

INTEGRATED  
REPORT  
2021



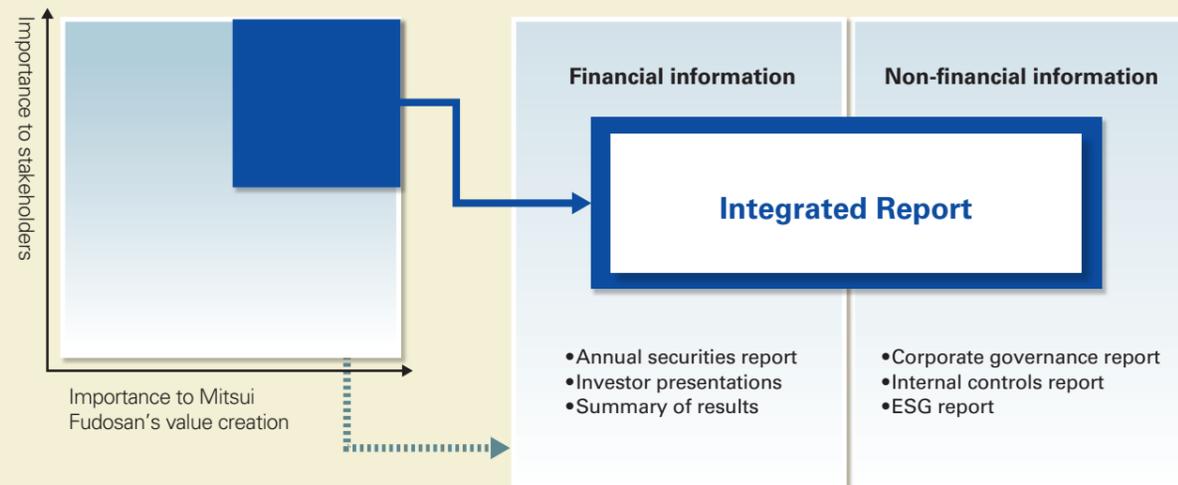
# Editorial Policy

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 also 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 published by the International Integrated Reporting Council (IIRC) in December 2013, and 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 various other forms of communication given below.

## Positioning of the Integrated Report



## About the Website

<p><b>Corporate Website</b>  <a href="https://www.mitsui-fudosan.co.jp/english/">https://www.mitsui-fudosan.co.jp/english/</a></p>	<p><b>Shareholder and Investor Information</b>  <a href="https://www.mitsui-fudosan.co.jp/english/corporate/ir/">https://www.mitsui-fudosan.co.jp/english/corporate/ir/</a></p>	<p><b>ESG/Sustainability</b>  <a href="https://www.mitsui-fudosan.co.jp/english/esg_csr/">https://www.mitsui-fudosan.co.jp/english/esg_csr/</a></p>
<p>Contains materials related to financial results, audio and video versions of results briefings and information for shareholders and investors.</p>	<p>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.</p>	

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### 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 may vary greatly from forecasts. Important factors influencing actual results include the economic situation encompassing the Group's business domains, foreign currency exchange rates including yen-U.S. dollar cross rate, and the Japanese share market.



## GROUP STATEMENT

**The Mitsui Fudosan Group aims to bring affluence and comfort to urban living.**

### GROUP VISION What we want to be

#### Philosophy

Seeking to link diverse values, coexist in harmony with society and achieve a sustainable society, as symbolized by the Mitsui Fudosan “” logo, we will work to foster social and economic development as well as global environmental preservation. Under “&EARTH”, we will aim for a society that enriches both people and the planet.

#### Evolution and value creation

By bringing knowledge and experience together in diverse ways, we seek to advance the real estate business and create new value, both at home and abroad, proactively responding to global changes in social environments and market structures.

#### A profitable and growing Mitsui Fudosan Group

We seek to create a profitable and growing Mitsui Fudosan Group, acting honestly and fairly to realize the capabilities of the entire organization.

The Group Statement, Vision, and Mission embody the Group management’s basic philosophy and its vision for the future. Since their formulation in 1999, they have guided the Mitsui Fudosan Group as an integrated management policy.

### GROUP MISSION What is expected of us

#### Provide business and lifestyle-related solutions and services

- Maximize urban value creation by providing secure, safe and attractive urban spaces and soft services that bring enrichment and comfort to urban living.
- Provide variable and innovative solutions that stimulate the real estate investment market.

#### Work in partnership with customers from a global perspective

- Treat customers as the business foundation on which to progress and develop the Company.
- Propose and provide products and services by deploying the collaborative strength of the Group with a multidisciplinary approach that meets the real needs of customers.
- Work in partnership with customers to raise brand value by continuously providing services that are highly valued by them.

#### Raise our corporate value

- Raise corporate value through sustainable profit growth and continual innovation.
- Optimize the allocation and use of available resources and pursue efficient operations.
- Conduct operations while closely monitoring and managing business risks.

#### Create strong corporate group by building the capabilities of individuals

- Seek to maintain a creative and pioneering spirit by integrating various skills and values.
- Cultivate and institutionalize the professional capabilities of individuals to raise our creative ability for value-added products and services.
- Maintain high awareness of ethical, disciplinary, and compliance issues, and act accordingly.

# Value Creation Process

In accordance with the principles embodied by the “” logo—coexist in harmony with society, link diverse values and achieve a sustainable society—the Mitsui Fudosan Group leverages our strengths of engagement in every asset class, an expansive value chain, and development capabilities necessary for creating neighborhoods to solve social issues through neighborhood creation with the aim of achieving a sustainable society and driving sustainable profit growth.

## Solve social issues through neighborhood creation under the “” logo principles\*

\*Coexist in harmony with society, link diverse values and achieve a sustainable society



### Extensive customer base (As of March 31, 2021)

Office tenants: approx. 3,000 companies  
Retail tenants: approx. 2,400 companies  
Mitsui Housing Loop members\*1: approx. 280,000  
\*1 September 30, 2021



### Diverse human resources (As of March 31, 2021)

Group headcount: 23,992  
Ratio of female employees\*2: 40.6%  
Ratio of mid-career hires\*3: 44.1%  
\*2 Non-consolidated, as of April, 2021  
\*3 Non-consolidated, FY2020

### Management Resources

» p.17



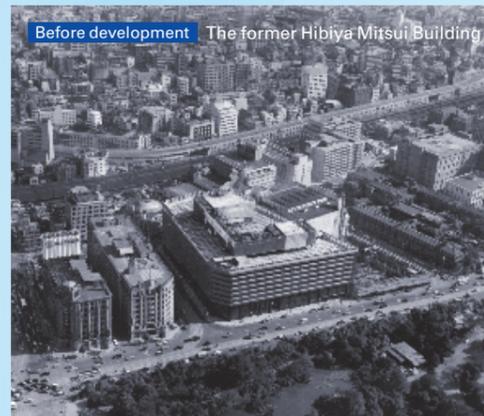
### High quality real estate asset stock (As of March 31, 2021)

Rental properties: approx. ¥3.0 trillion  
Unrealized gain on real estate for rent: approx. ¥2.8 trillion  
Real property for sale: approx. ¥1.9 trillion



### Solid financial position (As of March 31, 2021)

D/E ratio: 1.42 times  
Ratio of long-term debt (excl. non-recourse): 95.5%  
Unused commitment line: ¥400 billion



Before development The former Hibiya Mitsui Building

- Create neighborhoods that put people first
- Create neighborhoods that get better with age
- Provide real estate to customers as a service rather than a thing (Real estate x ICT)



After development TOKYO MIDTOWN HIBIYA



Creating neighborhoods full of life

Support for diverse workstyles



Multi-site shared offices for corporate clients

E-commerce mall linked to real stores

Reduce environmental impact and generate energy

Create new industries through open innovation

Establish ultra-smart societies by creating neighborhoods

Material issues for value creation  
» p.21

Achieve health, safety, and security in people's daily lives

Achieve a society where a diverse workforce can thrive

Continuously improve compliance and governance



## Establish a Sustainable Society

» p.17 » p.21

## Providing Value

## Drive Sustainable Profit Growth

» p.17 » p.22

- Earnings and profit growth
- Improvements in asset and capital efficiency
- Shareholder return enhancements

### Our Strengths

- Engaged in every asset class (Offices, retail, logistics, housing, hotels, etc.)
- Expansive value chain (Investment, development, management, leasing and sales)
- Development capabilities necessary for creating neighborhoods

### External Environment Recognition

- Population decline
- Low birthrates and an aging society
- Evolution of ICT
- Diversification and fragmentation in perceptions of value etc.
- Increase in awareness of sustainability

## Our Value Creation

The Mitsui Fudosan Group has created wide-ranging new value through neighborhood creation. Several examples are introduced below.

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

#### **Kasumigaseki Building**

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.



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

#### **Suncity**

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.



**At the time of completion**



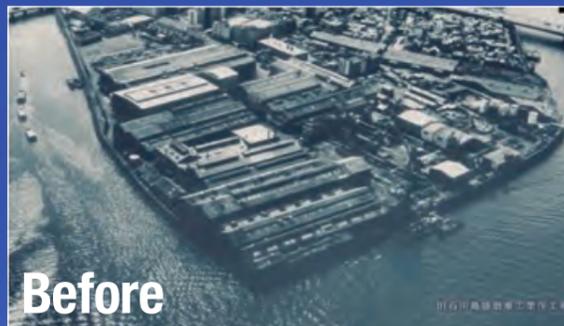
**Present day**

Our Value Creation

# Tackling **Regional Revitalization** Through Urban Waterfront Development

## Okawabata River City 21

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.



# Enhancing Tokyo's Competitiveness as an **International City**

## TOKYO MIDTOWN

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.



# A History of Value Creation: Unceasing Challenge in Our DNA

Mitsui Fudosan has its origins in Echigo-ya, a clothing store opened in 1673 in what is now the Nihonbashi district of Tokyo. In 1941, the real estate division of Mitsui Company was separated from the parent and Mitsui Fudosan Co., Ltd. was established. Through numerous transitional periods in Japan's economy and real estate markets, the Company began with land reclamation in coastal areas, then developed Japan's first skyscraper and first genuine outlet mall, listed Japan's first J-REIT as a fusion of real estate and financing, and otherwise leveraged its spirit of enterprise and customer orientation to create new value.

## The Mitsui Fudosan Group's Roots

Around 350 years ago, Takatoshi Mitsui founded Echigo-ya, a clothing store in the Nihonbashi district of old Edo. The store's business developed rapidly based on the groundbreaking business philosophy of "cash only and fixed, low prices." This spirit of enterprise and focus on customers continues within the Mitsui Fudosan Group today. Echigo-ya's business continued to expand and it developed into Mitsui Company. In 1941, Mitsui Company's Real Estate Division, which managed the real estate held by the company, was spun off and became Mitsui Fudosan Co., Ltd.



Takatoshi Mitsui, the Company's founder (Photo provided by Mitsui Bunko)



Echigo-ya in Nihonbashi during the Edo period (Picture from the Mitsui Memorial Museum collection)

Creation of new value

Expansion of asset classes

Expansion of overseas business areas

**1941 (Founding) —**  
Business foundation established during a period of rapid economic growth

**1970—**  
Moved to diversify management to achieve stable growth

**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—**  
Advancing mixed-use neighborhood creation amid market maturity

Late 1950s-  
Contributing to infrastructure development in the Tokyo metropolitan area  
**Transforming sea into land**

Keiyo Rinkai reclamation project

1968  
Japan's first skyscraper  
**Pioneering Japan's skyscraper era**

Kasumigaseki Building

1981  
A forerunner in shopping centers  
**Creating new lifestyles**

LaLaport TOKYO-BAY

1993  
A forerunner in Tokyo Bay-area tower condominium buildings  
**Resolving housing issues in the city center**

Okawabata River City 21, West Block

1995  
Japan's first genuine outlet mall  
**Creating a new consumption style**

MITSUI OUTLET PARK OSAKA TSURUMI

2001  
Japan's first corporation listed on the J-REIT  
**Creating new businesses in the real estate industry**

Nippon Building Fund Inc.

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

**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

1993 Construction of the entire Okawabata River City 21, West Block completed

**Retail Facilities**

1981 LaLaport TOKYO-BAY opens for business

1995 MITSUI OUTLET PARK OSAKA TSURUMI opens for business

**Hotels & Resorts**

1984 Mitsui Garden Hotel Osaka Yodoyabashi opens for business

**Logistics Facilities**

2014 Construction of Mitsui Fudosan Logistics Park Yashio completed

**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

**Asia**

1972 Establishment of TID Pte Ltd., a joint venture with Hong Leong Group in Singapore

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

2013 San Francisco Branch established

Hudson Yards

Television Centre

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 Ecoworld 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. In both Japan and overseas, we are 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.

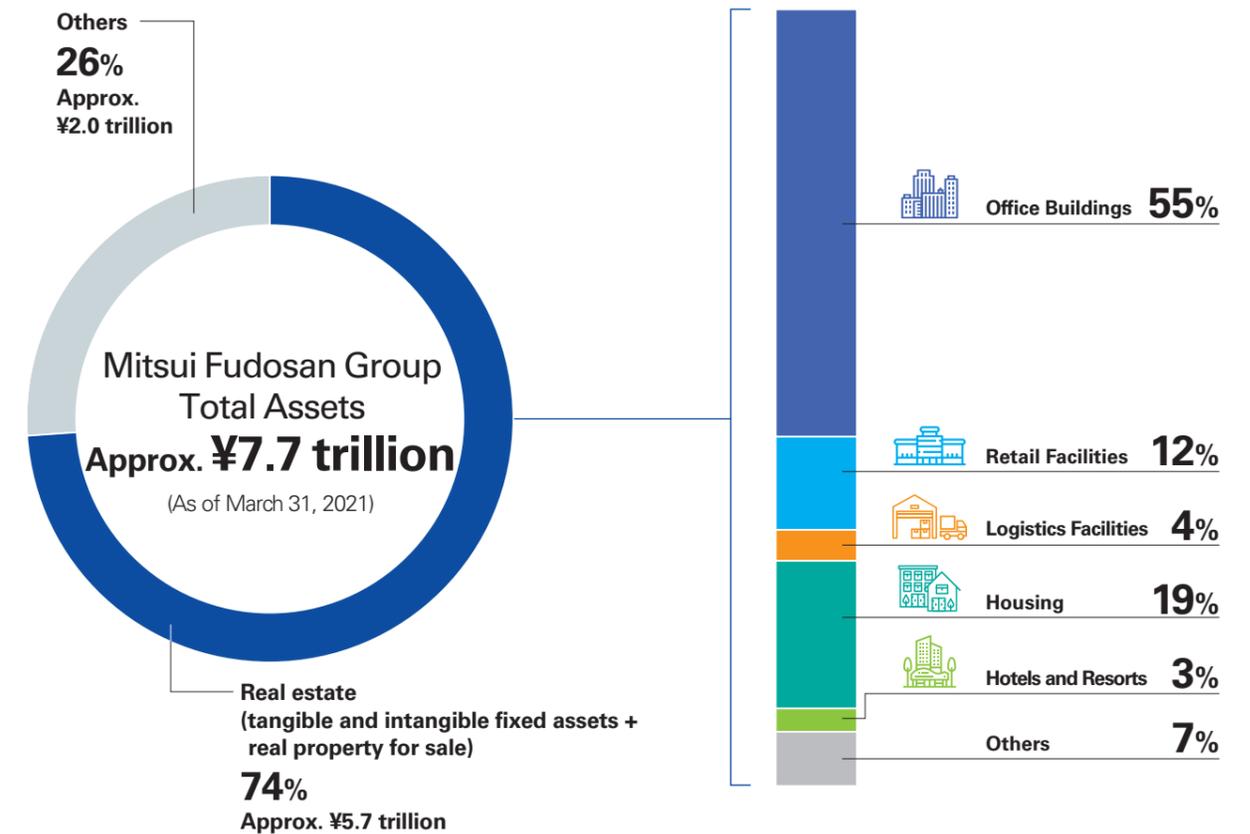
## Diverse Asset Classes

### Main Asset Classes

	Key Data*1		Sources of Revenue	Main Brands	
<b>Office Buildings</b>	Leased Floor Space*2 Approx. <b>3,393,000 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>		
<b>Retail Facilities</b>	Leased Floor Space*2 Approx. <b>2,358,000 m<sup>2</sup></b>	Number of Tenant Companies Approx. <b>2,400</b>	<ul style="list-style-type: none"> <li>Leasing revenue from tenants</li> <li>Income from property sales to REITs</li> </ul>		
<b>Logistics Facilities</b>	Number of Project Facilities*3 (As of September 30, 2021) <b>47</b>	Total Floor Space Approx. <b>4,000,000 m<sup>2</sup></b>	<ul style="list-style-type: none"> <li>Leasing revenue from tenants</li> <li>Income from property sales to REITs</li> </ul>		
<b>Housing</b>	Number of Condominium Units Delivered <b>3,775</b>	Number of Detached Houses Delivered <b>515</b>	Number of Brokered Sales*4 <b>38,507</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>	
<b>Hotels and Resorts</b>	Facilities Directly Operated by the Company (As of September 30, 2021) <b>51</b>	Approx. <b>13,000 rooms</b>	<ul style="list-style-type: none"> <li>Accommodation fees</li> </ul>		

\*1 Values without a noted time are as of March 31, 2021.  
\*2 Leased floor space includes subleased floor space. \*3 Includes existing facilities and facilities under development. \*4 Number of Mitsui Fudosan Realty Group brokered sales prior to eliminations.

### Asset Classes by Type



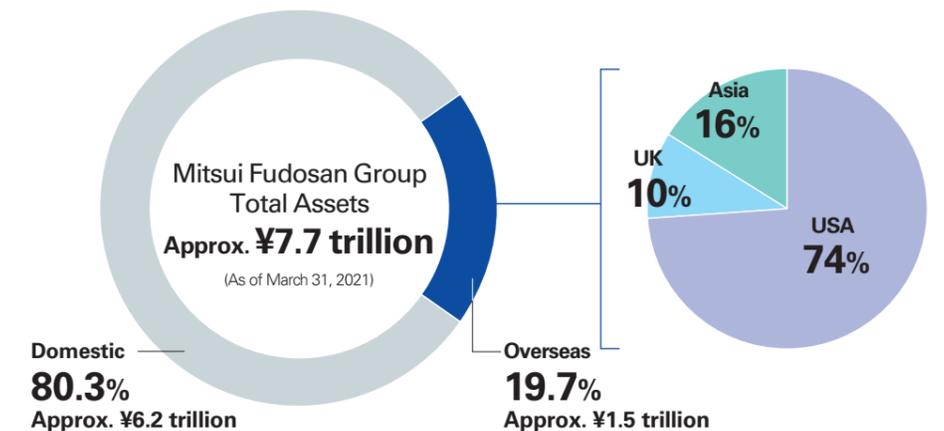
## Our Globally Expanding Assets

### Our Assets in Overseas Areas

Office Buildings 
 Retail Facilities 
 Logistics Facilities 
 Condominiums 
 Rental Housing 
 Hotels and Resorts



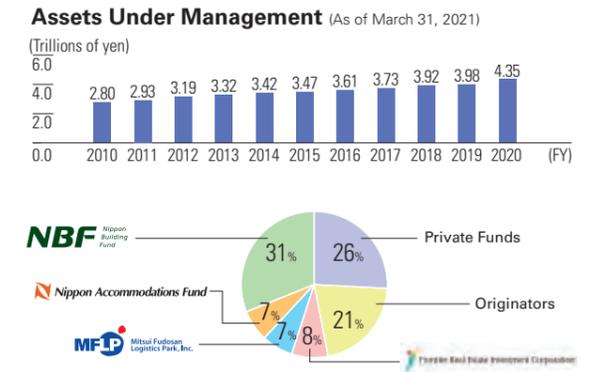
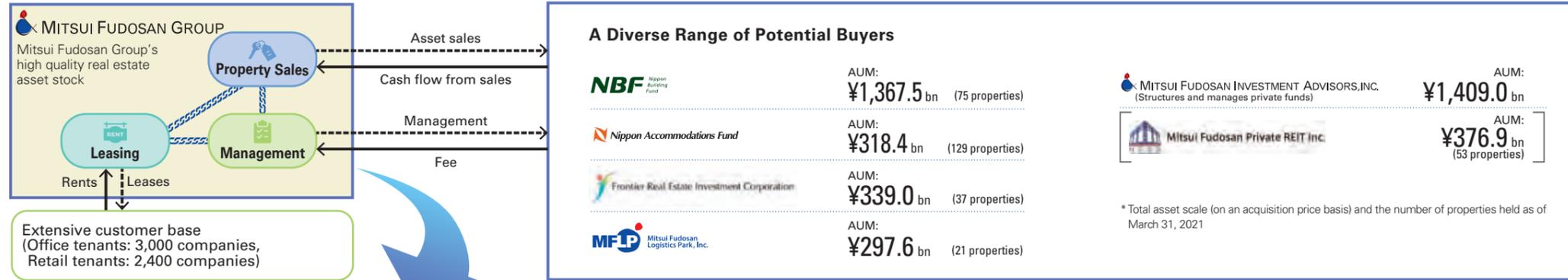
### Assets by Area



# Joint Value Creation Model with Investors and Sources of Revenue

## Joint Value Creation Model with Investors

### Realizing Sustainable Growth Through an Optimum Combination of Leasing, Property Sales, and Management

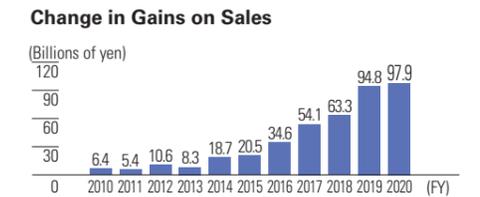
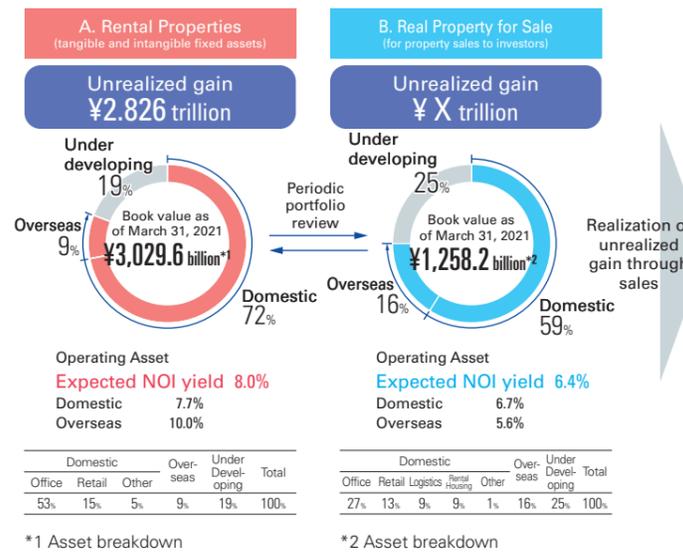


### Mitsui Fudosan Group's High Quality Real Estate Asset Stock



### Property Sales

Advancing asset sales through balance sheet controls and manifesting unrealized gains



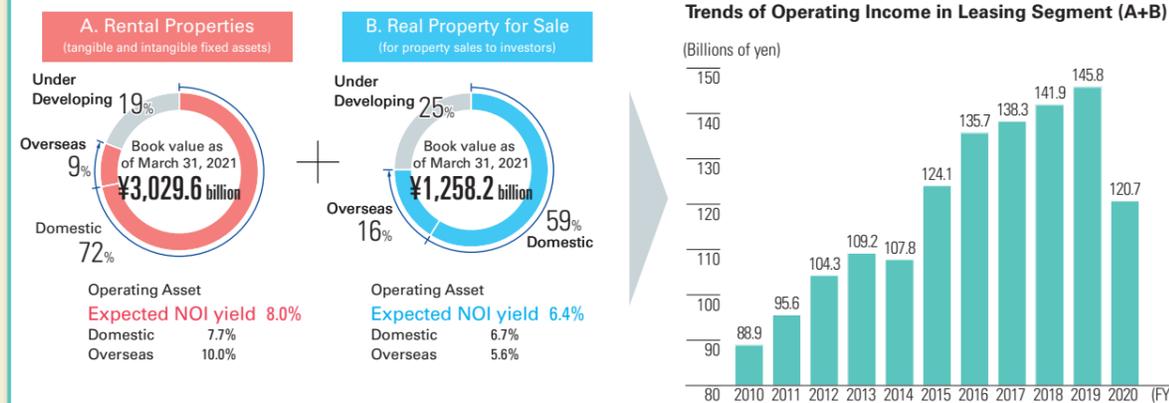
### Examples of Assets Sold in the Past Three Years

Timing	Use	Project Name	Yield**
FY2018	Office	70 Mark Lane (UK)	4.2%~4.9%
	Logistics	Six logistics facility buildings	3.2%
	Office	G-BASE Tamachi	3.8%
FY2019	Retail	IKEBUKURO GLOBE	3.6%
	Retail	SAKAE GLOBE	3.3%
	Retail	Shinsaibashi MG Building	3.2%
FY2020	Office	Osaki Bright Core*	3.2%
	Office	Bright Plaza	3.2%
	Logistics	Three logistics facility buildings	4.3%~4.9%
	Retail	TENJIN216	3.6%
	Office	SHINBASHI M-SQUARE Bright	2.9%
FY2021	Office	Osaki Bright Tower	3.2%
	Office	Two Nagoya Mitsui Buildings	3.7%~4.2%
	Logistics	Three logistics facility buildings	4.0%~4.8%
	Office	GRANTOKYO SOUTH TOWER	2.8%

\*3 Describes the direct reduction yield based on the appraisal value of the property, disclosed at the buyer.

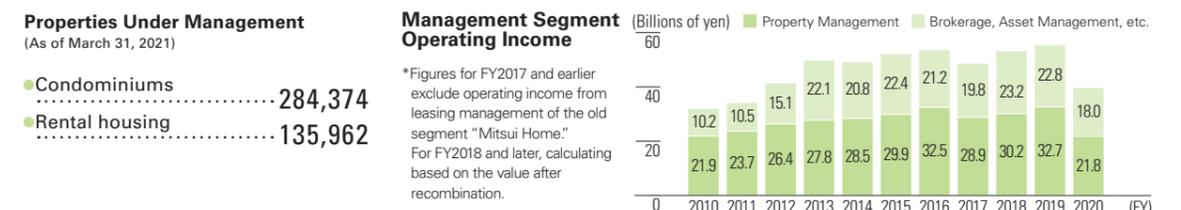
### Leasing

Enjoying stable rent from operating assets



### Management

Realizing stable growth in management income by expanding assets under management



# Value Creation Sources and Achievements

## Value Creation Sources

Values without a noted time are as of March 31, 2021.

**Management Resources**

Office tenants: **Approx. 3,000 companies**

WORK STYLING members: **Over 210,000** (As of October 31, 2021)

&small registered users: **Approx. 4,200,000** (As of September 30, 2021)

Extensive customer base

Retail facility tenants: **Approx. 2,400 companies**

Mitsui Shopping Park point card members: **Approx. 12,500,000** (As of December 2021)

Mitsui Housing Loop members: **Approx. 280,000** (As of September 30, 2021)

Mitsui Garden Hotel members: **Over 500,000** (As of December 2021)

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**Representative brands in each asset class**

**BEYOND THE OFFICE**

MITSUI FUDOSAN

Operates over 100 office buildings, primarily in Tokyo metropolitan area >> p.53

**PARK city** **PARK tower**

Has achieved cumulative sales of over 200,000\* condominiums \*Including sales of joint ventures

**三井のリハウス**

No.1 for number of brokered deals for 35 consecutive years

**三井のリパーク**

Operates car parks in over 15,000 locations across Japan >> p.61

**Mitsui Shopping Park**

**LaLaport**

Operates Company-owned hotels offering about 13,000 guest rooms in Japan and overseas >> p.65

**MITSUI OUTLET PARK**

Records revenue-generating capacity of ¥1.3 trillion (FY2019) >> p.57

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**Group headcount:** **23,992**

Ratio of women employees (non-consolidated): **40.6%** (As of April 2021)

Ratio of women in general positions (non-consolidated): **14.3%** (As of April 2021)

Diverse human resources

Women in management positions ratio (non-consolidated): **5.7%** (As of April 2021)

Ratio of mid-career hires (non-consolidated): **44.1%**

Ratio of employees returned from childcare leave (non-consolidated): **100% (general positions)** (FY2020)

Ratio of long-term debt: **95.5%** (Excl. Non-recourse)

Unused commitment line: **¥400 billion**

Solid financial position

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Rental properties: **Approx. ¥3.0 trillion** >> p.15

High quality real estate asset stock

Unrealized gain on real estate for rent: **Approx. ¥2.8 trillion**

Real property for sale: **Approx. ¥1.9 trillion** (For property sales to investors ¥1.2 trillion For property sales to individuals ¥0.7 trillion)

## Value Creation Achievements

**Drive Sustainable Profit Growth**

**Earnings Expansion**

Revenue from operations

**Maintaining and Improving Business Efficiency**

ROE

**Ensuring Financial Soundness**

Debt/Equity ratio (left axis), Interest-bearing debt (right axis), Shareholders' equity (right axis)

**Accumulation of Quality Leased Assets**

Book value, Unrealized gain (Market value - Book value)

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**Earnings per Share (EPS) and Profit Attributable to Owners of Parent**

EPS (left axis), Profit attributable to owners of parent (right axis)

**Expanding Overseas Business**

Ratio of overseas income\*

**Shareholder Return Enhancements**

Total shareholder return ratio (left axis), Total dividends (right axis), Total amount of treasury stock acquired (right axis)

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**Establish a Sustainable Society**

**&EARTH Clothing Support Project**

Collection of unused clothing items from our retail facilities for donation through NPOs to refugees and other people affected by disasters overseas (conducted 23 times in cumulative total)

Participants: **Approx. 110,000**

Donated clothing: **Approx. 587 t**

Achievement of a sustainable society through international relief and reuse of clothing

**Solar Power Generation Facility (Mega-Solar) Business**

Ownership and operation of five solar power generation facilities (As of April 2021)

Annual power generation: **Approx. 80 million kWh**

Equivalent to the annual power needs of approximately **23,000** typical households

Reduction of greenhouse gases through generation of green electricity

**Ownership of About 5,000 Hectares of Forest in Hokkaido**

(Usage in building materials, etc.)

Annual CO<sub>2</sub> absorption and fixation by forests: **Approx. 17,251 t**

Contribution to greenhouse gas reduction through maintenance of sustainable forests

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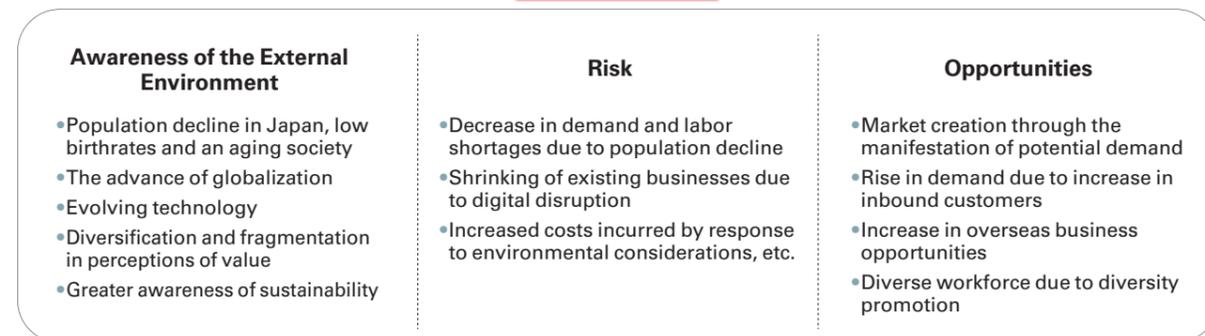
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# Long-Term Vision VISION 2025

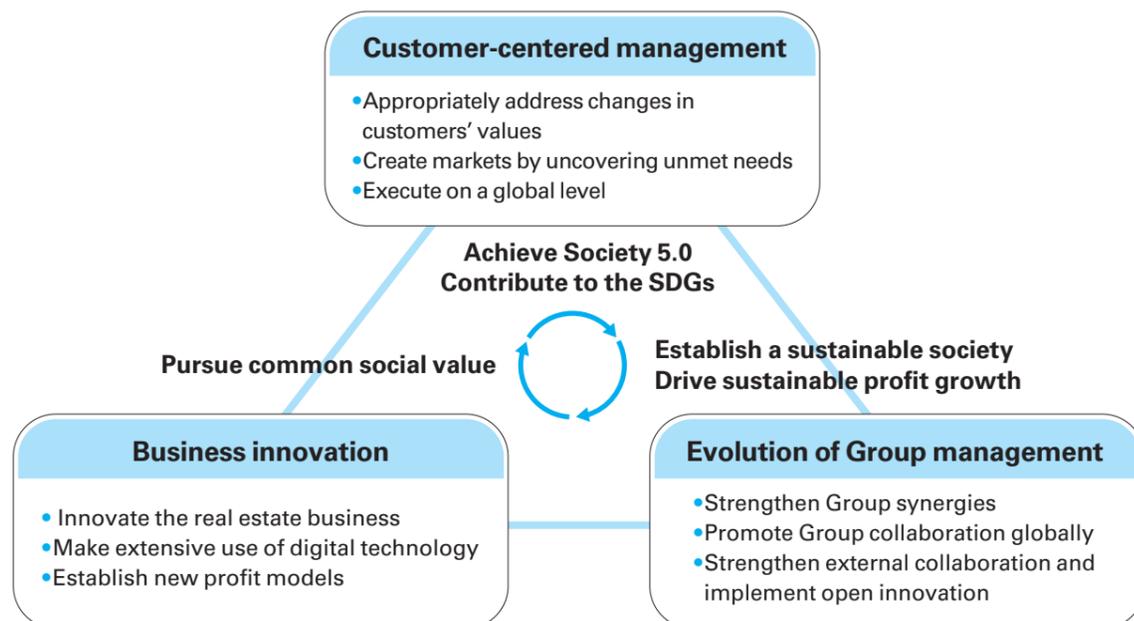
In May 2018, Mitsui Fudosan published VISION 2025, the Group's long-term vision, based on its existing Group Statement, Vision, and Mission. VISION 2025 calls on the Group to aim to innovate the real estate business and achieve further globalization, maintain robust growth and profitability, and contribute to establishing a sustainable society.

