

# Group Statement / Vision / Mission



## GROUP STATEMENT

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

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 VISION

What we want to be

 <b>Philosophy</b>	<p>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.</p> <p>Under “&amp;EARTH” we will aim for a society that enriches both people and the planet.</p>
<b>Evolution and value creation</b>	<p>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.</p>
<b>A profitable and growing Mitsui Fudosan Group</b>	<p>We seek to create a profitable and growing Mitsui Fudosan Group, acting honestly and fairly to realize the capabilities of the entire organization.</p>

## GROUP MISSION

What is expected of us

<b>Provide business and lifestyle-related solutions and services</b>	<ul style="list-style-type: none"> <li>• Maximize urban value creation by providing secure, safe and attractive urban spaces and soft services that bring enrichment and comfort to urban living.</li> <li>• Provide variable and innovative solutions that stimulate the real estate investment market.</li> </ul>
<b>Work in partnership with customers from a global perspective</b>	<ul style="list-style-type: none"> <li>• Treat customers as the business foundation on which to progress and develop the Company.</li> <li>• 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.</li> <li>• Work in partnership with customers to raise brand value by continuously providing services that are highly valued by them.</li> </ul>
<b>Raise our corporate value</b>	<ul style="list-style-type: none"> <li>• Raise corporate value through sustainable profit growth and continual innovation.</li> <li>• Optimize the allocation and use of available resources and pursue efficient operations.</li> <li>• Conduct operations while closely monitoring and managing business risks.</li> </ul>
<b>Create a strong corporate group by building the capabilities of individuals</b>	<ul style="list-style-type: none"> <li>• Seek to maintain a creative and pioneering spirit by integrating various skills and values.</li> <li>• Cultivate and institutionalize the professional capabilities of individuals to raise our creative ability for value-added products and services.</li> <li>• Maintain high awareness of ethical, disciplinary, and compliance issues, and act accordingly.</li> </ul>





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

1673



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



Nihonbashi today

Ingrown DNA

## Mitsui Fudosan's DNA

### “Spirit of Enterprise” and “Customer Orientation”

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

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

Takatoshi chose to take a new approach. By selling ready-to-wear kimonos for cash at stores, he drastically rationalized production, distribution, and billing, while significantly reducing costs. With regard to fabrics, in



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

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

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

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

### Connections with the “ ” Logo Principles

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

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

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


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

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

2023



# Value Creation Process

We have inherited the “spirit of enterprise” and “customer orientation” in our DNA, and 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 views the paradigm shift of society and economy in every era as opportunities. Accordingly, we leverage our strengths of engagement in every asset class, an expansive value chain, and the 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.

## Management Resources

P.9

### Extensive customer base

(as of the end of FY2022) **PP.57-76**

Office tenants: Approx. 3,000 companies

Retail tenants<sup>\*2</sup>: Approx. 2,500 companies

Mitsui Housing Loop members<sup>\*3</sup>:  
Approx. 320,000 etc.

<sup>\*2</sup> As of April 1, 2023 <sup>\*3</sup> As of the end of April 2023

### Diverse human resources

(as of the end of FY2022) **P.83**

Group headcount: 24,706

Ratio of female employees<sup>\*4</sup>: 42.9%

Ratio of mid-career hires<sup>\*5</sup>: 50.0%

<sup>\*4</sup> Non-consolidated, as of April 1, 2023  
<sup>\*5</sup> Non-consolidated, FY2022

### High-quality real estate asset stock

(as of the end of FY2022) **P.21**

Rental properties: Approx. ¥3.4 trillion

Unrealized gain on real estate for rent: Approx. ¥3.2 trillion

Real property for sale: Approx. ¥2.1 trillion

### Solid financial position

(as of the end of FY2022) **P.39**

D/E ratio: 1.40 times

Ratio of long-term debt (excl. non-recourse): 93.1%

Unused commitment line: ¥400.0 billion

## Solve social issues through neighborhood creation under the “” logo principles<sup>\*1</sup>

P.11

<sup>\*1</sup> Coexist in harmony with society, link diverse values and achieve a sustainable society



