

& INNOVATION 2030

DREAM, VISION, REALITY

[Presentation Materials](#)



& INNOVATION 2030

Looking Back on VISION 2025

◀ VISION 2025 ▶

● Vision

- Successfully establish a sustainable society
- Innovate the real estate business
- Evolve into a global company



● Results

- Expanded the Group's business on a global scale
- Exceeded expectations in profit growth
- In contrast, efficiency remains an ongoing challenge

Understanding of the External Environment

● Global

Major paradigm shift

- Behavioral change on the back of digitalization
- Rapid advances in AI
- Rising geopolitical risks
- Shift away from the era of low interest rates
- Climate change on global scale, etc.

● Japan

Make up for “the lost 30 years” based on:

- The supply chain returning to Japan
- Growing trend toward the fair evaluation of legitimate added value and wage increases

Our Philosophy

[GROUP DNA] ~ The spirit that has been passed down to us ~

The meaning of “&”

To generate new value with society 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

The Mitsui Fudosan Group’s new Philosophy

Our GROUP DNA is the spirit that has been passed down to us, and GROUP MISSION is what we wish to fulfill.

Corporate Message

**Transforming the city
Transforming the future**

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

Priority Issues

[GROUP MATERIALITY]

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

Based on Our Philosophy, we have identified GROUP MATERIALITY as a priority issue.

Long-Term Vision



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& INNOVATION2030, the Group’s long-term vision to FY2030. The name, **& INNOVATION 2030**, encapsulates our desire to cultivate the future through tireless value creation. Bringing **& INNOVATION 2030** to a **REALITY** by clarifying our **DREAM** and **VISION**.

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Vision

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

Create social value Create economic value

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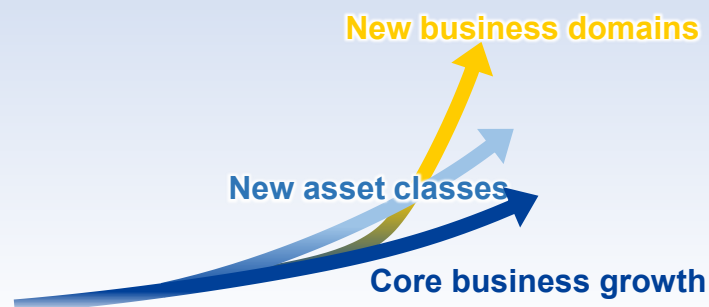
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Business Strategies

Achieve growth through three paths

Financial Strategies

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

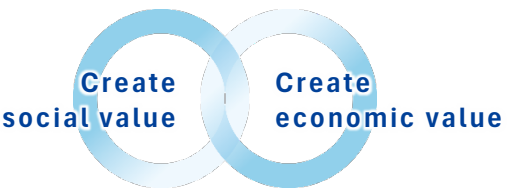


Infrastructure That Supports the Strategy

Human resources DX ESG

Vision

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



Create social value Create economic value

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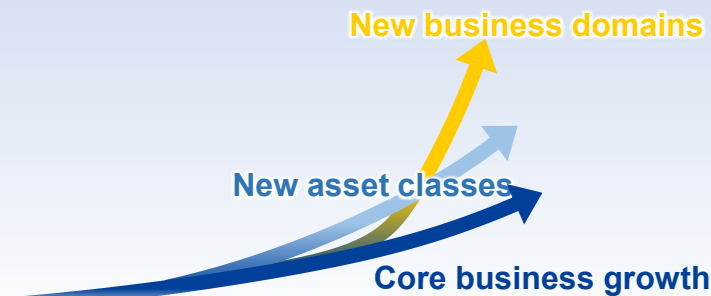
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Business Strategies

Achieve growth through three paths

Financial Strategies

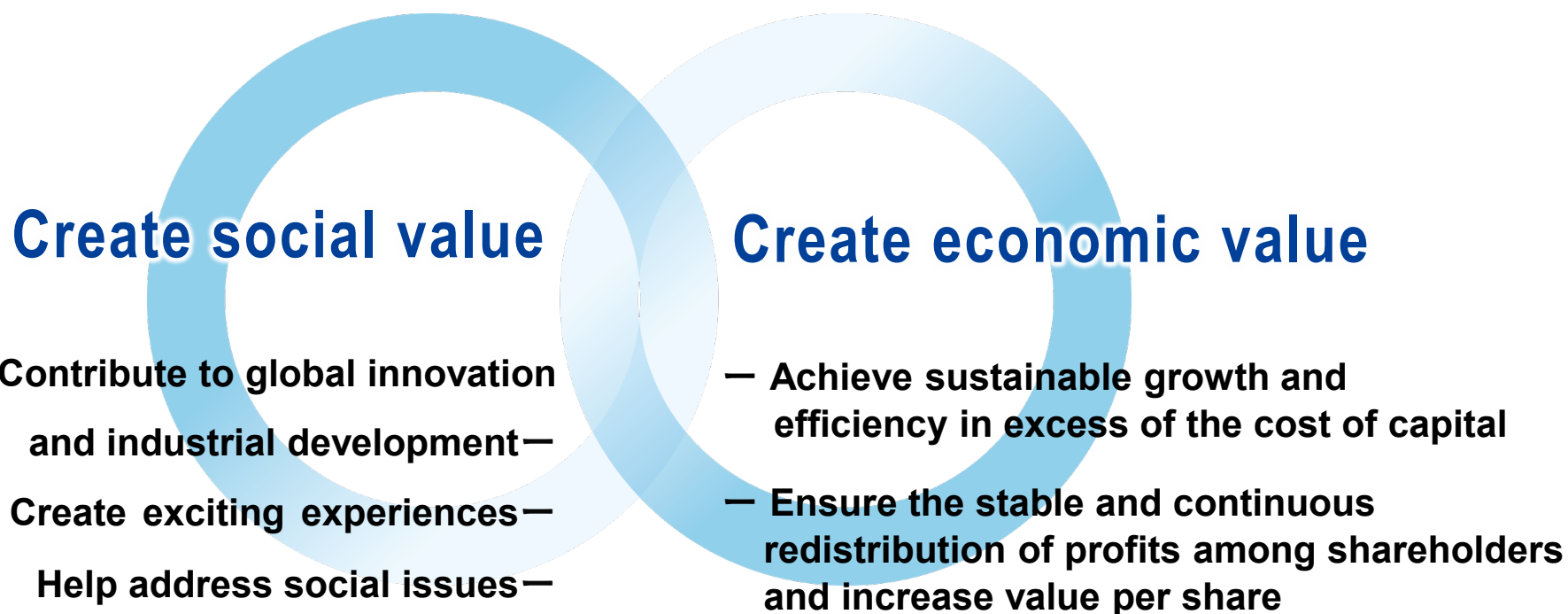
Manage with an equal focus on the three key objectives: enhance growth, efficiency and shareholder returns



Infrastructure That Supports the Strategy

Human resources DX ESG

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



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

Create social value

- Contribute to global innovation and industrial development—
- Create exciting experiences—
- Help address social issues—

Create economic value

- Achieve sustainable growth and efficiency in excess of the cost of capital
- Ensure the stable and continuous redistribution of profits among shareholders and increase value per share

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

Create social value

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efficiency in excess of the cost of
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- Ensure the stable and continuous
redistribution of profits among
shareholders and increase value
per share

Quantitative Targets: Around FY2030

Growth Indicator	EPS^{*1} growth rate	+8% or higher^{*2}	Efficiency Indicator	ROE	10% or higher
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(Reference) VISION 2025 target: +7% or higher

(Reference) VISION 2025 target: Around 8%

* 1: Earnings Per Share
* 2: FY2023 (forecast) – FY2030 (forecast) CAGR

Quantitative Targets: FY2026

Growth Indicator	EPS growth rate	+8% or higher^{*3}	Efficiency Indicator	ROE	8.5% or higher
PL	Business income	¥440 billion or higher^{*4}	Shareholder Returns (FY2024-FY2026)	Total payout return ratio	50% or higher each period (Reference) VISION 2025 target: Around 45% each period
	Net income*	¥270 billion or higher		Dividend payout ratio	Around 35% each period
BS	Total assets	Around ¥9 trillion		Stable dividend increases linked to sustainable profit growth (continuous and progressive dividends)	
	Interest-bearing debt	Around ¥4.5 trillion		Flexible and continuous repurchase of own shares	
Efficiency Indicator	ROA	5% or higher^{*5}			