## VISION 2025

- **Successfully establish a sustainable society through the creation of neighborhoods**
- **Harness technology to innovate the real estate business**
- **Evolve into a global company**



## Basic Strategies



## Main Initiatives

### Drive evolution in the creation of neighborhoods » p.47

- Provide business and daily lifestyles to people, who are the centerpiece of the creation of neighborhoods.
- Realize the creation of neighborhoods that improve with age and develop smart cities that serve as platforms for ultra-smart societies.

### Innovate business models by harnessing real estate tech » p.71

- Enhance the competitiveness of existing businesses and create new businesses through Real Estate x ICT.
- Accumulate and utilize data from real physical spaces, such as offices, retail facilities, and residences.

### Dramatically grow the overseas business » p.67

- Expand business by leveraging the Mitsui Fudosan Group's strengths as a comprehensive and integrated developer.
- Promote further localization and expand neighborhood creation development projects overseas.

## Infrastructure to support initiatives

### Human resource strategies » p.37

- Promote further diversity
- Encourage higher workforce participation by women
- Recruit and train globally minded human resources and IT professionals

### Organization, systems and governance » p.77

- Enhance awareness of Group-wide optimization
- Establish organization and systems that encourage innovation
- Strengthen governance and strictly enforce compliance

### Asset and financial strategy » p.27 » p.30

- Appropriately control the balance sheet
- Build an optimal portfolio
- Diversify fundraising methods as appropriate for various asset types

## Outlook

Realize sustainable growth of profits for around 2025



# Sustainability Management

In order to realize continuous value creation, the Mitsui Fudosan Group has positioned ESG (Environment, Society, and Governance) as a key management issue, and heralds six material issues for the area. By further evolving neighborhood creation through the pursuit of these goals, the Group aims to achieve a sustainable society and drive sustainable profit growth.

Material issues (priority goals) and initiatives	Relevant SDGs
<b>Reduce environmental impact and generate energy</b> <ul style="list-style-type: none"> <li>Contribute to achieving a decarbonized society by reducing energy usage and greenhouse gas emissions</li> <li>Transition to renewable energy for electricity used in business operations</li> <li>Build rich natural environments that get better with time</li> </ul>	
<b>Create new industries through open innovation</b> <ul style="list-style-type: none"> <li>Form worldwide industrial clusters to pool various resources and drive innovation</li> <li>Constantly create new value from the customer's perspective through broad-based relations and collaborations</li> </ul>	
<b>Establish ultra-smart societies by creating neighborhoods</b> <ul style="list-style-type: none"> <li>Leverage technologies to solve individuals' and neighborhoods' problems by building communities and places for people to gather and support one another</li> <li>As a country facing issues earlier than others, build neighborhoods that will serve as international problem-solving models</li> </ul>	
<b>Achieve health, safety and security in people's daily lives</b> <ul style="list-style-type: none"> <li>Develop and operate resilient, safe, and secure facilities that protect people from threats such as disasters and infectious diseases</li> </ul>	
<b>Achieve a society where a diverse workforce can thrive</b> <ul style="list-style-type: none"> <li>Establish a foundation for everyone to live the life they choose, regardless of individual circumstances</li> <li>Provide products and services that expand people's potential and foster expectations and hope for the future</li> <li>Promote good mental and physical health and provide products and services to make active, happy lives possible</li> </ul>	
<b>Continuously improve compliance and governance</b> <ul style="list-style-type: none"> <li>Build a well-structured compliance system to win further trust from society</li> <li>Establish a strong and flexible governance system that achieves both growth and stability</li> </ul>	

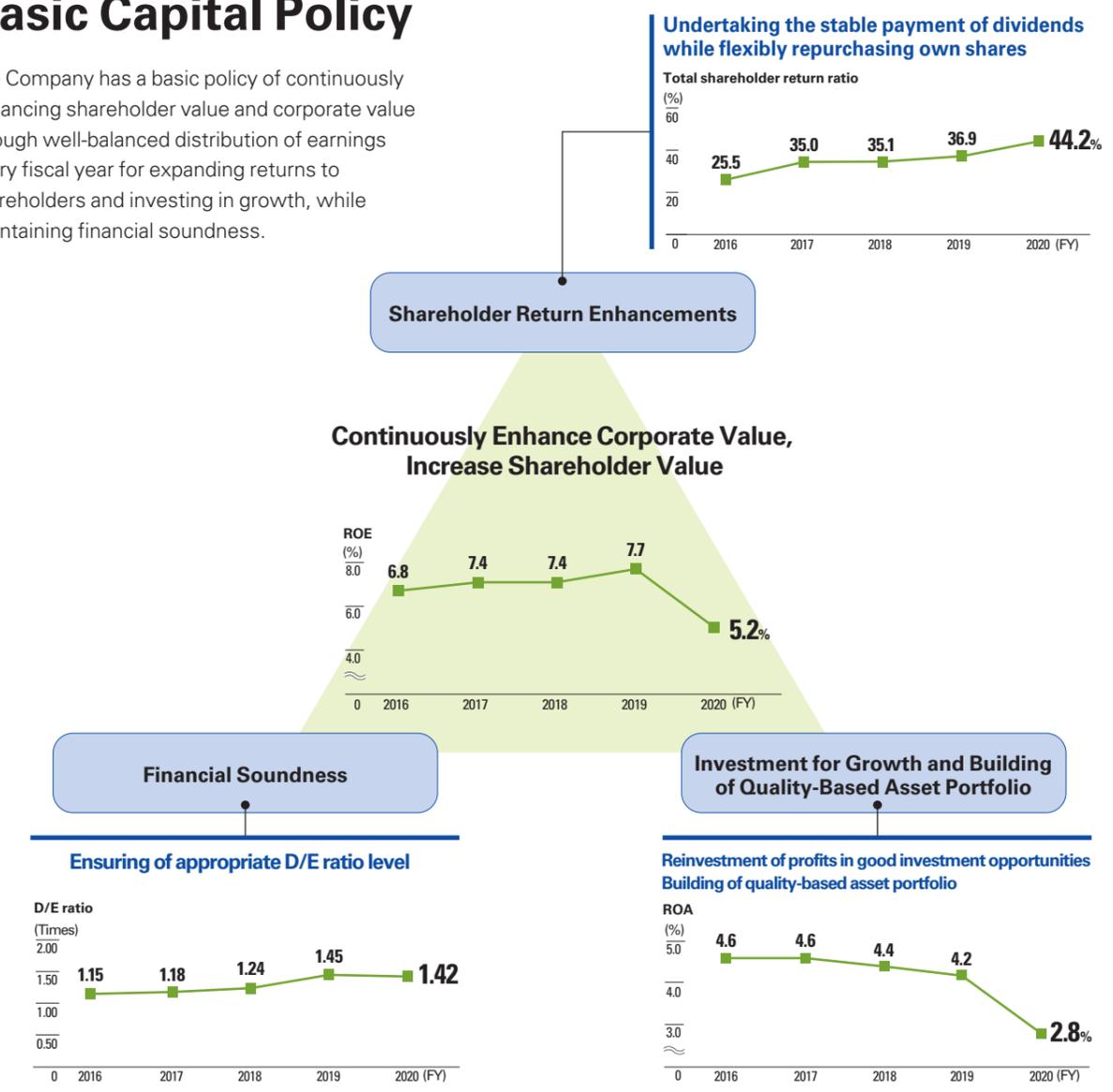
Sustainable Society

Sustainable Profit Growth

Medium- to long-term goals (main non-financial KPI) <span style="float: right;">» p.31 » p.37</span>		
<b>Greenhouse gas emissions</b>  Achieve by FY2050 <b>Net Zero</b>	<b>Share of renewables in power used for business activities</b>  By FY2050 <b>100%</b>	<b>Female manager ratio (Mitsui Fudosan Co., Ltd.)</b>  By 2030 <b>20%</b>

# Basic Capital Policy

The Company has a basic policy of continuously enhancing shareholder value and corporate value through well-balanced distribution of earnings every fiscal year for expanding returns to shareholders and investing in growth, while maintaining financial soundness.



# Shareholder Return Policy

- Mitsui Fudosan **reinvests earnings to increase shareholder value** over the medium to long term and **returns profits to shareholders** based on comprehensive consideration of such factors as the business environment and its performance and finances.
- In order to strengthen shareholder returns, Mitsui Fudosan undertakes the **stable payment of dividends** while **flexibly repurchasing its own shares in a bid to enhance capital efficiency**.
- Mitsui Fudosan has identified a total shareholder return ratio of around **35% of profit** attributable to owners of parent.

## Message from the CEO

80 years after our founding, we are now seeking to achieve a sustainable society by returning to the principles symbolized by our “” logo and solving social issues through neighborhood creation.

### Masanobu Komoda

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



## Introduction

On July 15, 2021, we celebrated the 80th anniversary of the Company's founding.

The companies of our Group have achieved growth by creating neighborhoods that meet the needs of the times to enrich people's lives, constantly creating new value. Our path to the present has been made possible by the understanding and trust that people have extended to our corporate stance and initiatives, for which we are deeply grateful.

Entering into the Reiwa era (2019 onward) in Japan, the society in which we live still faces many challenges. The sustainability of humankind and of society has become more doubtful than ever in recent years, as seen in the intensification and normalization of natural disasters and the threat of pandemic.

As I noted in this space last year, a company's reason for existence and its corporate philosophy are vital keys to

surviving such an era of uncertainty. Now, in such an era, I believe that we must engage in Group management with firm convictions.

Fewer than 10 years remain until 2030, the target year for achieving the SDGs. Peering into the next decade, there can be no doubt that we are entering an era of increasing demands that companies go beyond merely generating economic profits to also create social value. I believe that contribution to a sustainable society through value creation is what will lead to sustainable growth for companies.

As we celebrate our 80th anniversary, we intend to return to Mitsui Fudosan's “” logo principles and to make every effort as a Group to address climate change, enhance the sustainability of humankind through neighborhood creation, and make people's lives safe, secure, and fulfilling.

## The “” Logo Principles, and the DNA and History of Mitsui Fudosan

### (1) The “” Logo Principles

The principles behind the “” mark do not seek to make “or” selections between diverse values, but rather to make these values compatible and coexisting in the spirit of “and.” Restated, our management philosophy is one of accepting diversity and, even when the common wisdom points to the presence of conflicting values, overcoming that conflict to open up new worlds together.

Even before keywords such as “SDGs,” “ESG,” and “sustainability” appeared in the world, our Company had set forth the principles of this “” logo and had sought to coexist in harmony with society, link diverse values, and achieve a sustainable society.

Under our Group statement of “The Mitsui Fudosan

Group aims to bring affluence and comfort to urban living,” we have addressed social issues consistently since our founding and have actively undertaken efforts to enhance coexistence with the global environment and the sustainability of society.

Our Group's business contributes to the construction and development of social infrastructure that supports the lifestyles of customers and the economic activities of companies through neighborhood creation—that is, it consists of sustainability activities that create social value. For this reason, I am convinced that the role to be played by our Group will become all the more important in the coming era.

### (2) The History and DNA of Mitsui Fudosan

So, how did the principles of this “” logo come about?

Let me take a look back on the history of our Group.

Mitsui Fudosan is the successor to the Mitsui Company that has been central to Mitsui's 348-year history and tradition, all the way back to 1673. Our history can be seen as one that, in step with the development of Japan's economy and society, has created new value by innovating our business in ways that meet the demands of the times and the voices of our customers.

Examples of this genealogy include landfill projects that supplied factory sites to the coastal area to strengthen the country as an industrial and trading nation; construction of Japan's first skyscraper (the Kasumigaseki Building) to tackle advanced use of space and cope with over-concentration of urban functions; residential development, residential business, and residential distribution business that address the influx of population into urban areas and pursue affluence in living; and the development of retail facilities and the hotel and resort business, which we entered in response to the growing demand for leisure.

Following the burst of the bubble economy in the 1990s, we took the industry lead in real estate securitization and fused the real estate market with financial and capital markets to create a new real estate investment market and play a role in breaking out of asset deflation.

We are now working to achieve ESG and the SDGs by spurring digital transformation in the real estate industry

and realizing smart cities that solve a variety of social issues through neighborhood creation.

In this way, our Company has viewed the discontinuous changes in society and economy in every era—that is, paradigm shifts—as opportunities, and has constantly opened up new value by bringing together diverse knowledge and senses of value. The birth of the “” logo principles was inevitable against this history. Under these principles, we have fostered a customer orientation that sincerely addresses customers' needs and a spirit of enterprise that boldly tackles value creation and the innovation of our own business. These have been inculcated into every one of our employees as a part of our Group's DNA.

The recent changes in the natural and social environments, the wave of digital transformation (DX), and the accompanying diversification of people's values are progressing at an unprecedented rate on a global scale. The past rules of thumb do not hold in such a turbulent era.

In every age, however, the key to growing a business can be found in dialog with customers. Seen from a different perspective, the varied challenges that face us in this age of uncertainty are also great business opportunities. I believe that step-by-step progress in solidly grasping customers' needs, which are an immutable principle in any age, and in solving these needs through a spirit of enterprise will eventually lead to immense growth.

## Promotion of Sustainability Management

Companies until now have mainly pursued improvements in growth, efficiency, and other financial metrics to increase their value. But the conventional era of assessing companies solely on financial aspects is becoming a thing of the past. From here on out, the will and the execution ability of management to enhance corporate value in both financial and non-financial aspects will be called into question.

Drawing on our “” logo principles, our Group formulated our VISION 2025 long-term vision in 2018, and set six material issues as key matters to tackle on a foundation of sustainability management. (See p. 21.)

In particular, addressing ongoing climate change on a global scale is a social responsibility of our Group, which undertakes the construction and development of social infrastructure. Positioning decarbonization initiatives as priority issues and executing on a solid action plan are crucial activities.

We endorsed the TCFD, joined the RE100 initiative, acquired certification under the SBT initiative, and set medium- to long-term goals for reduction of greenhouse gas emissions. We have further formulated a Group-wide action plan for the achievement of a decarbonized society, aimed at achieving net zero emissions by fiscal 2050. (See p. 31.)

Our Group improves environmental performance and promotes “green power” in common areas at our owned and operated properties. We also plan further measures to secure stable renewable energy and to work with construction companies and manufacturers toward the active use of low-carbon materials. In April 2021, our Group launched a service to supply green power to tenant spaces, in response to requests from office buildings and tenant companies. This initiative, which addresses

customers’ own decarbonization initiatives while differentiating our business, truly constitutes business development that links the social value of achieving a decarbonized society with the economic value of securing competitive advantage for companies.

As the world’s values diversify and the business environment undergoes drastic change, accurately grasping the needs of customers and the demands of society strongly necessitates that we ourselves embrace diversity. Restated, we must be a company in which people of varied backgrounds and values can share those values in neighborhood creation, show respect for one another, and realize their maximum potential to generate chemical reaction.

Recognizing that the greatest driving force behind companies’ value creation is the asset of human resources, our Group formulated a declaration on diversity and inclusion along with policies on related initiatives. We have set the promotion of advancement by women as an important theme, and established quantitative and qualitative goals for the Group. (See p. 37.)

The original aim of “diversity” is not the diversification of specific categories such as gender, age, or nationality, but rather the diversification of values. In our business, the perspectives of women have a great influence in the areas of housing, retail facilities, hotels, and more, and I believe the promotion of diversity would be difficult without the active participation of women. Through the measures I have noted, we will expand diversity in terms of women and global human resources more than ever, and will utilize the varied opinions and knowledge generated from this to create new business opportunities.

## Strategy for the Post-Coronavirus Period

The neighborhood creation that our Group aims to achieve is the realization of a future in which people gather in lively neighborhoods, diverse kinds of new value are created, and innovation arises through interactions among people.

In the post-coronavirus period, the direction of our Group will not change. Below, I would like to offer my own thoughts on necessary perspectives for neighborhood creation in the coming age.

### (1) Sustainable Neighborhood Creation

An indispensable factor in achieving a sustainable society will be the creation of neighborhoods that place leading roles on the diverse people who come and go in the neighborhoods, and that grow in appeal over time to become better with age, through the creation of

locally-rooted communities and high-quality town management. This is the source of our Group’s corporate value and our reason for existence.

In pursuing urban development that values people, the evolutionary direction that our Group seeks is mixed

use and a “Real Estate as a Service” approach that does not merely provide customers with real estate but combines tangible and intangible elements in the form of services.

Our Group has been involved in many mixed-use redevelopment projects in central Tokyo, including in the Nihonbashi, Hibiya, Otemachi, and Yaesu districts. The appeal of mixed-use neighborhoods, which integrate work, housing, play, entertainment, and relaxation at a high level in both tangible and intangible aspects, is a value that is universally accepted worldwide. Neighborhoods that have leveraged our value-creation power, such as

Hudson Yards in New York and the Television Centre that was the site of BBC’s headquarters and studios in the UK, are now undergoing major transformations into neighborhoods where diverse people come and go, have fun, and relax.

The completion of buildings marks the beginning, not the end goal, of the creation of these neighborhoods. Together with the Group, these neighborhoods will continue evolving as sustainable neighborhoods through services offered to the people and communities that gather there.

### (2) Distinguishing the Digital from the Real

With the COVID-19 pandemic providing opportunity, major changes are taking place in how customers live and work. We must keep in mind that some of these changes will be undone in the post-pandemic period while others will not, and must grasp which changes are irreversible.

In particular, while DX has made rapid progress amid the pandemic, it has also offered us opportunities to reaffirm real-world value that digital technology cannot replace. When the threat of the virus has subsided, those things that are better in the real world will naturally revert to that.

In short, I believe that two points will be critical in post-pandemic neighborhood creation: (1) thinking about

the optimal combination between the digital and the real, and (2) maximally enhancing the value of real spaces that digital technology cannot replace.

In the future, the environment surrounding the real estate industry is certain to see even greater diversification of lifestyles and working styles, and even greater demands on the fusion and selection of the digital and the real. Our Group will continue actively harnessing data usage and DX to raise the competitiveness of our products and services as we seek to achieve an ultra-smart society.

### (3) Capturing Business Broken Down by Customer Behavior

It seems to me that in today’s real estate industry, the boundary lines of conventional products such as office buildings and housing are disappearing. As an example, we can increasingly work in hotels and at home as well as in the office.

In the era to come, responding optimally to customers’ needs will require a perspective broken down by customer behavior, as opposed to conventionally grouping business by product. In other words, we will have to reconsider business from customers’ perspective of working, living, enjoying, and relaxing, rather than as business categories such as office buildings, housing, retail facilities, logistics facilities, and hotels, to provide environments and services that achieve higher customer satisfaction.

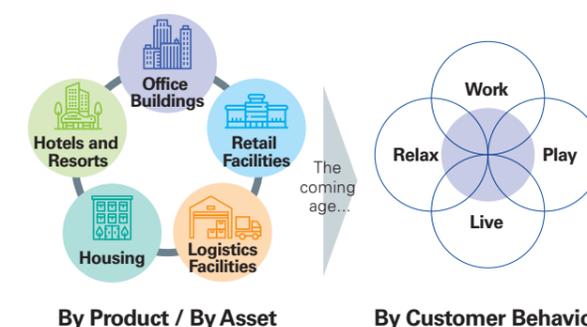
Today, increasing customer satisfaction requires companies to be capable of wide-ranging offerings that present every possibility and option.

In that respect, in the “products + functions + tangible goods + intangible services” concept that we have built over the years, our Group possesses collective capabilities not found in other companies. The strength of these collective capabilities equates to breadth in the choices we can offer to customers, and allows us to provide

the highest added value.

By divining new needs from customers’ behavior and by combining our collective capabilities with the diversity and inclusion that I noted, our Group will step beyond the boundaries of conventional vertical product divisions to create new products and services through internal and external collaboration that encompasses both divisions and the Group, and will spur the evolution of the real estate industry itself.

#### Business Development from Customers’ Perspective ► Real Estate as a Service



#### (4) Pillars of Post-Pandemic Growth (Stadium/Arena Business)

Under the COVID-19 pandemic, avoidance of contact, staying at home, prohibitions against going out drinking, and so on became the norm. People's lives came under considerable restrictions and became stressful. However, I find it very hard to see this situation as the "new normal." Humans are at heart animals that seek contact. Connections among people deepen through people sharing the same spaces, interacting with nature, enjoying sports and entertainment, and so on. These are timeless, universal values that are not going to change. Also, while the trend of the world is to seek convenience through the digital and the online, I am convinced that the more that digitalization progresses, the more that people will seek out higher added value in emotional experiences and real-world, sense-based experiences not obtainable digitally.

Under such thinking, the Group has been investigating the stadium and arena business as a component of new neighborhood creation. Setting our sights on the existential value of Tokyo Dome, which boasts a site potential on the scale of 13 hectares in the city center and about 40 million visitors a year, in 2020 we carried out a takeover of TOKYO DOME CORPORATION as a new step toward future growth. We recently welcomed the company as a new

member in the Mitsui Fudosan Group.

By making TOKYO DOME CORPORATION a consolidated subsidiary, we will achieve synergies among three companies, combining that company's sports and entertainment know-how, the neighborhood creation know-how of our company, and the powerful content of The Yomiuri Shimbun Holdings and the Yomiuri Giants baseball team. By linking this synergy to the strengthening of market competitiveness, we will turn the Tokyo Dome business into a new pillar of growth for our Group in the medium to long term.

For some time, TOKYO DOME CORPORATION has been studying future plans for Tokyo Dome City with the aim of neighborhood creation in the form of a new sports and entertainment city. The area falls under Tokyo's "metropolitan planning park" regulated zones, which involve a high degree of development difficulty. However, through synergies between the company and our Company, which has know-how in development integrated with parks as seen in Hinokicho Park in TOKYO MIDTOWN, Hibiya Park in TOKYO MIDTOWN HIBIYA, and Miyashita Park in Shibuya, we hope to realize redevelopment that maximizes site potential.

#### Asset/Financial Strategy

Our Group is executing a "holding, trading, management" tripartite business model that aims for profit growth and improvement of efficiency while maintaining a strong financial standing.

In other words, by not only holding and leasing but also regularly selling developed properties to increase asset turnover ratio, and by combining this after the sale with building management and other highly efficient non-asset management business, we have achieved profit growth while staying mindful of financial control and improvement of asset efficiency.

Over the past few years, our Group has completed large-scale redevelopment properties that offer high added value, particularly in Tokyo's Hibiya, Nihonbashi, and Otemachi districts and in New York. These have significantly expanded our balance sheet. In future phases, we intend to aggressively replace assets to improve the quality and resilience of our asset portfolio, and will solidly execute on an investor symbiosis model that will utilize the capital of other parties to expand long-term stable management profits.

As a part of this, we sold large-scale assets including Shinjuku Mitsui Building in fiscal 2020 and Iidabashi Grand Bloom in fiscal 2021. We will continue carrying out regular

replacement of assets with an awareness of asset quality, and engaging in appropriate balance sheet control.

Through this continuous asset replacement, we hope to uncover unrealized gains from high added-value development and display a stance of stably connecting the accumulated funds to a cycle of strengthening shareholder returns and further investment in growth.

Our management seeks to continuously improve shareholder value through the accumulation of individual efforts to improve ROE through ROA under balance sheet control.

#### Balancing Shareholder Returns and Growth Investment



#### To Shareholders and Investors (Capital and Shareholder Return Policies)

Our Group considers two goals—increasing corporate value through growth investment, and direct returns through a combination of stable dividend and flexible repurchases of our own shares—as key issues in management, which we have put into practice. Restated, rather than a choice between investments or returns, we seek to achieve both investments and returns, an approach grounded in thinking that truly embodies our "M" logo principles.

While the Group's business at present is feeling some effects of the COVID-19 pandemic, we will continue achieving long-term profit growth by steadily completing construction of the full pipeline of development projects and will maintain our approach of sustainably strengthening returns to shareholders.

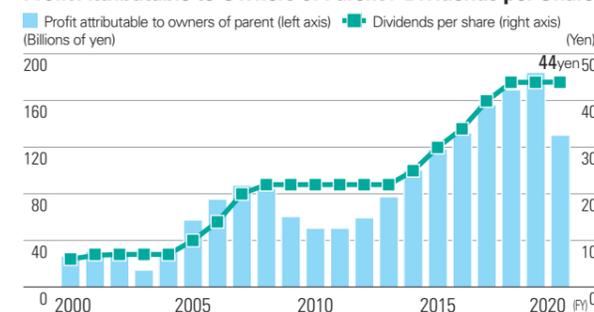
As a manager, I strongly recognize that a stance of stable and continuous returns is of utmost importance to the shareholders who support the Company from a long-term perspective. Accordingly, under the special circumstances of the fiscal year ended March 2021 in which profit declined due to the COVID-19 pandemic, we placed emphasis on the

sense of scale of returns to date without being bound by past shareholder return ratios, and made the decision to maintain the previous fiscal year's dividend of ¥44 per share and to repurchase ¥15 billion worth of our own shares (bringing the resulting total shareholder return ratio to 44.2%). For the same reason, we maintained a dividend forecast per share of ¥44 for the fiscal year ending March 2022.

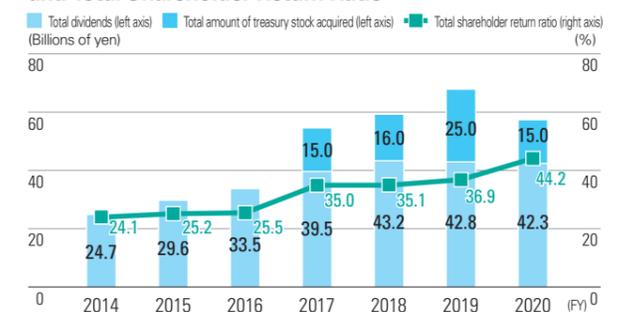
We hope that people will understand our management team's approach in terms of our corporate stance of having consistently maintained and improved dividends without implementing reductions, and our record of continued returns to shareholders with flexible repurchasing of our Company's shares every fiscal term.

Our stock price is still undergoing recovery, and shareholders remain concerned. To meet their expectations and earn further trust, we will work to achieve a full recovery from the pandemic and normalized profit growth as quickly as possible, and to further expand our total shareholder return ratio.

#### Profit Attributable to Owners of Parent / Dividends per Share



#### Total Dividends, Total Amount of Treasury Stock Acquired, and Total Shareholder Return Ratio



#### In Closing (Together with Our Stakeholders)

Companies must achieve further evolution by placing their own reason for existence and survival on the line and, rather than pursuing short-term profits, must ground their management in bringing about long-term benefits for all stakeholders.

Toward that end, companies need to incorporate sustainability into their corporate strategy from a global perspective and connect this to competitive advantage. I believe that continued growth from this perspective constitutes management that serves "stakeholder capitalism."

For 80 years from its founding to the present, the Mitsui Fudosan Group has enjoyed the support of its various stakeholders. With all of us continuing to support one another, I hope to create a new era together with our

stakeholders.

By sharing long-term values with stakeholders and by building stronger and better relationships, the Mitsui Fudosan Group will make every effort to earn stakeholders' support as a company that needed by society more than ever as the COVID-19 pandemic subsides.

I ask you for your continued support.

*Masanobu Tomoda*

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

# Message from the CFO

We are maintaining a sound, stable financial foundation and enhancing sustainable growth and efficiency to further increase our corporate value.

## Wataru Hamamoto

Managing Director,  
Senior Executive Managing Officer



### Overview of Fiscal 2020 Business Results

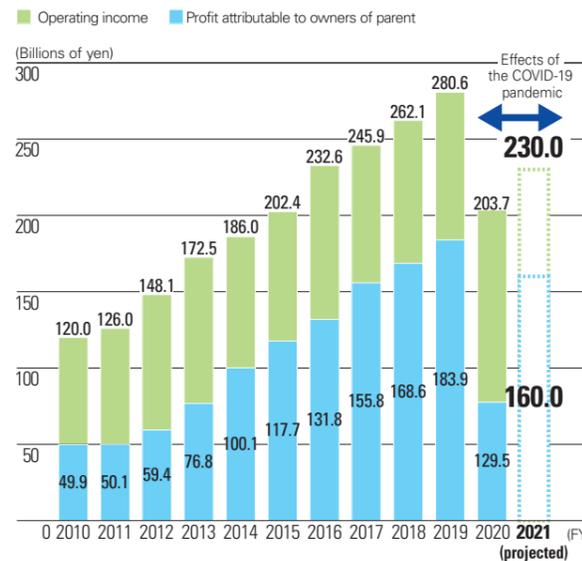
In fiscal 2020, we achieved record-high property sales to investors, strong sales and steady delivery of Property Sales to Individuals (Domestic), and increased profit from office building leasing. At the same time, we experienced a significant decline in profits primarily in the first quarter due to the closure of retail facilities, hotels, and resort facilities following emergency declarations under the COVID-19 pandemic, a decline in the operation of Mitsui Car Park Leasing (rental parking lots), and continued impacts of the pandemic from the second quarter onward. We recorded revenue from operations of ¥2,007.5 billion, operating income of ¥203.7 billion, and ordinary income of ¥168.8 billion. Profit attributable to owners of parent was ¥129.5 billion, reflecting the recording of extraordinary gains and extraordinary losses stemming from the sale of assets as part of balance sheet control and the recording of extraordinary losses related to the pandemic. Revenue from operations was our highest ever.

Emergency declarations were issued twice in Japan during fiscal 2020. Acting on the basis of requests from the government and other parties, our Group placed the health and safety of customers and employees first and carried out closings and shortening of business hours at retail facilities, hotels and resort facilities, and other properties. We also enacted measures including rent reductions for retail tenants facing business continuity concerns at facilities owned by the Company. Amid such an environment, to an extent that presented no issues in maintaining employee employment and no hindrance to fund procurement thanks to our sound

financial position, we placed an emphasis on stable and continuous shareholder returns, maintaining an annual dividend of ¥44 per share for the fiscal year while performing repurchase of shares limited to ¥15.0 billion. As a result, total shareholder return ratio was 44.2% of profit attributable to owners of parent.

Total assets on the balance sheet were ¥7,741.9 billion, an increase of ¥346.6 billion from the end of the previous fiscal year. Consolidated interest-bearing debt was ¥3,623.4 billion and net assets were ¥2,655.9 billion. As a result, we have maintained a healthy financial standing with a debt/equity ratio of 1.42 times and an equity ratio of 33.0%.

### Operating Income/Profit Attributable to Owners of Parent



### Status for the First Half of Fiscal 2021 and Business Results for the Full Year

The COVID-19 pandemic situation continues to bear close monitoring. According to the full-year outlook we announced on May 14, 2021, despite a move toward recovery in the economic environment due to the progress of vaccination, the speed of recovery is uncertain and effects of the COVID-19 pandemic will remain throughout the fiscal year. Taking into account this assumption and the emergency declaration issued on April 25 just before our announcement, we forecast revenue from operations of ¥2,150.0 billion, operating income of ¥230.0 billion, ordinary income of ¥205.0 billion, and profit attributable to owners of parent of ¥160.0 billion.