### Our DNA

P.5

- Spirit of enterprise
- Customer orientation

### 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



### Material issues for value creation

P.27

(established in VISION 2025, Group Long-Term Vision)

P.25

- Reduce environmental impact and generate energy
- Create new industries through open innovation
- Establish ultra-smart societies by creating neighborhoods
- Achieve health, safety, and security in people's daily lives
- Achieve a society where a diverse workforce can thrive
- Continuously improve compliance and governance

### External Environment Recognition

- Population decline
- Low birthrates and an aging society
- Evolution of ICT
- Diversification and decentralization of values
- Increasing awareness of sustainability, among others

## What we want to be

[Group Statement]

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

P.3

## Establish a Sustainable Society

P.27 PP.41-44



## Drive Sustainable Profit Growth

P.28 P.39

Earnings and profit growth

Improvements in asset and capital efficiency

Shareholder return enhancements



# Value Creation Sources and Achievements

## Management Resources

Values without a noted time are as of the end of FY2022.

Extensive customer base



PP.57-76

Office tenants: Approx. <b>3,000</b> companies	Retail tenants: Approx. <b>2,500</b> companies (as of April 1, 2023)
WORK STYLING members: Approx. <b>260,000</b> (as of the end of July 2023)	Mitsui Shopping Park point card members: Approx. <b>13.5</b> million
Mitsui Housing Loop members: Approx. <b>320,000</b> (as of the end of April 2023)	Mitsui Garden Hotel members: Over <b>800,000</b> (as of the end of August 2023)

Full lineup of product brands



PP.57-76

### Representative brands in each asset class

**COLORFUL WORK**  
MITSUI FUDOSAN

Operates over 100 office buildings, primarily in the Tokyo metropolitan area **P.57**

**MFLP** Mitsui Fudosan Logistics Park

Development and operation of over 60 logistics facilities in Japan and overseas **P.63**

**三井のリパーク**  
Mitsui Car Park Leasing

Operates car parks in over 16,000 locations across Japan (as of the end of January 2023) **P.67**

Mitsui Shopping Park  
**Lalaport**

**MITSUI OUTLET PARK**

Annual facility revenue of ¥1.4 trillion (FY2022) **P.61**

**PARK**

Has achieved cumulative sales of approx. 240,000\* condominiums  
\* Before considering share of joint ventures **P.67**

**Mitsui Garden Hotels**

Operates Company-owned hotels offering about 13,000 guest rooms in Japan and overseas **P.69**

**三井のリハウス**  
Mitsui Rehouse

No. 1 in brokered deals for 37 consecutive years **P.67**

Diverse human resources



P.83

Group headcount: <b>24,706</b>	Ratio of women employees (non-consolidated): <b>42.9%</b> (as of April 1, 2023)	Women in management positions ratio (non-consolidated): <b>7.7%</b> (as of April 1, 2023)
Women in general positions ratio (non-consolidated): <b>18.0%</b> (as of April 1, 2023)	Ratio of mid-career hires (non-consolidated): <b>50.0%</b>	Ratio of employees returned from childcare leave (non-consolidated): <b>100%</b> (general positions) (as of the end of FY2022)

High-quality real estate asset stock



P.21

Rental properties: Approx. <b>¥3.4</b> trillion	Unrealized gain on real estate for rent: Approx. <b>¥3.2</b> trillion	Real property for sale: Approx. <b>¥2.1</b> trillion <small>(For property sales to investors ¥1.4 trillion For property sales to individuals ¥0.6 trillion)</small>
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Solid financial position



P.39

D/E ratio: <b>1.40</b> times	Ratio of long-term debt: <b>93.1%</b> (excl. non-recourse)	Unused commitment line: <b>¥400.0</b> billion
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## Solving Social Issues through Neighborhood Creation