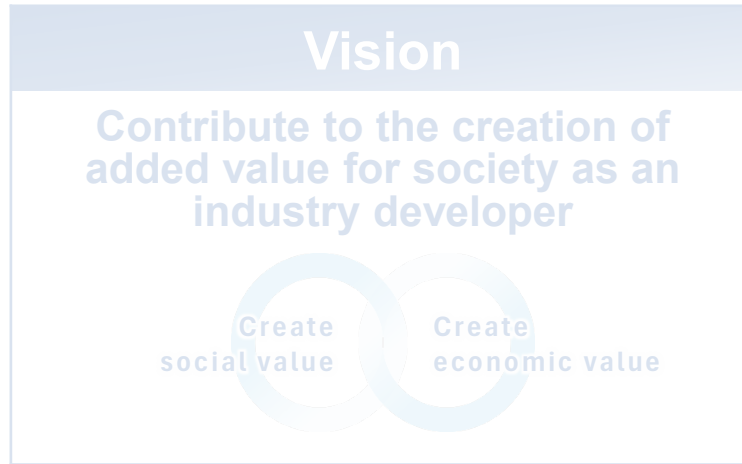
*3: FY2023 (forecast) – FY2026(forecast) CAGR
*4: Operating income + Equity in earnings/losses of affiliates (including Gain/loss on sales of shares of subsidiaries and affiliates for the purpose of real estate sales) + Gain/loss on sales of fixed assets
*5: Business income / Average total assets over period

Balance Sheet Control

Fixed Assets/ Real Property for Sale	Asset turnover with no exceptions (Scope not limited to only real property for sale; fixed assets to also be considered) (FY2024-FY2026)	Around ¥2 trillion	D/E Ratio	Maintain financial soundness while conscious of ratings	Around 1.2-1.5 times
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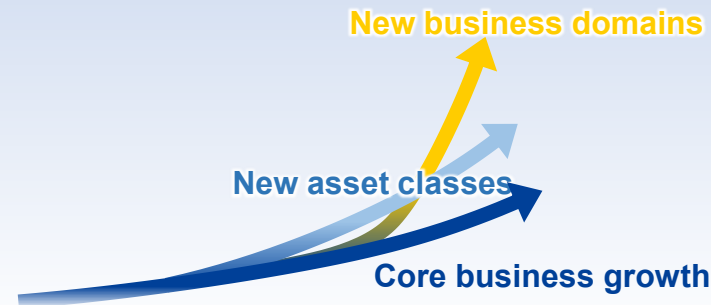
Marketable Securities	Strategic shareholdings (FY2024-FY2026)	Reduction of 50%	Accelerate efforts to reduce strategic shareholdings; reduce current holdings by 50% over the three-year period to FY2026. Continue to actively reduce strategic shareholdings from FY2026 onward.		
	Stocks held purely for investment	Sell at the right time	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.		

* U.S. dollar-yen exchange rate: ¥120/US\$ to ¥140/US\$ range
Interest rates, inflation, etc. are factored after calculating and estimating based on the forecasts of various research institutions.

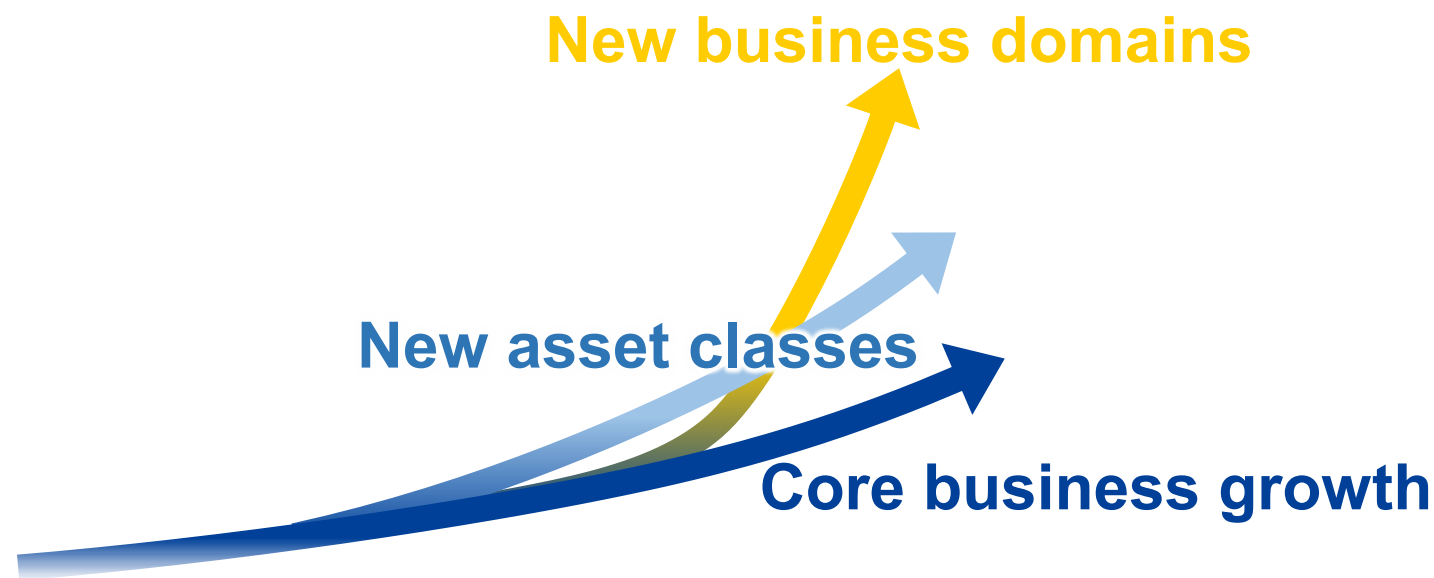


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Three business strategy paths

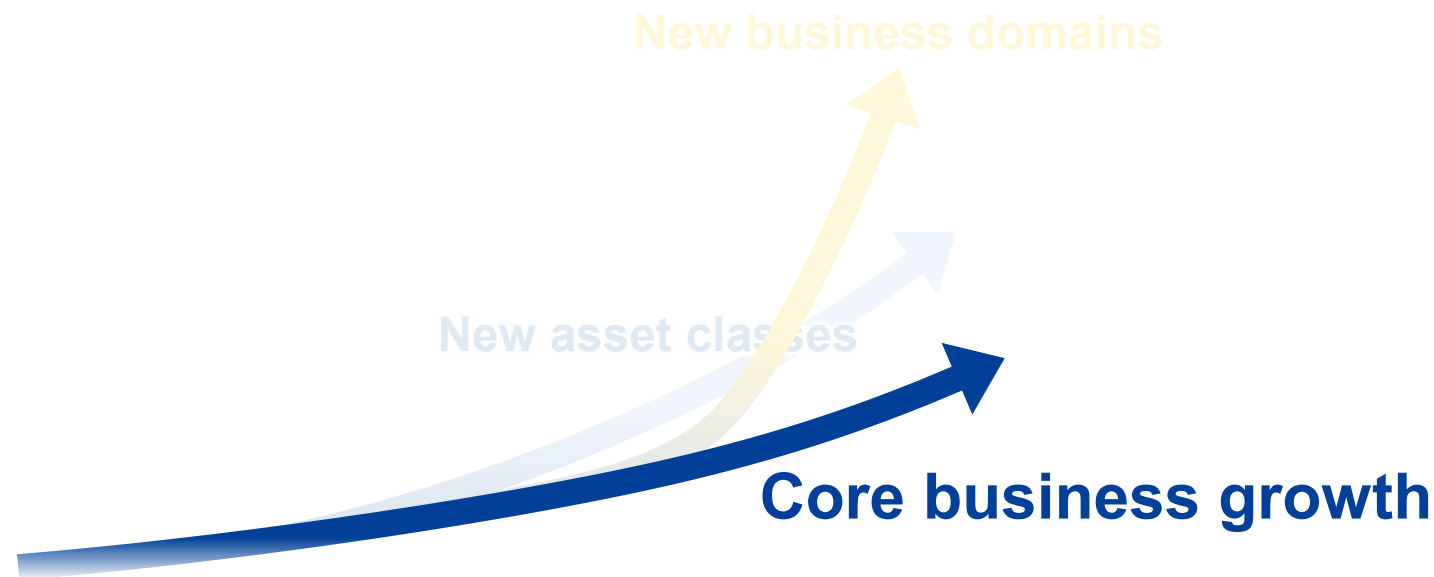


1. Promote further core business growth (develop and evolve)

2. Expand into new asset classes

3. Explore new business domains and capture business opportunities

Three business strategy paths



1. Promote further core business growth (develop and evolve)

- (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.

