options

### Create mixed-use neighborhoods

- Creating neighborhoods in Nihonbashi  
By "reviving the aquapolis," we aim to create the world's most bustling water metropolis.
- Creating neighborhoods in Yaesu  
Realizing a neighborhood that attracts people from around the world and enhancing the potential of the area east of Tokyo Station.
- Creating neighborhoods in Hibiya  
Promoting the creation of neighborhoods centered on entertainment, encompassing movies, theaters, music festivals, etc.



Nihonbashi Yaesu Hibiya

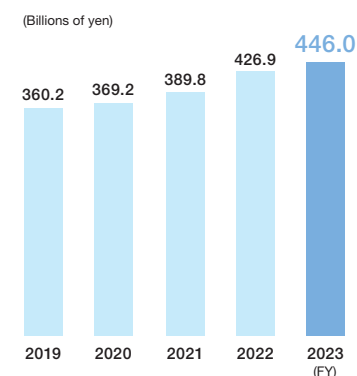
## Competitive Advantages

- Medium- to long-term relationships with about **3,000** tenants\*<sup>1</sup>
- WORK STYLING members: Approx. **290,000**\*<sup>2</sup>; Number of office locations: **554** (nationwide)\*<sup>2</sup> (WORKSTYLING 134; Partnership with STATION BOOTH/DESK 420)
- Highly competitive property portfolio (locations, product performance, etc.)
- Mixed-use type neighborhood creation know-how that goes beyond offices
- Diverse intangible services that contribute to solving tenant management issues
- Achievement of integrated safety and security that spans from development to operational administration under Group management, and disaster-resistant neighborhood creation

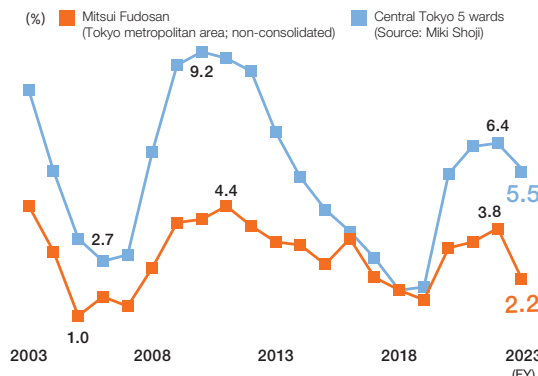
\*<sup>1</sup> As of the end of March 2024 \*<sup>2</sup> As of the end of July 2024

## Performance Trends

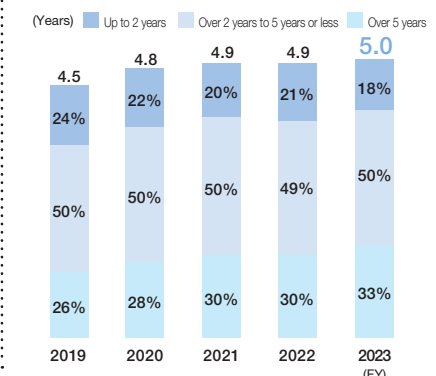
### ■ Leasing Revenue (consolidated)



### ■ Office Vacancy Rate (vacancy rates as of March 31 of the relevant fiscal year)

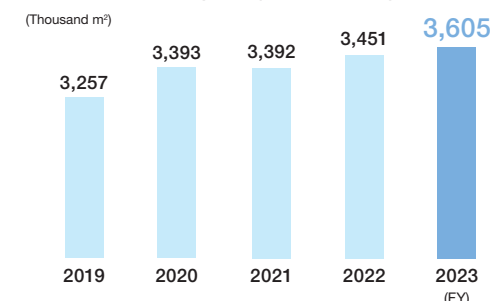


### ■ Change in Office Building Lease Contract by Duration (non-consolidated)



## Earnings Base

### ■ Leased Floor Space (consolidated)



### Leased Floor Space Ratio of Tokyo Metropolitan Area (non-consolidated)

Approx. **90%**  
(as of the end of FY2023)

Number of tenants  
Approx. **3,000** companies  
(as of the end of March 2024)

## Future Development Pipeline

(as of the end of July 2024)

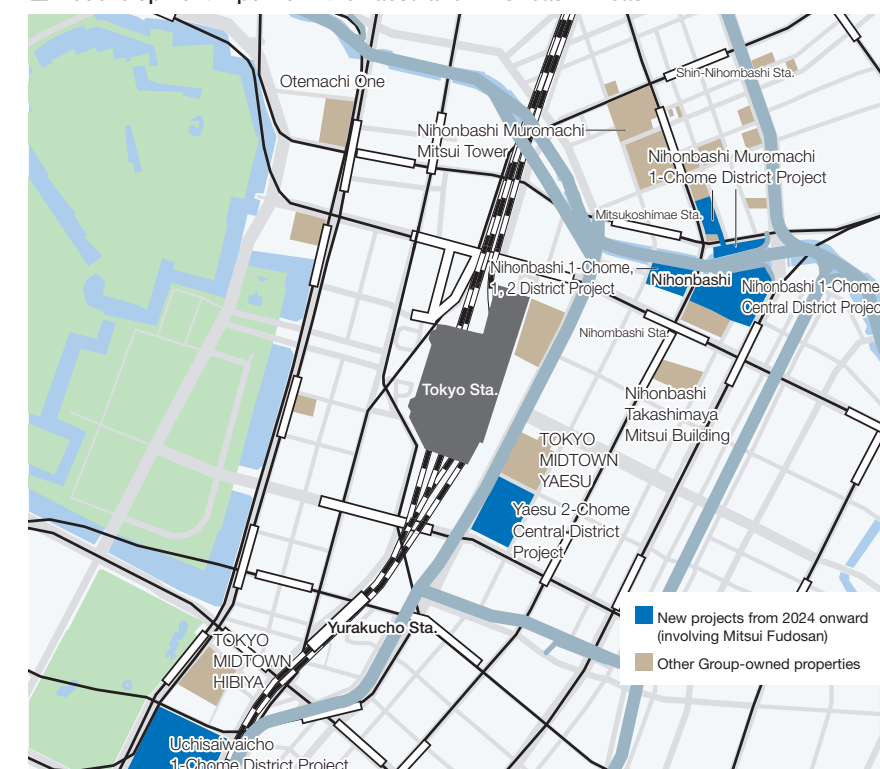
### Domestic projects

**8** properties  
includes **7** redevelopment projects around Tokyo Station

### Overseas projects

**11** properties  
includes **9** in Europe and North America  
and **2** in Asia

### ■ Redevelopment Pipeline in the Yaesu and Nihonbashi Areas







# Retail

## Business Domains

Development/operation of retail properties, leasing to tenants, property sales to investors, management/operation, etc.

## Market Environment

### Risks

- Shrinking of domestic personal consumption expenditures due to population decline and an aging society
- Concerns about the impact of EC market growth on real retail facility sales

### Opportunities

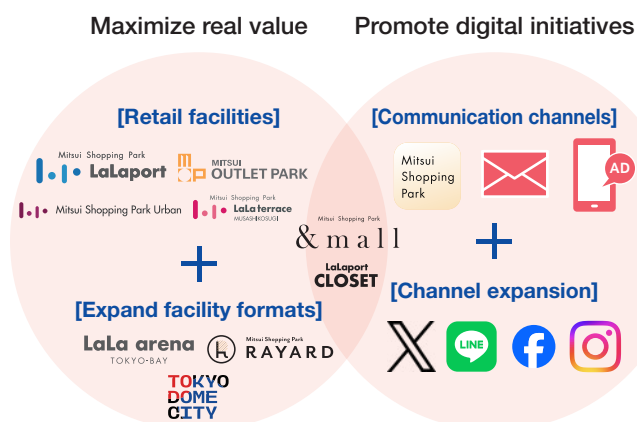
- Increasingly established consumer behavior that properly distinguishes between and uses the real and digital
- Re-expansion of inbound demand

## Business Strategies

- Build a one-of-a-kind omni-channel platform that combines various services, including retail facilities, sports and entertainment, and e-commerce; create new experiential value by customer.
- Leverage relationships cultivated to date through business activities and provide services to resolve business issues for retail tenants and business partners.
- Work to evolve from a retail facility developer to a commercial service platform provider; diversify revenue sources and innovate business models by providing a wide range of value.

## Expand the omni-channel platform

Combine real and digital media to provide experiential value



## Competitive Advantages

- Nationwide expansion of wide-ranging assets, such as LaLaport, MITSUI OUTLET PARK
- Retail tenants: Approx. **2,500**<sup>\*1</sup>, Tenant stores: Approx. **10,300**<sup>\*1</sup>
- Mitsui Shopping Park members: Approx. **14.0 million**<sup>\*1</sup>
- Customer contact points that combine digital and real facilities, such as the MSP app and &mall official online shopping site

<sup>\*1</sup> As of April 1, 2024

## Diversify revenue sources

### Promote real facility media

- Develop events that leverage communication capabilities
- Expand sales of in-building advertising media (naming rights, digital signage postings, etc.) by leveraging the ability to attract customers

### RAYARD MIYASHITA PARK



### LaLaport SAKAI

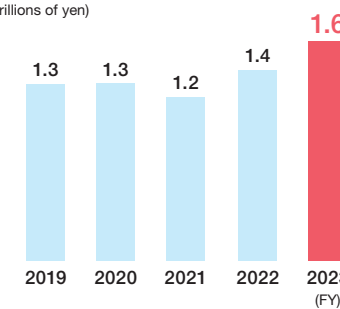


©JBA

## Performance Trends

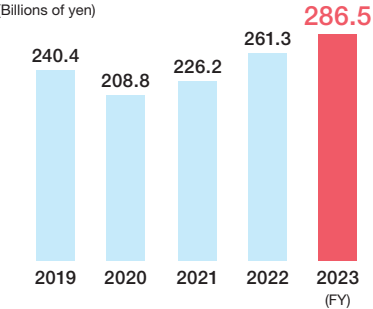
### Facility Sales

(Trillions of yen)

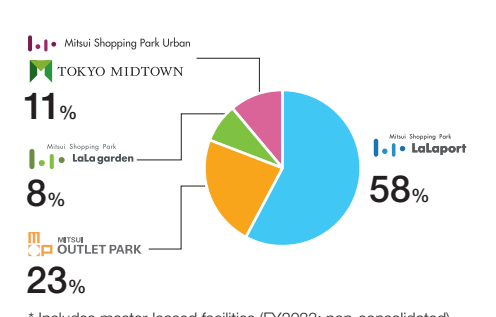


### Leasing Revenue (consolidated)

(Billions of yen)



### Facility Revenue Ratio\* (by category)



\* Includes master-leased facilities (FY2023; non-consolidated)

## Earnings Base

### Facility development

**81 facilities**

<sup>\*</sup> MSP facility + 3 midtown facilities (FY2023)

### Number of tenants

**Approx. 2,500 companies**

(as of April 1, 2024)

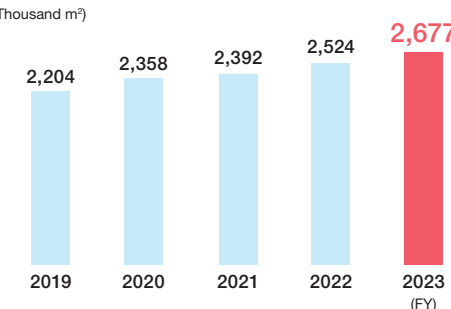
### Customer base

**Approx. 14 million customers**

(as of April 1, 2024)