In the first half, declarations of emergency and priority measures for contagion prevention were subjected to expansions of covered area and extensions of length. Under these circumstances, our business was affected primarily in retail facilities and hotels, resulting in slightly weaker performance than initially forecast.

In the second half, over 70% of Japan's population had received a second dose of vaccine as of November 1, and new COVID-19 infections are declining. We expect a degree of recovery in our business.

Based on these factors, despite some degree of lingering pandemic effects, we believe that full-year performance will settle within the range of our initial outlook.

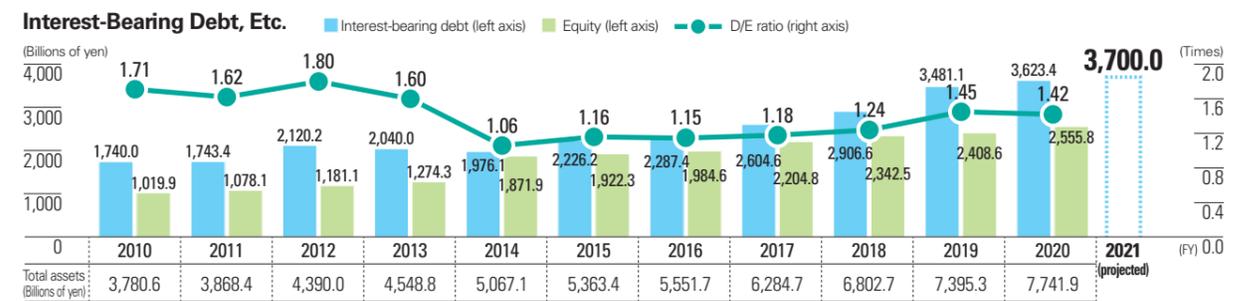
As impacts on specific businesses will change with the status of the pandemic, we will continue to closely monitor conditions.

### Toward Further Expansion of Our Corporate Value

As the Group's main businesses of real estate development and neighborhood creation-oriented businesses are characterized by the heavy long-term use of balance sheets, it is extremely important that we maintain and enhance financial soundness in preparation for long-term fluctuations in financial markets and unforeseen circumstances. Recognizing this, we aim to enhance sustainable growth and efficiency through proper management of our balance of interest-bearing debt and debt/equity ratio, while implementing a balanced combination of investment and recovery.

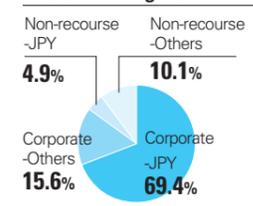
As a specific measure, our Group is engaging in ongoing balance sheet control with total assets of approximately ¥8 trillion and interest-bearing debt of approximately ¥4 trillion as a guideline for the time being. At present, in addition to making the Tokyo Dome Group a consolidated subsidiary and making new investments at 50 Hudson Yards through Mitsui Fudosan America, we have recovered funds through the sale of Shinjuku Mitsui Building and Iidabashi Grand Bloom, and are proceeding in parallel with continuous asset replacement to expand our business scale through growth investment and to improve ROA. By diversifying our fund procurement, raising the ratio of fixed interest rates and long-term borrowings, staggering repayment periods, securing committed lines of credit totaling ¥400 billion, and managing interest-bearing debt with a debt/equity ratio of about 1.4 times, we are maintaining financial soundness.

Under long-term financial strategy with an eye on the cyclically fluctuating real estate markets and interest rate trends, we will continue working to further increase our corporate value by achieving both sustainable growth and improvement of efficiency, through carefully selected investments that are mindful of business-specific recovery cash flow and through the maintenance and strengthening of our financial foundation.



### Fund Procurement and Credit Rating Situation

#### Interest-Bearing Debt



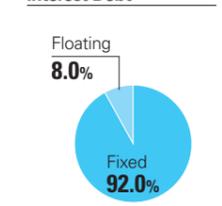
**Interest Rate Situation**  
 Consolidated: 1.08%  
 Japanese currency: 0.64%  
 Foreign currency: 2.34%  
 \*As of March 31, 2021

#### Ratio of Long-Term Debt



\* Excl. Non-recourse As of March 31, 2021

#### Ratio of Fixed/Floating-Interest Debt



\* Excl. Non-recourse As of March 31, 2021

#### Credit Rating

Rating agencies	Long-term	Short-term	Outlook
Moody's	A3	-	Stable
Standard & Poor's	A	A-1	Negative
R&I	AA-	a-1+	Stable
JCR	AA	J-1+	Stable

\*As of November 5, 2021

Special Feature 1

# Toward Realization of Decarbonized Society



## Message from a Managing Director

The achievement of a decarbonized society is one of the most crucial global-scale issues that we face. We recognize that a great role is expected of companies in dealing with these social issues, and that such efforts will lead to an increase in corporate value.

Under such circumstances and in accordance with our guiding principle of “achieve a sustainable society,” the Mitsui Fudosan Group has joined the RE100 initiative that seeks to make all electricity used in business derived from renewable energy, has disclosed information under our endorsement of the Task Force on Climate-Related Financial Disclosures (TCFD), and has actively worked to address climate change, in order to carry out our social mission as a developer engaged in neighborhood creation. In December 2020, we set the Group’s greenhouse gas emission reduction targets for fiscal 2030 and 2050, and received certification under the SBT international initiative.

In light of Japan’s raising of its greenhouse gas reduction target for 2030, in November 2021 we boosted the Group’s reduction target for fiscal 2030 from a 30% reduction to a 40% reduction compared to fiscal 2019. At the same time, we formulated the Group Action Plan to Realize Decarbonized Society aimed at the steady achievement of our long-term goal of net zero emissions by fiscal 2050.

Working toward fiscal 2030 under this action plan, we will expand concrete energy-saving measures and renewable energy projects while strengthening partnerships to cut greenhouse gas emissions throughout the supply chain. Looking further ahead to fiscal 2050, we will study and



**Wataru Hamamoto**  
Managing Director,  
Senior Executive  
Managing Officer  
(In charge of sustainability  
promotion-related activities)

undertake energy creation projects utilizing new technologies such as offshore wind power generation and geothermal power generation, and will advance initiatives including open innovation. Combining our strength with that of our partners, we will contribute to efforts aimed at the decarbonization of society as a whole.

See details of Mitsui Fudosan Group’s decarbonization action plan here.

[https://www.mitsuifudosan.co.jp/english/esg\\_csr/carbon\\_neutral/](https://www.mitsuifudosan.co.jp/english/esg_csr/carbon_neutral/)

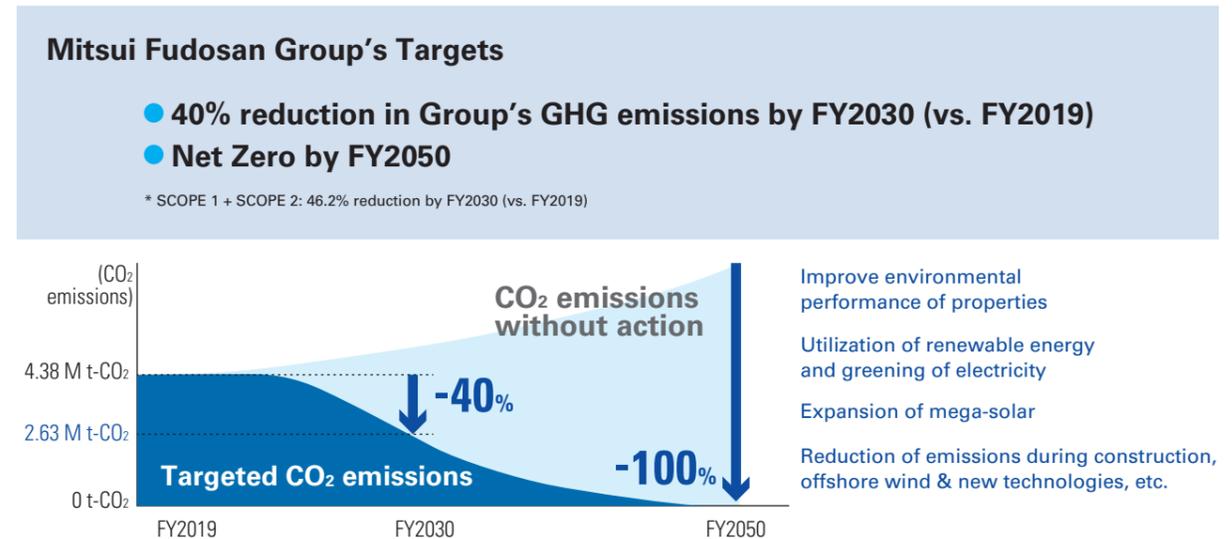
See our “ESG Report” for details of TCFD and other sustainability topics.

[https://www.mitsuifudosan.co.jp/english/corporate/esg\\_csr/](https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/)

## Participation in Initiatives Concerning Adaptation to Climate Change

<p><b>Reduction of GHG emissions</b></p> <p>Science Based Targets (SBT) Initiative Certification</p> <p>DRIVING AMBITIOUS CORPORATE CLIMATE ACTION</p>	<p><b>Renewable energy ratio of electricity in business activities (RE100)</b></p> <p>100% by FY2050</p> <p>THE CLIMATE GROUP CDP</p>	<p><b>Task Force on Climate-Related Financial Disclosures (TCFD)</b></p> <p>Disclosure of financial impact in December 2020</p>
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## Greenhouse Gas Emission Reduction Targets



## Key Action Plans

**Steadily implement initiatives for fiscal 2030 with supply chain**  
**Further promote actions to realize a decarbonized society in fiscal 2050**

<b>Action Plan 1</b>	Improve environmental performance of new and existing properties	<b>Action Plan 4</b>	Secure stable renewable energy sources
<b>Action Plan 2</b>	Greening of electricity in common areas of properties and areas used by the Company	<b>Action Plan 5</b>	Initiatives to reduce CO <sub>2</sub> emissions during construction
<b>Action Plan 3</b>	Provide Green Menu to tenants and buyers	<b>Other Key Initiatives</b>	<ul style="list-style-type: none"> <li>• Utilization of forests</li> <li>• Acquisition of external certifications</li> <li>• Open innovation</li> <li>• The creation of neighborhoods initiatives</li> <li>• Improvement of internal systems</li> </ul>

# Action Plans Toward Fiscal 2030

## Action Plan 1 Improve environmental performance of new and existing properties

### New properties

#### Realize ZEB/ZEH level environmental performance for all properties

##### Key strategies for logistics business

- Installation of solar power generator
- Considering the adoption of LED lighting in warehouses with dimming



Mitsui Fudosan Logistics Park Ebina I (to be certified as ZEB)  
The industry's first "Green energy warehouse" with virtually zero CO<sub>2</sub> emissions. Solar power generators are installed on the roof for on-site power generation and supply. We also provide green power supply services to support decarbonization of tenants.

##### Mitsui Fudosan Residential 三井不動産レジデンシャル

- ZEH-M in all mid- and high-rise units
- ZEH in all detached units (FY2030)



Eifuku 4-chome Project (ZEH, Nearly ZEH: Fine Court)



LaLa NAGOYA minato AQUUS Garden Square (ZEH-M Oriented Park Homes)

### Existing properties

#### Improve energy efficiency through strategic renovation of properties and actively promote the creation of on-site renewable energy



MITSUI OUTLET PARK KISARAZU



MITSUI OUTLET PARK SHIGA RYUO

## Action Plan 2 Greening of electricity in common areas of properties and areas used by the Company

### By fiscal 2030, achieve greening of power consumption in common areas of properties owned and areas used by the Group nationwide



\*1 Solar power plants owned by Mitsui Fudosan, post-FIT power plants contracted by TEPCO Energy Partner, Inc., residential solar power generators, solar power generators owned by partner power producers, etc.  
\*2 For FIT power sources, acquired via Japan Electric Power Exchange (JEPX); for non-FIT power sources, acquired from electric power providers  
\*3 Mitsui Fudosan TG Smart Energy Co., Ltd. in the specified electricity business areas; TEPCO Energy Partner, Inc., etc. in other areas

### Greening of electricity used in common areas of properties owned by Mitsui Fudosan (including Tokyo Dome)



## Action Plan 3 Provide Green Menu to tenants and buyers

### Support tenant companies and buyers in their efforts to decarbonize by proposing Green Menu

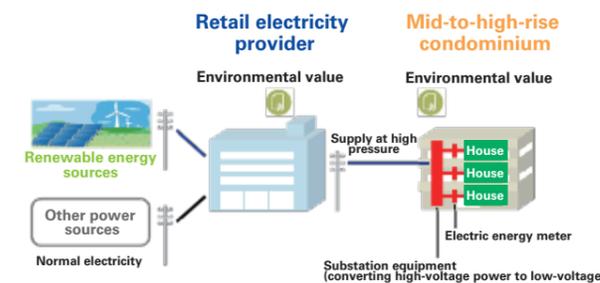
#### Home buyers

Aim to achieve a 40% reduction in CO<sub>2</sub> emissions (average for medium- and high-rise buildings and detached houses) by fiscal 2030 by adopting methods such as the "bulk high-voltage power receiving x renewable energy" system and greening through the introduction of ENE-FARM in medium and high-rise sales.

#### Tenant companies

Propose green power supply services to support corporate tenants' efforts toward RE100 and decarbonization.

In April 2021, we launched "green power supply services" for office building tenants. Currently, about 100\* companies are using or considering this service.  
\* As of October 31, 2021

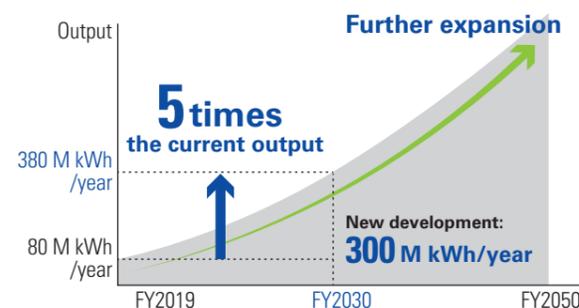


## Action Plan 4 Secure stable renewable energy sources

### Stable procurement of non-fossil certificates in addition to further promotion of mega-solar development

#### New mega-solar development

In addition to the existing mega-solar project (80 million kWh/year), aim to develop mega-solar power plants with a total power generation capacity of 300 million kWh/year (Total output: approx. 175,000 kW) by fiscal 2030. (Total: 380 million kWh/year)



#### Stable procurement of non-fossil certificates

- In the Tokyo metropolitan area, in addition to the procurement of 600 million kWh/year from TEPCO Energy Partner, Inc., with which we have concluded a comprehensive agreement, secure a total of 800 million kWh/year or more of non-fossil certificates through comprehensive agreements with other companies.
- Strive to secure additional non-fossil certificates throughout Japan outside the Tokyo metropolitan area as necessary.

**Existing mega-solar business**  
Expand mega-solar projects with a total area of 93.9 ha at five locations nationwide.  
● Total output: approx. 72,000 kW  
● Generate approx. 80 million kWh per year

Action Plan 5 Initiatives to reduce CO<sub>2</sub> emissions during construction

In addition to the development of tools to accurately grasp CO<sub>2</sub> emissions during construction, require submission of a reduction plan by construction companies, etc. Promote reduction of CO<sub>2</sub> emissions in the entire supply chain

Accurate understanding of CO<sub>2</sub> emissions during construction

- In order to accurately grasp the amount of emissions at the time of construction and appropriately reflect the reduction effects, etc., introduce a mechanism for calculating the amount of emissions during construction based on the "method of accumulating actual results of materials used (tentative name)."
- Develop "tools for calculating emissions during construction" by the end of fiscal 2022 in collaboration with academic experts and design engineers.
- By the end of fiscal 2023, require all builders to calculate "CO<sub>2</sub> emissions during construction" using the above tools.

Reduction of emissions during construction

- Revision of design guidelines
  - Design to enhance environmental performance
  - Proper planning on the use of components and equipment without waste
  - Use of low-carbon materials and means
  - Submission of "CO<sub>2</sub> reduction plan during construction" including the above
- Revision of estimate guidelines
  - Calculation of emissions during construction using the tools on the left
  - Reduction of emissions at construction sites
  - Procurement strategy for materials
  - Submission of "CO<sub>2</sub> reduction plan during construction" including the above

Other Key Initiatives

Utilization of forests

- Actively utilize owned forests for high-rise wooden buildings and houses.
- Realize self-sufficiency in building materials and a sustainable virtuous cycle between forest resources and the local economy.



Forest conservation activities of Mitsui Fudosan Group

- Forest area: approx. 5,000 ha  
We own and manage approx. 5,000 hectares of forests that span 31 municipalities, mainly in the northern Hokkaido region.
- Amount of CO<sub>2</sub> absorbed and fixed by the forests owned by Mitsui Fudosan Group: approx. 17,251 t-CO<sub>2</sub>/year\*

\* The annual amount of CO<sub>2</sub> absorbed and fixed by the Group's forests is calculated using Hokkaido's formula based on forest growth data from the fiscal 2020 Forest Survey Report.

Acquisition of external certifications

- In addition to improving the environmental performance of all our facilities, we will actively acquire various external certifications in Japan and overseas to promote ESG, including decarbonization.

Examples of certified facilities

<p><b>ZEB / ZEH (BELS)</b></p>	<p><b>MFLP Funabashi III</b> (ZEB-Ready)</p> <p><b>Park Homes LaLa NAGOYA minato AQUUS Garden Square</b> (ZEH-M Oriented)</p>
<p><b>DBJ Green Building / CASBEE</b></p>	<p><b>TOKYO MIDTOWN HIBIYA</b> Simultaneous acquisition of DBJ Green Building Certification and CASBEE Wellness Office Certification</p>
<p><b>LEED</b></p>	<p><b>Kashiwa-no-ha Smart City</b> The first city in Japan to receive the highest rank of platinum certification under LEED-ND (Leadership in Energy and Environmental Design for the creation of neighborhoods), an international environmental certification system</p>



MFLP Funabashi III



Park Homes LaLa NAGOYA minato AQUUS Garden Square



TOKYO MIDTOWN HIBIYA



Kashiwa-no-ha Smart City

Looking Ahead to Fiscal 2050

Looking ahead to fiscal 2050, we shall continue to evolve each Action Plan and address the following

Open innovation for the creation of new technologies

- Identify and proactively utilize trends in a wide range of innovations in decarbonization technology.
- Aim to contribute to the decarbonization of society as a whole through joint research with academia and construction companies, and by actively investing in venture companies and providing them with opportunities for demonstration tests.

Examples of specific initiatives

- Utilization for the creation of renewable energy
  - Aim to further procure renewable energy through the use of new technologies such as offshore wind power and geothermal power generations.
- Utilization for reduction of CO<sub>2</sub> emissions during construction and building operation
  - Continue industry-leading initiatives involving construction companies and component manufacturers, aiming to reduce CO<sub>2</sub> emissions throughout the supply chain.
  - By actively adopting new technologies and materials that contribute to energy-saving in buildings, aim to reduce CO<sub>2</sub> emissions during building operation by the Group.



Bottom-mounted offshore wind turbines (image)

Promotion of the creation of neighborhoods initiatives

With the aim of realizing a decarbonized society, utilizing new technologies and open innovation, such as the Smart Energy Project in Nihonbashi, Toyosu, and Yaesu, and Kashiwanoha AEMS, aim to realize the creation of neighborhoods that promotes decarbonization not only of facilities owned but also of the entire area.

Internal Systems to Promote Action Plans

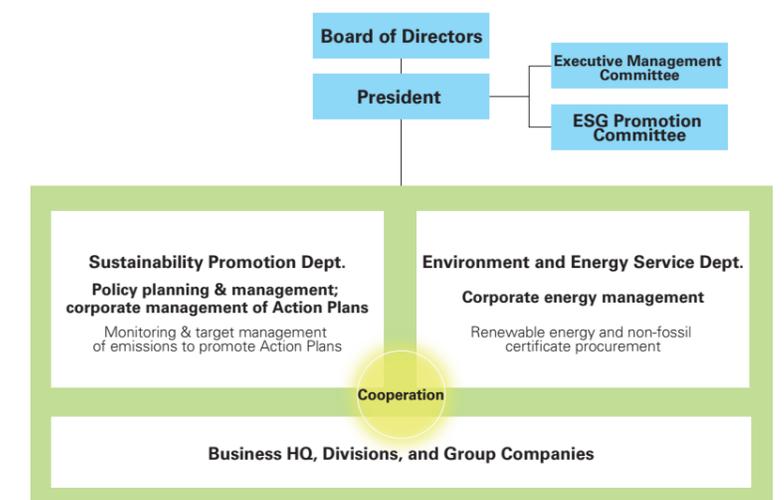
Introduction of Internal Carbon Pricing (ICP) System

From fiscal 2022, we will introduce the Internal Carbon Pricing System, a mechanism to encourage decarbonization efforts by pricing CO<sub>2</sub> emissions in newly developed properties. Environmental impact is quantified and visualized to manage progress. Raising awareness within the Company to reduce CO<sub>2</sub> emissions and accelerate efforts to decarbonize.

Sustainability Promotion Framework

Structure for promoting Action Plans

Establish Sustainability Promotion Dept. as an overall function of Action Plans. Each business headquarters, division, and Group company will collaborate with the Environment and Energy Service Dept., engaged in Company-wide energy management, and all other divisions to promote decarbonization initiatives.





### Message from a Managing Director

Human resources strategy is of vital importance in securing competitive advantage and in promoting the initiatives set forth under our VISION 2025 long-term vision. The asset of human resources is the force that drives us to continue creating new value as a real estate developer.

Under a free and open corporate culture, Mitsui Fudosan has shared the progressive spirit and willingness to flexibly and tenaciously take on challenges that we have inherited and nurtured as our DNA since our founding, while offering varied and innovative solutions and services for business and living.

We improve employees' professional knowledge and capabilities through diverse on-site experience, enhancing their ability to create added value. Through this, diverse values come together in a spirit of mutual respect, transforming into driving force as a team. Within this process, addressing every individual employee and preparing an environment for action forms the foundation of our human resource management.

Customer-centered management is an immutable basic strategy in our VISION 2025. In this era of what is called VUCA (volatility, uncertainty, complexity, and ambiguity), the business environment surrounding our Company is changing at an ever faster pace. Under a declining birthrate, an aging population, the maturation of society, the advancement of women into the workforce, the further advance of globalization, changes in lifestyles and behavior brought about by the COVID-19 pandemic, and the growing importance of sustainability, the diversity and individuality of the customers to whom we provide services are widening. Accompanying these



**Yasuo Onozawa**  
Managing Director,  
Executive Vice President  
(in charge of personnel)

changes in the environment are emerging social issues that cannot be solved simply within the framework of the conventional real estate industry.

To continue to develop and grow our business by nimbly reading changes in customers' lifestyles and values and by proposing solutions, it is vital that we ourselves accept diversity. We face demands to achieve active roles for diverse human resources by embracing diversity while nurturing ingenuity that is rich in ideas, differing values, and a pioneering spirit.

Based on this thinking, we positioned the promotion of diversity and inclusion as a key management strategy and formulated our Diversity & Inclusion Declaration and Initiative Policy, which we are implementing throughout the Group. The Group has also set the promotion of active participation by women as an important theme in our diversity and inclusion initiatives, and is undertaking varied related measures under quantitative and qualitative activity plans.

### Diversity & Inclusion Declaration

The logo adopted by the Group as a management philosophy represents the principles of coexisting in harmony with society, linking diverse values, and achieving a sustainable society.

As a real estate developer, the driver of our efforts to continuously provide new value is a major asset of

ours—our people. Therefore, we have positioned the promotion of diversity and inclusion as one of our most vital management strategies, and the Group is coming together as one to create an organization in which personnel with diverse values, capabilities, and lifestyles can demonstrate each to the best of their abilities.

### Diversity & Inclusion Initiative 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 upmost, 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 resources system so as to raise organizational productivity and our employees' work-life balances. We have made promoting female participation a key theme, and set ourselves Group-wide quantitative goals and qualitative action plans, and we will formulate various measures to promote this as a united Group.

### Diversity & Inclusion Promotion Framework

Under our Management's commitment, the managing director in charge of personnel bears ultimate responsibility for ensuring diversity- and inclusion-related initiatives are pushed forward with the Personnel Department's Workstyle Innovation Department at their heart, with knowledge input from inside and outside the Group.

Diversity and inclusion is a major theme in ESG

activities. Reports of our activities, policies for each fiscal year, and other matters are discussed and formulated 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.

### Promoting Active Roles for Women in the Group

The essential aim of "diversity" is not the diversification of specific categories such as nationality, age, or gender, but rather the diversification of perceptions of value. To further promote this essential diversity by focusing on

the key theme of promoting active roles for women, the Group has set quantitative targets and qualitative activity plans for promoting these roles, and is enacting a variety of measures throughout the Group.

### Group Female Participation Quantitative Goals

Group companies set targets for indicators such as the ratio of women in management positions, and manage progress toward these targets. We plan to accelerate efforts across the Group by designating model companies (SUNLIFE CREATION Co., Ltd., Mitsui

Fudosan Retail Management Co., Ltd., and Mitsui Fudosan Hotel Management Co., Ltd.) for the promotion of active roles for women, and by sharing information on best practices.

**Women in Management Positions Ratio Targets (for Mitsui Fudosan Co., Ltd.)**

**10%** by 2025    **20%** by 2030

<See details on the next page>

Quantitative Goals (for Mitsui Fudosan Co., Ltd.)

	Goals			
	Women in management positions ratio	Ratio of hires of women	Return rate from childcare leave	Paid leave days taken
Mitsui Fudosan Co., Ltd.	10% by 2025 20% by 2030	40%	100%	14 days

Mitsui Fudosan: Women in Management Positions Ratio



Quantitative Goals (to Be a Model Company for Promoting Female Participation)

Company name	Goals			
	Women in management positions ratio	Ratio of hires of women	Return rate from childcare leave	Paid leave taken
SUNLIFE CREATION	- (April 2021: 70.6%)	- (FY2020 results: 82%)	100%	Uptake: 70%
Mitsui Fudosan Retail Management	20% by 2025 25% by 2030	- (FY2020 results: 58%)	100%	Uptake: 80%
Mitsui Fudosan Hotel Management	15% by 2025 20% by 2030	- (FY2020 results: 60%)	100%	Uptake: 70%

Promotion of Active Roles for Women in the Group: Qualitative Activity Plans

As a Group, we have formulated and are undertaking eight measures to achieve the following two priority objectives.

1. We will create an environment where people want to work long-term, where everyone can respect each other's values and lifestyles, including whether they care for children or others, regardless of gender
  - (1) Changing awareness throughout the organization and among managers (unconscious bias training, etc.)
  - (2) Supporting childcare and leave to care for others (system enhancement, training, paternity leave promotion, etc.)
  - (3) Developing a return entry system
  - (4) Forming flexible workstyles that cater to individual positions and fields
2. By promoting female participation, we will change awareness within the organization and raise those female employees' motivation and support their career development
  - (5) Changing awareness throughout the organization and among managers (diversity and inclusion training, etc.)
  - (6) Developing mentor/sponsor systems for female employees
  - (7) Forming a working group to promote female participation
  - (8) Holding in-house events to encourage interaction

been adopted by the Government Pension Investment Fund (GPIF) as an index for ESG investment.



Website introducing Mitsui Fudosan Group's efforts to promote active roles for women

See details of initiatives here: <https://www.mitsui-fudosan.co.jp/corporate/hrm/women/> (Only available in Japanese)



Launch of Working Team for Active Roles for Women



Nursery school in a workplace

# Main Initiatives for Promoting Active Roles for Women

## An Environment Where People Want to Work Long-Term

To develop an environment where diverse personnel, whether male or female, can play an active role, we are working to change awareness throughout the organization and among 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. As an example, to create an environment that supports both work and childcare, we were quick to establish a flex-time system for reduced working hours during childcare, a work-at-home system, a childcare leave system that exceeds statutory requirements, and in-office

Return Rate from Childcare Leave Among Regular Employees

Past 21 years\*

100%

\*FY2000 - FY2020

nurseries. We have maintained a 100% return rate from childcare leave among regular Mitsui Fudosan employees for 21 consecutive years, and have a 70% rate of childcare support leave among male employees.

Through improvement of the environment and active hiring of women (with a female recruitment ratio 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 2021, we have a 5.7% ratio of women in management positions and a 19.3% ratio of women in sub-section manager or equivalent positions. We are working to increase the ratio of women in management positions to 10% in 2025 and 20% in 2030.

For four consecutive years, Mitsui Fudosan has been selected for inclusion in the MSCI Japan Empowering Women Index (WIN), which has

2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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

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## Raising Motivation and Supporting Career Development

By conducting diversity and inclusion training, and other measures for organization heads, we will promote female participation and change awareness throughout the organization as we offer female managers career development support via a mentor system and other initiatives. Moreover, the working group we set up to promote female participation provides proposals and exchanges, cross-meetings that allow young females in general positions to interact, and seminars by women in active roles, and is raising female employees' motivation and supporting their career development.



Diversity and inclusion training for organization heads



Information exchange put on by the Diversity Management Promotion Project Team for employees on childcare leave (Mitsui Fudosan Retail Management)



Lecture and seminar (speakers included our former managing director and advisor on our female participation, Masako Egawa, and her introducer)

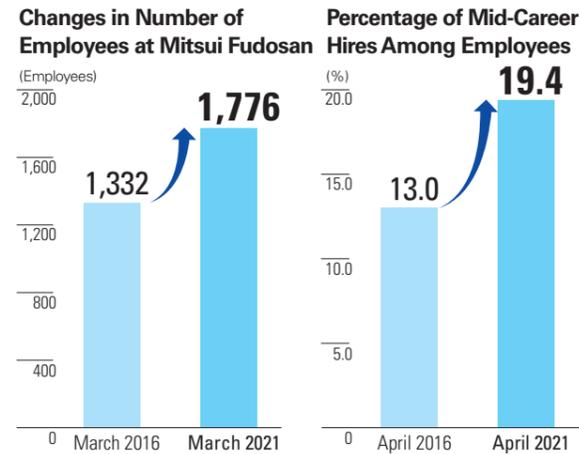
# Measures Based on Human Resources Strategy

## Recruiting Personnel from Diverse Backgrounds

To innovate the real estate business in the way we outline in our Group long-term vision, VISION 2025, there are a wide range of knowledge sets that we will need to bring together. As such, we are proactively recruiting mid-career human resources who have no experience in our industry or who were previously working in different fields.

We have put in place various training and mentoring systems that enable greater activity for diverse personnel with varied career histories and standpoint to demonstrate individuality based on their respective experiences and abilities.

Our aim is for these diverse personnel to work together and collaborate autonomously to produce new value and innovation.



## Recruiting and Training Global and IT Personnel

Two of the main aspects of our initiative policy in VISION 2025 are to innovate business models by harnessing real estate tech and dramatically grow the overseas business. Our focus now is on recruiting and training global and IT personnel that can support those goals.

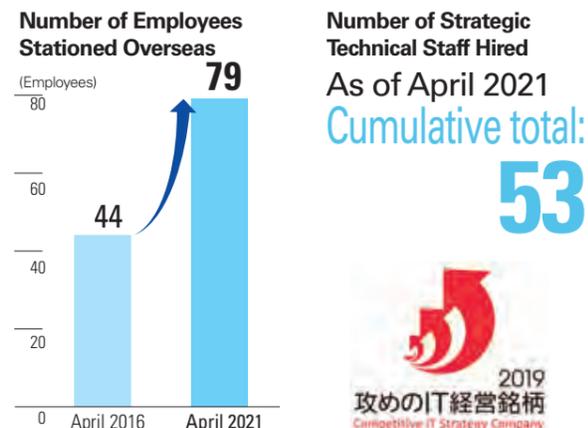
As globalization continues, we aim to have overseas profit constitute 30% of our consolidated operating income in or around the year 2025. To that end, we have been actively recruiting foreign nationals and Japanese new graduates or mid-career employees with global experience. Further, we are striving to create global-oriented staff through measures such as mandating language learning over several months for younger employees, conducting specific language training for mid-level employees, introducing a one-year overseas internship program, and stints working

overseas through job rotations.

We are also aware that digital transformation (DX) has had a major impact on conventional business, and to raise its real, applicable value, we are accelerating efforts to apply digital and real estate technologies. To do this, we are actively hunting down highly specialized mid-career individuals that will be an immediate asset to our ICT. We are also applying their capabilities to each of our business domains to spur innovation.

In our existing businesses, we are conducting various types of training under the belief that all employees are needed to promote even further DX.

In 2019, we were even selected as a Competitive IT Strategy Company by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.