Pursue a customer-centered approach, Promote competition and differentiation, Create new demand

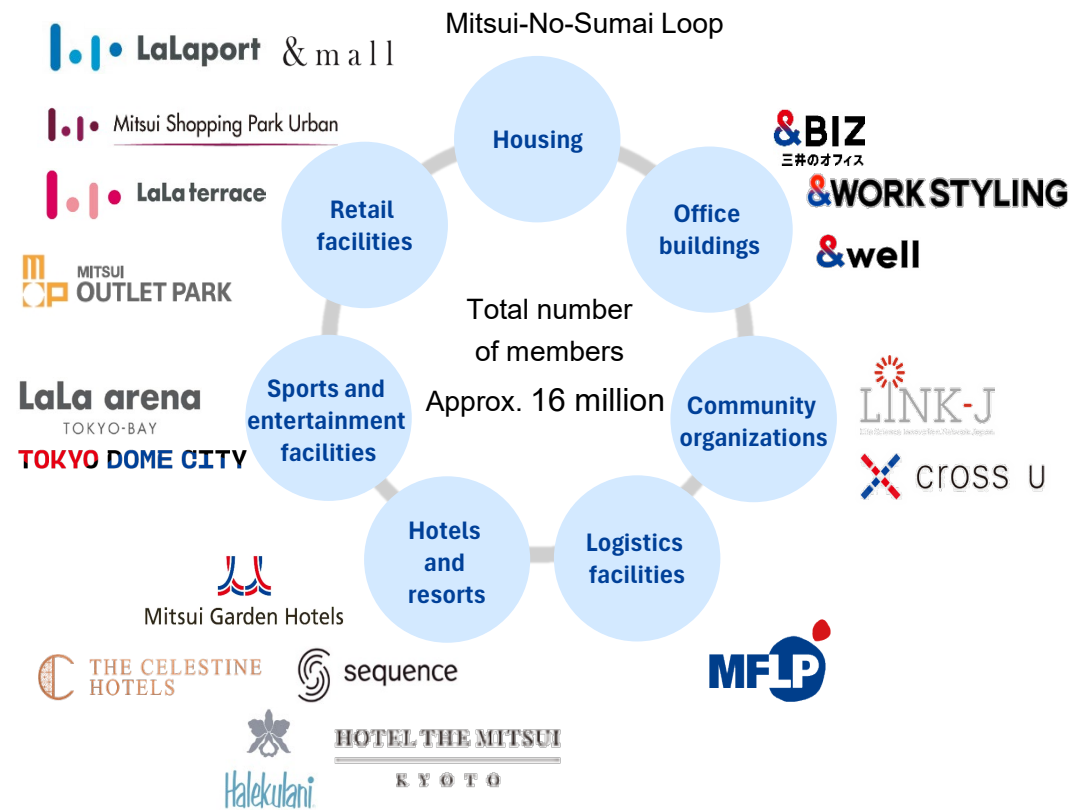
Increase the quality and quantity of core business value provided through real and digital measures

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

Create mixed-use neighborhoods



Strengthen the Mitsui Fudosan Group Network

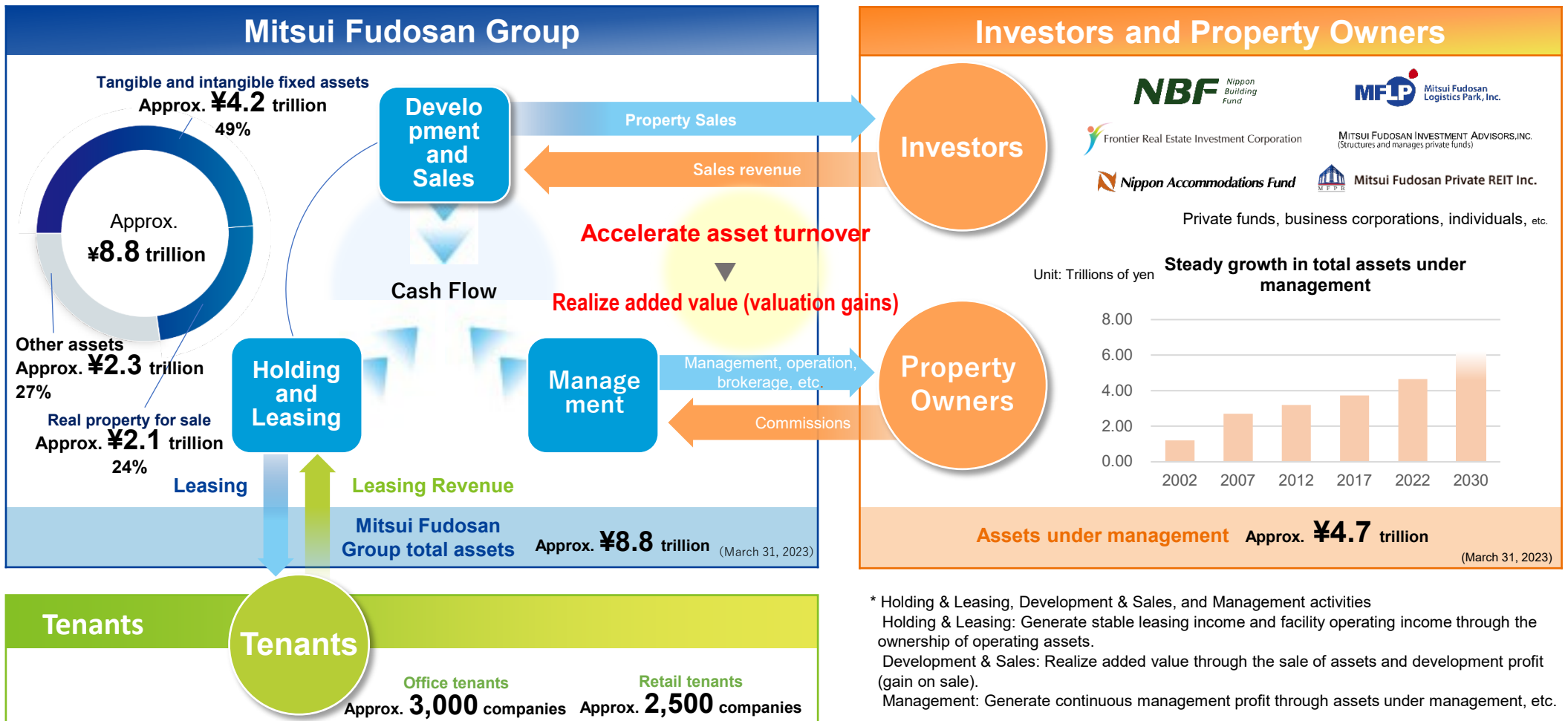


Accelerate asset turnover and realize added value (valuation gains) at an early stage from total real property for sale and fixed assets.

Also consider the proactive use*₁ of third-party funding for large-scale developments.

*₁ Proactively call for third-party funding from various entities, including institutional investors from the business kick-off stage; in addition to the Company's share of revenues, improve business efficiency by acquiring management fees.

Strengthen development profitability



* Holding & Leasing, Development & Sales, and Management activities
 Holding & Leasing: Generate stable leasing income and facility operating income through the ownership of operating assets.
 Development & Sales: Realize added value through the sale of assets and development profit (gain on sale).
 Management: Generate continuous management profit through assets under management, etc.