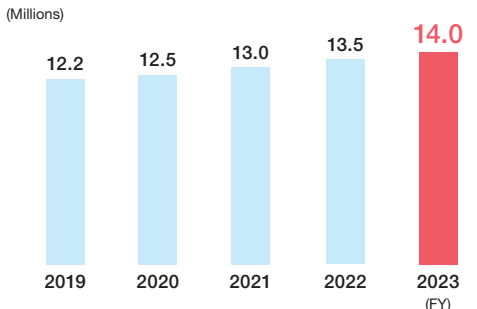
### Leased Floor Space (consolidated)

(Thousand m<sup>2</sup>)



### Number of Members

(Millions)

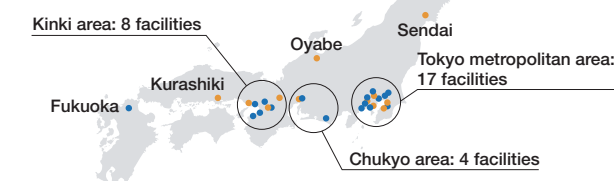


## Carefully Selected Store Openings in Tokyo Metropolitan Area and Other Major Metropolitan Areas in Japan

### Distribution of Store Openings (LaLaport, MITSUI OUTLET PARK)

- LaLaport\*
- MITSUI OUTLET PARK (MOP)

<sup>\*</sup> Includes LAZONA Kawasaki Plaza, DiverCity Tokyo Plaza



### Number of Stores by Area (LaLaport, MITSUI OUTLET PARK)

	Total	LaLaport	MOP
Total	34	21	13
Tokyo metropolitan area	17	12	5
Kinki area	8	5	3
Chukyo area	4	3	1
Other	5	1	4

## Future Development Pipeline

(as of the end of July 2024)

Domestic Projects **7 properties** | Overseas Projects **5 properties** include **4** in Taiwan and **1** in Malaysia





# Logistics

## Business Domains

Development/operation of logistics facilities and data centers, leasing to tenants, property sales to investors, etc.

## Market Environment

### Risks

- Intensification of competition for land acquisition due to entry of new players
- Overheating of leasing competition due to high-volume supply of new properties

### Opportunities

- Increased efficiency and consolidation of the logistics function in response to relocation needs from aging warehouses and growth in the e-commerce market
- Increased labor saving and the growing need for mechanization through DX against the backdrop of labor shortages

## Competitive Advantages

- Track record of advanced logistics facility development extending to **76 properties**\*1 in Japan and overseas
- Close tenant relationships that enable provision of CRE solutions and direct sales to cargo owners (Office tenants: Approx. **3,000**\*1, Retail tenants: Approx. **2,500**\*2, etc.)
- Ability to propose logistics solutions that leverage DX
- Diverse collaborations and business methods, including joint ventures with originators
- MFLP quality that achieves industry-leading customer satisfaction

\*1 As of the end of July 2024 \*2 As of April 1, 2024

## Business Strategies

- Further evolve as an industrial platformer by strengthening collaboration with tangential companies and building a community including client companies.
- Contribute not only to solving issues within logistics warehouses, but also across the entire supply chain by diversifying the MFLP brand, putting forward various solution proposals utilizing digital technology, and providing GX support.

### Diversify the MFLP and MFIP brands

#### Strengthen the neighborhood creation-type logistics facility brand

- Establish a neighborhood creation-type logistics facility brand represented by MFLP Funabashi.
- Further expand in three major metropolitan areas.



MFLP Funabashi

#### Develop BTS facilities that address tenant needs

- Strengthen product development through improvements on design/management specifications based on location, market, and tenant needs.

#### Promote the development of frozen and refrigerated warehouses

- Promote the development of entire building frozen and refrigerated warehouses, focusing on areas with high concentration of the aforementioned facilities.

#### Actively expand business data centers

- Accelerate the acquisition of sites and further expand the scale of business, including plans for one of the largest data centers in Asia.

### Diversify business models

#### Popularize logistics centers that specialize in EC (sharing)

- Open an EC automated logistics center that can cater to multiple tenants. Reduce labor and improve operating efficiency by leveraging digital technology.



## Enhance problem-solving capabilities for end-user companies

### &LOGI Solution logistics innovation platform

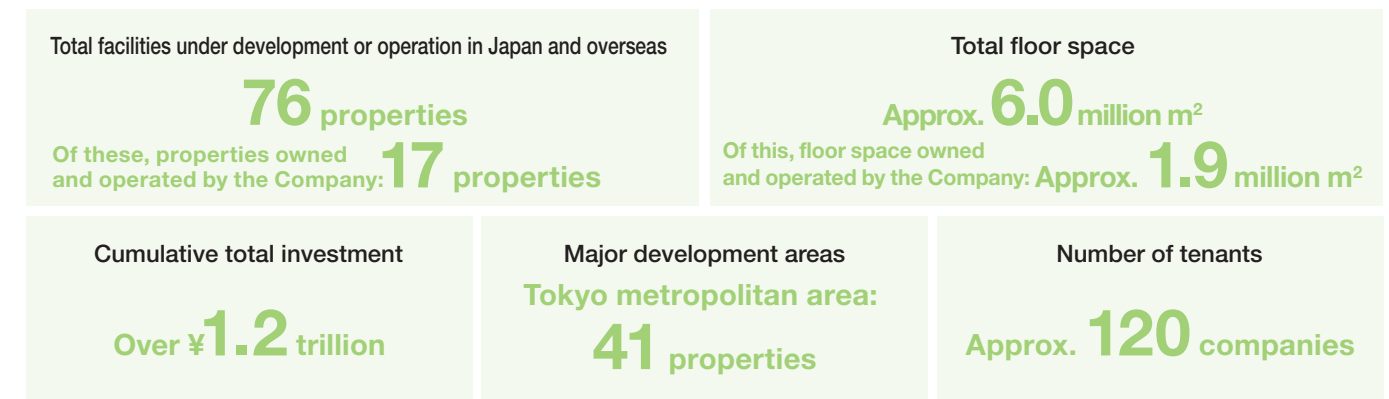
- Open innovation platform to address issues throughout the logistics industry.
- MF Logistics Solutions, the Group's general logistics consulting company, and approximately 50 alliance partners provide SCM-related services.
- Logistics Innovation Community, Mitsui Fudosan Management's end-user community gathers together about 60 companies.



## Earnings Base

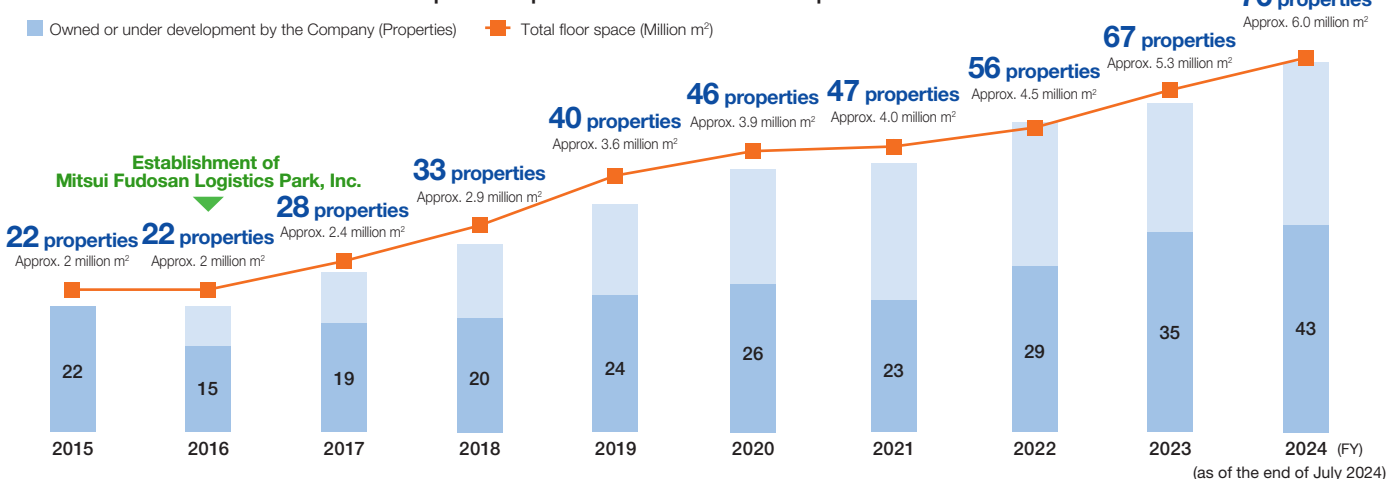
### Cumulative Totals including Properties Previously Developed by the Company

(as of the end of July 2024)



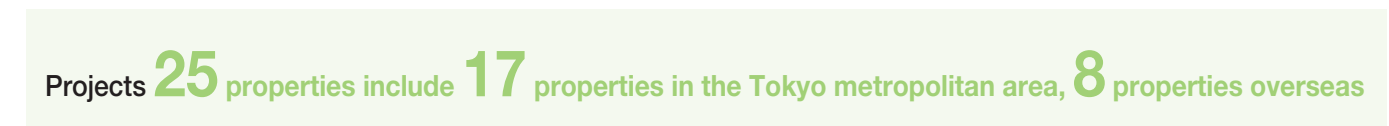
## Stable Business Expansion

### Number of Facilities under Development/Operation and Total Floor Space at the End of Fiscal Years



### Future Development Pipeline

(as of the end of July 2024)







# Housing (Homes and Living)

## Business Domains

Housing (condominiums and detached housing) development, sales, leasing, management, operation, brokerage, new construction contracting, etc.