## Initiatives for Human Resources Development and Human Resources Management

Our basic approach to human resource management is to treat each employee as an individual and create a stage on which they can hone their professional knowledge and abilities, increase their ability to create added-value, and transform team performance through the integration of diverse values and skills.

Mitsui Fudosan aims to develop a diverse group of employees, who are able to make full use of their individual attributes, with both specialized and advanced business knowledge, and a broader perspective. In order to achieve this goal, we have adopted a basic policy on personnel development that broadens the capabilities of each individual by combining four opportunities (1: OJT, 2: annual interviews between the Personnel Department and each employee, 3: job rotation, and 4: training programs).

### (1) OJT

We provide On the Job Training through work on-site as the basis for personnel development. Through specific jobs in the workplace and communication between employees, we develop the capabilities necessary for job performance in a planned, continuous fashion.

### (2) Interviews with employees

To provide support aligned with individual employees' visions for career development and skill development, we offer many opportunities for face-to-face discussions with the Personnel Department and department heads.

Annual interviews with the Personnel Department aid in grasping employee issues, environment for development, and individual concerns, as well as in conducting fair evaluations through understanding of the working circumstances of individual employees and those around them.

### (3) Job rotation

We develop professionals with a wide range of specialties. We conduct job rotation every few years. Our aim is to develop employees and an organization which can adapt to an ever-changing environment, and this is achieved by further deepening the experience and knowledge of each employee through work experience in multiple areas, while bolstering expertise through focus on work the employee is in charge of.

### (4) Training programs

Between level-based training and training that can be selected to cater to individual employees' personal roles, skills, or capabilities, and other measures, we have more than 100 diverse programs underway. So that everyone can voluntarily work to improve their own abilities, we are preparing application-based training that incorporates interaction between employees from different industries.

In addition, to support career visions based on employees' diverse values, we are putting in place a number of systems, including a personal statement system related to changing official duties or wishes to change department, and a system to allow contract employees to become regular employees.

Going further, to deepen understanding of our businesses, one of our initiatives aimed at expanding experience in business domains separate from our existing businesses, we are looking to establish systems that include a business proposal system, a side-job system to help create innovation and make a social contribution, a leave system whereby employees can take time to study at graduate school, and a graduate school tuition fee subsidy system. In these ways, we will promote the fostering of issue-resolution capabilities and the ability to create added-value in this very changeable business environment.



# Initiatives to Support Work-Life Balance

## Promotion of Workstyle Reform

To respond to the dramatically changing needs of society and achieve the creation of new value, under the concept of workstyle reform the Company is building organizations where human resources with diverse talents, lifestyles, and perceptions of value can maximize their respective abilities.

We also promote the optimization of work-life balance by improving work efficiency in all departments, optimizing the allocation of work, and reducing employees' working hours. It is our belief that appropriate work-life balance carries great benefits including enhancement of employees' private lives, promotion of self-improvement, and achievement of childcare or nursing care alongside work. We further view this balance as forming workplace environments where diverse employees maximize their individual abilities, leading to the creation of higher value and sustainable growth for the Group.

### Initiatives for Workstyle Reform

Reforming awareness	<ul style="list-style-type: none"> <li>Foster awareness by continued communication of top management's message</li> <li>Utilize internal public relations magazines and email newsletters to conduct educational activities and share expertise</li> <li>Encourage the taking of continuous annual paid leave, and set targets for yearly use of leave (7 days per half year; 14 days per year)</li> <li>Conduct training on health and safety for organizational heads</li> <li>Evaluate efficiency as a factor involved in personnel evaluation</li> </ul>
Work reform in organizational units	<ul style="list-style-type: none"> <li>Support departments' initiatives through the Workstyle Innovation Department</li> <li>Establish a customized workstyle in each department, and promote work efficiency improvements</li> <li>Support productivity improvements through the use of IT</li> </ul>
Infrastructure improvements	<ul style="list-style-type: none"> <li>Utilize the WORK STYLING Shared Office</li> <li>Introduce work-at-home system</li> <li>Enable recording of PC usage hours and deploy a usage control system</li> <li>Implement paid leave that can be taken in half-day units</li> </ul>

## Promotion of Health Management

We view the health and safety of all employees as an important issue for management in strengthening the Company's competitiveness and achieving sustainable growth. While enacting a Health and Productivity Management Declaration and clarifying related policies, we take action to maintain and improve employees' health to create environments where employees can work energetically in ways suited to their individual lifestyles.

### Health and Productivity Management Declaration

- Our progressive spirit and attitude of flexibly tackling tough challenges forms the basis for our approach of supporting individual employees' efforts to create new value from the sidelines via health and productivity management, and we will tie that in to the Company's sustainable growth.
- We will actively invest in our employees' physical and mental well-being, and promote the creation of workplaces where diverse personnel are excited to work.
- Through urban development, we will work to maintain and promote health in the region and in wider society. Equally, we will use health and productivity to resolve the issues that society is facing, to contribute to a healthier, richer future.

Specifically, we established a Health Management Center, under the charge of the managing director in charge of personnel affairs, to conduct consultations for employees by personnel staff, implement health checkup expense subsidies for employees and their spouses, hold health-related events, and so on. In consultation with the health insurance association, we actively promote initiatives that include planning and verifying the effects of measures to address health issues.



Health promotion event "&well Festa"



Health management support service "&well"

In recognition of our health management-related initiatives, we have been selected by the Certified Health & Productivity Management Outstanding Organizations Recognition Program ("White 500," Large Enterprise Category) of the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi as a corporation that practices excellent health management.



## Special Feature 3 What an Outside Director Has to Say

**Eriko Kawai**  
Director (Outside, Independent)

### Q1. What are your impressions of Mitsui Fudosan's Board of Directors since becoming a director?

My first impressions were that there is good disclosure of management information to independent outside directors and that the opinions of us outside directors are seriously listened to. For example, clear material is provided and meticulous responses are given to our questions during advance explanations. There are also venues outside of Board of Directors meetings for explanations of important topics. It seems that Mitsui Fudosan has created an environment in which even newly appointed outside directors can gain a firm understanding of the business and make the most of their abilities.

Furthermore, outside directors and inside directors hold lively discussions at Board of Directors meetings. Of course, deliberations on individual projects are stressed,

but there is also a focus on debates about strategy, which makes it possible to discuss and evaluate numerous issues, including the direction of management, brand strategy, and sustainable business model. This is an important role for outside directors and contribute to the value creation of the Company. I think that the opinions of outside directors are taken seriously and the management pays attention to our advices and opinions.

During deliberations on individual projects, the merits and all possible risks are presented and firmly analyzed, making it possible to efficiently move forward with discussions. While the management team undertakes proactive management, compliance is taken seriously, and as an outside director, I sense a very solid foundation of the Company.

## Q2. How would you like to apply your work experience to the management of Mitsui Fudosan?

In addition to having worked as a financial professional in United Kingdom, France, and Switzerland, I gained management experience as the chief investment officer for a fund that privatizes government-run companies in Poland. Furthermore, I served as an outside director at several companies in Poland that this fund invested in. Because Mitsui Fudosan is aggressively expanding its real estate business overseas, I hope to make various suggestions and proposals based on the knowledge of global business I have acquired and my experience. As a women and consumer and because of my experience

with business and foreign cultures in Europe, I can voice opinions from a different perspective than other directors and contribute to the diversity of the Board of Directors.

In addition, at Kyoto University, I taught a course for a global leadership. I also conducted leadership training for the management teams of companies expanding overseas. Here at Mitsui Fudosan, I would also like to contribute to nurturing female leaders and as well as the executives who will take an active role in overseas expansion.

## Q3. What is your opinion of Mitsui Fudosan's global strategy?

In its long-term vision VISION 2025, the Company includes the outlook of growing overseas income so that it accounts for 30% of consolidated operating income. Looking at the future business environment, competition within Japan will grow fiercer for several reasons, including Japan's relatively weak economic growth compared to overseas and shrinking population; therefore, a strategy of actively capturing business opportunities overseas is critical to maintaining growth. In particular, mixed-use neighborhood creation, a strength of Mitsui Fudosan, is a unique development method

overseas, and it may be possible for the Company to further expand its business using past successes, including the Television Centre Redevelopment Project in London. Neighborhood creation projects where residents can enjoy good surrounding environment such as Kashiwa-no-ha Smart City can probably also be undertaken throughout the world. Although Mitsui Fudosan is a leading company in Japan, I think that it is important for the Company to select reliable partners because local knowledge and know-how are essential in the real estate industry.

## Q4. What do you think of Mitsui Fudosan's efforts related to diversity?

Promoting women to management positions is one issue that falls under diversity, and while offering equal opportunities is important, it is also necessary to bolster the self-confidence of women themselves. When female employees aim higher positions, they need to be supported by their superiors as there are not many role models. Top management that promotes diversity is vital for gender equality. I am happy to learn that the Company makes serious efforts such as providing training to eliminate unconscious biases in gender issues. It takes time, however, for people to develop their talents. Mitsui Fudosan is starting to actively recruit mid-career hires. Mitsui Fudosan has a

very homogenous corporate culture which is its strength but now also starts to accept different values and diversity. It will make Mitsui Fudosan even stronger and global.

I think it is necessary to pay attention to productivity-focused work style reforms and avoid long working hours. For example, various measures are possible, such as holding important meetings during the day, not after 5:00 in the evening. Employee evaluations also look at productivity, not amount of time worked. It is important to generate major changes through the accumulation of individual measures like this.

## Q5. What are your expectations for Mitsui Fudosan's efforts related to decarbonization?

Even among Japanese companies, Mitsui Fudosan is taking the lead in various ways, including setting the goal of zero net greenhouse gas emissions by fiscal 2050. This was a courageous decision because it is not something that Mitsui Fudosan can do on its own, and it will be necessary to involve both upstream construction companies and downstream customers. Aggressive efforts are being made, including joining RE100, the goal of which is not simply to improve energy efficiency at office buildings and other facilities and generate energy but to cover 100% of energy used for business with renewable energy by installing large-scale solar power facilities and other endeavors; agreeing with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and disclosing recommended information; calculating greenhouse gas emissions through scope 3; and obtaining Science Based Target (SBT) initiative certification.

Because of these initiatives, I get the impression that the Company has a strong desire to fulfil its social responsibilities by helping limit global warming for the future of humanity not because of regulations, and personally, it is extremely encouraging that major companies like Mitsui Fudosan are seriously working to create a sustainable decarbonized society. I would like the Company to further expand its wonderful efforts that leverage its know-how, such as creating sustainable "never-ending forests" in Hokkaido and working on high-rise timber office buildings.

For environmental issues, it is important to take a long-term view, which is similar for neighborhood creation. Mitsui Fudosan's mission in society is to firmly set targets, effectively make investments, and create a society in which all people can live with sense of security and peace of mind. I hope that internal and outside directors can work together to promote efforts related to decarbonization throughout the Group.



### Profile

After graduating from a Japanese high school, Ms. Kawai obtained an undergraduate degree at Harvard University in the U.S. and then an MBA from INSEAD in France. She then worked as a management consultant and fund manager at several European companies, including the Paris office of McKinsey & Company. Subsequently she spent time at several international institutions, including the Bank for International Settlements (BIS) and Organisation for Economic Co-operation and Development (OECD), as a specialist in the field of finance. After returning to Japan in 2012, she accepted a position as a professor at Kyoto University and has worked as a professor emeritus at Kyoto University and program specific professor at the Social Innovation Center (SIC) within the Kyoto University's Graduate School of Advanced Integrated Studies in Human Survivability since April 2021. She took up the position as outside director in June 2021.

# Example 1 —Neighborhood Creation That Brings About Sustainable Value— Urban Development Originating in Parks

Through the development of parks, Mitsui Fudosan provides places where encounters among people, things, experiences, and culture, along with exchanges of diverse sensibilities, create communities that give rise to new value.

## Stakeholders' Diverse Needs

### Local residents

- Safe, secure, and convenient living
- Enhanced environment for child-rearing

### Workers

- Out-of-the-ordinary experiences
- Access to cutting-edge trends
- New shopping experiences

### Tenant companies

- Increased visitors and sales
- Collaboration with reliable partners

### Government bodies (administrators)

- Utilization of private-sector know-how
- Reduction of maintenance costs

## Fusion of Social Value with Economic Value



## External Environment Recognition

- Low birthrates and increase in dual-career households
- Diversification of lifestyles
- Diversification and fragmentation in perceptions of value
- Increase in awareness of sustainability

## Our Strengths

- Engaged in every asset class**
  - Office tenants: approx. 3,000 companies
  - Retail tenants: approx. 2,400 companies
  - Hotels operated by the Company: approx. 13,000 rooms
- Expansive value chain**  
(development, store/corporate leasing, retail/hotel operation)
- Development capabilities necessary for creating neighborhoods**

## The Potential of Parks

- Spaces where diverse people and generations relax**
- Sources of urban enrichment and comfort**
- Over 110,000 parks nationwide (128,000 ha\*)**

\*Source: Urban park database, Ministry of Land, Infrastructure, Transport and Tourism

## Our Park-Integrated Development Projects

Opened in 2007

**TOKYO MIDTOWN** (Minato Ward, Tokyo)



Opened in 2018

**TOKYO MIDTOWN HIBIYA** (Chiyoda Ward, Tokyo)



Opened in 2020

**RAYARD MIYASHITA PARK** (Shibuya Ward, Tokyo)



**RAYARD Hisaya-odori Park** (Nagoya City, Aichi)



Future

**Uchisaiwai-cho 1-Chome District** (Chiyoda Ward, Tokyo)



**Tokyo Dome** (Bunkyo Ward, Tokyo)



## Example 2 –Neighborhood Creation That Meets Diverse Stakeholders’ Needs— Providing Value at TOKYO MIDTOWN YAESU

At TOKYO MIDTOWN YAESU, we seek to create new value through people, information, and things coming together to interact, under neighborhood creation that meets the wide-ranging needs of visitors and other stakeholders.

### Stakeholders’ Diverse Needs

#### Visitors

- New shopping experiences
- Access to cutting-edge trends

#### Workers

- Office buildings that make people look forward to work
- Balancing of employment with childcare
- Work close to the train station

#### Hotel guests

- Convenient transportation to business centers
- Out-of-the-ordinary experiences on special days

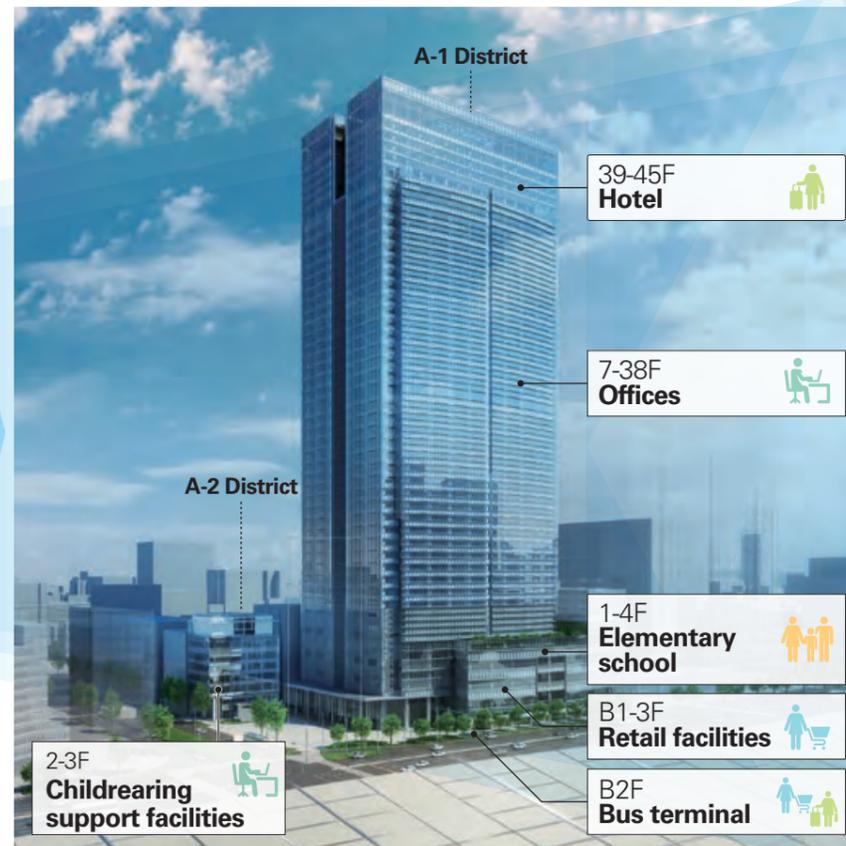
#### Local residents

- Safe, secure, and convenient living
- Deepening of regional networks

#### Tenant companies

- Easy access to business networks
- Acquisition of outstanding human resources
- Achievement of carbon neutrality

### Mixed-Use Neighborhood Creation That Takes Advantage of Location and Our Strengths



### Provision of Value to Stakeholders and Creation of New Value

#### Visitors

Conveniently, exuberantly  
**Play**

#### Workers

Securely, conveniently, happily  
**Work**

#### Hotel guests

Securely, conveniently, satisfyingly  
**Reside**

#### Local residents

Securely, conveniently  
**Live**

#### Tenant companies

Conveniently, efficiently, continuously  
**Act**

Creation of new value through people, information, and things coming together to interact

### External Environment Recognition

- Low birthrates and increase in dual-career households
- Diversification of lifestyles
- Diversification and fragmentation in perceptions of value
- Increase in awareness of sustainability

### Our Strengths

- Engaged in every asset class**
  - Office tenants: approx. 3,000 companies
  - Retail tenants: approx. 2,400 companies
  - Hotels operated by the Company: approx. 13,000 rooms
- Expansive value chain**  
(development, store/corporate leasing, retail/hotel operation)
- Development capabilities necessary for creating neighborhoods**

### The Potential of Location

- Station-front location of large terminal**  
Availability of extensive public transportation, including Shinkansen, JR lines, subway lines, and buses
- A company cluster rivaling Marunouchi and Nihonbashi**

### TOPICS Example of Provision of Value to Tenant Companies

#### Becoming a partner in achieving carbon neutrality – Provision of green electricity to tenant companies –



# At a Glance

The Mitsui Fudosan Group's main business activities are implemented through its Leasing business, Property Sales business, and Management business. In line with this structure, we have adopted the four accounting segments of Leasing, Property Sales, Management, and Other. Furthermore, revenues and profits generated by individual projects are classified into these segments and may be allocated to a single segment or multiple segments.

## FY2020 Actual



## Main Segment for Recording Revenue for Each Asset Class

\*Note: The categories shown here are to give an idea of the segments for recording revenues and profits and details may differ.

Main Asset Classes	Leasing			Property Sales			Management			Other*		Page	
	Office	Retail	Other	To Individuals (Domestic)	To Individuals (Overseas)	To Investors	Property Management	Brokerage (To Corporations)	Brokerage (To Individuals)	Asset Management	New Construction under Consignment		Facility Operations
Office Buildings	✓					✓	✓	✓	✓	✓			p.53
Retail Facilities		✓				✓	✓		✓				p.57
Logistics Facilities			✓			✓	✓		✓				p.59
Condominiums				✓	✓	✓	✓	✓	✓	✓			p.61
Detached Housing				✓					✓		✓		p.61
Hotels & Resorts												✓	p.65

# Office

## Market Environment

### Risks

- Changes in office demand due to the spread of telework, etc.
- Increase in office supply in 2023 and 2025

### Opportunities

- Heightened mindset toward productivity improvement among companies and workers
- Diversification of times, places, etc. for working associated with changes in working styles
- Expansion of corporate initiatives to achieve carbon neutrality

## Competitive Advantages

- Medium- to long-term relationships with **approx. 3,000 tenant companies**
- WORK STYLING members: **approx. 210,000**  
Number of office locations: **approx. 140** (nationwide)
- Expertise in Mixed-use neighborhood creation that mobilizes an extensive value chain engaged in every asset class
- Diverse intangible services that contribute to solving tenants' management issues
- Highly competitive property portfolio (locations, product performance, etc.)
- Achievement of integrated safety and security that spans development to operational administration under Group management, and disaster-resistant neighborhood creation

## Business Strategy

- Creation of new value for improving productivity through the provision of assets and intangible services that meet the needs of diverse working styles (places, times, etc. of work)
- Promotion of carbon neutrality through the improvement of environmental performance in office buildings, and the provision of office building services that contribute to tenants' decarbonization strategies\*

\*Supply of green power to tenants, etc.

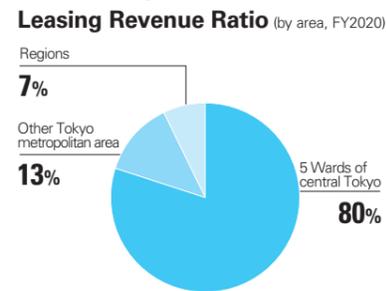
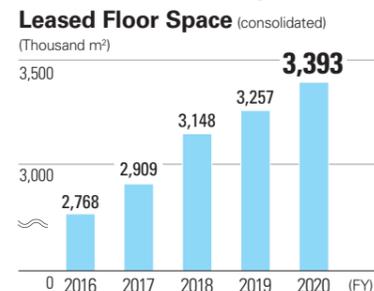
## An Excellent Portfolio

Leasing Revenue (consolidated)  
**Approx. ¥369.2 billion**  
(FY2020)

Leased Floor Space (consolidated)  
**Approx. 3,393 thousand m<sup>2</sup>**  
(As of March 31, 2021)

Leased Floor Space Ratio  
(Tokyo metropolitan area, non-consolidated)  
**Approx. 89%** (As of March 31, 2021)

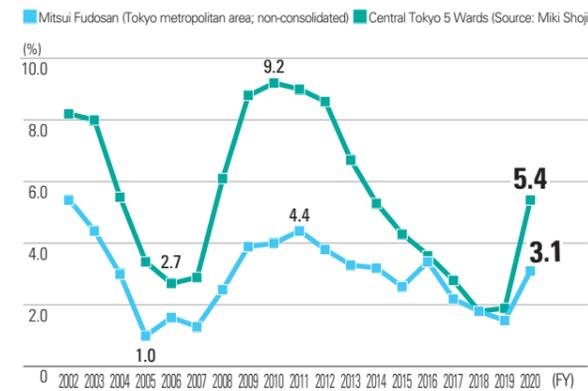
### Steady Expansion of Leasing Revenue and Leased Floor Space Mainly in Central Tokyo



## Office Vacancy Rates Remain Below Market Levels

### Office Vacancy Rate

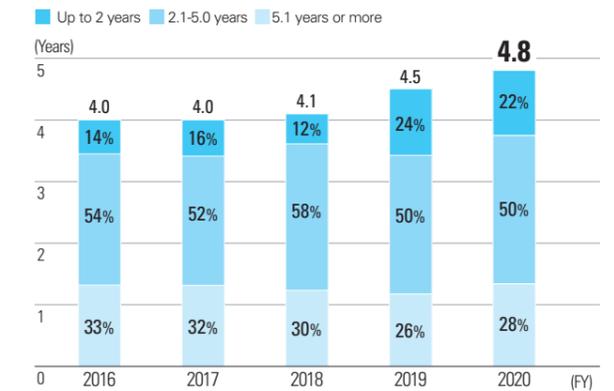
(vacancy rates as of March 31 of the relevant fiscal year)



## Office Building Lease Contract Durations are Steadily Increasing

### Office Building Lease Contract by Duration

(non-consolidated)



## Future Development Pipeline

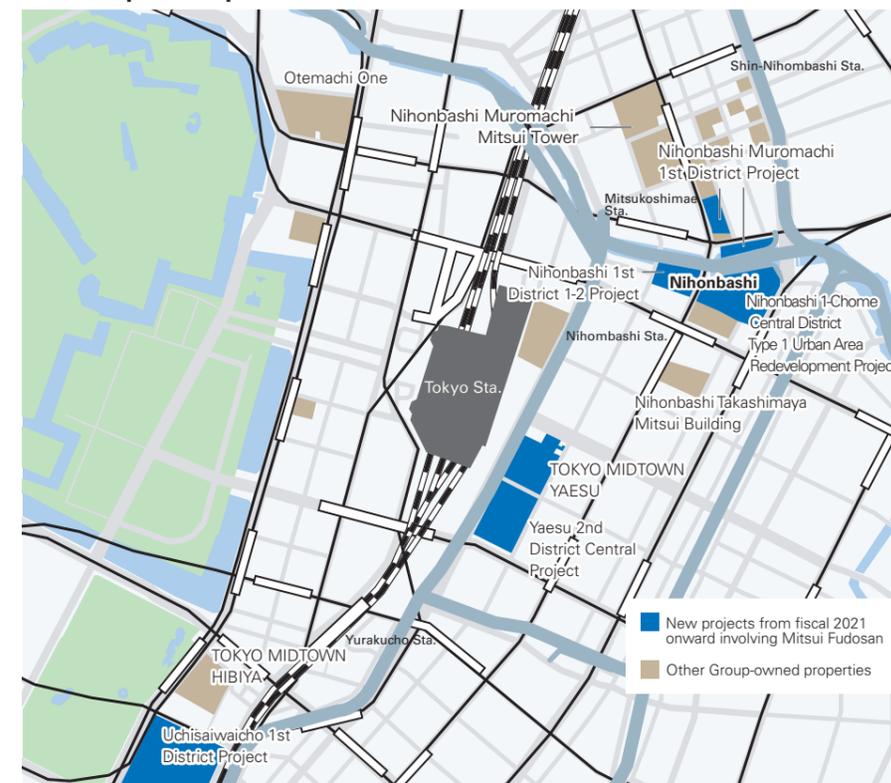
Domestic projects **8 properties** includes **7 redevelopment projects around Tokyo Station**

Overseas projects **8 properties** includes **5 in the USA and 2 in the UK**

(Based on information disclosed by the Company as of November 5, 2021.)

See our investor presentations for details. <https://www.mitsui-fudosan.co.jp/english/corporate/ir/presentation/pdf/investorpresentation2111e.pdf>

### Redevelopment Pipeline in the Yaesu and Nihonbashi Areas



TOKYO MIDTOWN YAESU  
(Completion scheduled for August 2022)



Nihonbashi 1-Chome Central District  
(Completion scheduled for FY2025)

## Providing the New Value Needed Under the "New Normal"

### Diversification of Customers' (Companies' and Workers') Needs



### Our Group's Office Building Strategy

While remote work has made great inroads, the importance of face-to-face communication has also come under renewed appreciation. Our Group is combining a variety of assets and intangible services matched to the needs of diverse places and times for work and working styles, to provide new value aimed at the productivity improvements sought under the "new normal."



### Key Initiatives to Support the Strategy

<p><b>Intangible services</b></p> <p>Members' facility for our customers* <i>mot.</i> Mitsui Office for Tomorrow</p>	<p>Members' website for our customers <b>&amp;Life-Biz</b> by ミトオフィス</p>	<p>Health management support service <b>&amp;well</b></p>
<p><b>Expansion of working style options</b></p> <p>Provision of multi-site shared offices <b>WORK STYLING</b></p>	<p><b>Community building</b></p> <p>Aggregation, exchange, training/cooperation for companies and organizations <b>LINK-J</b> Life Science Innovation Network Japan</p>	
<p><b>BCP</b></p> <p>Nihonbashi/Toyosu Smart Energy Projects</p>	<p><b>Environmental considerations</b></p> <p>Provision of green power to tenants</p>	

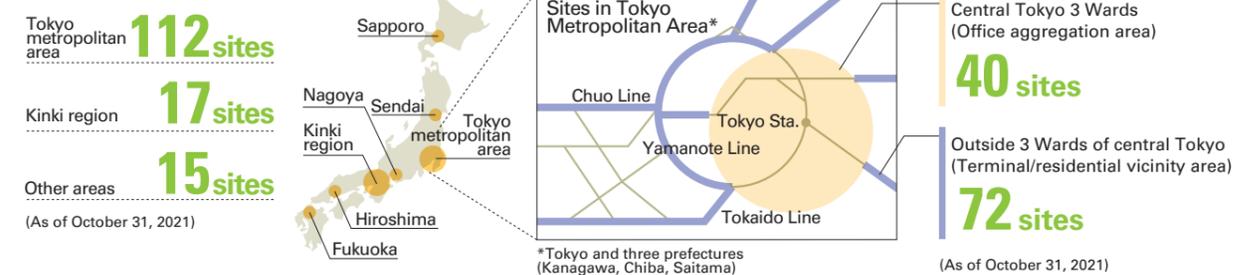
\*Lounge, gym, cafe, conference rooms, etc.

## TOPICS

### Achieving Diverse Working Styles Through WORK STYLING, Multi-Site Shared Offices for Corporate Clients



### Distribution and Breakdown of Sites



## TOPICS

### Creation of Life Sciences Innovation Through Mitsui Lab & Office

We aim to create innovation by contributing to the resolution of issues in the R&D environment through our Rental Lab & Office, which integrates the full-scale wet labs and offices necessary for the creation of innovation in the life sciences field.