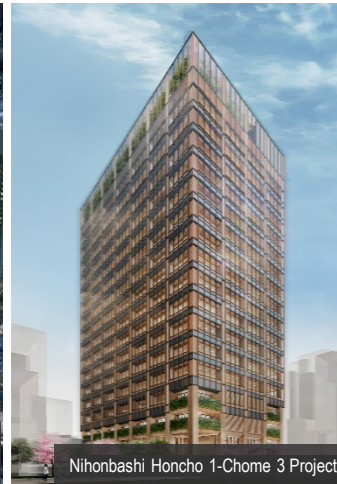
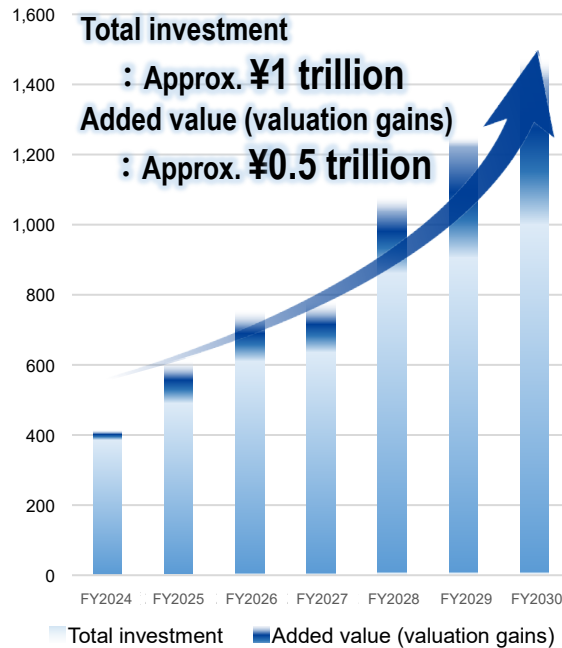
Create sustainable added value through major projects in the existing pipeline

Also promote efforts to capture new business opportunities

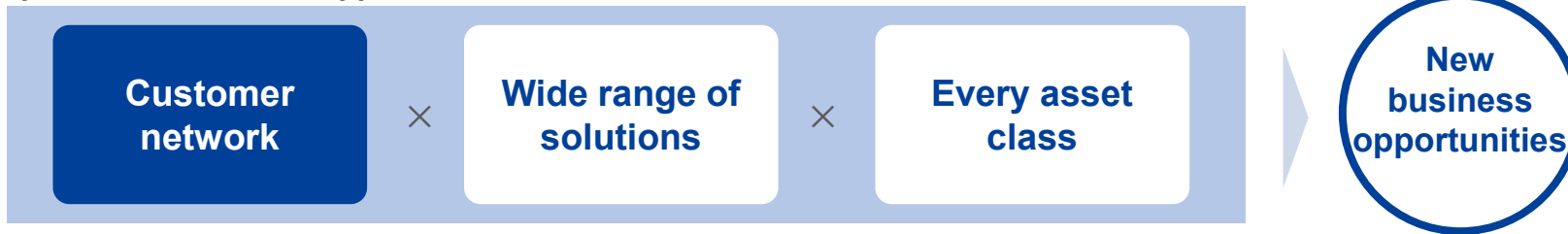
Create sustainable added value

a. Create added value through major projects

(Billions of yen) * Based on the Company's own current estimates.
* Amounts for each fiscal year are cumulative for FY2024 and beyond.



b. Capture new business opportunities



Accelerate new acquisitions focusing largely on merchant development purchases. Strengthen cash collection and BS control endeavors. Expand investment in areas with growth potential and new asset classes.

Accelerate the merchant development investment model

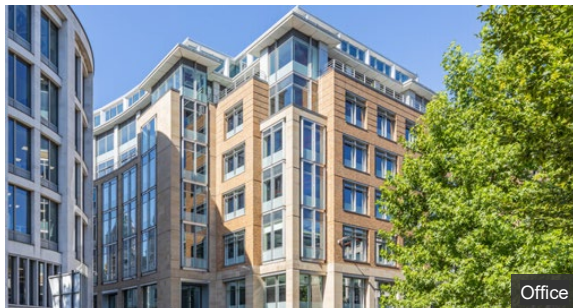
Expand investment in the U.S. Sun Belt Area, which is expected to grow