## Market Environment

### Risks

- Decline in housing-related demand due to rising interest rates and worsening business sentiment
- Contraction of domestic housing-related market due to population decline

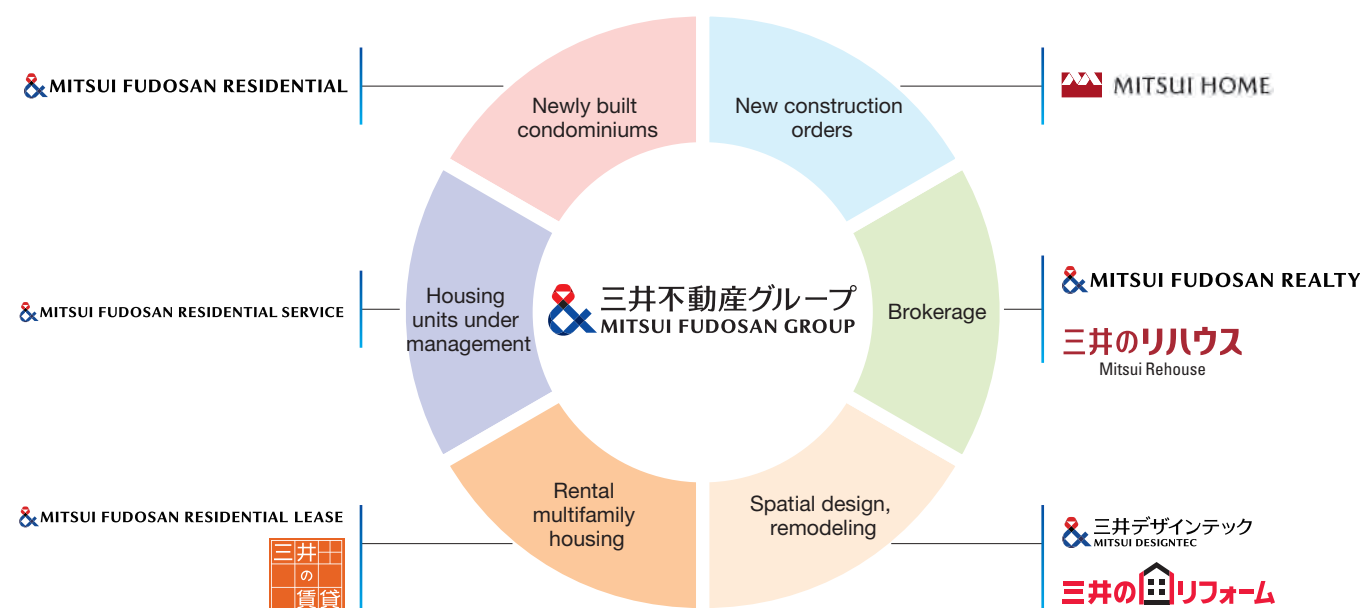
### Opportunities

- Heightened awareness concerning housing associated with diversification of customers' lifestyles
- Increased use of information acquisition methods through both real and digital options, including online business negotiations and the use of AI
- Focusing on environment-friendly product planning to realize a decarbonized society
- Focusing on the stock market due to a decrease in the number of new properties and aging buildings

## Business Strategies

- Strengthen the ability to make proposals to customers through the integrated management of customer data and enhance collaboration among Group companies
- Provide one-stop service for every customer need
- Strengthen efforts to meet the needs of affluent and foreign customers; expand points of customer contact by enhancing lifestyle-oriented products and services

## Comprehensive Group strength in providing one-stop services

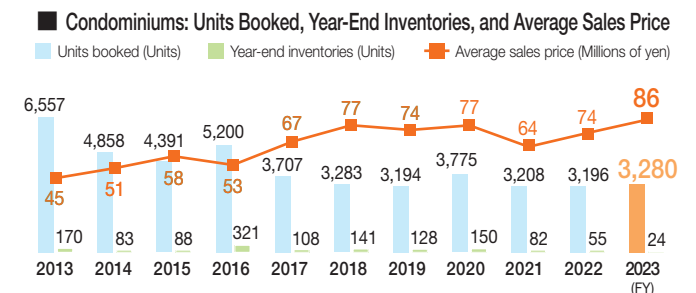
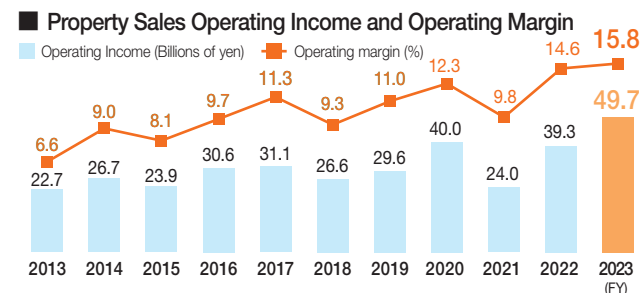


## Competitive Advantages

- Condominium unit sales: Approx. **240,000**<sup>\*1</sup>
- Mitsui Housing Loop members: Approx. **340,000**<sup>\*2</sup>
- Brand power as No. 1** in brokered deals for **38** consecutive years
- A lineup of varied products and services related to housing (Leasing/sales, new/used, condominiums/detached houses, senior residences, management/operation/brokerage, etc.)
- Planning and development capabilities for realizing a product lineup of city center, large-scale, and redevelopment

<sup>\*1</sup> As of the end of March 2024 <sup>\*2</sup> As of the end of June 2024

## Property Sales (Property Sales Segment)



## Future Development Pipeline

(as of the end of July 2024)

Large-Scale Projects **23** properties | Land Bank (Condominiums) **Approx. 27,000** units

## Property Management (Management Segment)

Condominium Units under Management  
**Approx. 290,000**  
(FY2023)

Number of Hourly Parking Facilities under Management  
**Approx. 250,000**

**三井のリパーク**  
Mitsui Car Park Leasing

Since it was launched in 1994, Mitsui Car Park Leasing has developed business operating car parks all over Japan.

Number of Rental Housing Units for Lease under Management  
**Approx. 150,000**  
(FY2023)

Number of Car Sharing Members  
**Approx. 480,000**  
(as of the end of June 2024)

**三井のカーシェア**

We are expanding the car sharing business, centered on Mitsui Car Park Leasing locations in the Tokyo metropolitan and Kansai areas.

## Brokerage (Management Segment)

Number of Deals Brokered  
**Approx. 39,000**  
**No. 1 for 38 consecutive years\***

**三井のリハウス**  
Mitsui Rehouse  
**REALPLAN**

\* From FY1986 to FY2023

We are realizing safe and reliable deals that meet the needs of diverse customers in areas such as real estate sales, purchases, leasing, and usage.

### Brokerage Market (FY2023)

	Fee/Revenue (Billions of yen)	Transactions (Units)	Transaction volume (Billions of yen)	Number of stores
1 Mitsui Fudosan Realty Group	91.6	38,680	1,934.5	289
2 Company A	88.6	30,265	2,080.1	215
3 Company B	70.1	31,502	1,392.8	226
4 Company C	47.7	10,204	1,221.8	98
5 Company D	26.2	8,518	652.4	72

Source: "Fudosan Keizai Tsushin (The Real Estate Business Daily)," May 24, 2024, Real Estate Economic Institute Co., Ltd.

## New Construction under Consignment Property Management (Other Segment)

Using the 2x4 construction method, which excels in earthquake resistance, thermal insulation, and other areas of basic performance, Mitsui Home has delivered over 250,000 new buildings in 49 years, primarily made-to-order homes. In addition to homes, it is actively taking on construction consignments for large-scale facilities and overseas projects.

## Other (Other Segment)

We offer space design, renovation, and renewal services for homes, offices, hotels, and more. Utilizing the design capabilities that are our strength, we provide wide-ranging support to all customers in every area, both individuals and corporations.





# Hotels and Resorts

## Business Domains

Hotel and resort development, management, etc.

## Market Environment

### Risks

- Incidence of over-tourism owing to the rapid inbound recovery
- Increase in operating costs due to upswings in various commodity prices and utility expenses

### Opportunities

- High evaluation of Japan's tourism resources from home and abroad
- Rapid recovery in domestic spending by foreign visitors to Japan and expectations for further growth

## Competitive Advantages

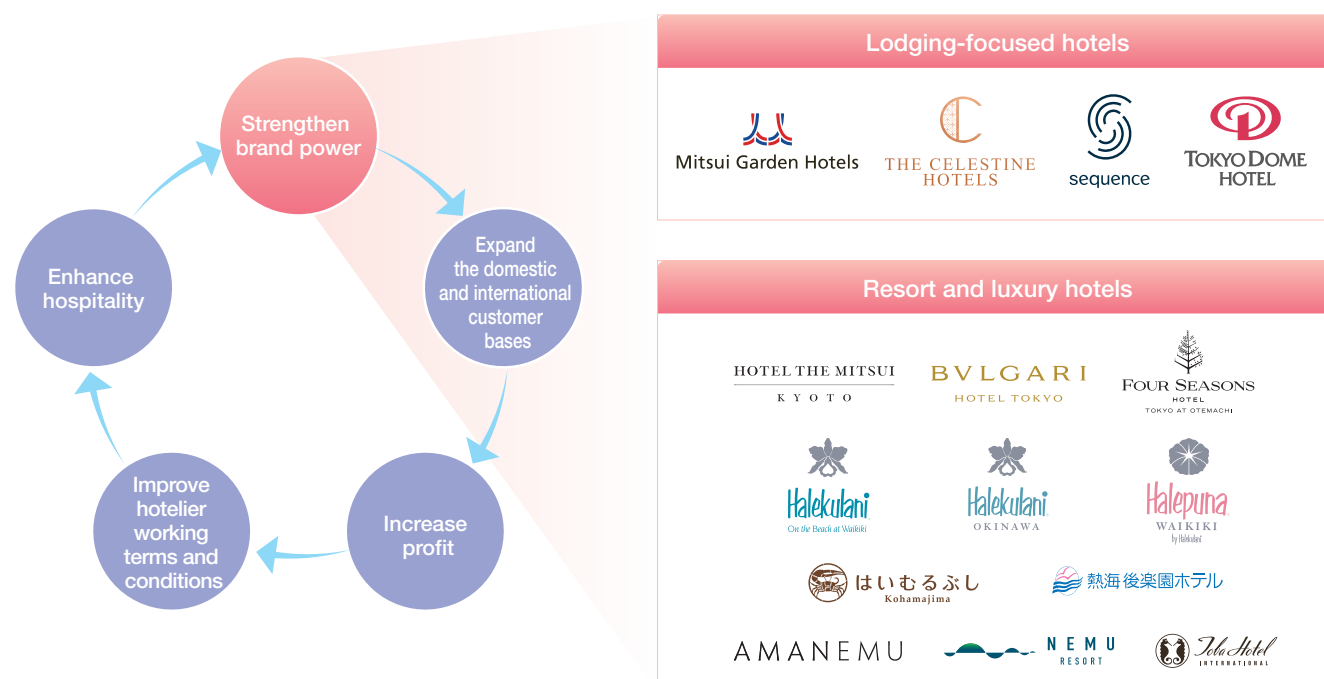
- Mitsui Garden Hotel members: Over **960,000**<sup>\*1</sup>
- Number of directly managed guest rooms: Approx. **13,300 (domestic and overseas)**<sup>\*1</sup>
- Development of 14 hotel and resort brands meeting diverse customer needs, from luxury to lodging-focused brands
- Establishing compatibility with MSP/LOOP points; attraction of restaurant tenants by leveraging retail tenant relations; collaboration with WORK STYLING shared offices

<sup>\*1</sup> As of the end of July 2024

## Business Strategies

- Provide high-quality stay value by creating an environment where staff can focus on serving customers through DX.
- Propose personalized stay experiences through the use of customer data and expand the domestic and international customers base.

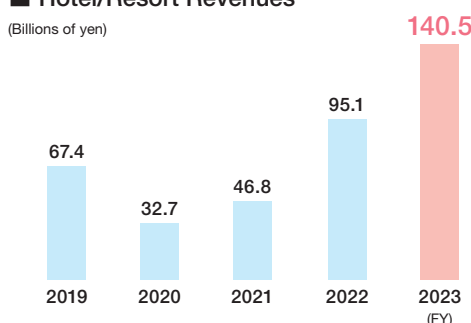
## Strengthen the brand power of each facility and maximize appeal



## Performance Trends

### Hotel/Resort Revenues

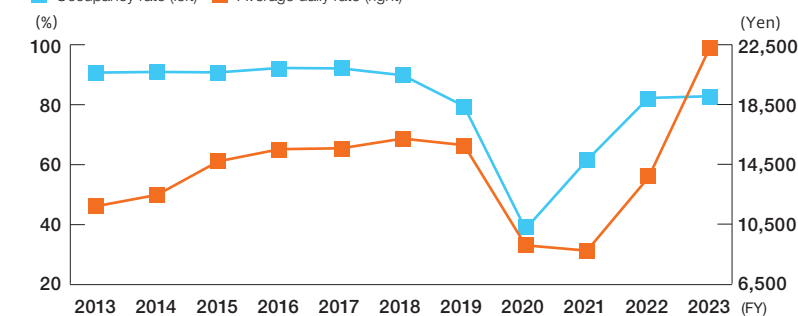
(Billions of yen)



Note: Figures up to and including FY2021 apply to the Facility Operations sub-segment.