#### Rental Lab and Office Business Near the City Center and Business Seeds

Solving issues in securing human resource and in personnel exchanges at locations near city centers and near business seeds

**MITSUI LINK-Lab**  
Life Science Innovation Network-Laboratory

- City center vicinity-type**: Mitsui Link Lab SHINKIBA 1, **8 minutes by train to Tokyo Station**
- City center vicinity-type**: Mitsui Link Lab KASAI, **15 minutes by train to Tokyo Station**
- Business seeds vicinity-type**: Mitsui Link Lab KASHIWA-NO-HA 1 (Adjacent to The National Cancer Center Hospital East), **34 minutes by train to Tokyo Station**

#### Creation of Open Innovation

Diverse players from different industries gather to create open innovation

Promotion of communication through collaboration with LINK-J

Shared communication lounge

#### Full-Fledged Research Environment

BSL-2\*-compatible wet lab specifications  
\*Biosafety level 2

R&D support organizations

# Retail

## Market Environment

### Risks

- Imposition of business restrictions due to new epidemics
- Decline in visitors due to population decline and the emergence of new competing facilities

### Opportunities

- Reaffirmation of the experiential value of real facilities following the COVID-19 pandemic
- Expansion of consumer activity unrestricted by location and time as EC spreads

## Competitive Advantages

- Retail tenants: **approx. 2,400**  
Tenant stores: **approx. 8,700**
- Mitsui Shopping Park point card members: **approx. 12.5 million**
- Approximately 40 years of expertise in retail facility planning, development, tenant sales, and operations
- Brand power and customer appeal through leading domestic brands including LaLaport and MITSUI OUTLET PARK
- Synergies with the logistics business, which meshes closely with retail facilities

## Business Strategy

- Strengthening the value of real facilities and enhancing the value of facilities visits by offering compelling content that attracts visitors
- Enhancement of member customers' frequency of use and purchase unit price through the promotion of One to One marketing
- Capture of wide-ranging purchasing demand by promoting an omni-channel through the operation of our own &small EC site and collaboration with real retailers
- Promotion of our unique tripartite model combining real facilities, EC sites, and logistics to provide consumers with a wide range of purchasing options and to improve the efficiency of tenants' inventory management

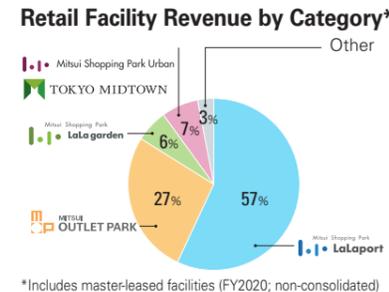
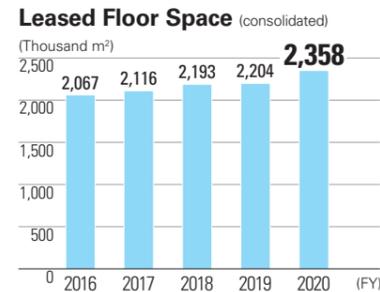
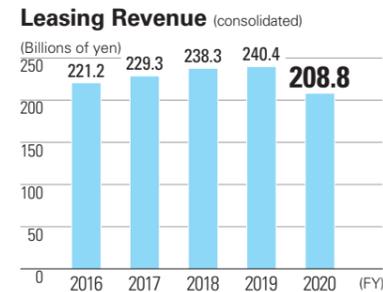
## An Excellent Portfolio

Retail Facility Revenue (consolidated)  
**Approx. ¥1.3 trillion**  
(FY2019)

Rental Revenue (consolidated)  
**Approx. ¥208.8 billion**  
(FY2020)

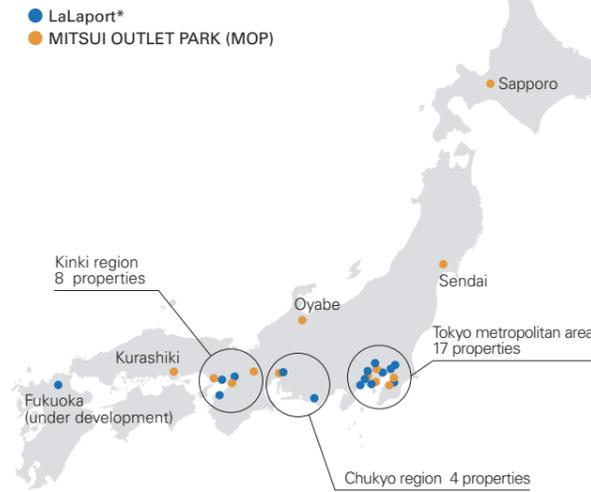
Leased Floor Space (consolidated)  
**Approx. 2,358 thousand m<sup>2</sup>**  
(As of March 31, 2021)

### Steady Increase in Leased Floor Space and Temporary Decline in Revenue from Operations Under the COVID-19 Pandemic



## Carefully Selected Store Openings in Tokyo Metropolitan Area and Other Major Metropolitan Areas in Japan

### Distribution of Store Openings (LaLaport, MITSUI OUTLET PARK)



### Number of Stores by Area (LaLaport, MITSUI OUTLET PARK)

(Numbers in parentheses indicate included properties under development)

	Total	LaLaport	MOP
<b>Total</b>	<b>34 (3)</b>	<b>21 (3)</b>	<b>13</b>
Tokyo metropolitan area	17	12	5
Kinki region	8 (2)	5 (2)	3
Chukyo region	4	3	1
Other	5 (1)	1 (1)	4



LaLaport FUKUOKA

## Future Development Pipeline

(including properties opening in FY2021)

- Domestic projects **4 properties** Includes **2** in Kinki region, **1** in Kyushu region
- Overseas projects **10 properties** Includes **6** in Taiwan, **2** in China, and **2** in Malaysia

(Based on information disclosed by the Company as of November 5, 2021.)  
See our investor presentations for details. <https://www.mitsufudosan.co.jp/english/corporate/ir/presentation/pdf/investorpresentation2111e.pdf>

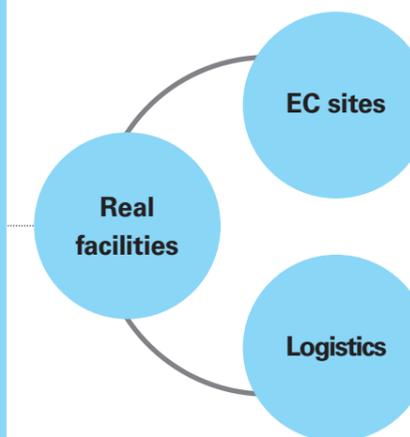
## Promotion Through Our Tripartite Model of Real Facilities, EC Sites, and Logistics

Providing a wide range of purchasing options to consumers while improving the efficiency of tenants' inventory management

### Experiential Value Made Possible by Real Facilities Improvement of Customer Appeal

Retail facility revenue: **Approx. ¥1.3 trillion** (FY2019)  
Mitsui Shopping Park point card members: **Approx. 12.5 million** (As of December 2021)  
Retail tenants: **Approx. 2,400** (As of March 31, 2021)  
Total tenant stores: **Approx. 8,700** (As of March 31, 2021)

### Promotion Through Tripartite Model



### Elimination of Time and Place Restrictions on Purchasing and Sales Activities

Mitsui Shopping Park & m a l l  
Approx. **4.2 million** members  
Total number of stores: **Approx. 400** (As of September 30, 2021)

### Centralized Management of Real Facilities and EC Inventory

MFLP Mitsui Fudosan Logistics Park  
**47** logistics sites  
Total floor space: **Approx. 4.0 million m<sup>2</sup>** (As of September 30, 2021)

# Logistics

## 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

- Expansion of logistics facilities demand due to EC market growth and reworking of supply chains by cargo owners
- Further acceleration of ICT utilization against a backdrop of labor shortages

## Competitive Advantages

- Track record of advanced logistics facility development extending to **47 properties** in Japan and overseas
- Close tenant relationships that enable provision of CRE solutions and direct sales to cargo owners
- (Office tenants: **approx. 3,000 companies**; Retail tenants: **approx. 2,400 companies**; etc.)
- Diverse collaboration and business methods including joint ventures with originators
- MFLP quality which realizes industry top class customer satisfaction
- Ability to propose logistics solutions that leverage ICT and other technology

## Business Strategy

- Achievement of business planning, leasing, etc. through provision of logistics consulting\*1 and other solutions to customers
- Promotion of differentiation from competitors by enhancing storage and operational efficiency of facilities through mechanization and digitalization
- Creation of new value utilizing our logistics facilities development know-how\*2

\*1 Mitsui Fudosan established MF Logisolutions Co., Ltd. in August 2018.  
\*2 Accommodation of diverse customer needs including data centers and urban delivery bases

## An Excellent Portfolio

Cumulative Totals Including Properties Previously Developed by the Company (as of September 30, 2021)

Total facilities under development or operation in Japan and overseas

**47**  
Of these, properties owned and operated by the Company: **15** properties

Total floor space

**Approx. 4.0 million m<sup>2</sup>**  
Of this, floor space owned and operated by the Company: approx. **1.5 million m<sup>2</sup>**

Cumulative total investment

**Over ¥610.0 billion**

Major development areas

**Tokyo metropolitan area 32** properties

Customer Satisfaction Survey Covering the Main 3PL

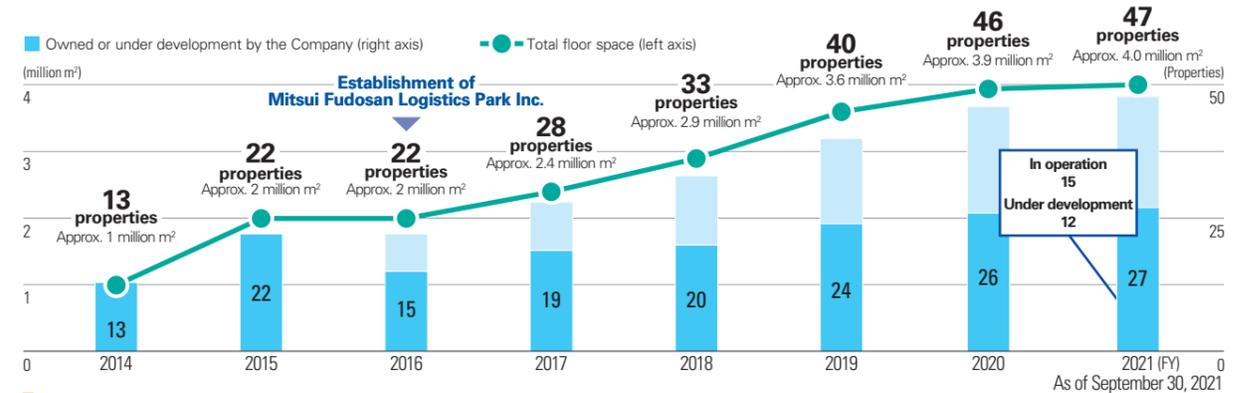
Brand power

**No.1** **LOGI-BIZ**

\*Based on latest data from by Logi-Biz, a monthly industry magazine

## Stable Business Expansion

Number of Facilities Under Development/Operation and Total Floor Space at the End of Fiscal Years



## Future Development Pipeline

Projects **12 properties** Includes **9 properties in Tokyo metropolitan area, 1 property overseas**

(Based on information disclosed by the Company as of November 5, 2021.)  
See our investor presentations for details. <https://www.mitsufudosan.co.jp/english/corporate/ir/presentation/pdf/investorpresentation2111e.pdf>

## TOPICS

### MFLP Funabashi, a Neighborhood Creation-Oriented Logistics Facility That Achieves Harmony with the Community and the Environment

We have positioned a multi-use base development centered on a logistics facility, coexisting harmoniously with the local community and aiming to enliven the surrounding area, as "neighborhood creation-type logistics facilities," with a total floor space of approximately 700,000 m<sup>2</sup> developed so far.



Within these sites, we have developed nursery care facilities available for use by local residents, MITSUI FUDOSAN ICE PARK FUNABASHI (a skating rink), &PARK (a park), and more. We create prosperity for the neighborhoods overall through actions such as collaborative events with nearby Mitsui Shopping Park LaLaport TOKYO-BAY.

#### Facilities Inside MFLP Funabashi



#### Facilities Connected to Our Group near MFLP Funabashi



# Housing (Homes and Living)

## 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 online business negotiations and electronic contracts by customers

## Competitive Advantages

- Condominium unit sales: **approx. 230,000**
- Mitsui Housing Loop members: **approx. 280,000**
- Brand power as No. 1** in brokered deals for **35 consecutive years**
- A lineup of varied products and services related to housing (Leasing/sales, new/used, condominiums/detached houses, management/operation/brokerage, etc.)
- Planning and development capabilities for realizing a product lineup of city center, large-scale, and redevelopment

## Business Strategy

- Enhancing the ability to capture business opportunities through strengthening of cooperation among Group companies and mutual customer referrals, etc.
- Provision of proposals and solutions for optimal "Homes and Living" for every life stage of diverse customers
- Deepening and expansion of loyal customers through the one-stop provision of diverse products and services

## Group Collective Capabilities That Offer One-Stop Accommodation of Varied "Homes and Living" Needs



## Property Sales (Property Sales Segment)

### Representative Products and Brands

#### Condominiums (to individuals)



#### Condominiums (to investors)



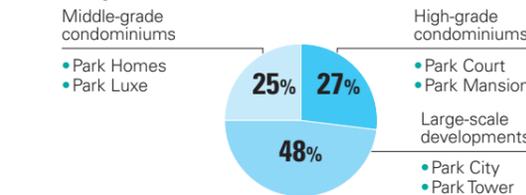
#### Detached Housing



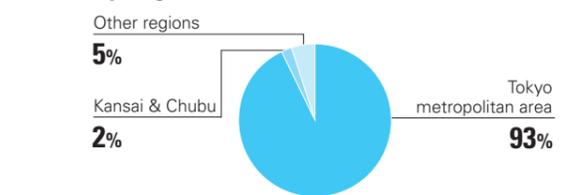
### Condominiums (to individuals)

Maintenance of high profit margins and contract rates through a product lineup centered on central Tokyo, large-scale projects, and redevelopment

#### Sales by Brand (FY2020)



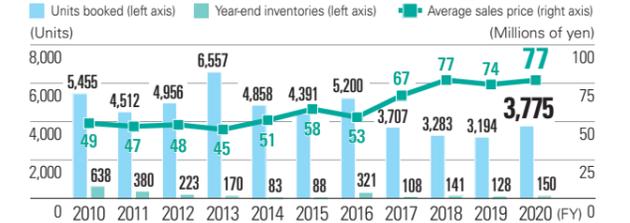
#### Sales by Region (FY2020)



### Property Sales Operating Income and OP Margin



### Condominiums Units Booked, Year-End Inventories, and Average Sales Price



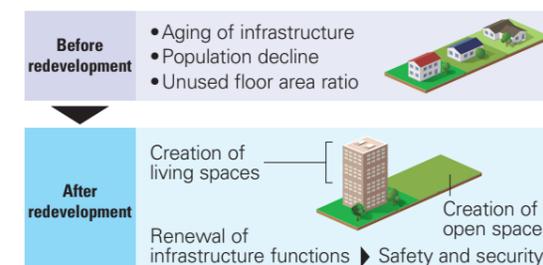
## Future Development Pipeline

Large-Scale Projects **15 properties** Land Bank (Condominiums) **Approx. 26,000 units**

(Based on information disclosed by the Company as of November 5, 2021.) See our investor presentations for details. <https://www.mitsui-fudosan.co.jp/english/corporate/ir/presentation/pdf/investorpresentation2111e.pdf>

## TOPICS Value Created by Large-Scale Redevelopment Projects in Urban Centers

Using redevelopment techniques for high-level utilization of low-utilization land and development of blocks creates new living spaces in urban centers, as well as new value that greatly enhances the appeal of neighborhoods, by creating prosperity, safety, security, and open spaces for people to relax.



### Example of creation of value through large-scale redevelopment



Park Tower GranSky (Shinagawa Ward, Tokyo; completed in 2010)

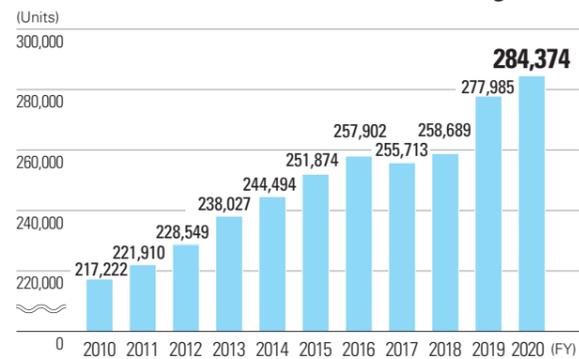
### Property Management (Management Segment)

Condominium Units Under Management:

**Approx. 280,000**

We leverage the Group's collective capabilities, as well as expertise cultivated through a track record spanning many years, to provide condominium management services.

#### Number of Condominium Units Under Management

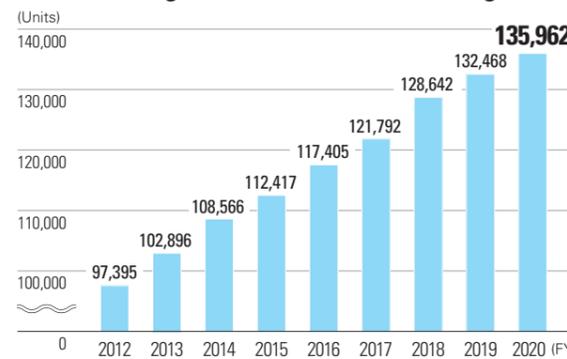


Number of Rental Housing Units for Lease Under Management:

**Approx. 140,000 units**

We provide rental condominium operation and brokerage-related services that benefit both property owners and tenants.

#### Rental Housing Units for Lease Under Management



### Brokerage (Management Segment)

Number of Deals Brokered

**Approx. 38,000**

**No.1 for 35\* consecutive years**

We are realizing safe and reliable deals that meet the needs of diverse customers in areas such as real estate sales, purchases, rental, and usage.

\*From FY1986 to FY2020



#### Brokerage Market (FY2020)

	Fee/Revenue (Billions of yen)	Transactions (Units)	Transaction volume (Billions of yen)	Number of stores
1 Mitsui Fudosan Realty Co., Ltd.	76.7	38,507	1,563.8	286
2 Company A	62.3	35,122	1,241.0	269
3 Company B	57.8	25,635	1,226.4	193
4 Company C	34.7	9,322	893.4	94
5 Company D	17.4	7,202	412.4	72

Source: "Fudousan Keizai Tsushin (The Real Estate Business Daily)" May 26, 2021, Real Estate Economic Institute Co., Ltd.

### Car Park and Car Sharing Businesses That Support Enriching Lifestyles

Vehicles Under Management

**Approx. 270,000**

Since it was launched in 1994, Mitsui Car Park Leasing has developed a business operating car parks all over Japan. It has contributed to dynamic neighborhood creation by providing car park management support services that enable land to be used effectively.



Members

**Approx. 240,000**

We are expanding the car sharing business, centered on Mitsui Repark locations in the Tokyo metropolitan and Kansai areas. Careco features a full line-up of vehicles, including minivans and Mercedes Benzes.



### New Construction Under Consignment (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 245,000 new buildings in 47 years, primarily made-to-order homes. In addition to homes, it is also actively taking on construction consignments for large-scale facilities and overseas projects.

Buildings Delivered

**Over 245,000**

(Cumulative total over the past 47 years)



Large-Scale Facilities Delivered

**Over 5,000**



### 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.



### TOPICS

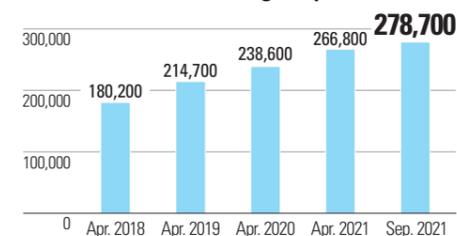
#### Mitsui Housing Loop — Providing One-Stop Solutions for Homes and Living

Members

**Customer base of approximately 280,000 people\***

\*As of September 30, 2021 (266,805 as of April 30, 2021)

#### Number of Mitsui Housing Loop Members



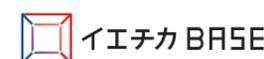
#### Providing Comfortable and Economical Services for People Living in Mitsui Homes



### TOPICS

#### Launch of Ichika BASE to Address Diversification of Lifestyles

As the need for workspaces has rapidly grown under the diversification of lifestyles, we have begun offering Ichika BASE, a "third place" offering workspaces and community spaces for individuals.



# Hotels and Resorts

## Market Environment

### Risks

- Delayed recovery in inbound customers due to the COVID-19 pandemic
- Decrease in business travel demand due to restricted activity and changes in working styles

### Opportunities

- Diversification of purposes of stay within domestic demand (Working, living, etc.)
- Expansion of domestic travel needs due to overseas travel restrictions

## Competitive Advantages

- Mitsui Garden Hotel members: **over 500,000**
- Number of directly managed guest rooms: **approx. 13,000 (domestic and overseas)**
- Development of 13 hotel and resort brands meeting diverse customer needs, from luxury to lodging-focused brands
- Demonstration of synergies through collaboration on products within the Group (Collaboration with WORK STYLING shared offices, attraction of restaurant tenants by leveraging retail tenant relations, etc.)

## Business Strategy

- Capture of new demand\*1 for working, living, etc. by providing places to stay
- Expansion and deepening of loyal customers through the expansion of membership organization\*2 services
- Active capture of domestic travel needs subject to overseas travel restrictions

\*1 Need for telework, short-term residence, hospital treatment stays, stays for accompaniment of hospital patients, etc.  
 \*2 MGH Rewards Club, etc.

## An Excellent Portfolio

Hotels and guest rooms (including overseas)

**51 hotels**      **Approx. 13,000 rooms**  
 (As of September 30, 2021)

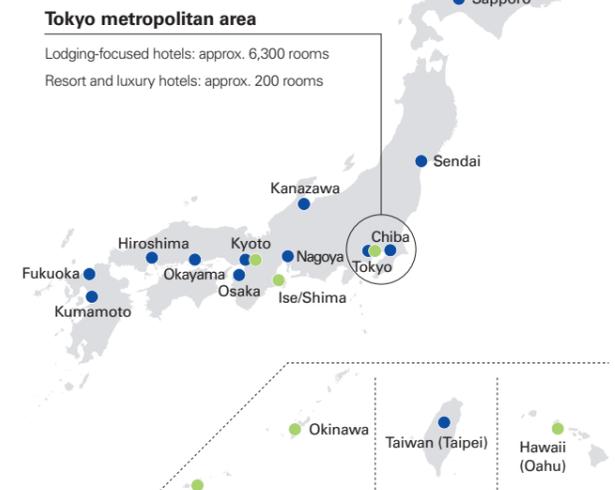
### Brands That Meet Diverse Customer Needs

Lodging-focused hotels	Resort and luxury hotels

## Development of Hotels and Resorts in Major Cities and at Tourist Destinations in Japan and Overseas (Approx. 13,000 rooms)

### Our Company's Hotel and Resort Facility Located Areas (As of September 30, 2021)

- Lodging-focused hotels
- Resort and luxury hotels

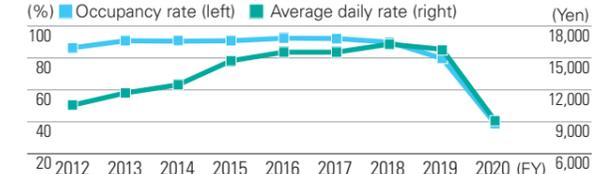


**Tokyo metropolitan area**  
 Lodging-focused hotels: approx. 6,300 rooms  
 Resort and luxury hotels: approx. 200 rooms

### Lodging-focused Hotels: Number of Rooms by Area\*

	No. of rooms	Percentage
<b>Total</b>	<b>11,000</b>	<b>85%</b>
Tokyo	5,400	42%
Tokyo metropolitan area (excluding Tokyo)	900	7%
Kyoto	1,300	10%
Osaka	500	4%
Other	2,800	22%

### Occupancy Rate/Average Daily Rate (MGH, THE CELESTINE HOTELS)



### Resort and Luxury Hotels: Number of Rooms by Area\*

	No. of rooms	Percentage
<b>Total</b>	<b>2,000</b>	<b>15%</b>
Tokyo	200	1%
Okinawa	500	4%
Other domestic	600	4%
Honolulu	700	6%

\*Unit: 100 rooms (As of September 30, 2021)

## Future Development Pipeline

Number of guest rooms (including overseas)

**Approx. 1,000 rooms**      Of these, lodging-focused hotels: **Approx. 700 rooms**      Resort and luxury hotels: **Approx. 300 rooms**

(Based on information disclosed by the Company as of November 5, 2021.)  
 See our investor presentations for details. <https://www.mitsufudosan.co.jp/english/corporate/ir/presentation/pdf/investorpresentation2111e.pdf>

## TOPICS Capture of New Accommodation Demand by Providing Places to Stay

### "Hotel x Work"

Conversion of hotel guest rooms into private room shared offices



### "Hotel x Residence"

Proposal of a "new form of residence" through fixed-term sales

#### Hotel Subscription Plan

Under the concept of "Making homes freer, more convenient and happier," we propose a new form of hotel-based "Homes and Living" through a flat-rate subscription service

### "Hotel x Medical Care" Capturing Accommodation Demand Through Collaboration with a Hospital

The National Cancer Center Hospital East is visited by nearly 300,000 people a year from Japan and overseas. We are building Mitsui Garden Hotel Kashiwa-no-Ha Park Side on the premises of the hospital to support the treatment of cancer patients. (Scheduled to open in summer 2022)



1st floor front desk



Guest room (suite with kitchen)



# 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
- Changes in social awareness of sustainability and tightening of regulations concerning properties
- Risk of interest rate and tax hikes due to shift from monetary easing policy

#### Opportunities

- Preference for high-quality properties in favorable locations due to changes in the need for real venues
- Increase in demand for office properties with superior environmental performance
- Increase in demand for "Laboratory and Office" buildings associated with the growth of the life sciences industry

### Asian Market

#### Risks

- Changes in the need for real retail facilities associated with growth in E-commerce
- Geopolitical risks caused by US-China tensions
- Risk of prolonged economic stagnation due to COVID-19

#### Opportunities

- Expansion of demand for consumption of experiences, etc. unique to real retail facilities
- Firm personal demand due to economic growth, growth of the middle class and personal consumption, the advance of urbanization, etc.

## Competitive Advantages

Engaged in every asset class, an expansive value chain, and development capabilities necessary for creating neighborhoods



### A History of Over 30 Years in Each Region

**Mitsui Fudosan America, Inc.**  
(Mitsui Fudosan (USA) established in 1973)

Over **40** years

**Mitsui Fudosan (U.K.) Ltd.**  
(Established in 1990)

Over **30** years

**Mitsui Fudosan (Asia) Pte. Ltd.**  
(TID Pte. Ltd. established through joint venture in 1972)

Over **40** years

### Recruitment That Is Conscious of the Local Business Community



**John Westerfield**  
CEO of Mitsui Fudosan America, Inc.

<b>1985</b>	Graduated from Harvard Business School
<b>1985-2008</b>	Worked at Morgan Stanley, most notably as Managing Director in charge of real estate finance
<b>2012</b>	Senior Advisor to MFA's BOD at Mitsui Fudosan America, Inc.
<b>2015</b>	CEO of Mitsui Fudosan America, Inc.

## Business Strategy

- Achievement of dramatic growth by combining partner strategies with Group strengths nurtured through domestic business, and by capturing outstanding business opportunities
- Maintenance and strengthening of competitiveness by discerning changes in the market environment and reworking product planning as needed to support area and product strategies, sustainability, etc.
- Business development matched to market characteristics, focused on "Laboratory and Office" buildings, and rental housing in Europe and North America, retail facilities and condominiums in Asia, etc.

### Overseas Partnership Strategy

Advancing business in each region with approximately 50 partner companies

Major Partner Companies

<b>USA</b>	Related, Oxford Properties Tishman Speyer, Hines
<b>UK</b>	Stanhope
<b>Singapore</b>	Hong Leong Group
<b>Thailand</b>	Ananda
<b>China</b>	Greentown Group

### Area Strategy

#### Europe and North America

Develop with a focus on office and rental housing business in a mature, highly transparent and liquid real estate market.

#### Asia

Develop with a focus on condominium sales and retail facility business that takes into account growth in the Chinese and Asian markets driven by rising consumer spending and advancing urbanization.

## Overseas Sites and Business Development Areas



## Overseas Portfolio

### Breakdown of Group Assets by Area



### Overseas Income as Part of Total Group 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 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.

## Future Development Pipeline (Office Buildings, Retail Facilities)

### Europe and North America Projects

**7 properties** includes **5** in the USA and **2** in the UK

### Asia Projects

**10 properties** includes **6** in Taiwan and **2** in Southeast Asia

(Based on information disclosed by the Company as of November 5, 2021.)  
See our investor presentations for details.  
<https://www.mitsui-fudosan.co.jp/english/corporate/ir/presentation/pdf/investorpresentation2111e.pdf>

## CLOSE UP Entry into the Stadium and Arena Businesses

### Business Activities of the Tokyo Dome Group



This Group is composed of the Tokyo Dome City Business, which is centered on facility leasing for sports, music, and other events at Tokyo Dome and operation of the LaQua complex retail facility and Tokyo Dome Hotel, as well as the Distribution Business that has developed approximately 40 cosmetics shops nationwide and the Atami Business that operates resort hotels.

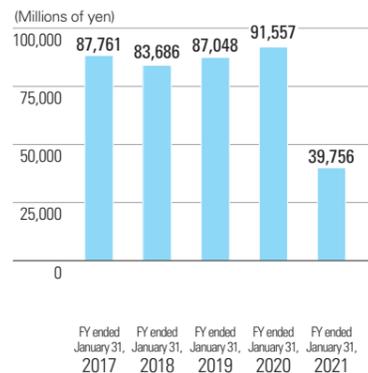
#### Sales Ratio by Business



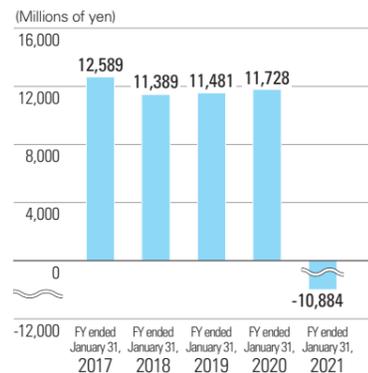
#### Reference: Tokyo Dome Group Past Performance

(fiscal year ended January 31, 2017-fiscal year ended January 31, 2021) \*No longer listed as of April 25, 2021.

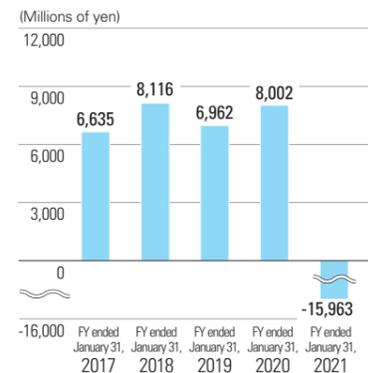
##### Revenue from Operations



##### Operating Income



##### Profit Attributable to Owners of Parent



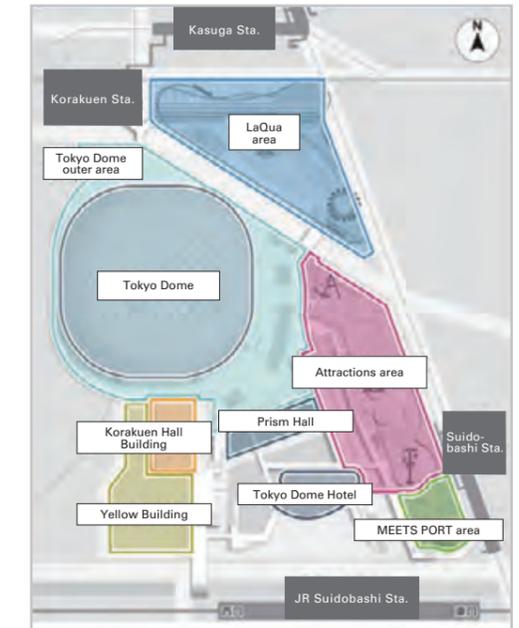
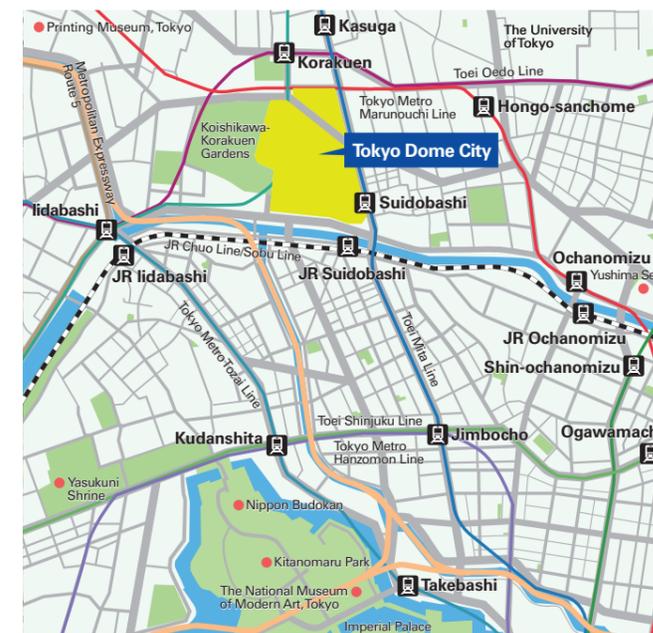
### Strengths of Tokyo Dome City

City Center Convenient to Transportation × 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 to transportation  
Tokyo Station Haneda Airport Narita Airport

Approx. **6** minutes Approx. **45** minutes Approx. **50** minutes

### Power of Facility

### Plentiful Facilities That Meet the Needs of Diverse Visitors

<b>Tokyo Dome</b> All-weather stadium with 46,000-person capacity	<b>LaQua</b> Retail facilities, amusement park, spa	<b>Tokyo Dome Hotel</b> Large-scale city hotel

### Power of Event

### Attraction of Customers Through Varied Events in the City Center



#### Number of Visitors to Tokyo Dome City (through January 2020)



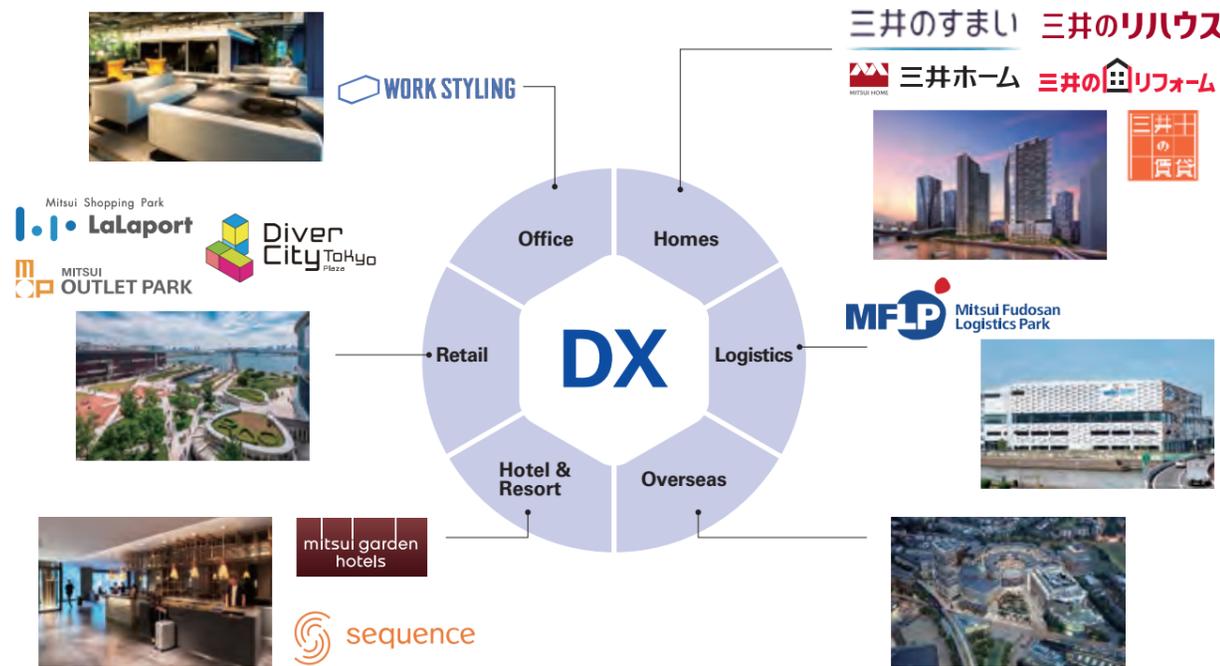
**CLOSE UP DX Initiatives**

**Promotion of DX Across All Businesses**

Digital transformation (DX) is picking up speed under the COVID-19 pandemic, affecting the ways people work and live.