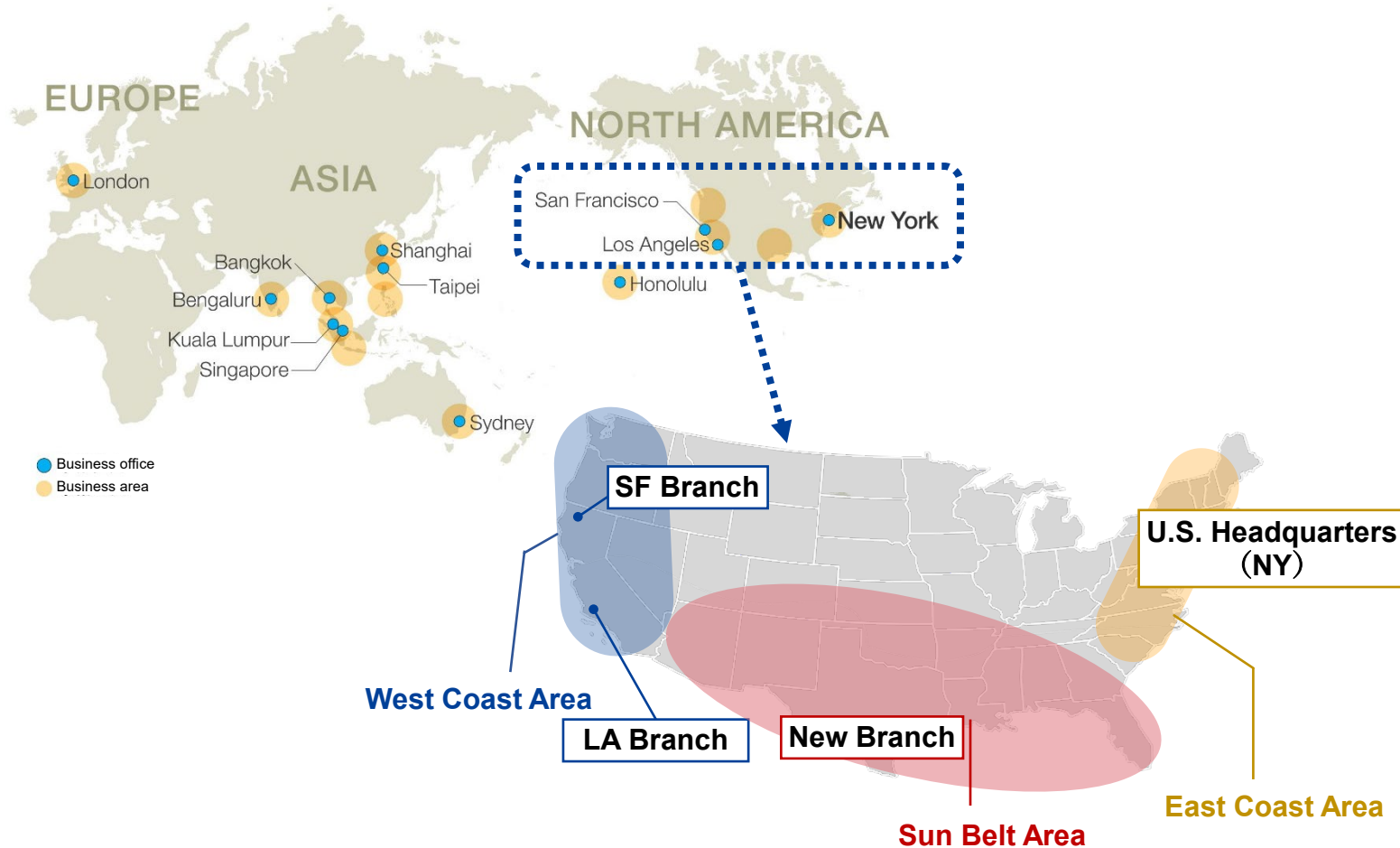
Mixed-use development



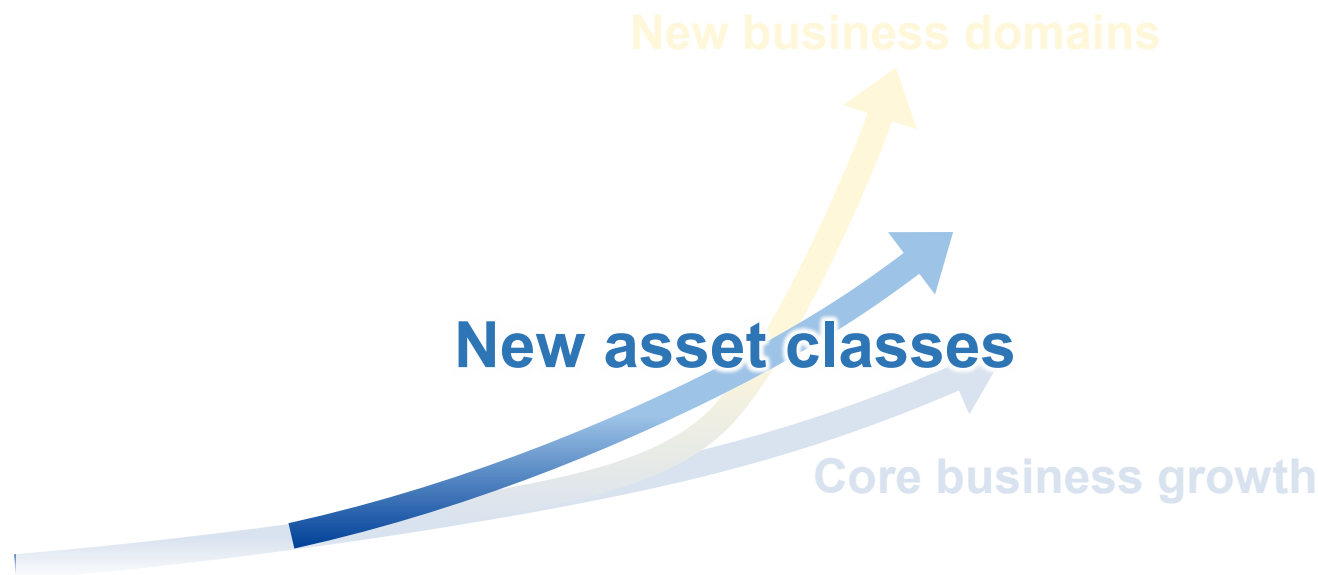
Rental multi-family housing



Office



Three business strategy paths

**2. Expand into new asset classes**

- (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.

Leverage the Group's strengths and expertise and create value for customers

(1) Create neighborhoods harnessing the power of sports and entertainment

Expand on the back of TOKYO DOME CORPORATION's strengths



Promote the arena business



Create exciting experiences through sports and entertainment



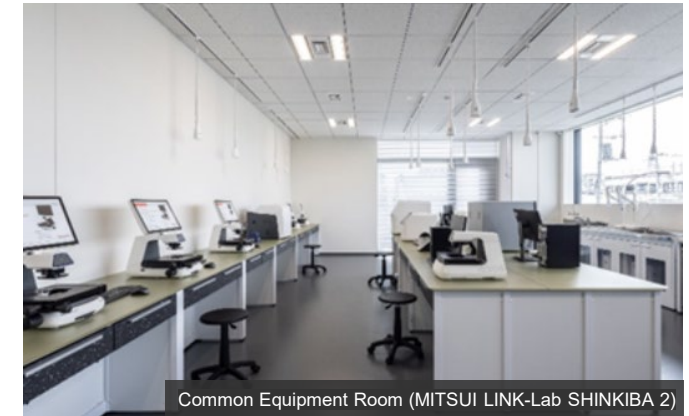
Leverage the Group's strengths and expertise and create value for customers

(2) Expand the Mitsui Lab & Office business

Project development in Japan and overseas



Putting in place an environment for various research scenarios



Leverage the Group's strengths and expertise and create value for customers

(3) Further expand business domains by strengthening the data center business, etc.

