

“Transforming the city Transforming the future”

Formulation of the Mitsui Fudosan Group’s New Philosophy and Long-Term Vision
ROE of 10% or Higher, Growth Investments of ¥2 Trillion, and M&A Investments of ¥0.4 Trillion

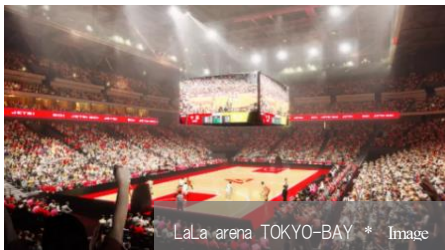
Outline of this release

- **Redefine the Group’s Philosophy with a view toward a new era of value creation.**
 - ✓ Based on the Group’s spirit (DNA) passed down from generation to generation and in a bid to realizing the vision we wish to fulfill, identify a corporate message that indicates the direction in which the Group is moving while at the same time revising its group logo.
 - **Formulate the Group’s new long-term vision, & INNOVATION 2030 and contribute to innovation and the creation of added value for society as an industry developer.**
 - ✓ Set an **EPS*¹ growth rate of 8% or higher*² and an ROE of 10% or higher** as quantitative targets for around fiscal 2030 and promote business strategies that focus on efficiency
 - ✓ Undertake **growth investments of around ¥2 trillion in core businesses up to fiscal 2026** and set an **M&A investment budget of over ¥400 billion and a startup equity investment limit of over ¥100 billion both up to fiscal 2030**
 - ✓ Identify **1. Promote further core business growth, 2. Expand into new asset classes, including sports and entertainment, and 3. Explore new business domains and capture business opportunities** as three business strategy paths and put into practice ambidextrous management.
- * 1 EPS: Earnings Per Share *2 FY2023(forecast) - FY2030 (forecast) CAGR

Mitsui Fudosan Co., Ltd. (the “Company”), hereby announces that the Company has formulated its new Group Philosophy and the long-term vision, & INNOVATION 2030, through to fiscal 2030.

In 2018, the Group formulated its long-term vision, “VISION 2025,” and has worked diligently to establish a sustainable society through the creation of neighborhoods, harness technology to innovate the real estate business, and evolve into a global company. As a result, the Group’s business has expanded on a global scale and evolved into the form outlined in VISION 2025.

The world is today experiencing a major paradigm shift. Seizing these changes as an opportunity to evolve as an industry developer or platformer that goes beyond the boundaries of a real estate developer, we will contribute more than ever to the creation of innovation and added value for society.



1. Formulation of the Group's New Philosophy

The world is today experiencing a major paradigm shift. Meanwhile, the Japanese economy is transitioning toward a new phase, with the Nikkei Stock Average reaching record highs, the lifting of the negative interest rate policy, and introduction of wage increases aimed at putting an end to “the lost 30 years” that followed the nation’s bubble economy. In order to promote value creation in this new era, we must transform and evolve ourselves. With this in mind, we reexamined our raison d’être and redefined Our Philosophy. Moreover, we have formulated the corporate message “Transforming the city Transforming the future” to summarize Our Philosophy and indicate the direction in which the Group is moving.

In addition, we have revised our group logo to better clarify the “&” philosophy in the “& mark” and express as a more fluid and robust symbol.

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

& INNOVATION 2030
DREAM, VISION, REALITY

& INNOVATION 2030, 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**.

Group logo

MITSUI FUDOSAN GROUP

* Trademark application filed and under review.

- Better clarify the “&” philosophy in the “& mark” that is our DNA and express as a more fluid and robust symbol. Each and every member of the Group will continue to serve as a link between people, nature, and industry.
- The image of the “& mark” is a single stroke design, much like the “obi” of a kimono. This not only represents suppleness and strength, but also intertwines closely with the Company’s “Echigoya” clothing store roots.
- Maintain the Company's red and blue corporate colors. Red represents the sun, passion, and cities while blue the ocean, wisdom, and nature.

