

Special Feature 3

What an Outside Director Has to Say

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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.