P.11

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

An Initiative to Create a Multi-Generational Community

Tackling Regional Revitalization through Urban Waterfront Development

Enhancing Tokyo's Competitiveness as an International City

Creating Spaces Where People Can Enjoy a Rich and Fulfilling Time

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

## Establish a Sustainable Society

### Promoting the Provision of Green Electricity to Mitsui Fudosan Properties

In cooperation with electric power companies, now we can provide green electricity in the three major metropolitan areas (as of the end of August 2023)

Number of properties receiving green electricity Approx. <b>180</b>	FY2030 cumulative planned capacity Approx. <b>960</b> million kWh
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Contribution to the realization of a decarbonized society not only by ourselves but also with tenants and owners



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

Ownership and operation of five solar power generation facilities (as of the end of August 2023)

Annual power generation Approx. <b>80</b> million kWh	Equivalent to the annual power needs of Approx. <b>20,000</b> typical households*
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\* Converted based on fiscal 2021 statistical data of Japan's Ministry of the Environment

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. <b>21,315</b> t-CO <sub>2</sub> /year
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Note: This number is certified by the FORESTOCK Association as of January 1, 2023.

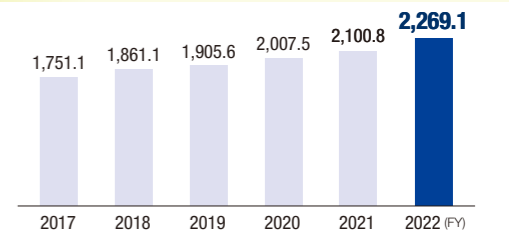
Contribution to greenhouse gas reduction through maintenance of sustainable forests



## Drive Sustainable Profit Growth

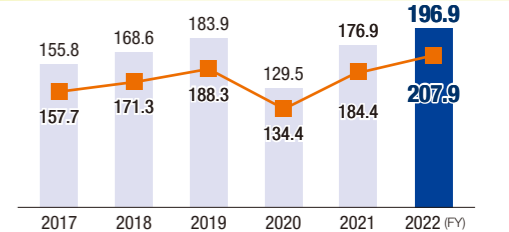
### Earnings Expansion

Revenue from operations (Billions of yen)



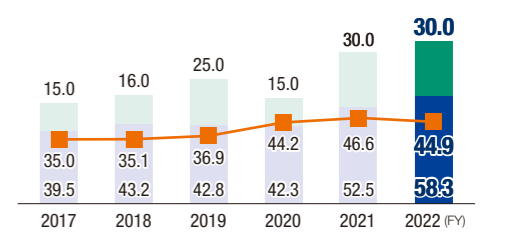
### Earnings per Share (EPS) and Profit Attributable to Owners of Parent

EPS (Yen)  
Profit attributable to owners of parent (Billions of yen)



### Shareholder Return Enhancements

Total shareholder return ratio (%)  
Total dividends (Billions of yen)  
Total amount of treasury stock acquired (Billions of yen)





# Solving Social Issues through Neighborhood Creation

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

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

### Kasumigaseki Building

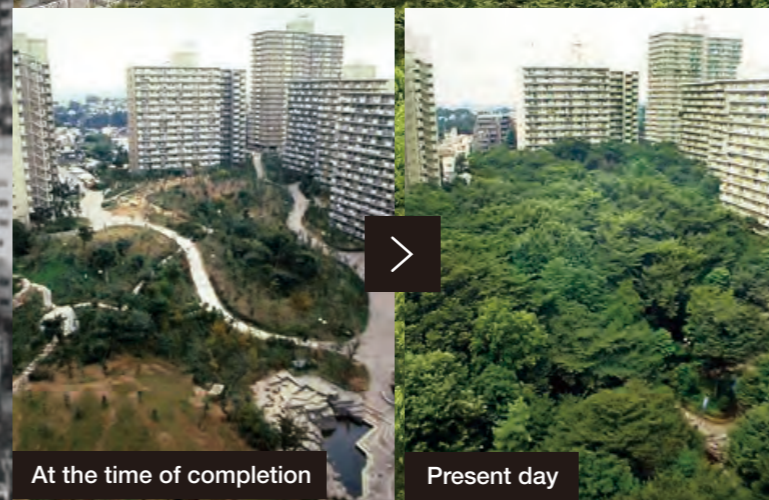
As a forerunner in making advanced use of urban space, we constructed Japan's first skyscraper, achieving effective use of land in a city center along with contribution to the community through the creation of open areas and green spaces.