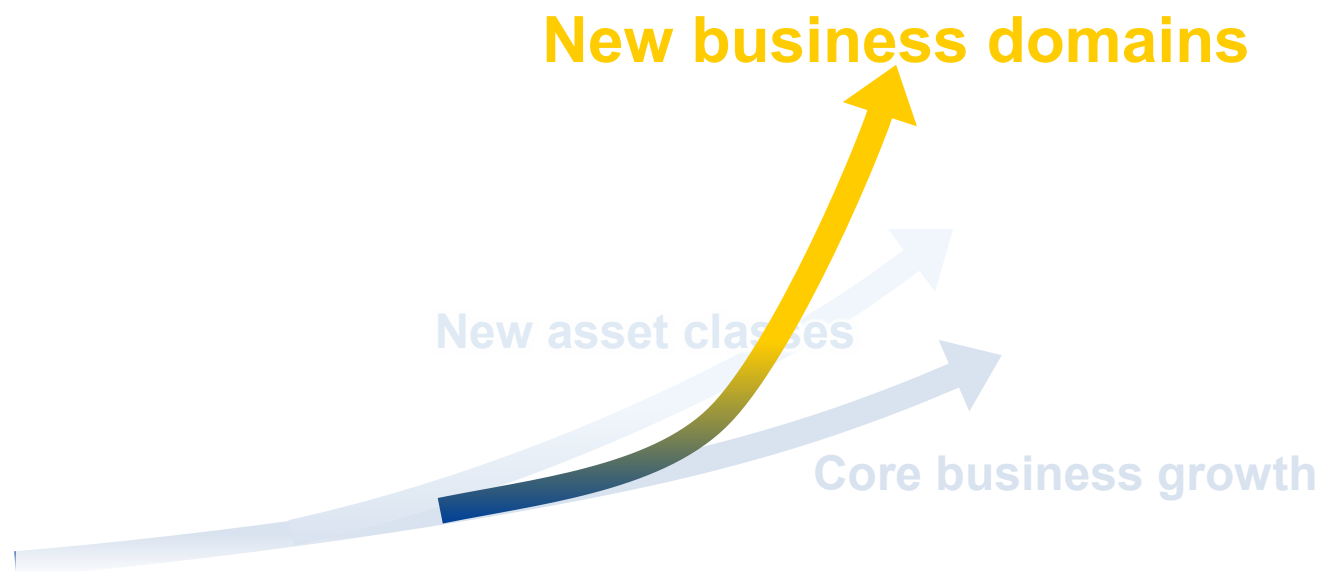
Data center initiatives



Developments that leverage the Group's strengths



Three business strategy paths

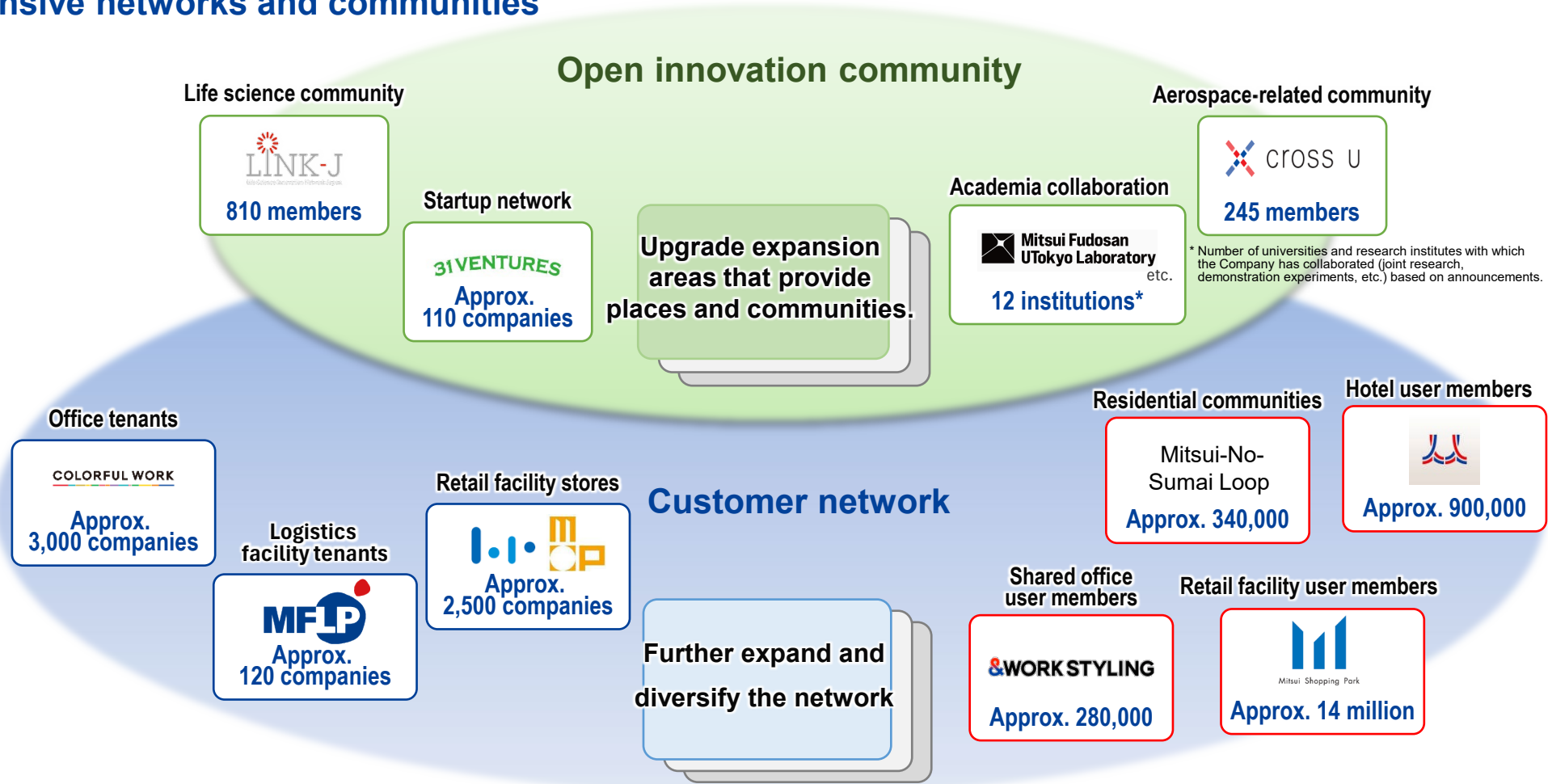


3. Explore new business domains and capture business opportunities

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

Leverage the Group's established network and upgrade expansion areas (menus) that provide places and communities.

Extensive networks and communities



Search for business seeds that contribute to the creation of new industries. 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, and nurture into a new source of revenue.

Image of investment consideration areas

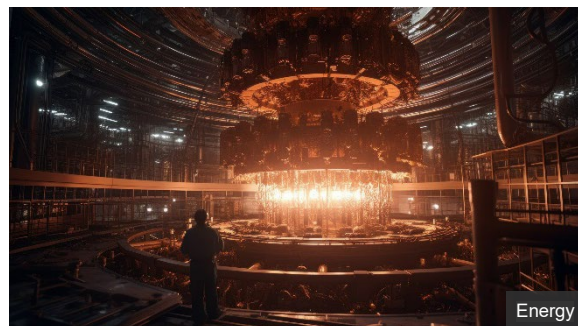
Life science field



Aerospace-related field



Create new industries identified as mainstay areas



Establish the Innovation Promoting Division

M&A investment budget*
Over ¥400 billion

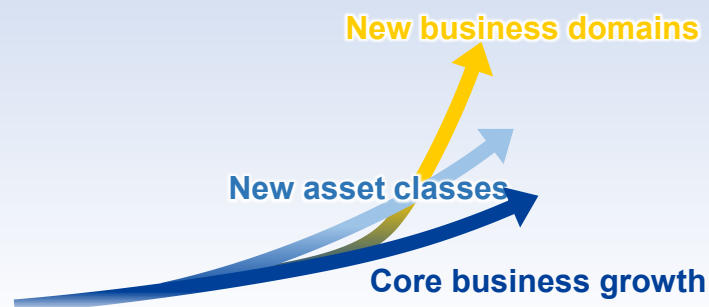
Startup equity investment limit*
Over ¥100 billion

*To FY2030

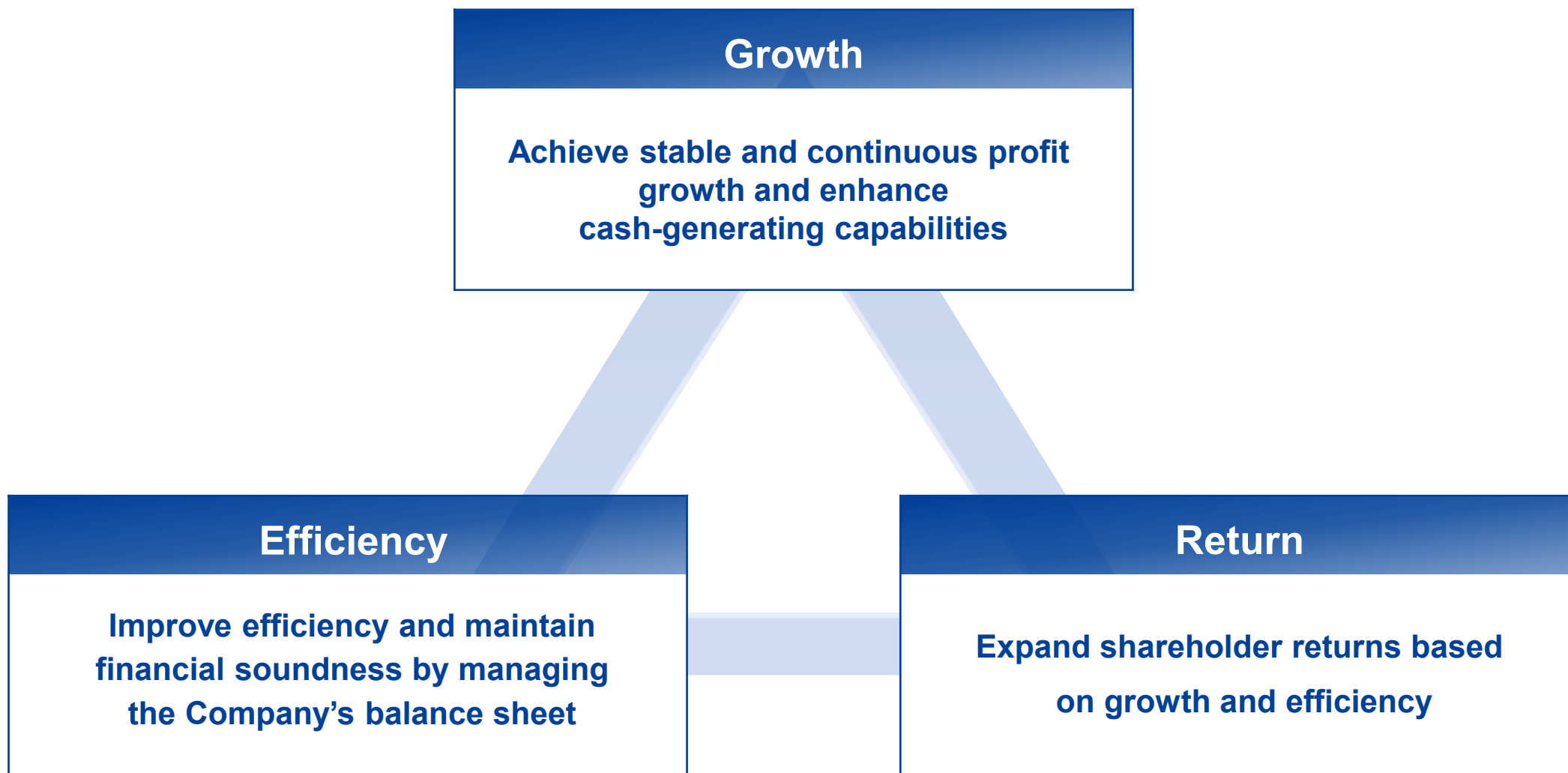


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Manage with an equal focus on the three key objectives: enhance growth, efficiency and shareholder returns