### Occupancy Rate/Average Daily Rate (Lodging-focused hotels\*)

■ Occupancy rate (left) ■ Average daily rate (right)



\* Excluding Tokyo Dome Hotel

## Earnings Base

### Hotels and guest rooms (including overseas)

**53** hotels Approx. **13,300** rooms  
(as of the end of July 2024)

### Mitsui Garden Hotel members

Approx. **960,000**  
(as of the end of July 2024)

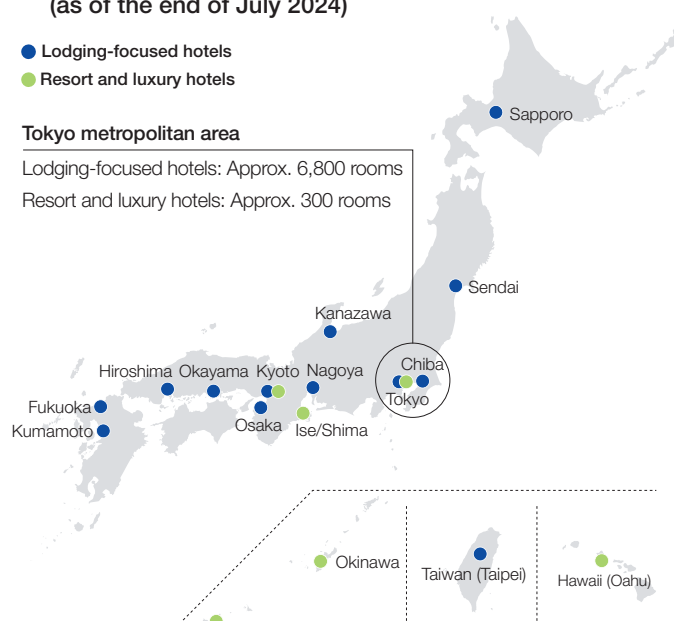
## Development of Hotels and Resorts in Major Cities and at Tourist Destinations in Japan and Overseas

### Our Company's Hotel and Resort Facility Development Areas (as of the end of July 2024)

- Lodging-focused hotels
- Resort and luxury hotels

#### Tokyo metropolitan area

Lodging-focused hotels: Approx. 6,800 rooms  
Resort and luxury hotels: Approx. 300 rooms



### Lodging-Focused Hotels: Number of Rooms by Area\*

	No. of Rooms	Percentage
<b>Total</b>	<b>11,200</b>	<b>84%</b>
Tokyo	5,400	41%
Tokyo metropolitan area (excluding Tokyo)	1,400	11%
Kyoto	1,300	10%
Osaka	300	2%
Other	2,800	21%

### Resort and Luxury Hotels: Number of Rooms by Area\*

	No. of Rooms	Percentage
<b>Total</b>	<b>2,100</b>	<b>16%</b>
Tokyo	300	2%
Okinawa	500	4%
Other domestic	600	5%
Honolulu	700	5%

\* Rooms rounded to the nearest 100 (as of the end of July 2024)

## Future Development Pipeline

(as of the end of July 2024)

Number of guest rooms (includes overseas) Approx. **800** rooms  
Of these, lodging-focused hotels: Approx. **600** rooms Resort and luxury hotels: Approx. **200** rooms



# Sports and Entertainment

## Business Domains

Development and operation of sports and entertainment facilities centered on stadiums

## Business Strategy

- Create neighborhoods harnessing the power of sports and entertainment

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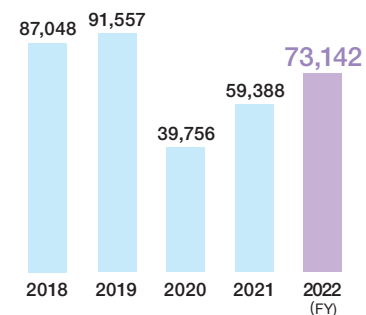
### Tokyo Dome City



#### Tokyo Dome City Revenue from operations

Note: Figures for FY2018 to FY2020 are prior to consolidation and figures for FY2021 are post consolidation in the Group.

(Millions of yen)

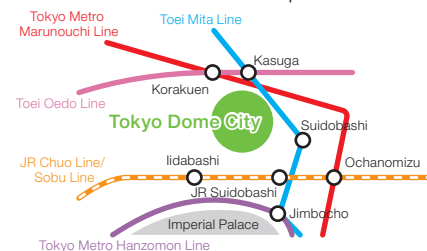


Annual Number of Visitors to Tokyo Dome City  
Approx. 40,000,000/year  
(FY2019)

### Strengths of Tokyo Dome City: Centrally Located, Convenient for Transportation x Collection of Varied Facilities with Customer Appeal

#### Power of Location

A Spacious Site in the City Center with Convenient Transportation



In central Tokyo

A spacious site covering approx. 13 hectares

Adjacent to 3 stations on 4 lines, for convenience of transportation  
Tokyo Station Approx. 6 minutes  
Haneda Airport Approx. 45 minutes  
Narita Airport Approx. 50 minutes

#### Power of Facilities

Plentiful Facilities That Meet the Needs of Diverse Visitors

##### Tokyo Dome

All-weather stadium with 55,000-person capacity



##### LaQua

Retail facilities, amusement park, spa



##### Tokyo Dome Hotel

Large-scale city hotel



#### Power of Events

Attraction of Customers through Varied Events in the City Center



### Tokyo Dome City Sources of Revenue

Major sources of revenue for each Tokyo Dome City asset.

#### Tokyo Dome

- Revenue from events, including professional baseball games and music concerts
- Food and beverage/merchandise revenue
- Advertising revenue

#### LaQua

- Revenue from facility operations (attractions, hot baths, etc.)
- Retail tenant leasing revenue

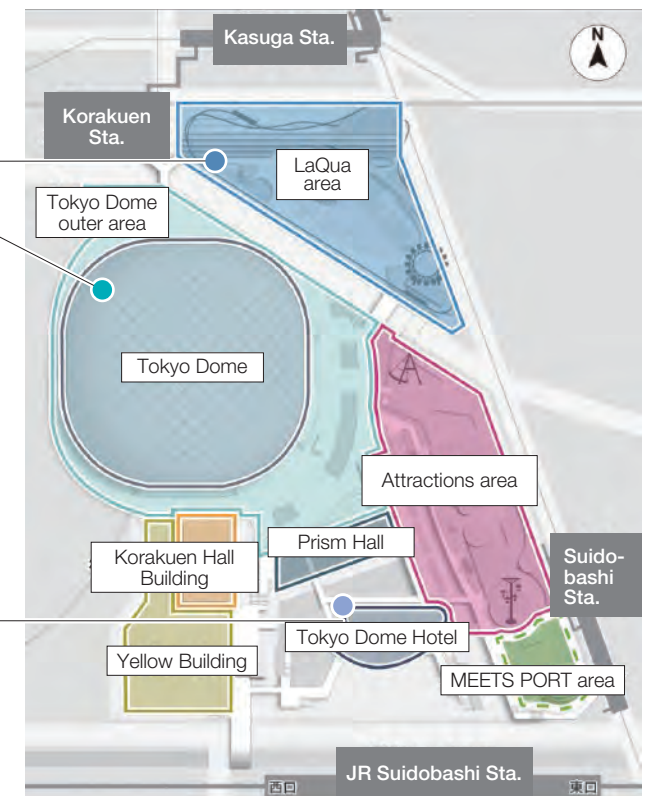
#### Tokyo Dome Hotel

- Accommodation fees
- Food and beverage revenue
- Revenue from hall use

#### Other\*

- Revenue from facility operations (attractions, amusement facilities, etc.)
- Retail tenant leasing revenue
- Revenue from hall use

\* Yellow Building, Korakuen Hall Building, Tokyo Dome City Attractions, MEETS PORT, PRISM HALL, etc.



### LaLa arena TOKYO-BAY (completed April 2024)

- Promoted the creation of a neighborhood that harnesses the pulling power of sports and entertainment to instill excitement
- A large, multipurpose arena with 10,000-person capacity
- Maximizing the customer experience by working in collaboration with nearby LaLaport TOKYO-BAY and our e-commerce mall



LaLa arena TOKYO-BAY



During a basketball game (conceptual image)



During a music concert (conceptual image)





# Dramatically Growing the Overseas Business

## Market Environment

### European and North American Market

#### Risks

- Changes in office and housing needs associated with remote work and other changes in working styles
- Persistent inflation including building costs and continued high policy interest rates

#### Opportunities

- Preference for high-quality properties in favorable locations due to changes in the need for real venues
- Increase in demand for "Laboratory and Office" buildings associated with the growth of the life science industry
- Increase in business opportunities in the U.S. Sun Belt Area with continued population influx

### Asian Market

#### Risks

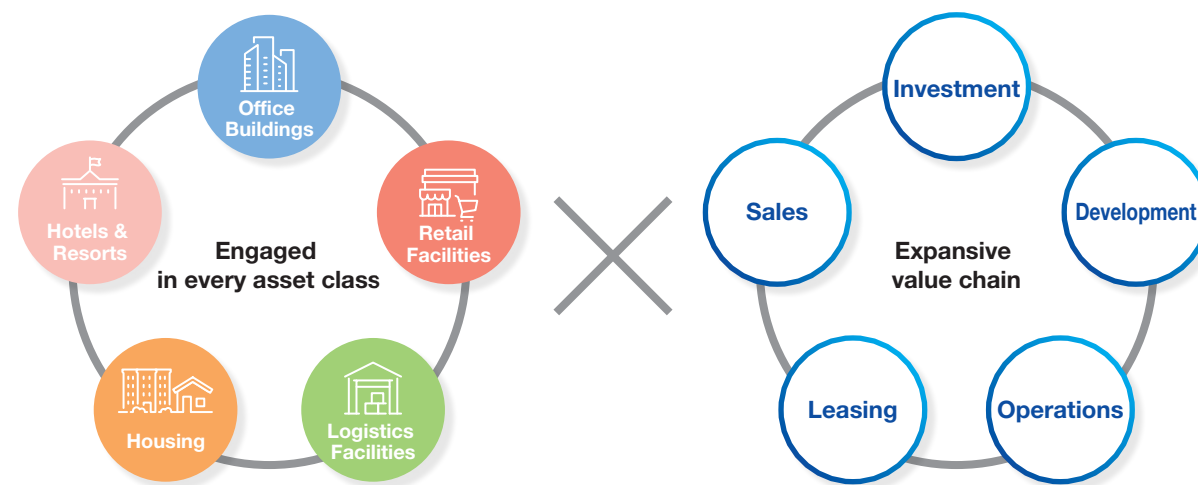
- Changes in the need for real retail facilities associated with growth in e-commerce
- Geopolitical risks caused by such factors as mutual tension between the United States and China

#### Opportunities

- Expansion of demand for consumption of experiences, etc., unique to real retail facilities
- Increase in business opportunities for each asset on the back of various factors, including economic growth, upswings in middle class and personal consumption, and the advance of urbanization

## Competitive Advantages

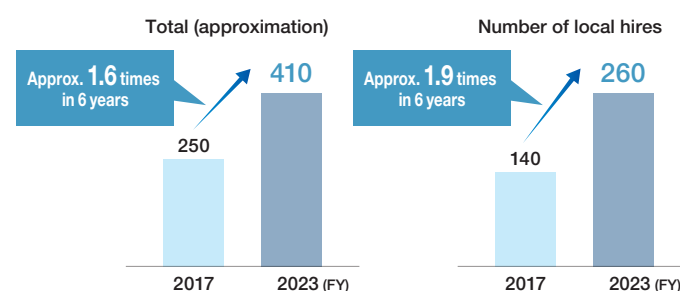
- "Engaged in Every Asset Class," an "Expansive Value Chain," and "Development Capabilities Necessary for Creating Neighborhoods"



- A History of Over 50 Years in Overseas Business

- Promoting Localization by Recruiting and Promoting Excellent Local Employees

No. of overseas business staff (excluding facility management companies)



Mitsui Fudosan America, Inc. (Mitsui Fudosan (USA) established in 1973)	Approx. 50 years
Mitsui Fudosan (U.K.) Ltd. (established in 1990)	Approx. 30 years
Mitsui Fudosan (Asia) Pte. Ltd. (TID Pte. Ltd. established through joint venture in 1972)	Approx. 50 years

## Business Strategy

- Further develop and evolve overseas business

Please see "Further develop and evolve overseas business," the first path of & INNOVATION 2030, the Group's long-term management vision.