Mitsui Fudosan's VISION 2025, Group long-term

vision calls for harnessing technology to innovate the real estate business. Under this idea, we are promoting business transformation through DX in all of our businesses.



**DX: Example 1 Office**

**Supporting the Creation of New Workplaces for Customers**

At our WORK STYLING shared offices for corporate clients that address diversifying workstyles, users can enter and leave offices using a two-dimensional code-based non-contact system. Single-person rooms are equipped with sound masking to enhance the sound environment and privacy.

We are also expanding services that harness ICT, including online support from concierges at the single-person-room facility WORK STYLING SOLO.



Development of a LINE mini-app for easily reserving conference rooms and single-person rooms from the WORK STYLING website



WORK STYLING SOLO satellite office, specialized for single-person rooms



Online concierge

Two-dimensional code-based entry/exit management

**DX: Example 2 Logistics**

**Logistics Solutions Utilizing ICT**

Even as flourishing electronic commerce (EC) boosts demand in the logistics industry, worsening labor shortages have made automation and efficiency improvement vital issues. Mitsui Fudosan has opened the MFLP ICT LABO 2.0, logistics ICT experience showroom, within the MFLP Funabashi &GATE logistics facility. This location exhibits the industry's first\* "Full Automation Logistics Model" that automates logistics business flows from receipt to shipment, and proposes solutions for logistics automation and labor saving in warehouses.

\*The first initiative by which a developer that develops and operates logistics facilities has set up an experience showroom specialized in ICT.

**Features of the MFLP ICT LABO 2.0 Logistics ICT Experience Showroom**

- Exhibit the first-in-industry, human intervention-free "Full Automation Logistics Model"
- Present Japan's first standing exhibit of approximately 30 types of cutting-edge, logistics ICT-related equipment, including transfer robots

**ICT LABO20**



MFLP ICT LABO 2.0, logistics ICT experience showroom



Unmanned forklift system

Rack mobile robot performing picking work

**DX: Example 3 Hotel and Resort**

**sequence, a Next-Generation Hotel Utilizing the Latest ICT**

Amid a growing need for avoidance of touch and face-to-face contact, Mitsui Fudosan's sequence hotel brand enables facial recognition-based check-in and check-out.

After pre-registering via app, guests can check in on their own by facial recognition, without personal

interaction. Entry into rooms and hotel facilities, and access to the guests-only self-service cloak room, can all be handled through facial recognition.

This is Japan's first facility where guests can do everything from check-in to unlocking doors using facial recognition alone.



Reception



Facial recognition-based check-in

Guest room



Facial recognition when entering guest room

Exterior view of sequence MIYASHITA PARK

# Main Environment Initiatives

For details regarding the main initiatives being carried out, please refer to ESG Report 2021. [https://www.mitsui-fudosan.co.jp/english/corporate/esg\\_csrf/](https://www.mitsui-fudosan.co.jp/english/corporate/esg_csrf/)

## Responding to Climate Change

### Climate Change Engagement 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.

### Selected for Inclusion in the CDP Climate Change A List (Highest Evaluation)

We have been selected for inclusion by CDP, a non-profit organization engaged in international environmental surveys and information disclosure, in the CDP 2021 Climate Change A List of top-ranking companies in the climate change category. Through this, we have been recognized as a globally leading company in climate change activities.

Specifically, we were recognized for our actions to reduce CO<sub>2</sub> emissions, reduce climate change risk, and advance the progress of a low-carbon economy, on the basis of data reported in the CDP's 2021 Climate Change Questionnaire. CDP's evaluation in fiscal 2021 covered approximately 12,000 companies worldwide, of which 200 (including 55 Japanese companies) were selected for inclusion in the Climate Change A List.



#### About CDP

Founded in 2000 in the UK, CDP is a non-profit organization that seeks information disclosure and the promotion of initiatives by companies and local government to tackle climate change, water resource conservation, forest conservation, and other environmental issues. The organization collects, analyzes, and evaluates information on the environmental activities of major companies around the globe, and every year selects companies that excel in climate change initiatives and information disclosure for inclusion in the Climate Change A List.

CDP's annual environmental information disclosure and process for its evaluation are widely recognized as global standards for corporate environmental information disclosure. In fiscal 2021, over 13,000 companies, representing over 64% of global market capitalization, responded to the survey.

### 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. To mitigate risk through our business activities, including risk of damage from abnormal weather patterns linked to climate change; preserve environments where people and other living creatures can flourish; and establish a sustainable decarbonized society, we are taking the TCFD recommendations as a point of departure to 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 2°C and 4°C Scenarios outlined in the Fifth Assessment Report issued by the United Nations Intergovernmental Panel on Climate Change (see chart below). 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, and Retail businesses as the object of analysis, since these three categories represent the principal focus of the commercial activities of our Group, and are also likely to be major recipients of climate change impact.

#### Analysis Result 1. Principal Risks and Opportunities

Based on external information, we identified climate change-related risks and opportunities, and gathered future projections for each risk and opportunity. With reference to the TCFD final report as well as other reports and sources relating to climate change, we considered risks and opportunities accompanying the transition to a decarbonized society (measures/regulations, industries/markets, technology) as well as physical risks and opportunities caused by climate change (chronic, acute), and identified significant risks and opportunities that may have an impact on our Group's three core businesses between now and 2050. Under the 2°C Scenario, our Housing Business could be affected by an increase in carbon taxes, which would push raw materials prices and transport costs higher and ZEH and energy conservation renovations would

become more widespread, but under the 4°C Scenario, an increase in the number of extremely hot days would have a variety of impacts, including reduced labor productivity, and the result could be higher new construction costs. Under the 2°C Scenario, our Office Business is also projected to see an increase in procurement costs. Costs may also rise due to higher GHG emissions taxes and expanded ZEB construction. At the same time, in terms of business opportunities, we would expect increased lease income from properties with superior environmental performance.

Under the 4°C Scenario, office air conditioning costs and damage from high tides and flooding are a potential concern. Finally, in our Retail Business, the 2°C Scenario indicates higher costs of the same type as in the other business areas. Lower lighting and heating costs can be expected, thanks to more efficient and renewable energy use by AI-equipped air conditioning and other systems, but under the 4°C Scenario, retail facilities situated near the ocean may experience increased risk of damage from high tides and flooding.

### Significant Risks and Opportunities That May Affect the Three Core Businesses of the Mitsui Fudosan Group by 2050

Classification	Principal risks and opportunities	Projected future state
Transition	Measure Major carbon tax increase	In addition to taxes on GHG emissions by the Group, we expect higher costs for raw materials (steel, cement, etc.) which are significant on a base unit basis, as well as for transport and air conditioning. At the same time, low-carbon structures and other properties with superior environmental performance will be better-positioned to compete.
	Energy conservation measures	Energy standards for new and renovated structures will be tightened, requiring additional capital investment. Furthermore, decarbonized energy sources and ZEH will become mandatory, more ZEB properties will be built, and more residential structures will be energy-efficient.
	Market Customer conduct change	Products with superior environmental performance will be in greater demand and be more competitive.
	Technology Propagation of technology for renewable energy and energy conservation	The propagation of energy conservation technology will lead to more renovations to enhance energy conservation.
Chronic	Average temperature increase	On-site operations will be hindered on extremely hot days, leading to higher operational costs and construction delays. In addition, increased use of air conditioning will push up facilities management costs, but these will be offset to some degree by enhanced air conditioning efficiency.
Physical	Acute Rising sea levels	Certain coastal structures will be damaged by typhoon-generated tidal surges accompanying sea level rise.
	Intensification of abnormal weather patterns	Frequent heavy precipitation and flooding within the confines of levees can result in suspension of on-site operations and construction delays. In addition, customer safety may be threatened, and facilities assets may be damaged.

#### Analysis Result 2. Estimate of Business Impact

We reviewed available quantitative data and the significance of risks and opportunities. For selected principal risks and opportunities, we estimated the financial impact on our Group's business in the year 2050. Under the 2°C Scenario, we projected a comparatively large negative impact on costs associated with higher carbon taxes, and the cost of meeting tightened energy conservation standards. At the same time, we estimated that these

impacts would be fully offset by opportunities to construct more buildings with superior environmental performance, an area where our Group maintains a competitive advantage, and by reductions in heating and lighting costs made possible by advanced energy conservation technology. Under the 4°C Scenario, we projected only limited actual losses from high tides and flooding, and overall, relative to the 2°C Scenario we estimated there would be fewer factors with a major financial impact.

### 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	2°C Scenario
Risk	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	
Opportunity	Transition Rising sea levels/intensification of abnormal weather patterns	Flood damage due to high tides and heavy precipitation accompanying sea level rise	Moderate	Minor
		Major carbon tax increase	Cost control through introduction of low-carbon materials	Minor
	Energy conservation measures	Share expansion as a result of ZEH becoming requirement	Minor	Moderate
		Creation and sales of carbon credits as a result of ZEH construction	Minor	Minor
	Customer conduct change	Shift to buildings with superior environmental performance	Minor	Moderate
		Propagation of technology for renewable energy and energy conservation	Expansion of energy conservation renovation business	Moderate
	Physical Average temperature increase	Reduced air conditioning costs through AI	Moderate	Moderate
Reduced lighting and heating costs due to increased energy conservation performance		Moderate	Moderate	
Results derived from analysis			Moderate	Moderate

### 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>



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

Greenhouse gas (GHG) emission reduction targets for the whole Group have been set in line with science-based findings from the international Science Based Targets (SBT) initiative.

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



## Water

### Policy

We develop buildings and create neighborhoods that help preserve the water environment through measures like 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 also 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.

## Biodiversity Conservation

### Policy

When carrying out a new development project, the Mitsui Fudosan Group confirms the presence of trees, forests, and other elements of the natural environment that should be preserved on development sites, and we preserve, transplant, or conserve trees, forests and other natural

features when needed. In developing regions with many natural areas, we assess environmental impact on plants, animals, and ecosystems based on laws, regulations, and ordinances relating to environmental impact assessments and protection of the natural environment.

## Main Social Initiatives

For details regarding the main initiatives being carried out, please refer to ESG Report 2021.  
[https://www.mitsufudosan.co.jp/english/corporate/esg\\_csrf/](https://www.mitsufudosan.co.jp/english/corporate/esg_csrf/)

### Human Rights Initiatives

#### Policy

The Mitsui Fudosan Group respects basic human rights and complies with the laws and regulations concerning worker's rights in each country where we conduct business.

Principles and Rights 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.

#### Basic Approach to Human Rights

The Mitsui Fudosan Group complies with the laws and regulations of each country and region in which we conduct 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

#### 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. Additionally, 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.

### Supply Chain Management

In consideration of our social responsibility to provide solutions and services for business and lifestyles, as well as the expectations of society and stakeholders, the Group has formulated Sustainable Procurement Standards in order to expand ESG initiatives across our supply chains and contribute to realizing a sustainable society. We published these standards on our website in December 2018 and

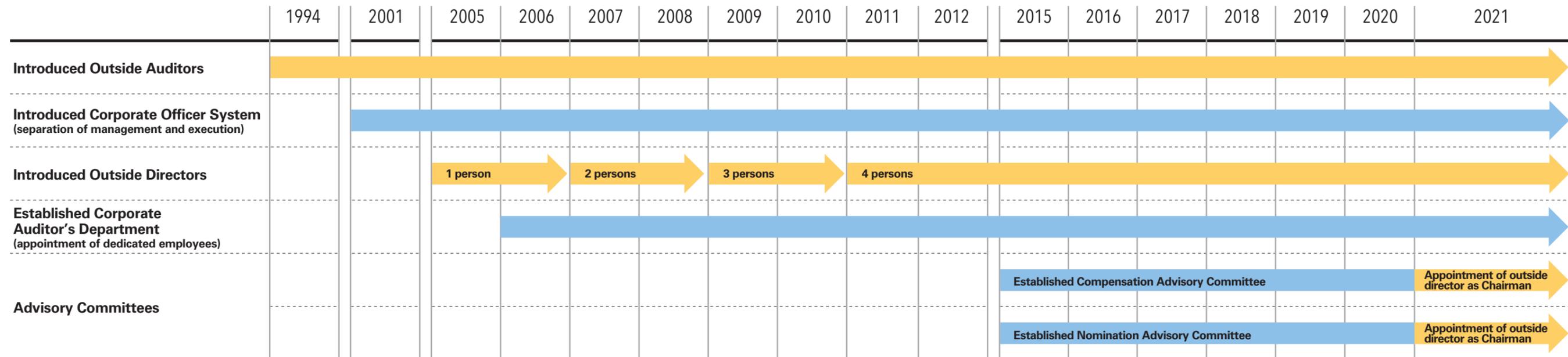
have notified our main business partners. The standards include items to be complied with or actively promoted by both the Mitsui Fudosan Group and its business partners. We share these standards within the Group to build and operate an ordering and contract process in line with the nature of our business, and also notify and request the understanding of our business partners.

#### Mitsui Fudosan Group Sustainable Procurement Standards

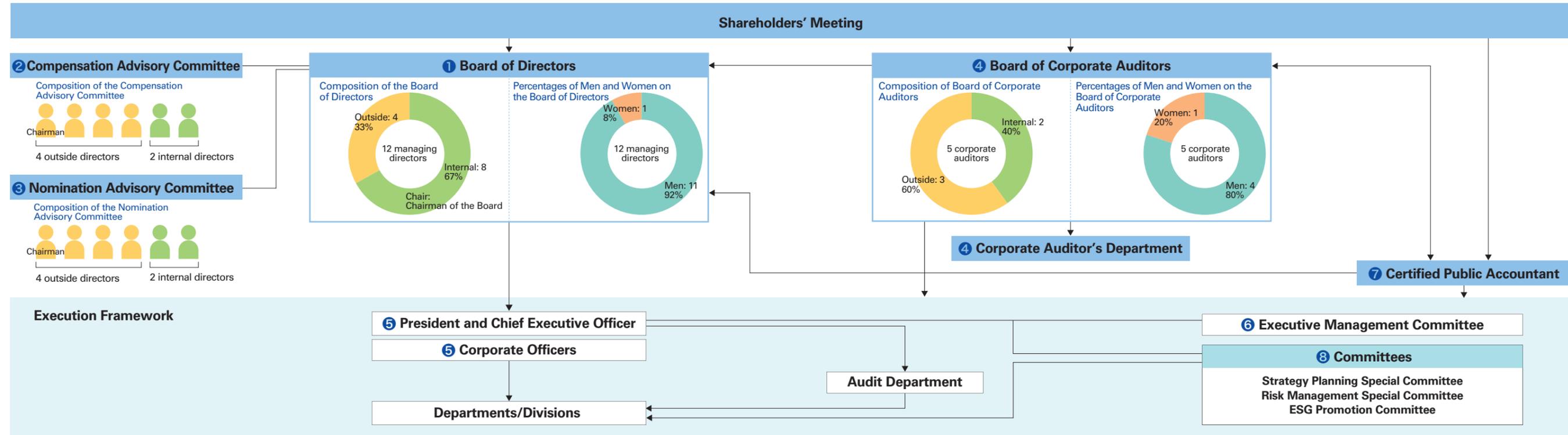
1. Compliance with Laws and Regulations, etc.	<ul style="list-style-type: none"> <li>Comply with laws and regulations of the countries in which business is undertaken, international treaties and social norms</li> </ul>
2. Respect for Human Rights Related to Labor	<ul style="list-style-type: none"> <li>Respect for basic human rights, freedom of association and collective bargaining rights</li> <li>Pay at least minimum wage and ensure health and safety</li> <li>Do not engage in child labor or forced labor</li> <li>Reduce excessive overtime work and prevent overwork</li> <li>Ban discrimination and ensure equal opportunity for workers</li> <li>Comply with countries' laws and regulations and standards in relation to the aforementioned items when conducting business</li> </ul>
3. Secure Corporate Ethics	<ul style="list-style-type: none"> <li>Engage in fair and just trade</li> <li>Disclose corporate information in a timely manner</li> <li>Avoid business with anti-social forces</li> <li>Prevent corruption and do not engage in bribery</li> <li>Build an internal reporting system</li> <li>Show consideration for the protection of those making internal reports</li> </ul>
4. Ensuring Quality	<ul style="list-style-type: none"> <li>Strive to ensure achievement and improvement of necessary levels of quality</li> </ul>
5. Consideration for the Environment	<ul style="list-style-type: none"> <li>Strive to reduce resource use including energy, CO<sub>2</sub> emissions and water use, etc.</li> <li>Manage and reduce in an appropriate manner contaminated substances and generation of waste materials</li> <li>Show consideration for biodiversity</li> <li>Preserve the environment, including the aforementioned items</li> </ul>
6. Information Security	<ul style="list-style-type: none"> <li>Handle appropriately and protect confidential information and personal information</li> </ul>
7. Risk Management	<ul style="list-style-type: none"> <li>Build a risk management framework for accidents and disasters</li> </ul>

# Corporate Governance

## Initiatives for Corporate Governance



## Corporate Governance Structure



**Organizations in the Corporate Governance Structure**

**1 Board of Directors**

The Board of Directors, headed by Chairman Hiromichi Iwasa and comprising twelve members, including eight internal directors (Hiromichi Iwasa, Masanobu Komoda, Yoshikazu Kitahara, Kiyotaka Fujibayashi, Yasuo Onozawa, Takashi Yamamoto, Takashi Ueda, and Wataru Hamamoto) and four outside directors (Masafumi Nogimori, Tsunehiro Nakayama, Shinichiro Ito, and Eriko Kawai), decides on issues material to Mitsui Fudosan and monitors the execution of business by managing directors. In addition, under Article 373 (1) of the Companies Act, we have designated a special managing director who may pass judgment on the urgent acquisition of assets via bidding, etc., when so empowered by the Board of Directors under Article 362 (4) of the Companies Act. 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 Masafumi Nogimori as Chairman and comprising six members, including four independent outside directors (Masafumi Nogimori, Tsunehiro Nakayama, Shinichiro Ito, and Eriko Kawai), President and Chief Executive Officer Masanobu Komoda, and one internal director (Yasuo Onozawa), advises on matters pertaining to the compensation of managing directors.

**3 Nomination Advisory Committee**

The Nomination Advisory Committee, headed by independent outside director Masafumi Nogimori as Chairman and comprising six members, including four independent outside directors (Masafumi Nogimori, Tsunehiro Nakayama, Shinichiro Ito, and Eriko Kawai), President and Chief Executive Officer Masanobu Komoda, and one internal director (Yasuo Onozawa), advises on matters pertaining to the nomination of managing directors and corporate auditors, as well as the appointment and dismissal of managers.

**4 Board of Corporate Auditors**

The Board of Corporate Auditors, headed by senior corporate auditor Masatoshi Sato, comprises two internal auditors (Masatoshi Sato and Hiroyuki Ishigami) and three outside auditors (Yoshitaka Kato, Yasushi Manago, and Yukimi Ozeki), for a total of five auditors, and 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 there are 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. Fulltime 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.

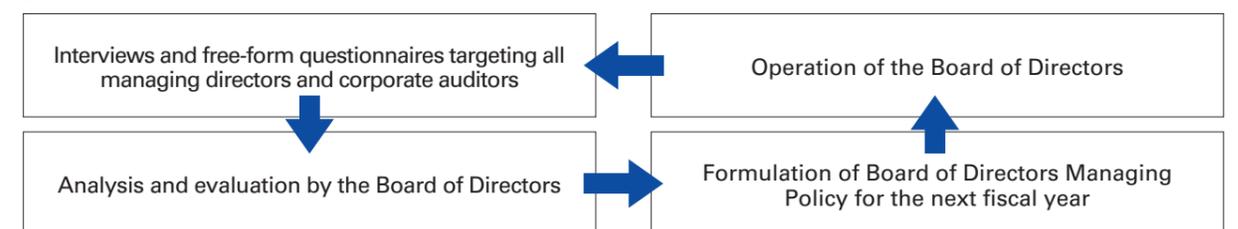
**Enhancement of the Effectiveness of the Board of Directors**

**Evaluation of Board of Director Effectiveness**

Each year, the Company analyzes and evaluates the efficacy of the Board of Directors, aiming to further enhance its functions. In fiscal 2020, we conducted interviews and free-form questionnaires concerning the effectiveness of the Board of Directors, targeting all managing directors and corporate auditors. We analyzed and evaluated the results at a Board of Directors meeting on May 21, 2021.

<p>(1) Evaluation items</p> <ul style="list-style-type: none"> <li>Board of Directors structure (number of members, ratio of executive to non-executive members, diversity, etc.)</li> <li>Status of operation of the Board of Directors (number of meetings held, attendance rates, time spent for deliberation, number of items deliberated, provision of information, questions and answers, etc.)</li> <li>Other (issues raised in the previous evaluation of Board of Directors' efficacy; Compensation Advisory Committee; Nomination Advisory Committee; meetings of outside directors and outside corporate auditors; etc.)</li> </ul> <p>(2) Evaluation results</p> <p>The improvement initiatives listed below are being implemented and it was confirmed that the Board of Directors efficacy was properly maintained to achieve sustained increases in the Group's corporate value.</p> <ul style="list-style-type: none"> <li>Deliberation/reporting on each project and discussions on management strategy, etc., have been further enhanced by decreasing the number of deliberations on individual projects through revisions, etc., of criteria for deliberation by the Board of Directors. Furthermore, management policies related to ESG/SDGs are now discussed at the Board of Directors.</li> </ul>	<ul style="list-style-type: none"> <li>The supervisory function was further enhanced through periodic reporting to the Board of Directors on the risk management system, and on trends and countermeasures for risk-associated projects.</li> <li>A meeting of outside directors was held to discuss themes such as our response to COVID-19 and future strategies.</li> </ul> <p>(3) Issues and future response</p> <p>Recognizing the following areas for further improvement, we will utilize the findings of the evaluation to further improve the functions of the Board of Directors.</p> <ul style="list-style-type: none"> <li>For necessary agenda items, give consideration to sharing of discussion content on the executive side in order to deepen discussions at the Board of Directors.</li> <li>Continue to discuss themes such as SDGs and material issues of the Company.</li> </ul>
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**Evaluation Process**



**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.

**Internal Director Compliance Training (conducted 1 time in FY2020)**

To strengthen corporate governance, we provide compliance training for internal directors.

**Outside Officer Meetings (conducted 2 times in FY2020)**

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.

### Managing Directors' Expertise, Experience, and Attendance at Board of Directors Meetings

To ensure balance and diversity for the Board of Directors as a whole and to enable multifaceted and useful discussions in meetings, we take the capabilities and experience of managing directors into account in the selection of human resources, and maintain an appropriate scale for the Board of Directors that allows it to function effectively and efficiently.

	Chairman of the Board and Chief Executive Officer (Representative)	Attendance at Board of Directors Meetings (FY2020)	Areas of expertise and experience						
			Corporate management	Treasury, accounting and finance	Compliance and risk management	Global	Technology and innovation	ESG	Urban development (real estate development, etc.)
Hiomichi Iwasa	Chairman of the Board and Chief Executive Officer (Representative)	12/12	●	●	●		●	●	●
Masanobu Komoda	President and Chief Executive Officer (Representative)	12/12	●	●	●		●	●	●
Yoshikazu Kitahara	Managing Director (Representative)	12/12			●		●		●
Kiyotaka Fujibayashi	Managing Director	12/12	●		●			●	●
Yasuo Onozawa	Managing Director	12/12			●			●	●
Takashi Yamamoto	Managing Director	12/12	●		●	●			●
Takashi Ueda	Managing Director	12/12		●				●	●
Wataru Hamamoto	Managing Director	12/12		●				●	●
Masafumi Nogimori	Outside Director	11/12	●		●	●	●	●	●
Tsunehiro Nakayama	Outside Director	12/12	●	●	●	●		●	●
Shinichiro Ito	Outside Director	11/12	●		●	●	●	●	●
Eriko Kawai	Outside Director	Newly appointed		●	●	●	●	●	●

### Board of Director 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	(4)Important matters related to compliance, etc. <ul style="list-style-type: none"> <li>Formulating a compliance promotion plan for the fiscal year</li> <li>Reporting on the results of compliance promotion activities implemented during the fiscal year</li> <li>Formulating an audit plan for the fiscal year</li> <li>Reporting on audit activities implemented during the fiscal year</li> <li>Evaluating internal controls concerning financial reporting during the fiscal year and formulating audit-related policy (J-SOX activities)</li> </ul>	(5)Important matters related to personnel <ul style="list-style-type: none"> <li>The appointment and dismissal of corporate officers and executive corporate officers</li> <li>The appointment and dismissal of key employees</li> <li>Compensation and bonuses for corporate officers, etc.</li> </ul>
(2)Matters related to managing directors <ul style="list-style-type: none"> <li>Preliminary selection of director candidates</li> <li>The appointment and dismissal of representative managing directors</li> <li>The appointment and dismissal of executive directors</li> <li>Compensation and bonuses for managing directors</li> <li>Other important matters</li> </ul>	(6)Important matters related to finance and assets	(7)Other matters that are especially important in regard to managing the Company or executing duties
(3)Matters related to the Company's structure		

## Executive Compensation

### Breakdown of Compensation

Managing directors' compensation consists of basic compensation, bonuses paid as short-term incentives that comprehensively take into consideration such things as business results achieved in each fiscal year which must be approved by resolution at the Ordinary General Shareholders' Meeting, and restricted stock compensation paid as medium- to long-term incentives for the purpose of sustainably increasing the corporate value of the Group and further sharing shareholder value with shareholders. Compensation paid to outside directors and corporate auditors is solely basic compensation. The amount of compensation for managing directors is determined by the Board of Directors following consultation with the Compensation Advisory Committee. Corporate auditors' compensation is determined based on discussions among corporate auditors.

### Breakdown of Managing Directors' Compensation

Restricted Stock Compensation (Medium- to Long-Term Incentives)	Performance-based (approx. 45-50%)
Bonuses (Short-Term Incentives)	
Basic Compensation	Non-performance-based (approx. 50-55%)

### Performance-Based Compensation Indicators

Comprehensive consideration is given to factors such as:

- Performance for the current term
- Status of ESG-related initiatives
- Redistribution of profits among shareholders based on our returns policies
- Progress of our Group's long-term management policies
- Economic climate •Business environment

### Executive Compensation Structures

Title	Basic Compensation	Short-Term Incentives		Medium- to Long-Term Incentives	
		Bonus	Restricted Stock Compensation		
Internal directors	○	○	○		
Internal corporate auditors	○	-	-		
Outside directors and corporate auditors	○	-	-		

### Compensation by Title, Amount of Compensation by Type and Number of Applicable Executives (FY2020)

Title	Total Compensation (Millions of Yen)	Amount of Compensation by Type (Millions of Yen)				Number of Applicable Executives
		Basic Compensation	Bonus	Stock Options	Restricted Stock Compensation	
Managing directors (of these, outside directors)	1,145 (61)	650 (61)	398 (-)	20 (-)	76 (-)	13 (4)
Corporate auditors (of these, outside corporate auditors)	141 (34)	141 (34)	-	-	-	6 (3)
Total (of these, outside directors and corporate auditors)	1,287 (96)	792 (96)	398 (-)	20 (-)	76 (-)	19 (7)

### Compensation of Executives Exceeding ¥100 million (FY2020)

Name	Title	Company	Amount of Compensation by Type (Millions of Yen)				Total Compensation (Millions of Yen)
			Basic Compensation	Bonus	Stock Options	Restricted Stock Compensation	
Hiomichi Iwasa	Chairman of the Board and Chief Executive Officer (Representative)	Mitsui Fudosan Co., Ltd.	120	84	4	15	223
Masanobu Komoda	President and Chief Executive Officer (Representative)	Mitsui Fudosan Co., Ltd.	120	84	4	15	223
Yoshikazu Kitahara	Managing Director (Representative)	Mitsui Fudosan Co., Ltd.	75	47	2	9	135
Kiyotaka Fujibayashi	Managing Director	Mitsui Fudosan Co., Ltd.	38	47	2	9	132
Yasuo Onozawa	President and Chief Executive Officer (Representative)	Mitsui Fudosan Residential Co., Ltd.	34	-	-	-	127
Takashi Yamamoto	Managing Director	Mitsui Fudosan Co., Ltd.	68	47	2	9	127
	Managing Director	Mitsui Fudosan Co., Ltd.	63	35	2	7	108

### Restricted Stock Compensation System

At the 108th Ordinary General Shareholders' Meeting held on June 26, 2020, it was decided that a restricted stock compensation will replace 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 a further sharing of value with shareholders. Stock acquisition rights which 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.