## 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



# 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.



Before

After



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

### LaLaport

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





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

### Real Estate Securitization

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

祝 不動産投資信託証券市場開設 平成13年9月10日



## 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.



Before



# A History of Value Creation

## Unceasing Challenge in Our DNA

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

Business Direction	1941 (Founding) – Business foundation established during a period of rapid economic growth	1970 – Moved to diversify management to achieve stable growth	1980 – Leveraged the Group's comprehensive strengths to realize "affluent lifestyles"	1990 – Rebuilt business during the period of deflation following the collapse of Japan's economic bubble	2000 – Asset deflation convergence and advancing neighborhood creation	2010 – Advanced mixed-use neighborhood creation amid market maturity
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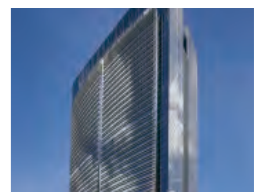

Creation of new value

<p><b>Late 1950s –</b> Contributed to infrastructure development in the Tokyo metropolitan area <b>Transformed sea into land</b> Keiyo Rinkai reclamation project</p> 	<p><b>1968</b> Japan's first skyscraper <b>Pioneered Japan's skyscraper era</b> Kasumigaseki Building</p> 	<p><b>1981</b> A forerunner in shopping centers <b>Created new lifestyles</b> LaLaport TOKYO-BAY</p> 	<p><b>1993</b> A forerunner in Tokyo Bay area tower condominium buildings <b>Resolved housing issues in the city center</b> Okawabata River City 21, West Block</p> 	<p><b>1995</b> Japan's first genuine outlet mall <b>Created a new consumption style</b> MITSUI OUTLET PARK OSAKA TSURUMI</p> 	<p><b>2001</b> Japan's first corporation listed on the J-REIT <b>Created new businesses in the real estate industry</b> Nippon Building Fund Inc.</p> 
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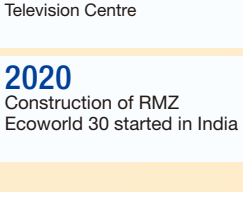
Expansion of asset classes

<p><b>1929</b> Construction of Mitsui Main Building completed</p>	<p><b>1968</b> Construction of Kasumigaseki Building completed</p>	<p><b>1968</b> Construction of Yurigaoka Garden Mansion completed</p>	<p><b>1971</b> Construction of Mita Tsunamachi Park Mansion completed</p>	<p><b>1993</b> Construction of the entire Okawabata River City 21, West Block completed</p>	<p><b>1981</b> LaLaport TOKYO-BAY opens for business</p>	<p><b>1995</b> MITSUI OUTLET PARK OSAKA TSURUMI opens for business</p>	<p><b>1984</b> Mitsui Garden Hotel Osaka Yodoyabashi opens for business</p>
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**Leveraging Our Strengths to Create Mixed-Use Neighborhoods Fusing an Array of Functions**

<p>2004 – Nihonbashi Revitalization Plan begins</p> 	<p>2007 TOKYO MIDTOWN opens for business</p> 	<p>2014 Kashiwa-no-ha Smart City opens for business</p> 	<p>2018 TOKYO MIDTOWN HIBIYA opens for business</p> 
<p>2023 TOKYO MIDTOWN YAESU opens for business</p> 			