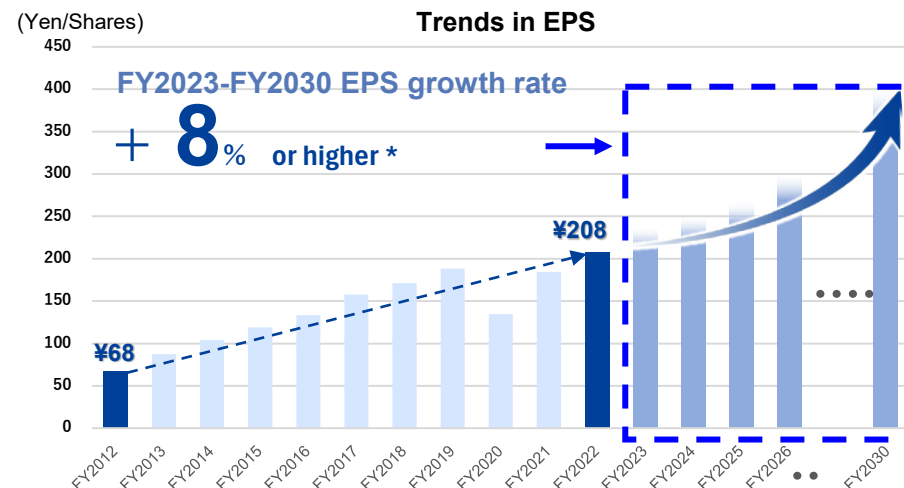
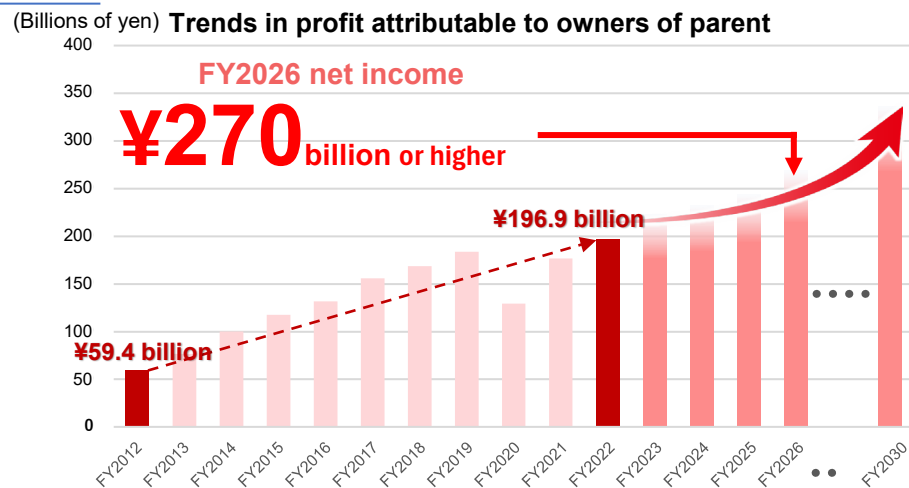
Set the EPS growth rate as a quantitative target and target an EPS CAGR of +8% or higher from FY2023 to FY2030 together with the flexible and continuous repurchase of own shares.

Business income by segment

	FY2022	FY2026	
Leasing	Approx. ¥150 billion	Around ¥180 billion	<ul style="list-style-type: none"> 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 ¥210 billion	<ul style="list-style-type: none"> Focus on the stable generation of high margins. Amounts recorded each period vary depending on market conditions.
Management	Approx. ¥63 billion	Around ¥70 billion	<ul style="list-style-type: none"> Increase in management fees due to such factors as AUM growth and increase in property management fees.
Facility Operations	Approx. - ¥4 billion	Around ¥30 billion	<ul style="list-style-type: none"> Further improvements in ADR for hotels and resorts. Increase in the number of Tokyo Dome customers, etc.
Business Income	Approx. ¥313 billion	¥440 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



* FY2023 (forecast) – FY2030 (forecast) CAGR

Accelerate asset turnover and realize added value (valuation gains), while taking into consideration the balance between leasing income and sales profit.

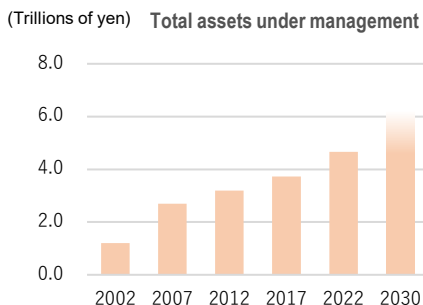
(Sale of fixed assets and real property for sale without exception; reduction of strategic shareholdings; sell at the right time stocks held purely for investment purposes)

Maintain a highly efficient and sound financial structure while controlling the balance sheet (BS).

Assets under management
Expand assets under management (AUM)
⇒ Expand management income

Private funds, business corporations, individuals, etc.

Steady growth in total assets under management



Total assets
Accelerate asset turnover
⇒ Realize added value (valuation gains)
Proceeds from asset turnover
Around ¥2 trillion (FY2024-FY2026)

Fixed assets/ Real property for sale
Sale without exception

Marketable securities

- **Strategic shareholdings**
Reduction of around 50% (FY2024-FY2026)
Accelerate efforts to reduce strategic shareholdings; reduce current holdings by 50% over the three-year period to FY2026. Continue to actively reduce strategic shareholdings from FY2026 onward.
- **Stocks held purely for investment purposes**
Sell at the right time
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.