<b>Purpose of Introduction:</b> Providing incentives for eligible directors* to achieve continuous improvement of the Company's corporate value, and to encourage a further sharing of value with the shareholders.
<b>Maximum amount :</b> Up to ¥600 million/200,000 shares per year
<b>Restriction period:</b> 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.
<b>Other:</b> In addition to the eligible directors, the Company also 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

## 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, 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.

### Reasons for Appointment of Managing Directors and Corporate Auditors

	Independent Officer	Reasons for the Appointment	Fiscal 2020 Attendance at Board of Directors Meetings and Board of Corporate Auditors Meetings
Hironichi Iwasa Chairman of the Board (Representative)		Hironichi Iwasa served as President and Chief Executive Officer from June 1998 to June 2011, during which time he gained a wealth of experience and insight related to the Group's general business operations as an executive. Since June 2011, he has led the Group's management, deciding upon important matters of management and supervising business execution, among other duties. As a result, he plays an appropriate role in contributing to enhancement of the Company's corporate value. The Company re-selected Mr. Iwasa as a managing director as he is expected to make further contributions to enhancement of the Group's corporate value going forward.	Board of Director Meetings: 12/12
Masanobu Komoda President and Chief Executive Officer (Representative)		Masanobu Komoda has served as President and Chief Executive Officer since June 2011, during which time he has gained a wealth of experience and insight related to the Group's general business operations as an executive. He leads the Group's management, deciding upon important matters of management and supervising business execution, among other duties. As a result, he plays an appropriate role in contributing to enhancement of the Company's corporate value. The Company re-selected Mr. Komoda as a managing director as he is expected to make further contributions to enhancement of the Group's corporate value going forward.	Board of Director Meetings: 12/12
Yoshikazu Kitahara Managing Director (Representative)		Since joining the Company, Yoshikazu Kitahara has amassed abundant experience in various fields. Presently, as the Company's managing director, Yoshikazu Kitahara is responsible for capturing business opportunities for the Group at Solution Partner Division and industrial-government-academia collaboration, as well as the retail properties, hotels and resorts business, logistics facility business, and large-scale mixed-use development projects. In this capacity, he decides upon important matters of management and supervises business execution, among other duties, playing an appropriate role in contributing to the enhancement of the Company's corporate value. The Company re-selected Mr. Kitahara as a managing director as he is expected to make further contributions to enhancement of the Group's corporate value going forward.	Board of Director Meetings: 12/12
Kiyotaka Fujibayashi Managing Director		Since joining the Company, Kiyotaka Fujibayashi has amassed abundant experience in various fields. In addition, he served as President and Representative Director, Mitsui Fudosan Residential Co., Ltd. from April 2012 to March 2021, gaining a wealth of experience and insight as top management. Presently, as the Company's managing director, he is responsible for the Group's housing business. In this capacity, he decides upon important matters of management and supervises business execution, among other duties, playing an appropriate role in contributing to the enhancement of the Company's corporate value. The Company re-selected Mr. Fujibayashi as a managing director as he is expected to make further contributions going forward.	Board of Director Meetings: 12/12
Yasuo Onozawa Managing Director		Since joining the Company, Yasuo Onozawa has amassed abundant experience in various fields. Presently, as the Company's managing director, he is responsible for general administration, secretarial duties, public relations, human resources and affiliated businesses, etc. In this capacity, he decides upon important matters of management and supervises business execution, among other duties, playing an appropriate role in contributing to the enhancement of the Company's corporate value. The Company re-selected Mr. Onozawa as a managing director as he is expected to make further contributions going forward.	Board of Director Meetings: 12/12
Takashi Yamamoto Managing Director		Since joining the Company, Takashi Yamamoto has amassed abundant experience in various fields. Presently, as the Company's managing director, he is responsible for the overseas business. In this capacity, he decides upon important matters of management and supervises business execution, among other duties, playing an appropriate role in contributing to the enhancement of the Company's corporate value. The Company re-selected Mr. Yamamoto as a managing director as he is expected to make further contributions going forward.	Board of Director Meetings: 12/12

	Independent Officer	Reasons for the Appointment	Fiscal 2020 Attendance at Board of Directors Meetings and Board of Corporate Auditors Meetings
Takashi Ueda Managing Director		Since joining the Company, Takashi Ueda has amassed abundant experience in various fields. Presently, as the Company's managing director, he is responsible for the building business, new business development, and large-scale mixed-use development projects, among others. In this capacity, he decides upon important matters of management and supervises business execution, among other duties, playing an appropriate role in contributing to the enhancement of the Company's corporate value. The Company re-selected Mr. Ueda as a managing director as he is expected to make further contributions going forward.	Board of Director Meetings: 12/12
Wataru Hamamoto Managing Director		Since joining the Company, Wataru Hamamoto has amassed abundant experience in various fields. Presently, as the Company's managing director, he is responsible for accounting, corporate planning, and promotion of digital transformation (DX), among others. In this capacity, he decides upon important matters of management and supervises business execution, among other duties, playing an appropriate role in contributing to the enhancement of the Company's corporate value. The Company re-selected Mr. Hamamoto as a managing director as he is expected to make further contributions going forward.	Board of Director Meetings: 12/12
Masafumi Nogimori Outside Director	○	As the Company's outside director, Masafumi Nogimori has played an appropriate role aimed at reinforcing the supervision functions of the Board of Directors and ensuring transparency. He is expected to make further contributions going forward, and because there is no possibility of conflicts of interest with general shareholders, he has been appointed as an outside director and independent officer.	Board of Director Meetings: 11/12
Tsunehiro Nakayama Outside Director	○	As the Company's outside director, Tsunehiro Nakayama has played an appropriate role aimed at reinforcing the supervision functions of the Board of Directors and ensuring transparency. He is expected to make further contributions going forward, and because there is no possibility of conflicts of interest with general shareholders, he has been appointed as an outside director and independent officer.	Board of Director Meetings: 12/12
Shinichiro Ito Outside Director	○	As the Company's outside director, Shinichiro Ito has played an appropriate role aimed at reinforcing the supervision functions of the Board of Directors and ensuring transparency. He is expected to make further contributions going forward, and because there is no possibility of conflicts of interest with general shareholders, he has been appointed as an outside director and independent officer.	Board of Director Meetings: 11/12
Eriko Kawai Outside Director**	○	Eriko Kawai has served for many years overseas where she amassed a wealth of experience and broad insight as a management consultant and working for international organizations and universities. The Company has appointed her as an outside director and an independent officer because it expects she will provide various opinions to the Company's management aimed at reinforcing the supervision functions of the Board of Directors and ensuring transparency and because there is no possibility of conflicts of interest with general shareholders.	—
Masatoshi Sato Senior Corporate Auditor		Since joining the Company, Masatoshi Sato has amassed abundant experience in various fields. As a director of the Company, he has overseen wide-ranging work including accounting, general affairs, and IT innovation, and possesses abundant experience gained through these duties. Based on this, the Company has determined that he is able to appropriately audit the execution of duties by managing directors, and has appointed him as a corporate auditor.	Board of Director Meetings: 12/12 Board of Corporate Auditor Meetings: 12/12
Hiroyuki Ishigami Senior Corporate Auditor		Since joining the Company, Hiroyuki Ishigami has amassed abundant experience in various fields. As a director of the Company, he has overseen wide-ranging work involving the retail facilities, hotels/resorts, and logistics businesses, and possesses abundant experience gained through these duties. Based on this, the Company has determined that he is able to appropriately audit the execution of duties by managing directors, and has appointed him as a corporate auditor.	Board of Director Meetings: 12/12 Board of Corporate Auditor Meetings: 10/12**
Yoshitaka Kato Outside Auditor	○	As a current outside corporate auditor of the Company, Yoshitaka Kato has demonstrated sufficient ability to audit the managing directors' execution of their duties. The Company has reappointed him as a corporate auditor and independent officer in the expectation that he will make further contributions in this role, in addition to the fact that there are no concerns regarding conflict of interest with general shareholders.	Board of Director Meetings: 11/12 Board of Corporate Auditor Meetings: 11/12
Yasushi Manago Outside Auditor	○	As a current outside corporate auditor of the Company, Yasushi Manago has demonstrated sufficient ability to audit the managing directors' execution of their duties. The Company has reappointed him as a corporate auditor and independent officer in the expectation that he will make further contributions in this role, in addition to the fact that there are no concerns regarding conflict of interest with general shareholders.	Board of Director Meetings: 11/12 Board of Corporate Auditor Meetings: 11/12
Yukimi Ozeki Outside Auditor	○	As a current outside corporate auditor of the Company, Yukimi Ozeki has demonstrated sufficient ability to audit the managing directors' execution of their duties. The Company has reappointed her as a corporate auditor and independent officer in the expectation that she will make further contributions in this role, in addition to the fact that there are no concerns regarding conflict of interest with general shareholders.	Board of Director Meetings: 12/12 Board of Corporate Auditor Meetings: 12/12

\*1 Newly appointed as an outside director on June 29, 2021

\*2 Appointed on June 26, 2020. 100% attendance rate at Board of Corporate Auditors meetings during period of appointment.

## Management Team

### Members of the Board (As of June 29, 2021)



**Hiromichi Iwasa**  
Chairman of the Board and Chief Executive Officer (Representative)

Shares in Company: 77 thousand shares

Apr. 1967 Joined Company  
Jun. 1995 Managing Director, General Manager of Project Planning Division, Project 1st Planning Dept., General Manager of Project Planning Division, Construction Dept.  
Apr. 1996 Executive Managing Director, Chief Operating Officer of Project Planning Division  
Jun. 1997 Senior Executive Managing Director (Representative), Chief Operating Officer of Project Planning Division  
Apr. 1998 Senior Executive Managing Director (Representative), Chief Operating Officer of Asset Management Division  
Jun. 1998 President (Representative)  
Apr. 2001 President and Chief Executive Officer (Representative)  
Jun. 2011 Chairman of the Board and Chief Executive Officer (Representative)  
Apr. 2019 Chairman of the Board (Representative) (current position)

Significant positions currently held, etc.  
Outside Director, TV TOKYO Holdings Corporation



**Masanobu Komoda**  
President and Chief Executive Officer (Representative)

Shares in Company: 46 thousand shares

Apr. 1978 Joined Company  
Jun. 2009 Executive Managing Director, Executive Managing Officer, General Manager of Investment Dept.  
Jul. 2010 Senior Executive Managing Director, Senior Executive Managing Officer, General Manager of Investment Dept.  
Apr. 2011 Senior Executive Managing Director, Senior Executive Managing Officer (Representative) (current position)  
Jun. 2011 President and Chief Executive Officer (Representative) (current position)



**Yoshikazu Kitahara**  
Managing Director (Representative)

Shares in Company: 10 thousand shares

Apr. 1980 Joined Company  
Jun. 2011 Executive Managing Director, Executive Managing Officer, Chief Operating Officer of Office Building Division  
Apr. 2013 Managing Director, Senior Executive Managing Officer, Chief Operating Officer of Office Building Division  
Apr. 2016 Managing Director, Senior Executive Managing Officer  
Apr. 2017 Managing Director, Executive Vice President  
Jun. 2017 Managing Director (Representative), Executive Vice President (current position)



**Takashi Ueda**  
Managing Director

Shares in Company: 14 thousand shares

Apr. 1983 Joined Company  
Jun. 2020 Managing Director, Executive Managing Officer, Chief Operating Officer of Office Building Division  
Apr. 2021 Managing Director, Senior Executive Managing Officer (current position)



**Wataru Hamamoto**  
Managing Director

Shares in Company: 19 thousand shares

Apr. 1984 Joined Company  
Jun. 2019 Managing Director, Executive Managing Officer  
Apr. 2020 Managing Director, Executive Managing Officer, Chief Operating Officer of DX Division  
Apr. 2021 Managing Director, Senior Executive Managing Officer, Chief Operating Officer of DX Division (current position)



**Masafumi Nogimori**  
Managing Director (Independent Outside Director)

Shares in Company: 1 thousand shares

Apr. 1970 Joined Fujisawa Pharmaceutical Co., Ltd.  
Jun. 1997 Director, Fujisawa Pharmaceutical Co., Ltd. Corporate Executive, Fujisawa Pharmaceutical Co., Ltd.  
Jun. 2000 Corporate Executive, Fujisawa Pharmaceutical Co., Ltd.  
Jun. 2001 Managing Corporate Executive, Fujisawa Pharmaceutical Co., Ltd.  
Jun. 2003 Director and Managing Corporate Executive, Fujisawa Pharmaceutical Co., Ltd.  
Apr. 2005 Representative Director and Executive Vice President, Astellas Pharma Inc.  
Jun. 2006 Representative Director, President and Chief Executive Officer, Astellas Pharma Inc.  
Jun. 2011 Representative Director and Chairman, Astellas Pharma Inc.  
Jun. 2017 Managing Director (current position)

Significant positions currently held, etc.  
Outside Director, Daicel Corporation  
External Director, Linal Co., Ltd.



**Kiyotaka Fujibayashi**  
Managing Director

Shares in Company: 12 thousand shares

Apr. 1981 Joined Company  
Apr. 2012 President and Representative Director, Mitsui Fudosan Residential Co., Ltd.  
Jun. 2013 Managing Director, Executive Managing Officer  
Apr. 2017 Managing Director, Senior Executive Managing Officer, Chief Operating Officer of Homes and Lifestyle Promotion Division  
Apr. 2020 Managing Director, Executive Vice President, Chief Operating Officer of Homes and Lifestyle Promotion Division (current position)  
Apr. 2021 Chairman of the Board, Mitsui Fudosan Residential Co., Ltd. (current position)



**Yasuo Onozawa**  
Managing Director

Shares in Company: 23 thousand shares

Apr. 1981 Joined Company  
Jun. 2016 Managing Director, Executive Managing Officer  
Apr. 2017 Managing Director, Senior Executive Managing Officer  
Apr. 2020 Managing Director, Executive Vice President (current position)

Significant positions currently held, etc.  
Outside Director, Imperial Hotel, Ltd.



**Takashi Yamamoto**  
Managing Director

Shares in Company: 15 thousand shares

Mar. 1990 Joined Company  
Jun. 2017 Managing Director, Executive Managing Officer, Chief Operating Officer of International Division  
Apr. 2019 Managing Director, Senior Executive Managing Officer, Chief Operating Officer of International Division (current position)



**Tsunehiro Nakayama**  
Managing Director (Independent Outside Director)

Shares in Company: 0 shares

Apr. 1971 Joined the Industrial Bank of Japan, Ltd.  
Apr. 2004 Representative Director, Vice President of Mizuho Corporate Bank, Ltd.  
Apr. 2007 Advisor, Merrill Lynch Japan Securities Co., Ltd.  
May.2007 Representative Director, Chairman, Merrill Lynch Japan Securities Co., Ltd.  
Nov. 2008 Representative Director, Chairman, and President, Merrill Lynch Japan Securities Co., Ltd.  
Mar. 2009 Representative Director, Chairman, and President, Merrill Lynch Japan Securities Co., Ltd., and Representative in Japan, Bank of America Group  
Jul. 2010 Representative Director, Chairman, Merrill Lynch Japan Securities Co., Ltd.  
Jun. 2017 Director, Merrill Lynch Japan Securities Co., Ltd.  
Jul. 2017 Special Advisor, Merrill Lynch Japan Securities Co., Ltd.  
Jun. 2019 Managing Director (current position)

Significant positions currently held, etc.  
Outside Director, Tokai Tokyo Financial Holdings, Inc.



**Shinichiro Ito**  
Managing Director (Independent Outside Director)

Shares in Company: 0 shares

Apr. 1974 Joined ALL NIPPON AIRWAYS CO., LTD.  
Jun. 2003 Member of the Board of Directors, Corporate Executive Officer, ALL NIPPON AIRWAYS CO., LTD.  
Apr. 2004 Executive Vice President (jomu torishimariyaku), Corporate Executive Officer, ALL NIPPON AIRWAYS CO., LTD.  
Apr. 2006 Executive Vice President (senmu torishimariyaku), Corporate Executive Officer, ALL NIPPON AIRWAYS CO., LTD.  
Apr. 2007 Senior Executive Vice President, Representative Director, ALL NIPPON AIRWAYS CO., LTD.  
Apr. 2009 President & Chief Executive Officer, Representative Director, ALL NIPPON AIRWAYS CO., LTD.  
Apr. 2013 President & Chief Executive Officer, Representative Director, ANA HOLDINGS INC., and Chairman of the Board, ALL NIPPON AIRWAYS CO., LTD.  
Apr. 2015 Chairman of the Board, Representative Director, ANA HOLDINGS INC.  
Apr. 2017 Chairman of the Board, ANA HOLDINGS INC. (current position)  
Jun. 2019 Managing Director (current position)

Significant positions currently held, etc.  
Chairman of the Board, ANA HOLDINGS INC.



**Eriko Kawai**  
Managing Director (Independent Outside Director)

Shares in Company: 0 shares

Oct. 1981 Joined Nomura Research Institute, Ltd.  
Sep. 1985 Joined McKinsey & Company's Paris Branch  
Oct. 1986 Joined Mercury Asset Management/SG Warburg plc  
Nov. 1995 Director and Chief Investment Officer (CIO) of Yamaichi Regent ABC Polska  
Jul. 1998 Senior Pension Funds Administrator of Bank for International Settlements (BIS)  
Oct. 2004 Senior Pension Funds Administrator of Organization for Economic Cooperation and Development (OECD)  
Mar. 2008 Representative of Kawai Global Intelligence  
Apr. 2012 Professor of Kyoto University  
Apr. 2021 Professor Emeritus of Kyoto University (current position)  
Jun. 2021 Managing Director (current position)

Significant positions currently held, etc.  
Outside Director, Daiwa Securities Group Inc.  
Outside Director, CMIC Holdings Co., Ltd.  
Outside Audit & Supervisory Board Member, Yamaha Motor Co., Ltd.

\* Figures for shares held by managing directors and corporate auditors are as of March 31, 2021.

**Corporate Auditors** (As of June 29, 2021)



**Masatoshi Sato**  
Senior Corporate Auditor

Shares in Company: 14 thousand shares

Apr. 1990 Joined Company  
Jun. 2015 Managing Director, Executive Managing Officer  
Apr. 2019 Managing Director  
Jun. 2019 Senior Corporate Auditor (current position)



**Hiroyuki Ishigami**  
Senior Corporate Auditor

Shares in Company: 6 thousand shares

Apr. 1982 Joined Company  
Jun. 2017 Managing Director, Executive Managing Officer, Chief Operating Officer of Retail Properties Division  
Apr. 2019 Managing Director, Senior Executive Managing Officer, Chief Operating Officer of Retail Properties Division  
Apr. 2020 Managing Director  
Jun. 2020 Senior Corporate Auditor (current position)  
**Significant positions currently held, etc.**  
Outside Corporate Auditor, Imperial Hotel, Ltd.



**Yoshitaka Kato**  
Corporate Auditor  
(Independent Outside Auditor)

Shares in Company: 0 shares

Nov. 1974 Joined Tetsuzo Ota & Co.  
Sep. 1978 Registered as Certified Public Accountant  
Jun. 2006 Executive Director, Ernst & Young ShinNihon LLC  
Aug. 2008 CEO, Ernst & Young ShinNihon LLC  
Jun. 2015 Corporate Auditor (current position)  
**Significant positions currently held, etc.**  
Outside Corporate Auditor, Sumitomo Chemical Co., Ltd.  
Outside Audit & Supervisory Board Member, SUMITOMO CORPORATION



**Yasushi Manago**  
Corporate Auditor  
(Independent Outside Auditor)

Shares in Company: 0 shares

Apr. 1978 Joined Ministry of Finance  
Jul. 2009 Deputy Vice Minister, Ministry of Finance  
Jul. 2010 Director-General of the Budget Bureau, Ministry of Finance  
Aug. 2012 Administrative Vice Minister, Ministry of Finance  
Feb. 2014 Registered as Lawyer, Daiichi Tokyo BAR Association  
Feb. 2014 Of Counsel, Nishimura & Asahi LPC (current position)  
Jun. 2015 Corporate Auditor (current position)  
**Significant positions currently held, etc.**  
Outside Director, Nippon Television Holdings, Inc.



**Yukimi Ozeki**  
Corporate Auditor  
(Independent Outside Auditor)

Shares in Company: 0 shares

Apr. 1999 Full-time Lecturer, Nagasaki University Faculty of Economics  
Aug. 2000 Research Scholar, University of Michigan Law School  
Apr. 2004 Associate Professor, Komazawa University Faculty of Law  
Apr. 2010 Professor, Seikei University Law School  
Sep. 2015 Visiting Scholar, University of California, Berkeley, School of Law  
Jun. 2016 Corporate Auditor (current position)  
Apr. 2021 Professor, Chuo Law School, Chuo University (current position)  
**Significant positions currently held, etc.**  
Outside Director, Bourbon Corporation

**Corporate Officers** (As of October 1, 2021)

Masanobu Komoda	President and Chief Executive Officer
Yoshikazu Kitahara	Executive Vice President
Kiyotaka Fujibayashi	Executive Vice President
Yasuo Onozawa	Executive Vice President
Takashi Yamamoto	Senior Executive Managing Officer
Takashi Ueda	Senior Executive Managing Officer
Takayuki Miki	Senior Executive Managing Officer
Yasuki Kaibori	Senior Executive Managing Officer
Wataru Hamamoto	Senior Executive Managing Officer
Yoshihiro Hirokawa	Senior Executive Managing Officer
Akihiko Funaoka	Executive Managing Officer
Shingo Suzuki	Executive Managing Officer
Yutaka Kawamura	Executive Managing Officer
Retsu Togashi	Executive Managing Officer

Hiroki Saito	Managing Officer
Ikuo Mori	Managing Officer
Makoto Tokuda	Managing Officer
Motoyasu Kato	Managing Officer
Kazunori Yamashita	Managing Officer
Hisashi Osawa	Managing Officer
Takashi Furuta	Managing Officer
Yugo Ono	Managing Officer
Tatekazu Nakamura	Managing Officer
Chiharu Fujioka	Managing Officer
Atsumi Kanaya	Managing Officer
Yutaka Saito	Managing Officer
Nobuhiko Mochimaru	Managing Officer
Mizuho Wakabayashi	Managing Officer
Jiro Ueda	Managing Officer
Tetsuya Matsufuji	Managing Officer
Ken Aoki	Managing Officer
Mikiko Utsunomiya	Managing Officer
Hiroshi Murakami	Managing Officer

**Group Officers** (As of April 1, 2021)

Hideki Moriya	Group Senior Officer	[Mitsui Fudosan Residential Co., Ltd.]
Yasushi Endo	Group Senior Officer	[Mitsui Fudosan Realty Co., Ltd.]
Toru Kamura	Group Senior Officer	[Mitsui Fudosan Residential Co., Ltd.]
Shuji Tomikawa	Group Officer	[Mitsui Fudosan Investment Advisors, Inc.]
Yosuke Seko	Group Officer	[Mitsui Fudosan Residential Service Co., Ltd.]
Akira Ikeda	Group Officer	[Mitsui Home Co., Ltd.]
Osamu Obayashi	Group Officer	[Mitsui Fudosan Retail Management Co., Ltd.]
Takao Yamada	Group Officer	[Mitsui Fudosan Residential Co., Ltd.]
Mitsuhiro Kodama	Group Officer	[Mitsui Fudosan Residential Co., Ltd.]
Takao Sakiyama	Group Officer	[Mitsui Fudosan Residential Co., Ltd.]

\* Figures for shares held by directors and corporate auditors are as of March 31, 2021.

## 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 conflicts 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.

See p. 83 and p. 84 for information on reasons for appointment of outside directors and outside corporate auditors.

See the Corporate Governance Report for details.  
[https://www.mitsui-fudosan.co.jp/english/corporate/about\\_us/governance/download/governance\\_report.pdf](https://www.mitsui-fudosan.co.jp/english/corporate/about_us/governance/download/governance_report.pdf)

## Strategic Shareholdings

### Strategic Shareholding Policy

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.

Furthermore, Mitsui Fudosan continuously reviews shareholding status. 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.

### Sales Results Related to Strategic Shareholdings

Since establishing this reduction policy in December 2018, the Company has sold 16 stocks totaling 9,900,000 shares, amounting to ¥67.8 billion.

[Sales results]

- FY2019: ¥20.3 billion (3,570,000 shares, 13 stocks)
- FY2020: ¥45.9 billion (5,060,000 shares, 3 stocks)

### Verification by the Board of Directors

When verifying the rationality of shareholdings, we verify whether or not 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 also verify whether or not the holdings contribute to improving the medium- to long-term corporate value of the Group.

At a meeting held on May 14, 2021, 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 March 31, 2021)

#### (1) Stock holdings

Number of stocks owned:	127 (of which, 58 are shares of listed companies)
Amount recorded on balance sheet:	¥639.9 billion (of which, ¥629.2 billion is for shares of listed companies)

#### (2) Main stock: Oriental Land Co., Ltd.

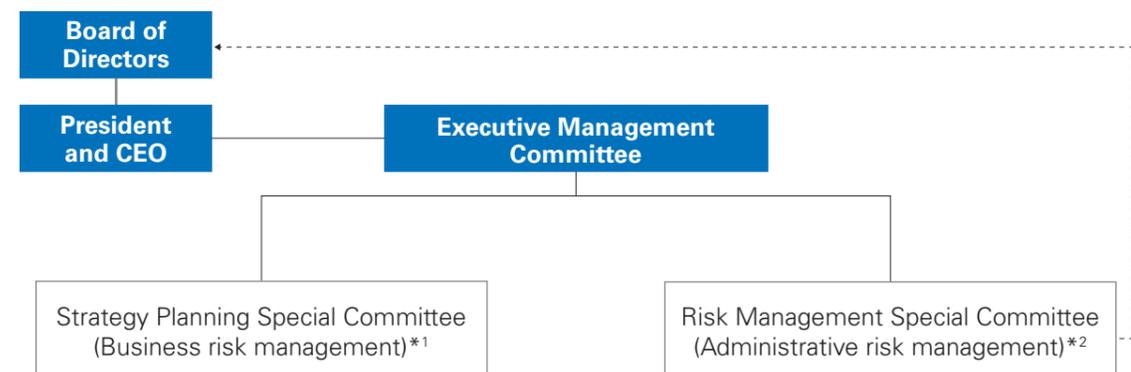
Presence of strategic shareholding by the other company:	None
Amount recorded on balance sheet:	¥460.4 billion
Background and purpose of holding:	The Company was involved in the establishment of Oriental Land Co., Ltd. in 1960 and has owned its shares ever since. Mitsui Garden Hotel PRANA Tokyo Bay, located in Urayasu City, Chiba and operated and managed by the Group, is a partner hotel of Tokyo Disney Resort, and the Company is an official sponsor of Tokyo Disneyland and Tokyo DisneySea, which is operated by Oriental Land Co., Ltd. Therefore, the Company believes this holding provides utility in terms of facilitating the promotion of the Group's business activities and creating business opportunities.
Sales results:	FY2019: 960,000 shares (¥12.9 billion) FY2020: 3,000,000 shares (¥45.6 billion)

## Risk Management

Under the Executive Management Committee, which supervises overall risk management for Mitsui Fudosan and the Mitsui Fudosan Group, the Strategy Planning Special Committee and the Risk Management Special Committee manage business risk\*<sup>1</sup> and administrative risk\*<sup>2</sup> respectively.

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

### Risk Management System



### Major Risks\*<sup>3</sup>

#### Mitsui Fudosan Group Business Risk

- (1) Risk of changes in the economic environment
- (2) Risk associated with market interest rates
- (3) Fund procurement risk
- (4) Risk from competition in the real estate industry
- (5) Real estate development risk
- (6) Risk associated with rental income
- (7) Risk associated with overseas business
- (8) Risk associated with external partners
- (9) Risk of changes in asset values
- (10) Risk of changes in operating cost
- (11) Risk associated with climate change
- (12) Risk of natural disasters, man-made disasters, etc.
- (13) Environmental risk
- (14) Risk associated with the spread of infectious diseases

#### Mitsui Fudosan Group Administrative Risk

- (1) Risk associated with compliance with laws and regulations
- (2) Risk associated with changes to laws, regulations, and government policy
- (3) Risk of legal action or conflict
- (4) Risk of conflicts of interest
- (5) Risk associated with internal controls and accounting
- (6) Risk concerning cyber security

\*1 Business risk: Business risk is primarily risk associated with advancing business and earning profits, including development risk, leasing risk, and market risk.

\*2 Administrative risk: Administrative risk is operational risk associated with administrative duties, including disaster risk, system risk, clerical risk, and compliance risk.

\*3 See our annual securities report for details. [https://www.mitsui-fudosan.co.jp/corporate/ir/library/fs/pdf/YUHO\\_2103.pdf](https://www.mitsui-fudosan.co.jp/corporate/ir/library/fs/pdf/YUHO_2103.pdf) (Only available in Japanese)

# 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 compliance promotion 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-based training for all directors and management-level employees.

## Main Training and Awareness-Raising Initiatives (Mitsui Fudosan)

	Initiative	Target	Content
Internal training	New employee training	New employees	(April) *Implemented every month for dispatch and contract employees
	New executive manager training	Newly appointed officers	Study sessions held on preventing bribery, organized crime, information security, preventing insider trading, etc. (March)
	Officer compliance training	Managing directors, executive officers, full-time corporate auditors, etc.	(September)
	Overseas compliance training	International Division, employees assigned to overseas subsidiaries	Explanation of compliance violation case studies including cases involving overseas companies, as well as sharing of the importance of preventing bribery, etc. (December)
	Training for local staff at overseas subsidiaries	Local staff at overseas subsidiaries	Training held on preventing bribery, protecting personal information, whistle-blowing systems, etc. (October, February)
	Companywide compliance training (e-learning)	All staff, including corporate officers	(June, November)
Awareness-raising activities	Internal bulletins	All directors and employees	Mitsui Fudosan Group Compliance Policies shared through internal bulletins and handbooks
	Compliance news	All employees	Information provided on topics and subjects that should be considered in regard to the execution of operations, such as "eliminating organized crime," and "a warning regarding ransomware." (April, July, October, February)

## 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 fund-raising 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.

## Other

- (1) Personal information protection
- (2) Consumer protection
- (3) Environmental conservation
- (4) Protection of and respect for intellectual property rights
- (5) Prohibition of insider trading

### 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

# Financial Highlights

(Millions of yen)

(FY)		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Management Results</b>	Revenue from operations	¥1,405,269	¥1,338,102	¥1,445,644	¥1,515,252	¥1,529,036	¥1,567,969	¥1,704,416	¥1,751,114	¥1,861,195	¥1,905,642	<b>¥2,007,554</b>
	Operating income	120,092	126,038	148,184	172,567	186,074	202,482	232,698	245,902	262,147	280,617	<b>203,770</b>
	Ordinary income	96,204	102,509	123,066	144,587	163,373	182,521	219,607	240,341	254,106	258,510	<b>168,865</b>
	Profit attributable to owners of parent	49,909	50,129	59,451	76,843	100,185	117,722	131,815	155,874	168,661	183,972	<b>129,576</b>
<b>Financial Position</b>	Total assets	3,780,699	3,868,411	4,390,074	4,548,822	5,067,187	5,363,477	5,551,751	6,284,723	6,802,731	7,395,359	<b>7,741,972</b>
	Real property for sale	634,479	642,809	915,222	961,449	1,031,080	1,167,745	1,334,167	1,524,863	1,630,558	1,907,839	<b>1,930,528</b>
	Tangible and intangible fixed assets	2,252,287	2,304,809	2,503,977	2,526,139	2,788,633	2,968,975	2,967,788	3,318,928	3,500,482	3,753,141	<b>3,796,800</b>
	Capital expenditures	229,394	111,755	72,355	148,255	273,487	207,172	173,745	440,752	390,514	379,279	<b>565,266</b>
	Depreciation and amortization	52,954	53,231	59,022	56,030	61,242	67,460	71,357	70,167	79,034	91,434	<b>(98,196)</b>
	Interest-bearing debt	1,740,048	1,743,411	2,120,225	2,040,071	1,976,150	2,226,236	2,287,489	2,604,656	2,906,610	3,481,117	<b>3,623,438</b>
	Shareholders' equity and accumulated other comprehensive income	1,019,941	1,078,182	1,181,174	1,274,355	1,871,922	1,922,305	1,984,635	2,204,882	2,342,512	2,408,679	<b>2,555,885</b>
<b>Cash Flows</b>	Cash flows from operating activities	185,055	148,161	99,684	189,903	30,343	32,154	227,432	30,143	216,709	87,094	<b>187,862</b>
	Cash flows from investing activities	(170,552)	(124,353)	(71,132)	(44,056)	(261,640)	(239,719)	(201,583)	(365,464)	(388,895)	(532,806)	<b>(131,035)</b>
	Cash flows from financing activities	(20,400)	(18,649)	(7,944)	(123,713)	221,508	201,110	15,071	289,150	231,238	467,751	<b>(66,565)</b>
	Cash and cash equivalents at year-end	56,675	61,726	101,588	127,337	118,960	109,966	148,546	100,708	157,682	179,472	<b>187,723</b>
<b>Indicators per Share</b>	Earnings per share (EPS) (Net income per share) (¥)	56.8	57.0	67.6	87.5	103.8	119.1	133.4	157.7	171.3	188.3	<b>134.4</b>
	Book-value per share (BPS) (Net assets per share) (¥)	1,161.2	1,227.5	1,344.9	1,451.1	1,894.3	1,945.4	2,008.4	2,231.1	2,384.8	2,480.3	<b>2,656.4</b>
	Dividends (¥)	22.00	22.00	22.00	22.00	25.00	30.00	34.00	40.00	44.00	44.00	<b>44.00</b>
	Number of outstanding shares (Thousands of shares)	881,424	881,424	881,424	881,424	991,424	991,424	991,424	991,424	991,424	979,250	<b>965,281</b>
<b>Financial Indicators</b>	ROA (%)	3.39	3.55	3.66	4.07	4.10	4.14	4.59	4.58	4.44	4.18	<b>2.84</b>
	ROE (%)	4.92	4.78	5.27	6.26	6.37	6.20	6.75	7.44	7.42	7.74	<b>5.22</b>
	Debt/Equity (D/E) ratio (Times)	1.71	1.62	1.80	1.60	1.06	1.16	1.15	1.18	1.24	1.45	<b>1.42</b>
	Equity ratio (%)	27.0	27.9	26.9	28.0	36.9	35.8	35.7	35.1	34.4	32.6	<b>33.0</b>
	Total shareholder return ratio (%)	38.7	38.5	32.5	25.1	24.1	25.2	25.5	35.0	35.1	36.9	<b>44.2</b>

\* Real property for sale = Real property for sale + real property for sale in progress + land for development + advances paid for purchases

\* Interest-bearing debt = 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

\* ROA = (Operating income + non-operating income)/average total assets over the period

\* ROE = Profit attributable to owners of parent/average shareholders' equity over the period

\* Debt/Equity ratio = Interest-bearing debt/shareholders' equity

## Non-Financial Highlights

For details, please refer to the latest ESG Report  
[https://www.mitsui-fudosan.co.jp/english/corporate/esg\\_csr/](https://www.mitsui-fudosan.co.jp/english/corporate/esg_csr/)

Item	Unit	(FY)		
		2018	2019	2020
Greenhouse gas (GHG) emissions (based on SBT standards)	t-CO <sub>2</sub>	- *2	4,382,569	<b>4,806,195</b>
Of these, Scope 1	t-CO <sub>2</sub>	- *2	104,386	<b>116,723</b>
Of these, Scope 2	t-CO <sub>2</sub>	- *2	413,118	<b>380,041</b>
Of these, Scope 3	t-CO <sub>2</sub>	- *2	3,865,065	<b>4,309,432</b>
<b>Environmental Indicators *1</b>				
Energy usage	Crude oil equivalent 1,000 kl/year	268.8	274.6	<b>265.4</b>
Water usage (intake volume)	Thousand m <sup>3</sup> /year	6,023	6,742	<b>5,773</b>
Water usage (discharge volume)	Thousand m <sup>3</sup> /year	5,595	5,539	<b>4,374</b>
Waste emissions volume	t/year	47,271	47,188	<b>39,019</b>
No. of employees (Consolidated)	persons	19,081	20,864	<b>23,992</b>
Of these, Mitsui Fudosan Co., Ltd. (Non-consolidated)	persons	1,577	1,631	<b>1,776</b>
Women in management positions ratio (Non-consolidated)	%	2.5	3.3	<b>4.5</b>
Women in general positions ratio (Non-consolidated)	%	9.3	11.0	<b>12.5</b>
<b>Human Resources Indicators</b>				
Number of paid leave days taken	days	14.1	14.9	<b>13.8</b>
Number (percentage) of persons taking childcare leave, men (Non-consolidated)	persons	27 (84.4%)	25 (61.0%)	<b>28 (70.0%)</b>
Number (percentage) of persons taking childcare leave, women (Non-consolidated)	persons	15 (100.0%)	10 (100.0%)	<b>13 (100.0%)</b>
Return rate from childcare leave (Non-consolidated)	%	100.0	100.0	<b>100.0</b>
Health checkup and screening rate (Non-consolidated)	%	99.5	99.8	<b>99.5</b>
Full time staff voluntary turnover rate (Non-consolidated)	%	0.77	0.53	<b>0.51</b>

\*1 Values are subject to change due to revisions to aggregation range and methods.