Expansion of overseas business areas

<p><b>North America</b></p> <p><b>1973</b> Mitsui Fudosan (USA) established</p> <p><b>1984</b> HALEKULANI (Hawaii) opens for business</p> <p><b>1986</b> Acquisition of 1251 Avenue of the Americas (New York)</p>	<p><b>Europe</b></p> <p><b>1990</b> Mitsui Fudosan (U.K.) Ltd. established</p>	<p><b>2013</b> San Francisco Branch established</p>  <p>Hudson Yards</p>  <p>Television Centre</p> 
<p><b>Asia</b></p> <p><b>1972</b> TID Pte Ltd., a joint venture with Hong Leong Group in Singapore, established</p>	<p><b>2005</b> Shanghai Representative Office in China established</p>	<p><b>2013</b> Participation in housing business in Southeast Asia</p> <p><b>2016</b> MITSUI OUTLET PARK Linkou opens for business in Taiwan</p> <p><b>2020</b> Construction of RMZ Ecoworld 30 started in India</p>



# Diverse Asset Classes and Global Expansion

As a Group of leading comprehensive real estate companies in Japan, the Mitsui Fudosan Group is developing a real estate business based on diverse asset classes.

Overseas, we are also expanding our business through the careful selection of asset classes matched to circumstances of the economies, cities, and other factors in the areas into which we expand.