2. About the Group's New Long-Term Vision, & INNOVATION 2030

& INNOVATION 2030 codifies our vision as a group “to contribute to the creation of added value for society as an industry developer.” “Creating social value” leads to differentiation and competitiveness, which in turn helps “create economic value.” The economic value created then helps create even greater social value. Based on this understanding, we will promote the creation of both “social value” and “economic value” to achieve our goals. Our VISION aims to bring the Group's DREAM for 2030 to a REALITY by conceptualizing specific strategies while turning these two wheels of a cart.

(1) The structure of our long-term vision



(2) Quantitative targets

Quantitative Targets: Around FY2030

Growth Indicator	EPS^{*1} growth rate +8% or higher^{*2}	Efficiency Indicator	ROE 10% or higher
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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} Net income* ¥270 billion or higher <small>* Net income = Profit attributable to owners of parent</small>	Shareholder Returns (FY2024-FY2026)	Total payout return ratio 50% or higher each period Dividend payout ratio Around 35% each period Stable dividend increases linked to sustainable profit growth (continuous and progressive dividends) Flexible and continuous repurchase of own shares
BS	Total assets Around ¥9 trillion Interest-bearing debt Around ¥4.5 trillion		
Efficiency Indicator	ROA 5% or higher^{*5}		

* 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.

^{*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

The Group's shareholder return policy will also be applied to the fiscal year ended March 31, 2024. For details, please refer to the press release, "Announcement regarding Revisions of Dividend Forecast and the Determination of Share Repurchase" dated April 11, 2024.

URL: <https://www.mitsui-fudosan.co.jp/english/corporate/ir/library/news/2024/pdf/20240411.pdf>

(3) Three business strategy paths

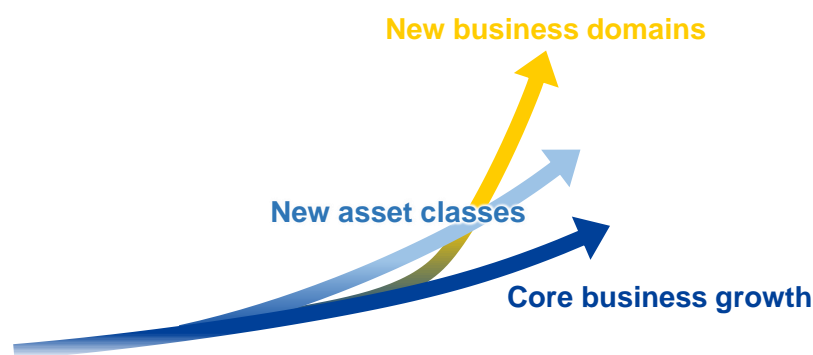
The Mitsui Fudosan Group identified (1) Promote further core business growth, (2) Expand into new asset classes in the real estate domain, and (3) Explore new business domains and capture business opportunities that go beyond the real estate domain as its three business strategy paths. Precisely since we can now expect solid growth in our core businesses, we will search for new business seeds that are expected to display significant future growth and nurture them into new sources of revenue to realize the Group's growth.

To that end, we have established the following investment limits:

- Growth investments in existing core business areas of around ¥2 trillion (to FY2026)
- Funds for strategic purposes of around ¥0.6 trillion (to FY2026)
- M&A investment budget of over ¥0.4 trillion (to FY2030)
- Startup equity investment limit of over ¥0.1 trillion (to FY2030)

We will put into practice ambidextrous management, by which we will promote further growth in our core businesses and neighboring fields, while also searching for business opportunities in new business domains beyond our existing real estate domain.

Three business strategy paths



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.

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.

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

For details of the new long-term vision, & INNOVATION 2030, please refer to the following:

URL: <https://www.mitsuifudosan.co.jp/english/corporate/innovation2030/>

3. New Materiality

Based on its new Philosophy, the Mitsui Fudosan Group has also revised its "GROUP MATERIALITY" and identified the following six priority issues: 1. Contribute to industrial competitiveness, 2. Coexist with the environment, 3. Health and vitality, 4. Safety and security, 5. Diversity and inclusion, and 6. Compliance and governance.

Details of progress in creating social value through the Group's new long-term vision, & INNOVATION 2030 in response to this materiality will be disclosed in the Group's Sustainability Report scheduled for publication in August 2024.

For details of the Group's new materiality, please refer to the following:

URL: https://www.mitsuifudosan.co.jp/english/esg_csr/approach/materiality/