\*2 Values will be updated and supplemented when finalized.

## Financial Analysis (Fiscal 2020)

### Operating Conditions and an Overview of Results

In fiscal 2020, the Japanese economy continued to face a very difficult situation. The spread of COVID-19 restricted economic activity tightly and decreased consumer spending. Demand fell dramatically due to the decrease in inbound customers. This has affected a wide range of Japanese industries, especially the tourism and restaurant industries, and has greatly reduced corporate earnings.

In the real estate sector, sales of the office building leasing market grew steadily overall, but vacancy rates continued to increase due to factors such as uncertainty around corporate business performance and changes in the workstyles of office workers, including an increase in telework. Sales in the retail facility leasing market decreased due to the effects of closing retail facilities in order to prevent the spread of COVID-19 under the state of emergency declared at the beginning of the fiscal period. However, a temporary recovery in sales was seen for certain facilities, mainly those in the suburbs. The hotel operation market faced a difficult situation, with a significant fall in sales due to a significant decrease in foreign visitors to Japan and restraint in going out or traveling for business. In the property sales market, the number of units supplied decreased due to factors such as the effects of suspending sales operations at the beginning of the fiscal period. The market grew steadily, however, as purchase demand among customers remained high due to growing interest and diversification of needs concerning living environments, as well as continued low interest rates. In the real estate investment market, although a wait-and-see approach was largely taken in the first quarter due to uncertainty over the real economy, the market continued to expand from the second quarter due to the Bank of Japan's monetary easing policy.

In this operating environment, the Mitsui Fudosan Group has worked to create new value based on our VISION 2025, Group long-term vision. This includes fulfilling our corporate social responsibilities by actively cooperating to prevent the spread of infection and protect lives by closing retail facilities and hotels. Also, to respond to structural changes in lifestyles and workstyles under COVID-19, it includes growing the number of our WORK STYLING, multi-site shared offices for corporate clients, expanding business in our &small E-commerce mall linked to real stores, and promoting remote working from hotel guest rooms.

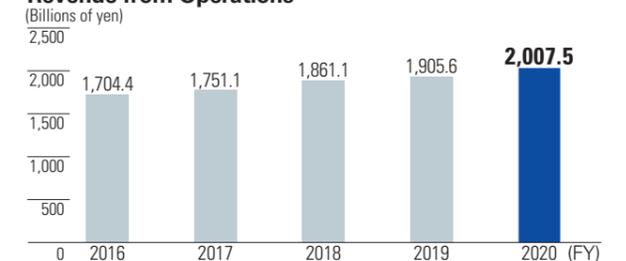
The Mitsui Fudosan Group recognizes that it is our social mission as a property developer to contribute to solving a variety of social problems with the aim of achieving a sustainable society through neighborhood creation, and have set new quantitative targets to reduce environmental impact and enable our workforce to thrive. In particular, to realize a decarbonized society, we have set a target of achieving net zero emissions of greenhouse gases throughout the entire Group by fiscal 2050, and have been actively working to conserve energy and promote renewable energy usage. This includes launching the Smart Energy Project that aims to provide a stable supply of electricity and heat in the Toyosu area and the Nihonbashi area, and reducing CO<sub>2</sub> emissions by around 30% and around 20% in service areas in Nihonbashi and Toyosu,

respectively. It further includes making office buildings and other properties more green by incorporating renewable energy.

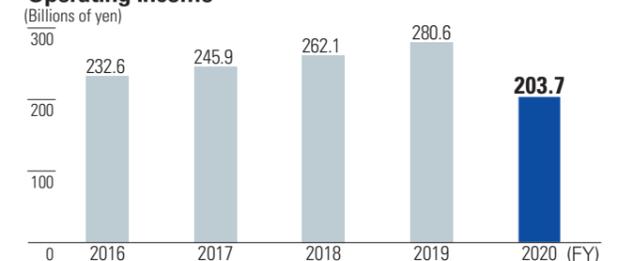
We further promoted environmentally-focused initiatives that include the Smart Energy Project in the Yaesu area and the high-rise office building plan for the 17-storey wooden building in Nihonbashi. Furthermore, we disclosed information based on recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which promotes the disclosure of risks and opportunities for companies in relation to climate change. To respond to changing social needs and realize new value creation, we have set a 10% target by fiscal 2025 and a 20% target by fiscal 2030 for the ratio of women in management positions, and have worked to allow employees with diverse values, talents, and lifestyles to fully realize their capabilities.

As a result of these initiatives, in the Group's consolidated business results for the period, ordinary income decreased by ¥100 million compared to the forecast announced in the middle of the fiscal year. At the same time, revenue from operations increased by ¥57.5 billion, operating income increased by ¥3.7 billion, and profit attributable to owners of parent increased by ¥9.5 billion compared to the forecast announced in the middle of the fiscal year.

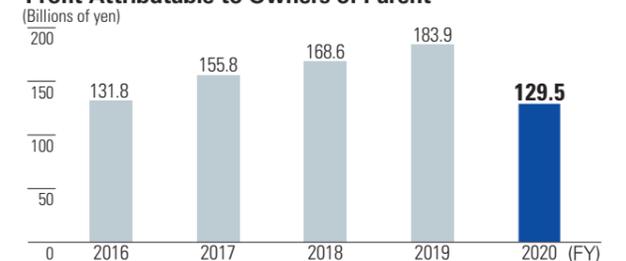
#### Revenue from Operations



#### Operating Income



#### Profit Attributable to Owners of Parent

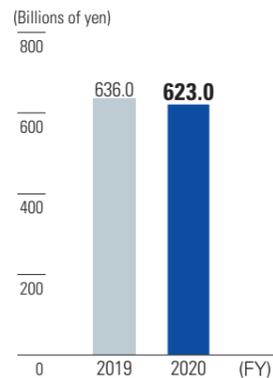


## Segment Information

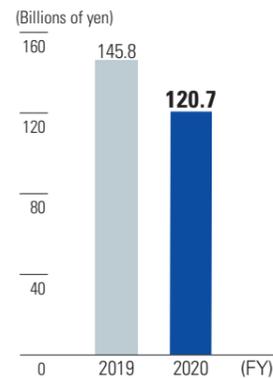
### Leasing

In the leasing segment, operating income was ¥120.7 billion, a decrease of ¥7.2 billion compared to the full year forecast of ¥128.0 billion. This was mainly due to a decrease in sales at our retail facilities as a result of the second declaration of state of emergency in the fourth quarter in response to the ongoing COVID-19 pandemic.

#### Revenue from Operations



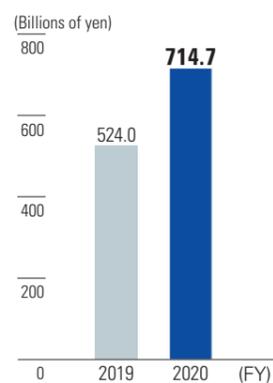
#### Operating Income



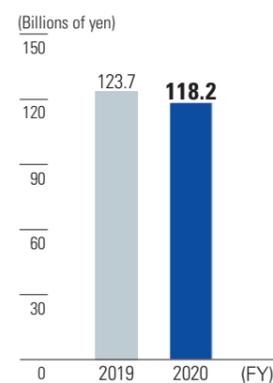
### Property Sales

In the Property Sales segment, operating income exceeded the forecast in the Property Sales to Individuals (Domestic) category due to factors including improved profit margins. In the Property Sales to investors and individuals (Overseas) category, as a result of conditions in the real estate market and individual properties, operating income was lower than predicted despite sales exceeding the forecast. Overall operating income from the segment was ¥118.2 billion, an increase of ¥4.2 billion compared to the full year forecast of ¥114.0 billion.

#### Revenue from Operations



#### Operating Income



#### Fiscal Year-End Inventories

(Property Sales to Individuals [Domestic])	(Units)				
(FY)	2016	2017	2018	2019	2020
Condominiums	321	108	141	128	150
Detached Housing	69	40	30	58	17
Total	390	148	171	186	167

(FY)	2019		2020	
Revenue	Office Buildings	¥360,260	¥369,256	
	Retail facilities	240,407	208,841	
	Total Leased Floor Space (1,000 m <sup>2</sup> )	5,462	5,751	
Office Buildings and Retail Facilities	Office Buildings	Owned	2,051	1,955
		Managed	1,207	1,438
	Retail facilities	Owned	1,675	1,825
		Managed	529	533
Other	Revenue	35,388	44,975	
Total	Revenue	636,056	623,073	
Total	Operating Income	145,893	120,777	

#### Vacancy Rate for Tokyo Metropolitan Area Office Buildings (Non-Consolidated)

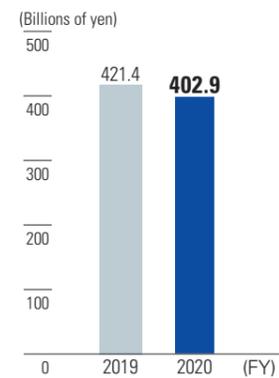


(FY)	2019		2020	
Condominiums	Revenue	¥208,144	¥268,854	
	Units	2,515	3,332	
	Other	Revenue	27,878	21,399
Subtotal	Units	679	443	
	Revenue	236,023	290,254	
Subtotal	Units	3,194	3,775	
	Revenue	268,661	325,364	
Units	3,675	4,290		
	Operating Income	29,624	40,003	
Property Sales to Investors & Individuals (Overseas)	Revenue	255,433	389,374	
	Operating Income	94,120	78,209	
Total	Revenue	524,094	714,739	
Total	Operating Income	123,745	118,213	

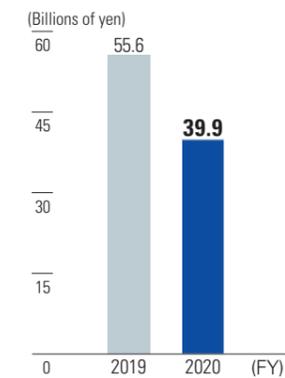
### Management

In the Management segment, operating income was ¥39.9 billion, an increase of ¥6.9 billion compared to the full year forecast of ¥33.0 billion. This was mainly due to a higher-than-expected number of brokered contracts for individuals.

#### Revenue from Operations



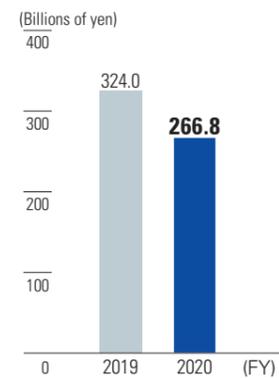
#### Operating Income



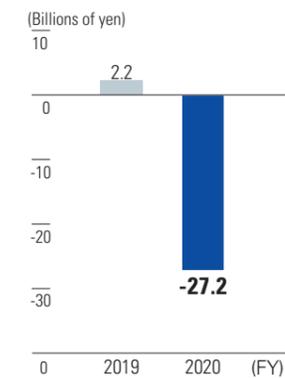
### Other

In the Other segment, operating loss was ¥27.2 billion, an increase of ¥1.2 billion compared to the full year forecast of ¥26.0 billion. This was due to factors including a fall in demand for accommodation in the domestic hotels business under the COVID-19 pandemic.

#### Revenue from Operations



#### Operating Income



(FY)	2019		2020	
Property Management	Revenue	¥316,228	¥309,099	
	Operating Income	32,776	21,888	
Brokerage, Asset Management, etc.	Revenue	105,261	93,829	
	Operating Income	22,894	18,081	
Total	Revenue	421,490	402,929	
Total	Operating Income	55,670	39,969	

(FY)	2019		2020	
New Construction	Revenue	¥165,818	¥147,222	
Facility Operations	Revenue	67,448	32,736	
Other	Revenue	90,735	86,854	
Total	Revenue	324,001	266,812	
Total	Operating Income	2,291	(27,215)	

## Consolidated Financial Position

### Assets

As of March 31, 2021, total assets were ¥7,741.9 billion, an increase of ¥346.6 billion from the end of the previous fiscal year.

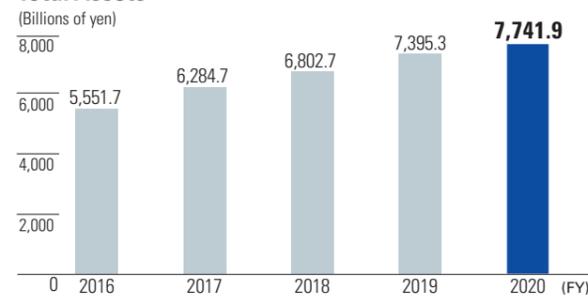
This was mainly due to an increase of ¥22.6 billion in real property for sale (including real property for sale in progress, land for development and advances paid for purchases). There was an increase of ¥43.6 billion in tangible and intangible fixed assets mainly due to new investments, as well as an increase of ¥161.0 billion due to fair market valuation of investment securities.

Capital expenditures were ¥565.2 billion and depreciation and amortization was ¥98.1 billion.

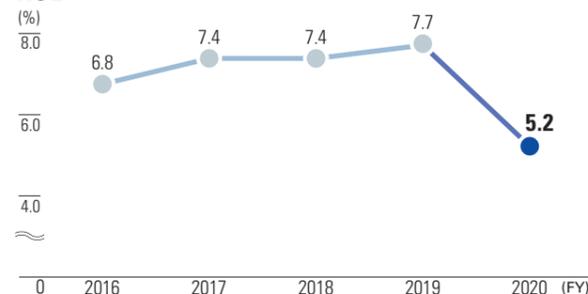
### Liabilities

Interest-bearing debt (the total of 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, and non-recourse long-term debt) stood at ¥3,623.4 billion on an overall consolidated basis as of March 31, 2021, an increase of

#### Total Assets



#### ROE



#### Debt/Equity Ratio



¥142.3 billion from the end of the previous fiscal year.

Mitsui Fudosan has established committed lines of credit totaling ¥400.0 billion with several financial institutions to ensure access to funds and adequate liquidity. The Company had not accessed these lines of credit as of the balance sheet date.

The current ratio (current assets/current liabilities) as of March 31, 2021, was 245%, an increase compared to 230% on March 31, 2020.

### Net Assets

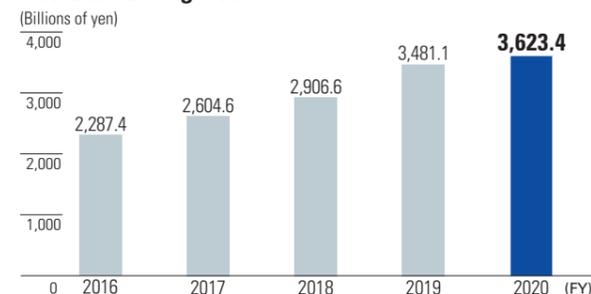
Total net assets as of March 31, 2021 were ¥2,655.9 billion, an increase of ¥169.4 billion compared with the end of the previous fiscal year. This increase was mainly attributable to increases of ¥189.4 billion in retained earnings and in net unrealized holding gains on securities of ¥74.8 billion, despite a decrease of ¥127.6 billion in revaluation reserve for land.

The equity ratio as of March 31, 2021 rose to 33.0% from 32.6% at the end of the previous fiscal year, while the debt/equity ratio decreased to 1.42 times from 1.45 times. Net assets per share increased to ¥2,656.42 from ¥2,480.36 as of the previous fiscal year-end.

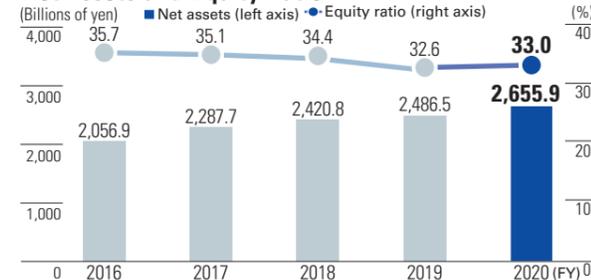
#### ROA



#### Interest-Bearing Debt



#### Net Assets and Equity Ratio



## Consolidated Cash Flows

### Consolidated Cash Flows

As of March 31, 2021, cash and cash equivalents were ¥187.7 billion, an increase of ¥8.2 billion from the end of the previous fiscal year.

#### Cash Flows from Operating Activities

Operating activities provided net cash of ¥187.8 billion. Cash provided included income before income taxes of ¥191.8 billion and depreciation and amortization of ¥98.1 billion. Decreases included ¥79.7 billion for income taxes paid.

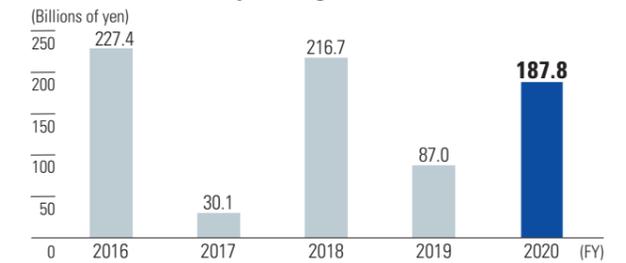
#### Cash Flows from Investing Activities

Investing activities used net cash of ¥131.0 billion. Cash purchases included ¥276.3 billion in tangible and intangible fixed assets, ¥65.7 billion in investment securities, and ¥77.7 billion in shares of subsidiaries, which resulted in change in scope of consolidation. Cash provided included proceeds from the sale of tangible and intangible fixed assets of ¥245.9 billion and proceeds from the sale of investment securities of ¥69.5 billion.

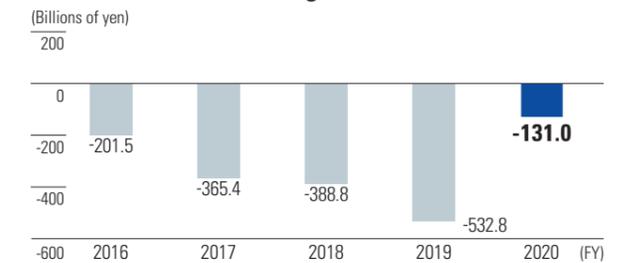
#### Cash Flows from Financing Activities

Financing activities used net cash of ¥66.5 billion, primarily for the payment of dividends and repayment of debt.

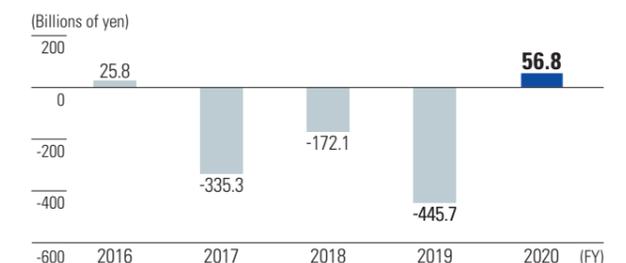
#### Cash Flows from Operating Activities



#### Cash Flows from Investing Activities



#### Free Cash Flows



\* Free cash flow =  
Cash flow from operating activities + cash flow from investing activities

## Rental Properties

Mitsui Fudosan and some of its consolidated subsidiaries have rental properties including office buildings and retail facilities in the Tokyo metropolitan area and other areas. Profit on such properties amounted to ¥137,951 million in fiscal 2019 (leasing revenue is reported in revenue from operations and leasing expenses are reported in cost of revenue from operations) and there was an impairment loss of ¥1,063 million and a loss on disposal of property and equipment of ¥577 million (loss on disposal of property and equipment and impairment loss are reported as extraordinary loss). In fiscal 2020, profit on such properties amounted to ¥118,075 million (with leasing revenue recorded in revenue from operations and leasing expenses recorded in cost of revenue from operations). An impairment loss of ¥29,795 million and a gain on sale of property and equipment of ¥20,668 million were recorded (with impairment loss recorded as an extraordinary loss and the gain on sale of property and equipment recorded as extraordinary income).

The carrying amount recorded on the consolidated balance sheets, the change during the fiscal year, and the market value of these properties are as shown on the right.

	2019	2020
Rental Properties Carrying Amount Recorded on the Consolidated Balance Sheets		
Balance as of the Beginning of the Period	¥3,024,028	¥3,171,133
Increase (Decrease) During the Period	147,104	-141,505
Balance as of the End of the Period	3,171,133	3,029,628
Market Value at the End of the Period	6,089,553	5,856,124
Difference	2,918,419	2,826,496

Notes: 1. The carrying amount recorded on the consolidated balance sheets was calculated by deducting accumulated depreciation and amortization and accumulated impairment losses from acquisition costs.  
2. 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.  
3. The main increases and decreases in the balance sheet during fiscal 2019 were an increase in real estate acquisition (¥216,117 million) and decreases due to transfers to real property for sale (¥15,043 million).  
4. The main increases and decreases in the balance sheet during fiscal 2020 were an increase in real estate acquisition (¥207,677 million), and decreases due to real estate sales (¥198,635 million), and transfers to real property for sale (¥110,141 million).  
5. In regard to the fiscal 2019 impact of the COVID-19 pandemic on the market value of real estate, including rents, it was extremely difficult to calculate the impact with a high degree of accuracy at the time these notes were created. Based on certain assumptions upon which consolidated performance forecasts for the next fiscal year are based, the impact on market value has been calculated within the scope possible at the time these notes were created and the result is that the impact on market value of real estate, including rents, at the end of the fiscal 2019 was negligible, and therefore it has not been included in the market value at the end of fiscal 2019.

## Shareholder Returns

In fiscal 2020, Mitsui Fudosan took measures such as temporarily closing or shortening the business hours of retail facilities, hotels, and resorts, as well as providing temporary rent reductions for tenant stores at Company-owned facilities, in response to two declarations of state of emergency under the COVID-19 pandemic. In spite of this

environment, the Company faces no issues securing financing due to its maintenance of a sound financial standing, and maintains secure employment status for its employees. In consideration of these and other factors, the Company will focus on providing stable and continuous shareholder returns as follows.

- Annual dividend per share for fiscal 2020 ¥44
- Own shares being repurchased ¥15.0 billion  
Repurchasing periods: from May 17, 2021 to December 7, 2021
- Total shareholder return ratio of profit attributable to owners of parent 44.2%

## Outlook for Fiscal 2021 (Year Ending March 31, 2022)

The effects of the COVID-19 pandemic, including the spread of virus variants, remain unpredictable.

Mitsui Fudosan Group's businesses have been affected by decreases in operations and visitors to facilities due to people refraining from going out, in addition to closings at some facilities, shortening of business hours, and restrictions on attracting customers following guidance from the national and local governments based on the declaration of state of emergency on April 25, 2021.

In response to this situation, the following forecasts are calculated based on the assumption that despite recovery in the economic environment due to factors such as the progress of vaccination, the speed of recovery will remain unclear and impacts of the COVID-19 will continue throughout the fiscal year.

Based on this, in fiscal 2021, Mitsui Fudosan is expected to report revenue from operations of ¥2,150.0 billion, up ¥142.4 billion year on year. Operating income is estimated to increase by ¥26.2 billion to ¥230.0 billion and ordinary income is estimated to increase by ¥36.1 billion to ¥205.0 billion. Profit attributable to owners of parent is forecast to increase by ¥30.4 billion to ¥160.0 billion.

Actual results may differ due to factors including the state of the pandemic. If revisions to these forecasts become necessary, they will be announced swiftly.

### Segment Forecasts

**Leasing:** In consideration of the impacts of the COVID-19 pandemic while also considering the improvement in retail facility sales at our retail facilities and contribution to sales from new facilities in operation over the full year, increases of ¥56.9

billion in revenue from operations and ¥7.2 billion in operating income are forecast.

**Property Sales:** Overall revenue from operations is forecast to decrease by ¥44.7 billion and operating income is forecast to increase by ¥14.7 billion. This is because although the small number of delivered units of large-scale developments for property sales to individuals (domestic) is expected to fall, revenue and income from property sales to investors is expected to rise due to expectations for real estate sales in the strong real estate investment market.

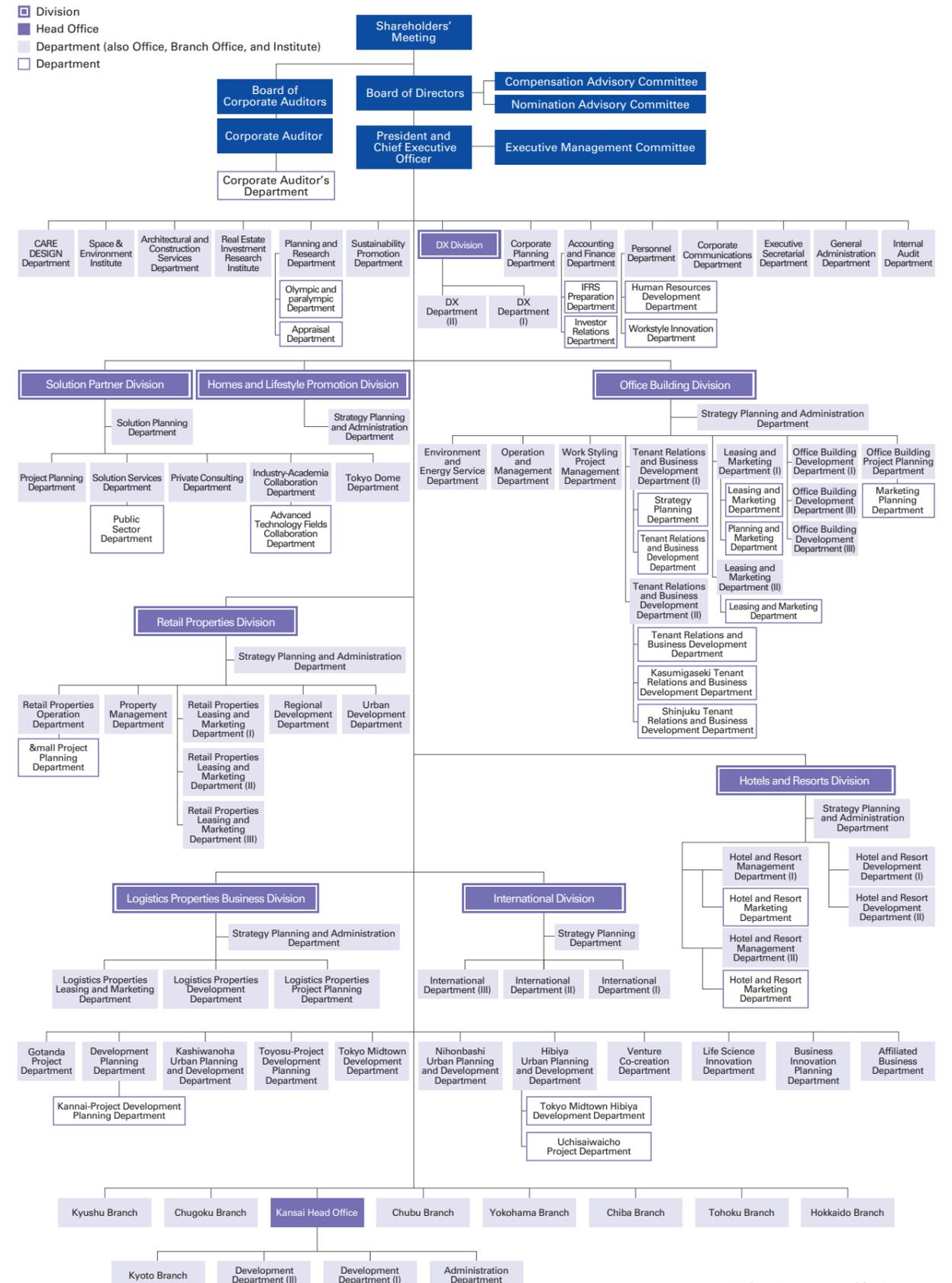
**Management:** In consideration of the impact of factors such as contribution to revenue from an increase in the number of brokered deals in the brokerage business for individuals and continued improvement in operations and cost reductions in Mitsui Car Park Leasing (car park leasing businesses), increases of ¥17.0 billion in revenue from operations and ¥4.0 billion in operating income are forecast.

**Other:** In consideration of ongoing recorded losses in the hotels and resorts business due to the COVID-19 pandemic while also considering recovery in operations mainly due to the capture of domestic demand, increases of ¥113.1 billion in revenue from operations and ¥5.2 billion in operating income are forecast.

### Dividends

Taking into consideration a comprehensive range of factors including the outlook for fiscal 2021 and the aforementioned dividend policy, the Company plans to pay a cash dividend of ¥44 per share (including an interim dividend of ¥22 per share) for the fiscal year ending March 31, 2022, the same as in the fiscal year ended March 31, 2021.

## Organization Chart



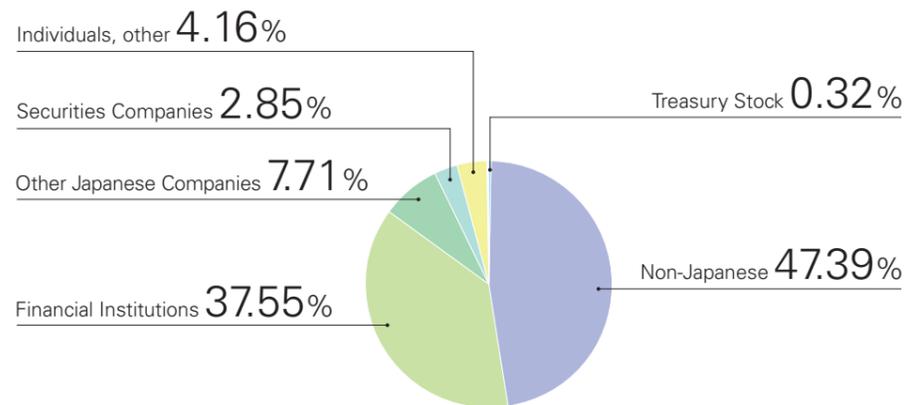
\*Information current as of October 1, 2021

# Corporate Data/Shareholders' Information (As of September 30, 2021)

## Corporate Data

<b>Trade Name:</b> Mitsui Fudosan Co., Ltd.	<b>Number of Shares:</b> Authorized: 3,290,000,000 Issued and outstanding: 965,481,947
<b>Head Office:</b> 1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo 103-0022, Japan	<b>Number of Shareholders:</b> 38,748
<b>Date of Establishment:</b> July 15, 1941	<b>Transfer Agent:</b> Sumitomo Mitsui Trust Bank, Limited
<b>Capital:</b> ¥339,897 million	<b>Number of Employees*:</b> 1,776 (Consolidated 23,992) *As of March 31, 2021
<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>

## Shareholder Composition (Shareholding Ratio)



## Major Shareholders

Shareholder	Number of Shares Held (Thousands)	Percentage of Total Shares Issued (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	151,284	15.72
Custody Bank of Japan, Ltd. (Trust account)	72,252	7.51
Custody Bank of Japan, Ltd. (Trust account 7)	24,692	2.57
SSBTC CLIENT OMNIBUS ACCOUNT	21,597	2.24
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002	17,393	1.81
STATE STREET BANK WEST CLIENT - TREATY 505234	16,551	1.72
KAJIMA CORPORATION	13,362	1.39
BNYM AS AGT/CLTS 10 PERCENT	13,045	1.36
Sumitomo Mitsui Banking Corporation	12,982	1.35
JP MORGAN CHASE BANK 385781	12,310	1.28
<b>Total</b>	<b>355,472</b>	<b>36.94</b>

# 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 our 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 December 1, 2021)



2021 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

2021 MSCI ESG Leaders  
Indexes Constituent

2021 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

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## Sustainability-Related Assessments and Certifications



\*Platinum Kurumin certification was acquired by Mitsui Fudosan Residential Co., Ltd.