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### Area strategy

[Europe and North America]

Develop with a focus on office buildings and leasing housing in a mature, highly transparent, and liquid real estate market.

### Base cities

New York, San Francisco, Los Angeles, Dallas, Honolulu, London

### Overseas partnership strategy

Advancing business in each region with approx. 65 partner companies

### Major partner companies

[Europe and North America] USA Related (company name),  
Tishman Speyer, Hines  
UK Stanhope, EDGE Technologies

[Asia]

Capture growth in the Asian market where consumer spending is expanding and urbanization is progressing; engage in development with a focus on condominiums, retail facilities, and office buildings.

### Base cities

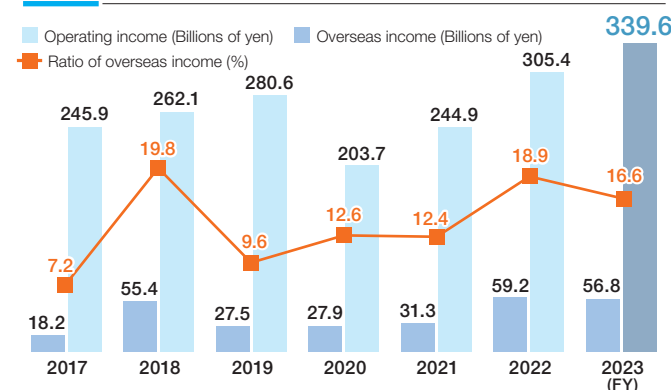
Shanghai, Taipei, Bangkok, Bengaluru, Kuala Lumpur, Singapore, Sydney

[Asia] Singapore Hong Leong Group

Taiwan Cathay Real Estate Development Co., Ltd.

## Performance Trends/Earnings Base

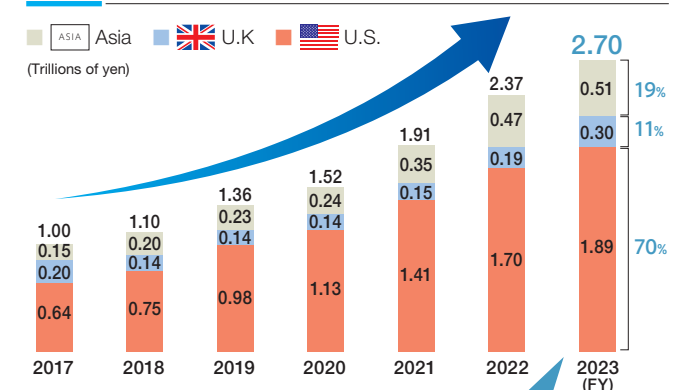
### Growth of overseas income\*



\* Total overseas income [a] ÷ (consolidated operating income + pro forma operating income of overseas affiliates [b]) × 100

[a] Total of overseas operating income and pro forma operating income of overseas affiliates.  
[b] Total of overseas equity method affiliated companies' operating income or amount equivalent to operating income multiplied by Mitsui Fudosan's equity interest, and profit/loss on sales of stocks of overseas equity method subsidiaries and affiliates (for the purpose of real estate sales). The amount equivalent to operating income is the amount of profit calculated from net income on a simplified basis after taking into consideration the tax burden.

### Growth of overseas assets



### Number of properties in operation as of the end of June 2024

	Europe and America	Asia
Office	16 properties	1 property
Retail	—	8 properties
Leasing Housing	14 properties	—
Hotel/SA/Logistics	2 properties	9 properties

### Future development pipeline\*

(as of the end of June 2024)

	Europe and America	Asia
Office	+9 properties	+2 properties
Retail	—	+5 properties
Leasing Housing	+21 properties	+1 property
Hotel/SA/Logistics	+4 properties	+5 properties
Condominiums	+Approx. 400 units	+Approx. 16,000 units

\* Plans for the next phase and expansion of existing properties are counted as one project.



# Financial Highlights

(Millions of yen)

(FY)		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Management Results	Revenue from operations	¥1,515,252	¥1,529,036	¥1,567,969	¥1,704,416	¥1,751,114	¥1,861,195	¥1,905,642	¥2,007,554	¥2,100,870	¥2,269,103	<b>¥2,383,289</b>
	Operating income	172,567	186,074	202,482	232,698	245,902	262,147	280,617	203,770	244,978	305,405	<b>339,690</b>
	Leasing* <sup>1</sup>	109,205	107,863	124,112	135,774	138,338	141,945	145,893	120,777	129,983	149,795	<b>167,805</b>
	Property Sales* <sup>1</sup>	27,099	45,493	44,525	65,285	83,010	98,037	123,745	118,213	138,343	145,868	<b>131,969</b>
	Management* <sup>1</sup>	49,945	49,317	52,446	53,838	48,727	53,445	55,670	39,969	57,205	63,383	<b>66,289</b>
	Facility Operations* <sup>1</sup>	—	—	—	—	—	—	—	—	—	-3,690	<b>26,333</b>
	Other* <sup>1</sup>	7,263	9,203	11,888	10,901	12,312	10,890	2,291	-27,215	-29,641	-904	<b>2,185</b>
	Elimination or Corporate* <sup>1</sup>	-20,947	-25,804	-30,490	-33,102	-36,487	-42,171	-46,982	-47,974	-50,912	-49,047	<b>-54,892</b>
	Ordinary income	144,587	163,373	182,521	219,607	240,341	254,106	258,510	168,865	224,940	265,358	<b>267,890</b>
	Profit attributable to owners of parent	76,843	100,185	117,722	131,815	155,874	168,661	183,972	129,576	176,986	196,998	<b>224,647</b>
Financial Position	Total assets	4,548,822	5,067,187	5,363,477	5,551,751	6,284,723	6,802,731	7,395,359	7,741,972	8,208,012	8,841,396	<b>9,489,527</b>
	Real property for sale* <sup>2</sup>	961,449	1,031,080	1,167,745	1,334,167	1,524,863	1,630,558	1,907,839	1,930,528	2,051,704	2,163,634	<b>2,375,281</b>
	Tangible and intangible fixed assets	2,526,139	2,788,633	2,968,975	2,967,788	3,318,928	3,500,482	3,753,141	3,796,800	3,914,135	4,293,130	<b>4,405,526</b>
	Capital expenditures	148,255	273,487	207,172	173,745	440,752	390,514	379,279	565,266	272,389	386,592	<b>246,609</b>
	Depreciation and amortization	56,030	61,242	67,460	71,357	70,167	79,034	91,434	98,196	111,500	125,298	<b>133,726</b>
	Interest-bearing debt* <sup>3</sup>	2,040,071	1,976,150	2,226,236	2,287,489	2,604,656	2,906,610	3,481,117	3,623,438	3,667,234	4,048,531	<b>4,430,422</b>
	Shareholders' equity and accumulated other comprehensive income	1,274,355	1,871,922	1,922,305	1,984,635	2,204,882	2,342,512	2,408,679	2,555,885	2,796,474	2,900,726	<b>3,110,088</b>
Cash Flows	Cash flows from operating activities	189,903	30,343	32,154	227,432	30,143	216,709	87,094	187,862	271,469	297,708	<b>241,697</b>
	Cash flows from investing activities	-44,056	-261,640	-239,719	-201,583	-365,464	-388,895	-532,806	-131,035	-210,057	-422,034	<b>-286,987</b>
	Cash flows from financing activities	-123,713	221,508	201,110	15,071	289,150	231,238	467,751	-66,565	-139,600	111,448	<b>59,988</b>
	Cash and cash equivalents at year-end	127,337	118,960	109,966	148,546	100,708	157,682	179,472	187,723	142,682	132,310	<b>179,249</b>
Indicators per Share* <sup>4</sup>	Earnings per share (EPS) (Net income per share) (¥)	29.2	34.6	39.7	44.5	52.6	57.1	62.8	44.8	61.5	69.3	<b>80.2</b>
	Book value per share (BPS) (Net assets per share) (¥)	483.7	631.4	648.5	669.5	743.7	794.9	826.8	885.5	980.7	1,035.8	<b>1,109.9</b>
	Dividend (¥)	7	8	10	11	13	15	15	15	18	21	<b>28</b>
Financial Indicators	ROA (%)* <sup>5</sup>	4.07	4.10	4.14	4.59	4.58	4.44	4.18	2.84	3.31	3.86	<b>3.94</b>
	ROE (%)* <sup>6</sup>	6.26	6.37	6.20	6.75	7.44	7.42	7.74	5.22	6.61	6.92	<b>7.47</b>
	Debt/Equity (D/E) ratio (Times)* <sup>7</sup>	1.60	1.06	1.16	1.15	1.18	1.24	1.45	1.42	1.31	1.40	<b>1.42</b>
	Equity ratio (%)	28.0	36.9	35.8	35.7	35.1	34.4	32.6	33.0	34.1	32.8	<b>32.8</b>
	Total shareholder return ratio (%)	25.1	24.1	25.2	25.5	35.0	35.1	36.9	44.2	46.6	44.9	<b>52.7</b>

\*1 Mitsui Fudosan changed its business segments from FY2023. The previous four "Leasing," "Property Sales," "Management", and "Other" segments have been reclassified into the five "Leasing," "Property Sales," "Management," "Facility Operations," and "Other" segments. FY2022 results are presented in line with the new segment classification.

\*2 Real property for sale + real property for sale in progress + land for development + advances paid for purchase

\*3 Short-term debt + non-recourse short-term debt + commercial paper + bonds redeemable within one year + non-recourse bonds redeemable within one year + corporate bonds + non-recourse bonds + long-term debt + non-recourse long-term debt

\*4 The Company conducted a 3-for-1 stock split for common shares, and calculated the figures for fiscal years prior to FY2022 as if the stock split had been conducted at the beginning of the previous fiscal year.