Interest-bearing debt/Equity
Financial leverage
Maintain an “A” rating

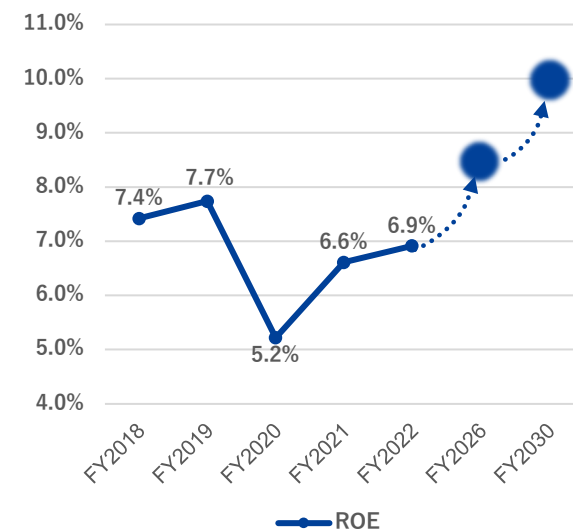
D/E ratio
Around 1.2-1.5 times

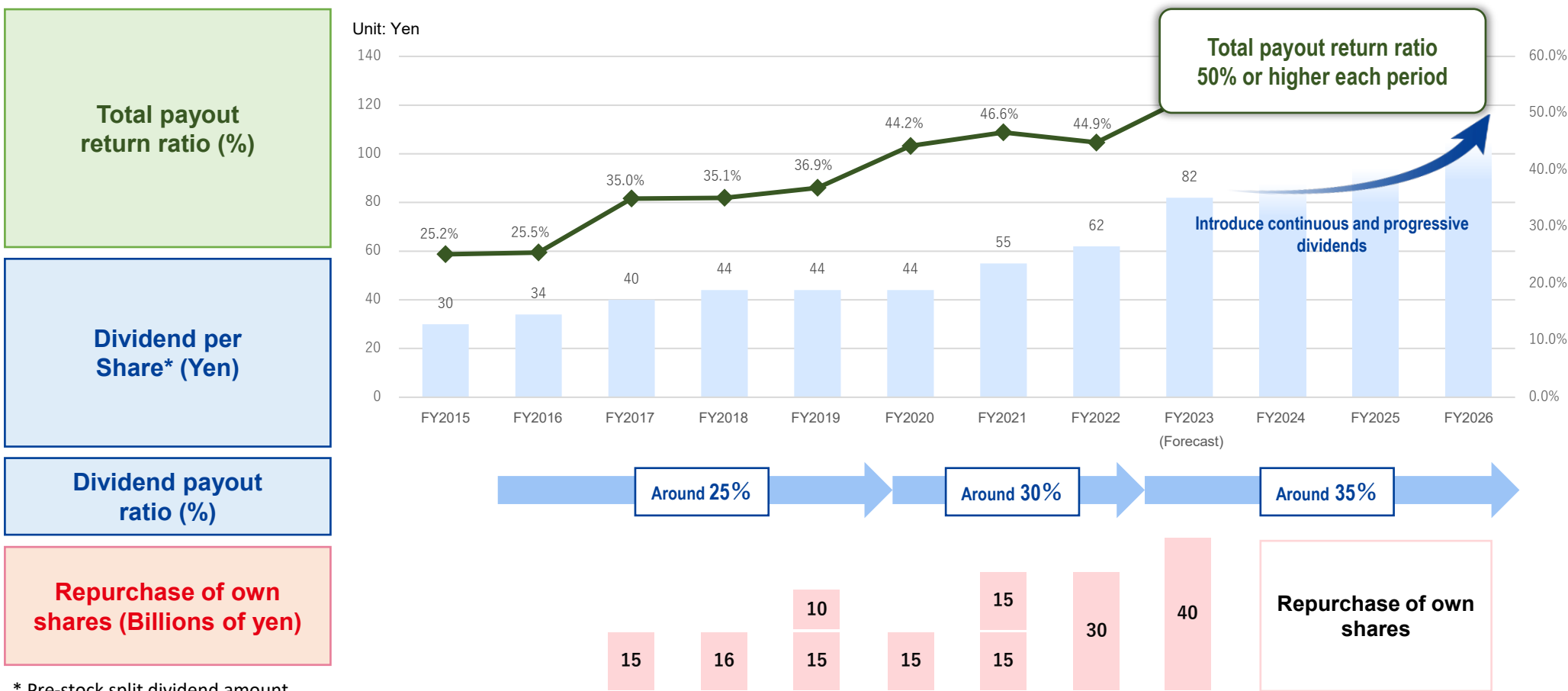
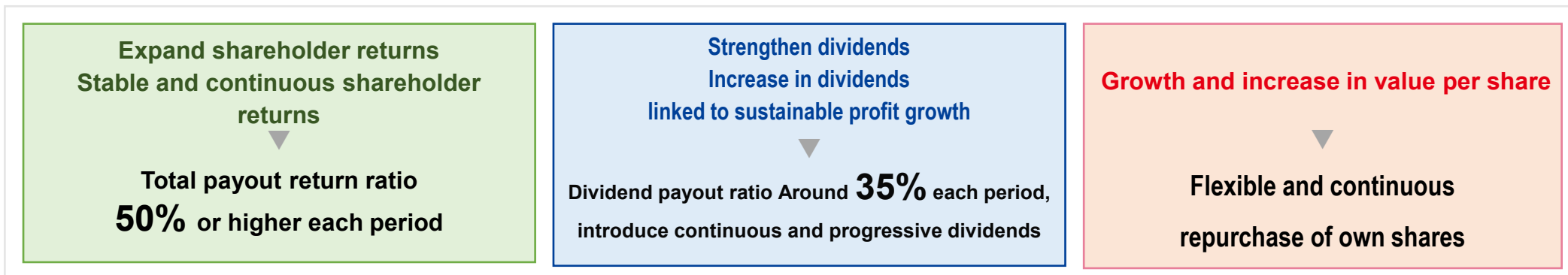
Shareholder returns
Return of profits to shareholders taking into consideration financial soundness and capital efficiency

ROE Target

FY2026
ROE 8.5% or higher

Around FY2030
ROE 10% or higher



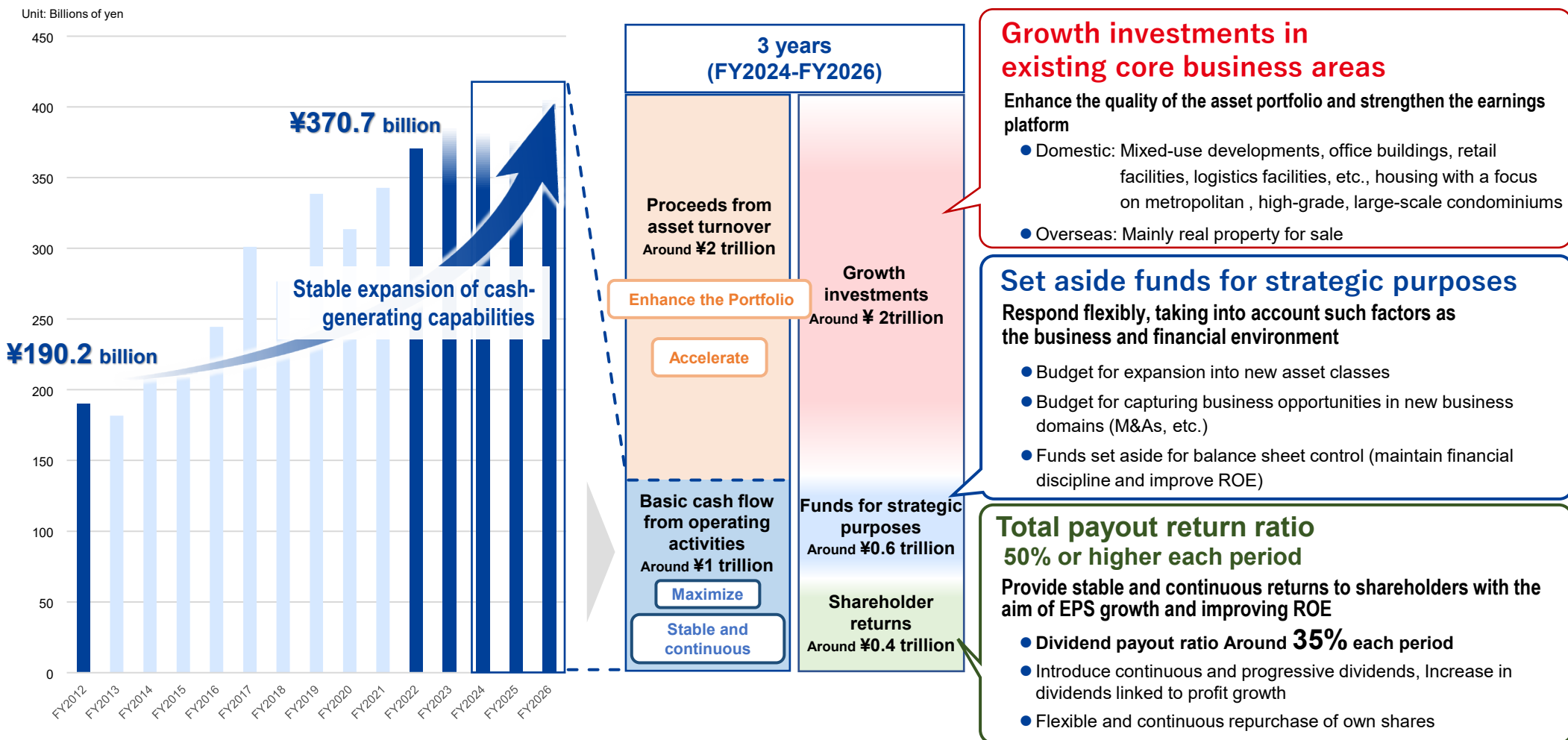


* Pre-stock split dividend amount

7 consecutive years Undertake the flexible and continuous repurchase of own shares

**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 increase 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.



* 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.

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Three business strategy paths

New business domains

New asset classes

Core business growth

EPS growth rate

+ 8 % or higher *

* FY2023 (forecast) – FY2030 (forecast) CAGR

ROE

10 % or higher

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<https://www.mitsuidosan.co.jp/english/corporate/innovation2030/pdf/innovation2030.pdf>

(Time notation of posted data on the document.)

As of February 29, 2024 * Except as indicated in individual data.

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