\*5 (Operating income + non-operating income)/average total assets over the period

\*6 Profit attributable to owners of parent/average shareholders' equity over the period

\*7 Interest-bearing debt/shareholders' equity



# Non-Financial Highlights



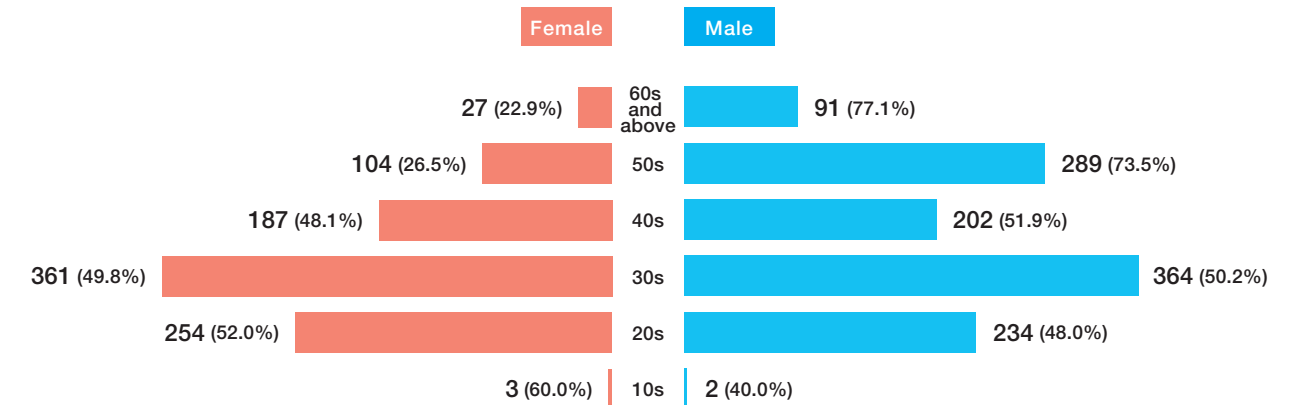
For details, please refer to the following Company website:  
[https://www.mitsuifudosan.co.jp/english/esg\\_csr/](https://www.mitsuifudosan.co.jp/english/esg_csr/)

(FY)

Item		Unit	2018	2019	2020	2021	2022	2023
Environmental Indicators*1	Greenhouse gas (GHG) emissions (based on SBT standards)	Thousand t-CO <sub>2</sub>	5,076	4,383	4,690	4,199	5,503	<b>3,941</b>
	Of these, Scope 1	Thousand t-CO <sub>2</sub>	90	104	115	140	183	<b>186</b>
	Of these, Scope 2	Thousand t-CO <sub>2</sub>	395	413	363	438	457	<b>430</b>
	Of these, Scope 3	Thousand t-CO <sub>2</sub>	4,591	3,865	4,211	3,621	4,863	<b>3,325</b>
	Energy usage*2	MWh	1,454,755	1,488,256	1,433,237	3,653,327	3,935,352	<b>4,135,836</b>
	Water usage (intake volume)*2	Thousand m <sup>3</sup> /year	5,407	5,726	5,365	11,849	14,210	<b>15,347</b>
	Water usage (discharge volume)*2	Thousand m <sup>3</sup> /year	5,595	5,539	4,711	10,445	12,546	<b>13,714</b>
	Waste emissions volume*2	t/year	47,271	47,188	38,080	112,375	127,369	<b>137,986</b>
Human Resources Indicators	No. of employees (Consolidated)	Persons	19,081	20,864	23,992	24,408	24,706	<b>25,593</b>
	Of these, Mitsui Fudosan Co., Ltd. (non-consolidated)	Persons	1,577	1,678	1,776	1,898	1,973	<b>2,049</b>
	Ratio of female managers (non-consolidated)*3	%	3.3	4.5	5.7	6.8	7.7	<b>9.2</b>
	Ratio of females in general positions (non-consolidated)*3	%	11.0	12.5	14.3	16.5	18.0	<b>19.7</b>
	Ratio of female hires (non-consolidated)	%	41.3	39.5	37.5	40.5	44.1	<b>48.6</b>
	Employment rate of people with disabilities (non-consolidated)*4	%	1.77	2.04	2.07	2.14	2.52	<b>2.74</b>
	Training time per employee (non-consolidated)*5	Hours	16.9	20.0	19.8	21.8	28.2	<b>28.4</b>
	Training expenses per employee (non-consolidated)*6	Yen	—	—	—	—	131,000	<b>132,000</b>
	Number of paid leave days taken	Days	14.1	14.9	13.8	15.0	16.2	<b>16.2</b>
	Number (percentage) of persons taking childcare leave, men (non-consolidated)*7	Persons	27 (84.4%)	25 (61.0%)	28 (70.0%)	38 (79.2%)	59 (122.9%)	<b>63 (116.6%)</b>
	Number (percentage) of persons taking childcare leave, women (non-consolidated)	Persons	15 (100.0%)	10 (100.0%)	13 (100.0%)	20 (95.2%)	22 (100.0%)	<b>25 (96.0%)</b>
	Return rate from childcare leave (Mitsui Fudosan Co., Ltd.)	%	100.0	100.0	100.0	100.0	100.0	<b>100.0</b>
	Health checkup and screening rate (Mitsui Fudosan Co., Ltd.)	%	99.5	99.8	99.5	100.0	100.0	<b>100.0</b>
	Full-time employee voluntary turnover rate (Mitsui Fudosan Co., Ltd.)	%	0.77	0.53	0.51	0.81	0.66	<b>0.93</b>
	Employee engagement (non-consolidated)*8	%	—	—	—	—	92	<b>92</b>

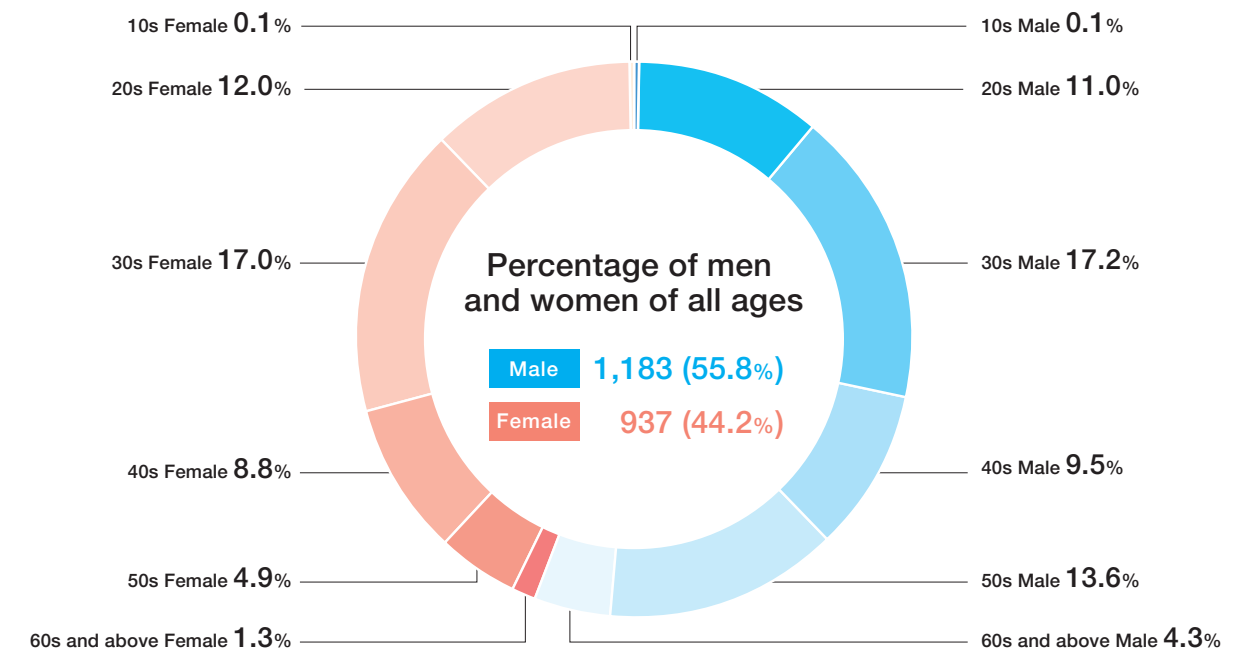
## Mitsui Fudosan Co., Ltd. Employee Composition (non-consolidated) (as of April 1, 2024)

### Gender Ratio by Age Group



### Composition by Age Group (Due to the method of aggregation, there are differences between the totals below and the totals above.)

Note: Totals might not add up to 100% due to rounding.



\*1 Among Mitsui Fudosan and its consolidated subsidiaries, for facilities owned by companies holding buildings or companies with 100 or more employees. Values are subject to change due to revisions to the aggregation range and methods.

\*2 FY2018–FY2020: In principle, the applicable scope is facilities that are obliged to report based on the Act on the Rational Use of Energy. However, some facilities are excluded.

\*3 Figures for each fiscal year are those for the beginning of the fiscal year starting April 1 of the following year.

\*4 Figures are those for the relevant fiscal year as of June 1. FY2024: 2.74%.

\*5 Calculated by dividing the total amount of training hours by the total number of permanent employees.

\*6 Calculated by dividing the total amount of training expenses by the total number of permanent employees.

\*7 Data prior to FY2021 is the percentage of persons taking leave intended for childcare. FY2022 data is calculated based on the number of male employees whose partner gave birth in the relevant fiscal year, and the number of male employees who used the leave system to take time off work during that fiscal year at the time of their child's birth, as childcare leave, or other time off for the purpose of spending time with their child. Where there are male employees who take childcare leave, etc., in a different fiscal year from that of their child's birth, this rate might exceed 100%.

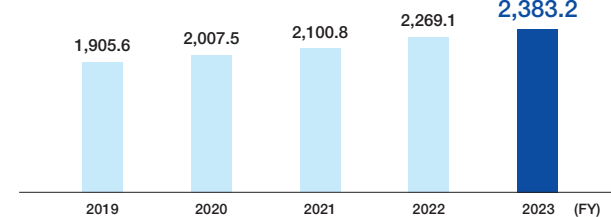
\*8 The proportion who responded to the statement "I am proud to work for this company" with a 4 or 5 out of a five-point scale of agreement.



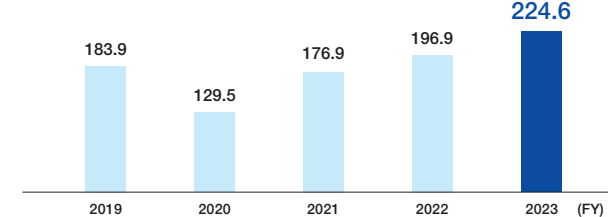
# Financial Analysis (Fiscal 2023)

## Overview of Results

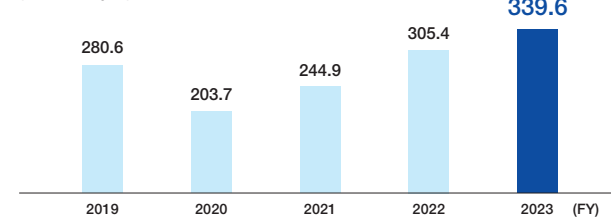
Revenue from Operations  
(Billions of yen)



Profit Attributable to Owners of Parent  
(Billions of yen)



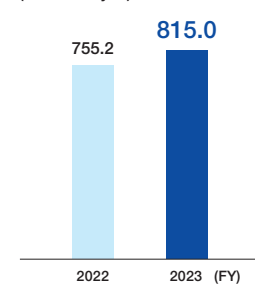
Operating Income  
(Billions of yen)



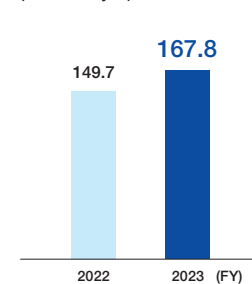
## Segment Information

### Leasing

Revenue from Operations  
(Billions of yen)

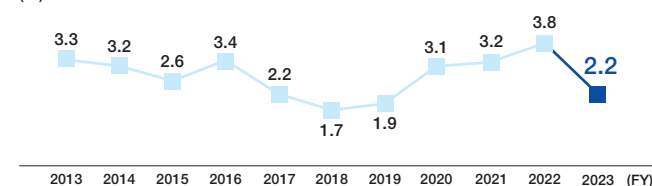


Operating Income  
(Billions of yen)



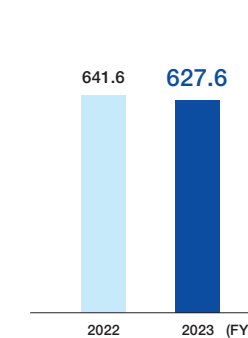
			(Millions of yen)	
(FY)			2022	2023
Office Buildings and Retail Facilities	Revenue	Office Buildings	¥426,928	¥446,087
		Retail Facilities	261,394	286,553
	Total Leased Floor Space (1,000 m²)		5,975	6,282
	Office Buildings	Owned	1,960	2,060
		Managed	1,491	1,545
	Retail Facilities	Owned	1,873	2,010
		Managed	651	667
Other	Revenue		66,916	82,360
Total Revenue			755,238	815,002
Operating Income			149,795	167,805

Vacancy Rate for Tokyo Metropolitan Area Office Buildings (non-consolidated)  
(%)

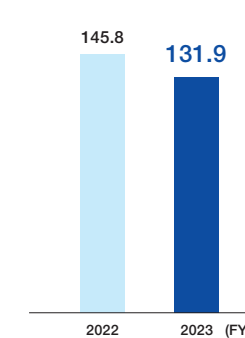


### Property Sales

Revenue from Operations  
(Billions of yen)



Operating Income  
(Billions of yen)



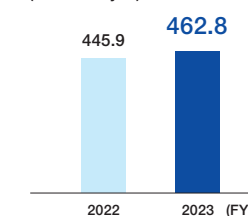
Fiscal Year-End Inventories  
(Property Sales to Individuals [Domestic])

(FY)	2019	2020	2021	2022	2023
Condominiums	128	150	82	55	24
Detached Housing	58	17	7	0	22
Total	186	167	89	55	46

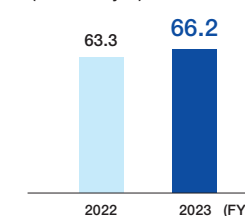
			(Millions of yen)	
(FY)			2022	2023
Property Sales to Individuals (Domestic)	Condominiums			
	Tokyo Metropolitan Area	Revenue	¥196,655	¥253,923
		Units	2,324	2,665
	Other	Revenue	38,983	26,638
		Units	872	615
	Subtotal	Revenue	235,638	280,561
		Units	3,196	3,280
	Detached Housing			
	Tokyo Metropolitan Area	Revenue	34,787	33,839
		Units	418	420
	Other	Revenue	104	-
		Units	2	0
	Subtotal	Revenue	34,892	33,839
		Units	420	420
			Revenue	270,530
		Units	3,616	3,700
		Operating Income	39,368	49,788
Property Sales to Investors and Individuals (Overseas), etc.		Revenue	371,142	313,210
		Operating Income	106,499	82,181
Total Revenue			641,672	627,611
Total Operating Income			145,868	131,969

### Management

Revenue from Operations  
(Billions of yen)



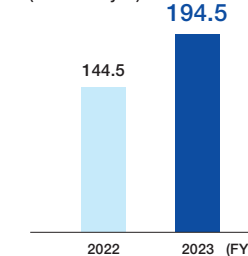
Operating Income  
(Billions of yen)



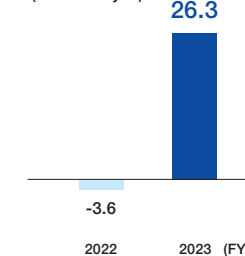
			(Millions of yen)	
(FY)		2022	2023	
Property Management	Revenue	¥334,973	¥347,025	
	Operating Income	37,547	38,554	
Brokerage, Asset Management, etc.	Revenue	110,950	115,831	
	Operating Income	25,836	27,735	
Total Revenue		445,924	462,857	
Total Operating Income		63,383	66,289	

### Facility Operations

Revenue from Operations  
(Billions of yen)



Operating Income  
(Billions of yen)



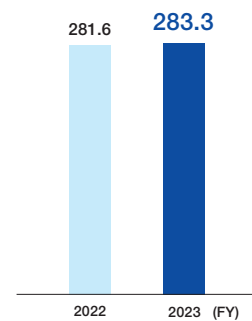
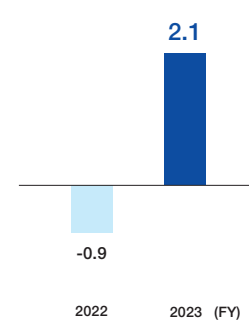
			(Millions of yen)	
(FY)		2022	2023	
Hotels and Resorts	Revenue	¥95,197	¥140,577	
	Occupancy Rate (%)*	82	83	
Sports and Entertainment	Revenue	49,379	53,934	
Total Revenue		144,577	194,512	
Total Operating Income		-3,690	26,333	

Note: Lodging-focused domestic hotels



## Financial Analysis (Fiscal 2023)

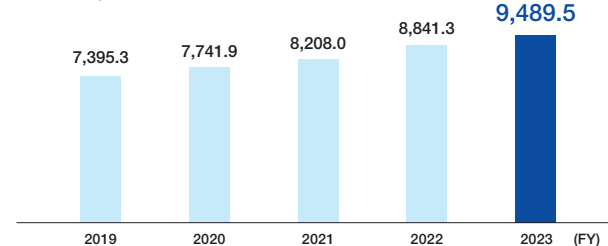
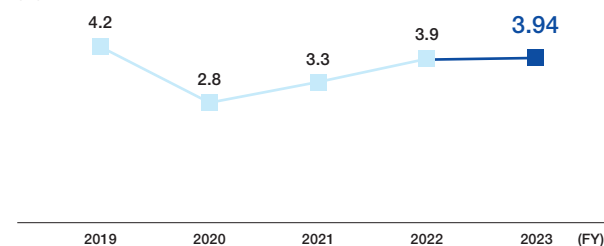
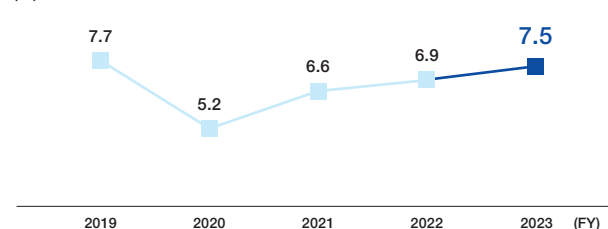
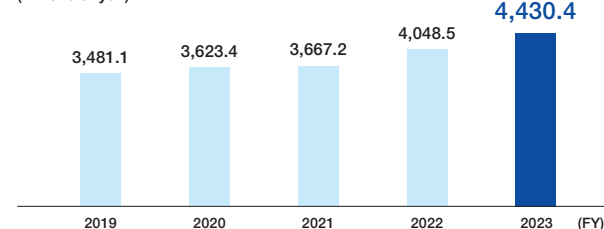
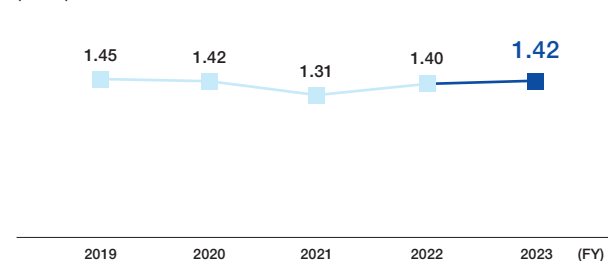
## Other

Revenue from Operations  
(Billions of yen)Operating Income  
(Billions of yen)

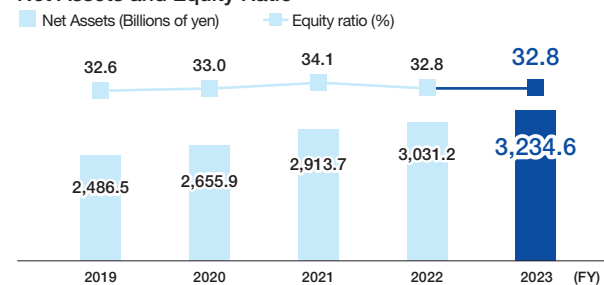
(Millions of yen)

(FY)	2022	2023
New Construction under Consignment/Reform, etc.	¥246,236	¥245,948
Revenue from New Consignment Order Received	137,806	131,792
Other Revenue	35,453	37,357
Total Revenue	281,690	283,306
Total Operating Loss	-904	2,185

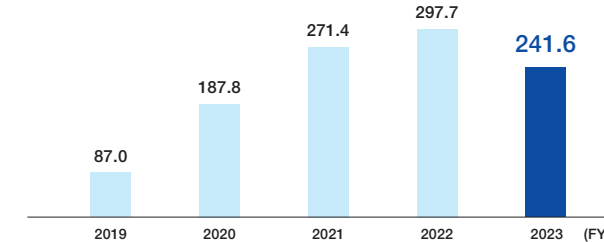
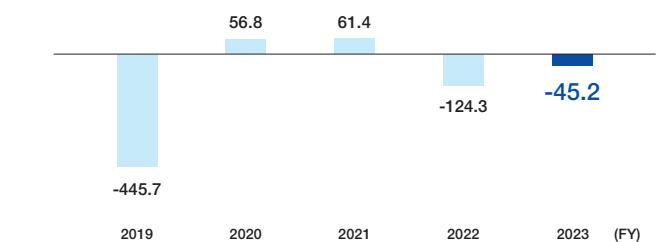
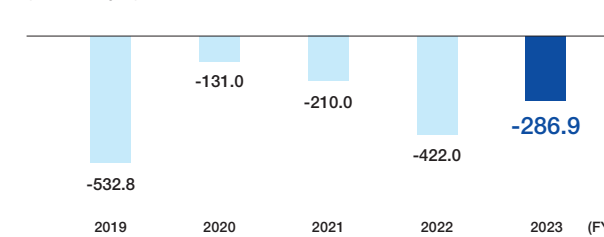
## Consolidated Financial Position

Total Assets  
(Billions of yen)ROA  
(%)ROE  
(%)Interest-Bearing Debt  
(Billions of yen)Debt/Equity Ratio  
(Times)

Net Assets and Equity Ratio



## Consolidated Cash Flows

Cash Flows from Operating Activities  
(Billions of yen)Free Cash Flows  
(Billions of yen)Cash Flows from Investing Activities  
(Billions of yen)

## Rental Properties

(Millions of yen)

(FY)	2022	2023
Rental Properties Carrying Amount Recorded on the Consolidated Balance Sheets		
Balance as of the Beginning of the Period	¥3,106,548	¥3,433,199
Increase (Decrease) during the Period	326,650	159,536
Balance as of the End of the Period	3,433,199	3,592,735
Market Value at the End of the Period	6,695,820	6,961,694
Difference	3,262,621	3,368,959

## Notes:

- The carrying amount recorded on the consolidated balance sheets was calculated by deducting accumulated depreciation and amortization and accumulated impairment losses from acquisition costs.
- The main increases and decreases in the balance sheet during fiscal 2022 included an increase in real estate acquisition (¥319,630 million) and a decrease due to transfers to real property for sale (¥9,850 million). In addition, the main increases and decreases in the balance sheet during fiscal 2023 included an increase in real estate acquisition (¥143,062 million) and a decrease in real estate sales (¥27,722 million).
- Market value at the end of the fiscal year is calculated by the Company's own appraisal team and was based, in principle, on Japan's Real Estate Appraisal Standards.

## Shareholder Returns

Annual dividend for  
fiscal 2023

¥84 per share\*

Total shareholder return  
ratio of profit attributable  
to owners of parent

52.7% (planned)

Own shares being repurchased  
From April 12, 2024, to  
March 31, 2025

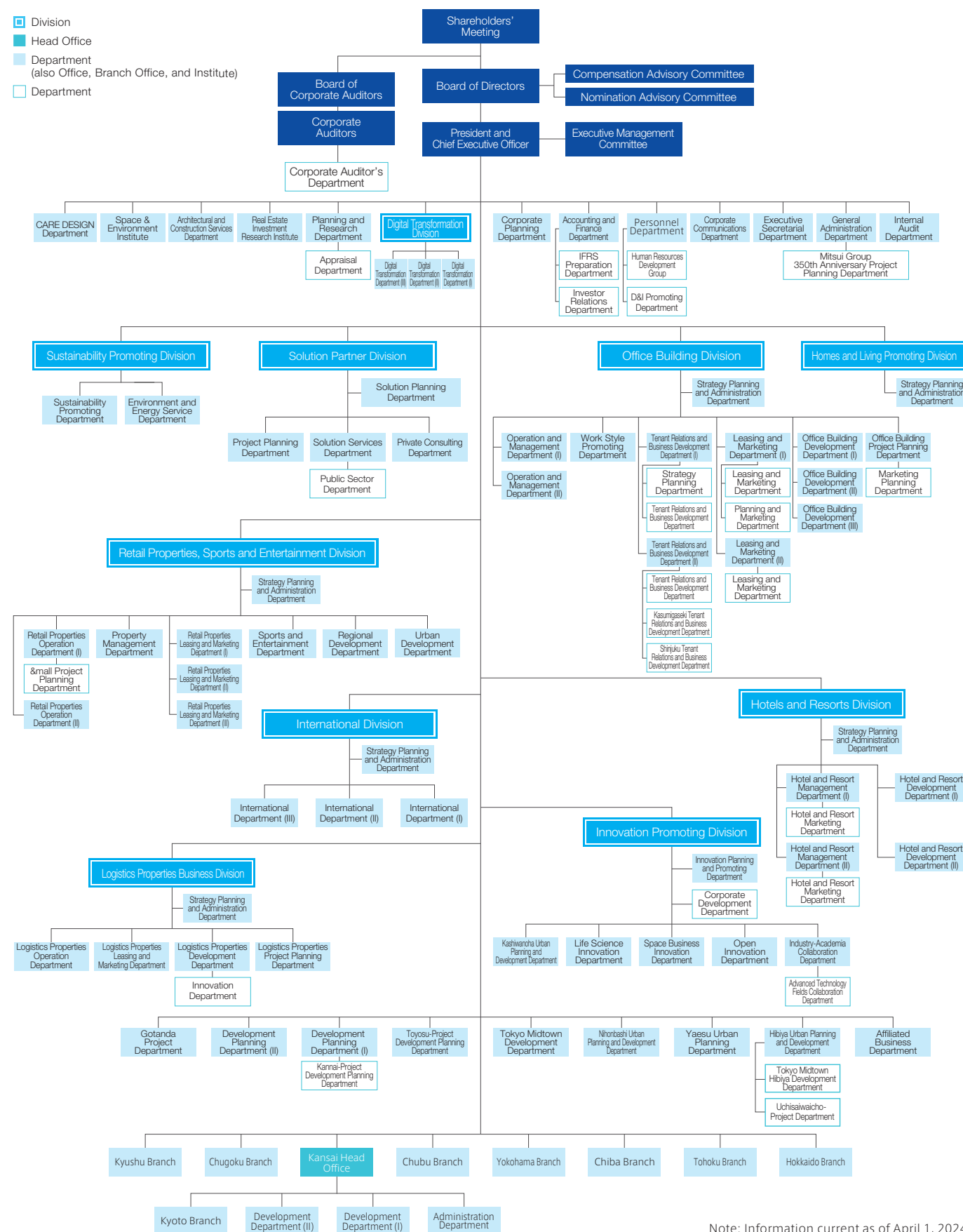
¥40.0 billion (planned)

\* Based on shares before the stock split (3-for-1 common stock split) implemented on April 1, 2024.



# Organization Chart

- Division
- Head Office
- Department (also Office, Branch Office, and Institute)
- Department



Note: Information current as of April 1, 2024

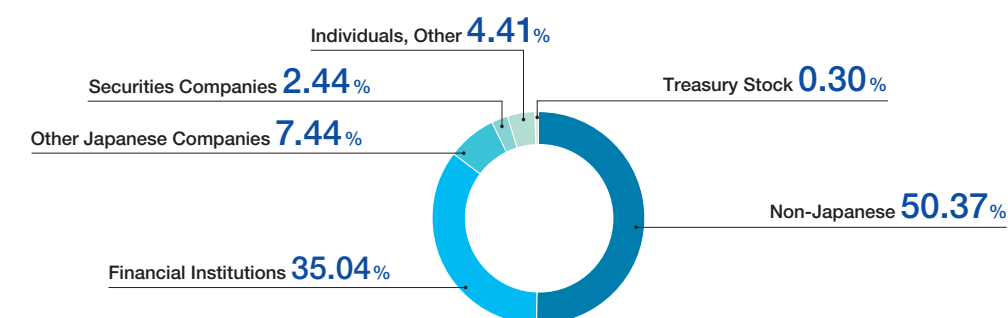
# Corporate Data/Shareholders' Information (as of March 31, 2024)

## Corporate Data

<b>Trade Name</b>	Mitsui Fudosan Co., Ltd.	<b>Number of Shares*</b>	Authorized: 3,290,000,000 Issued and outstanding: 936,877,907
<b>Head Office</b>	1-1 Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo 103-0022, Japan TEL. (03) 3246-3131	<b>Number of Shareholders</b>	64,064
<b>Date of Establishment</b>	July 15, 1941	<b>Transfer Agent</b>	Sumitomo Mitsui Trust Bank, Limited
<b>Capital</b>	¥341,000 million	<b>Number of Employees</b>	2,049 (consolidated 25,593)
<b>Listing</b>	Tokyo Stock Exchange (Ticker: 8801)	<b>Website</b>	<a href="https://www.mitsuifudosan.co.jp/english/">https://www.mitsuifudosan.co.jp/english/</a>

\* The Company conducted a 3-for-1 stock split of its common shares on April 1, 2024. Subject number of shares data is prior to this stock split.

## Shareholder Composition (Shareholding Ratio)



## Major Shareholders

Shareholders	Number of shares held (Thousand)	Percentage of total shares issued (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	163,437	17.5
Custody Bank of Japan, Ltd. (Trust account)	73,476	7.87
JP MORGAN CHASE BANK 385632 (Standing proxy: Mizuho Bank, Ltd., Settlement Sales Department)	23,794	2.55
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd., Settlement Sales Department)	19,489	2.09
SSBTC CLIENT OMNIBUS ACCOUNT (Standing agent: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody Services Department)	19,225	2.06
JP MORGAN CHASE BANK 380072 (Standing proxy: Mizuho Bank, Ltd., Settlement Sales Department)	16,112	1.73
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT (Standing proxy: CITIBANK N.A., TOKYO BRANCH)	14,300	1.53
KAJIMA CORPORATION	13,362	1.43
JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd., Settlement Sales Department)	13,035	1.4
GOVERNMENT OF NORWAY (Standing proxy: CITIBANK N.A., TOKYO BRANCH)	12,014	1.29
<b>Total</b>	<b>368,248</b>	<b>39.42</b>



# Investor Relations Activities

## Engagement Policy

### Basic Approach

In an attempt to realize sustainable growth and enhance corporate value over the medium to long term, Mitsui Fudosan proactively engages in constructive dialogue with shareholders in an effort to further enhance corporate value. We also make an effort to build long-term relationships of trust through the accurate disclosure of information and constructive dialogue with shareholders and investors.

### Constructive Dialogue System Improvement and Engagement Policy

The Investor Relations Department is the point of contact with regard to the promotion of constructive dialogue with shareholders, which is supervised by the managing director in charge.

Furthermore, in addition to complete information disclosure trusted by shareholders, each relevant department exchanges information appropriately. If necessary, the details of dialogue with shareholders are shared with senior management, directors including outside directors, and auditors, and provided as feedback during management meetings and to the Board of Directors as appropriate.

## Major IR Activities

### Shareholders' Meeting

	Fiscal 2021 results	Fiscal 2022 results	Fiscal 2023 results
Total no. of shareholders (as of March 31)	38,787	53,464	64,064
Percentage of agenda items resolved	100%	100%	100%



Shareholders' Meeting

### Track Record of Dialogue with Shareholders and Investors

Activity details	Fiscal 2021 results	Fiscal 2022 results	Fiscal 2023 results
Individual meetings for institutional investors	290	320	382
Financial results briefings for investors and analysts	6	6	6
Small meetings with the president*1	2	2	4
Individual business briefings and property tours	4	21	16
Overseas road shows*2	0	0	1
Briefings for individual investors*3	0	0	1

\*1 Each sell- and buy-side meeting is counted separately.

\*2 To prevent the spread of COVID-19, these activities were not implemented from November 2019 to fiscal 2022.

\*3 To prevent the spread of COVID-19, these activities were not implemented from January 2020 to fiscal 2022.

### Major IR News

- April 2023 Takashi Ueda appointed President and Chief Executive Officer (Representative)
- March 2024 Stock split and establishment of a new shareholder benefit plan
- April 2024 Formulation of the Mitsui Fudosan Group's New Long-Term Vision & INNOVATION 2030
- June 2024 Director's term of office revised from two years to one year, one additional outside director appointed to the Board of Directors

# International Initiatives That We Support

The Mitsui Fudosan Group supports and has signed the United Nations Global Compact and other international initiatives that align with its philosophy and goals.

- United Nations Global Compact
- Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- RE100
- Sustainable Development Goals (SDGs)
- ILO Declaration on Fundamental Principles and Rights at Work
- Japan Business Federation Charter of Corporate Behavior
- Task Force on Climate-related Financial Disclosures (TCFD)



## External Assessments

### Status of Inclusion in ESG Indexes (as of August 2, 2024)



FTSE4Good



FTSE Blossom Japan



FTSE Blossom Japan Sector Relative Index



2024 CONSTITUENT MSCI Nihonkabu ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



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Japan ex-REIT Gender Diversity Tilt Index

TOP CONSTITUENT 2023

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### Sustainability-Related Assessments and Certifications (as of August 2, 2024)