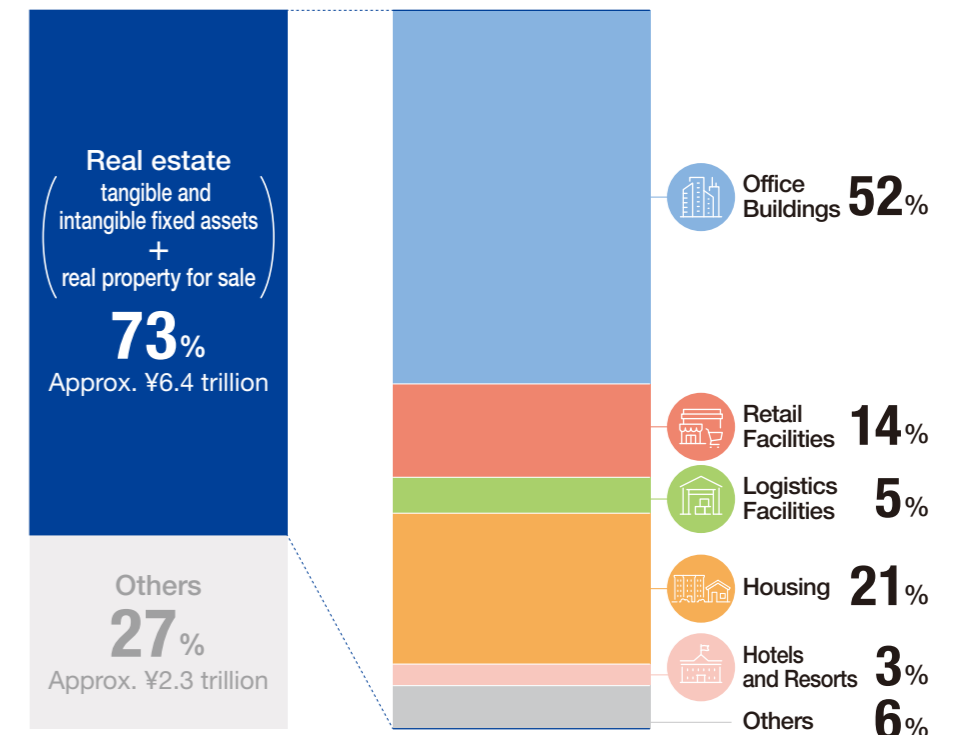
## Diverse Asset Classes

● Major Asset Classes and Their Percentages

	Key data*1	Sources of revenue	Main brands
Office Buildings	Leased Floor Space*2 Approx. <b>3,451,000</b> m <sup>2</sup>	Number of Tenant Companies Approx. <b>3,000</b>	Leasing revenue from tenants Income from property sales to REITs
Retail Facilities	Leased Floor Space*2 Approx. <b>2,524,000</b> m <sup>2</sup>	Number of Tenant Companies Approx. <b>2,500</b> (as of April 1, 2023)	Leasing revenue from tenants Income from property sales to REITs
Logistics Facilities	Total Number of Facilities*3 <b>64</b> (as of the end of August 2023)	Total Floor Space Approx. <b>5,300,000</b> m <sup>2</sup> (as of the end of August 2023)	Leasing revenue from tenants Income from property sales to REITs
Housing	Number of Condominium Units Delivered <b>3,196</b>	Number of Detached Houses Delivered <b>420</b>	Number of Brokered Sales*4 <b>39,106</b>
Hotels and Resorts	Facilities Directly Operated by the Company <b>53</b>	Approx. <b>13,300</b> rooms (as of the end of August 2023)	Accommodation fees

\*1 Values without a noted time are as of the end of FY2022. \*2 Includes subleased floor space. \*3 Includes existing facilities and facilities under development. \*4 Number of Mitsui Fudosan Realty Group brokered sales prior to eliminations.

Mitsui Fudosan Group Total Assets  
 Approx. **¥8.8** trillion  
 (as of the end of FY2022)

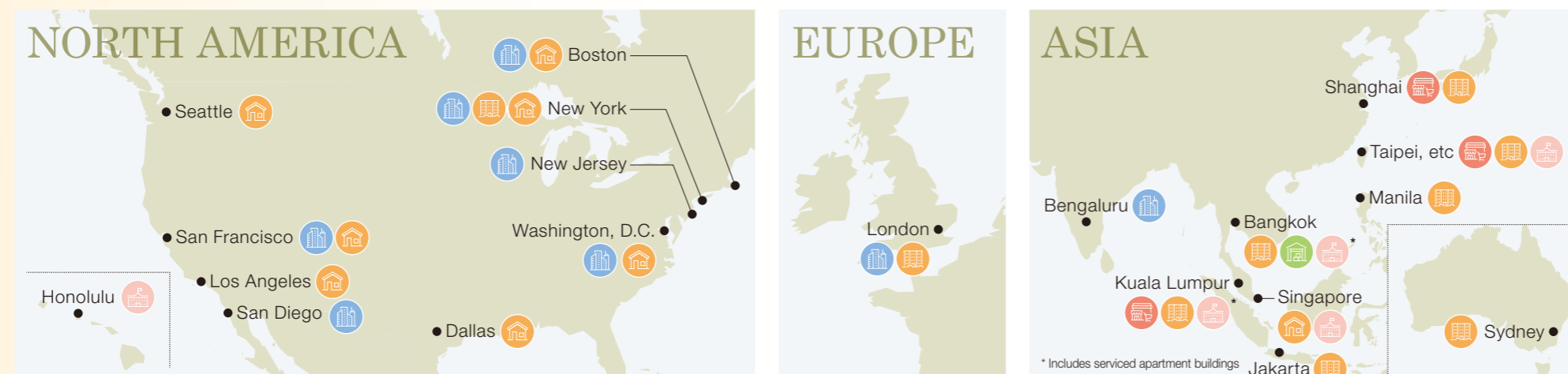


Expansion of asset classes

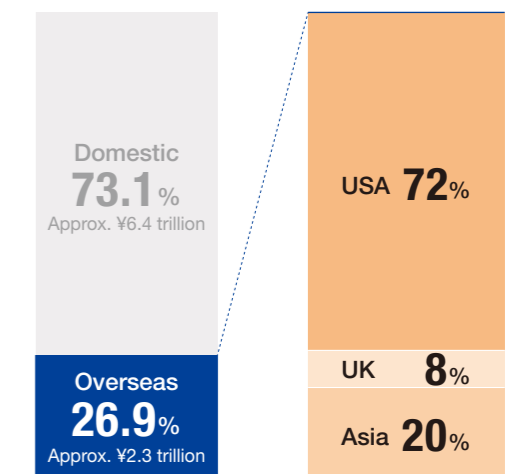
## Our Globally Expanding Assets

● The Company's Assets in Overseas Areas and Assets by Area

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



Mitsui Fudosan Group Total Assets  
 Approx. **¥8.8** trillion  
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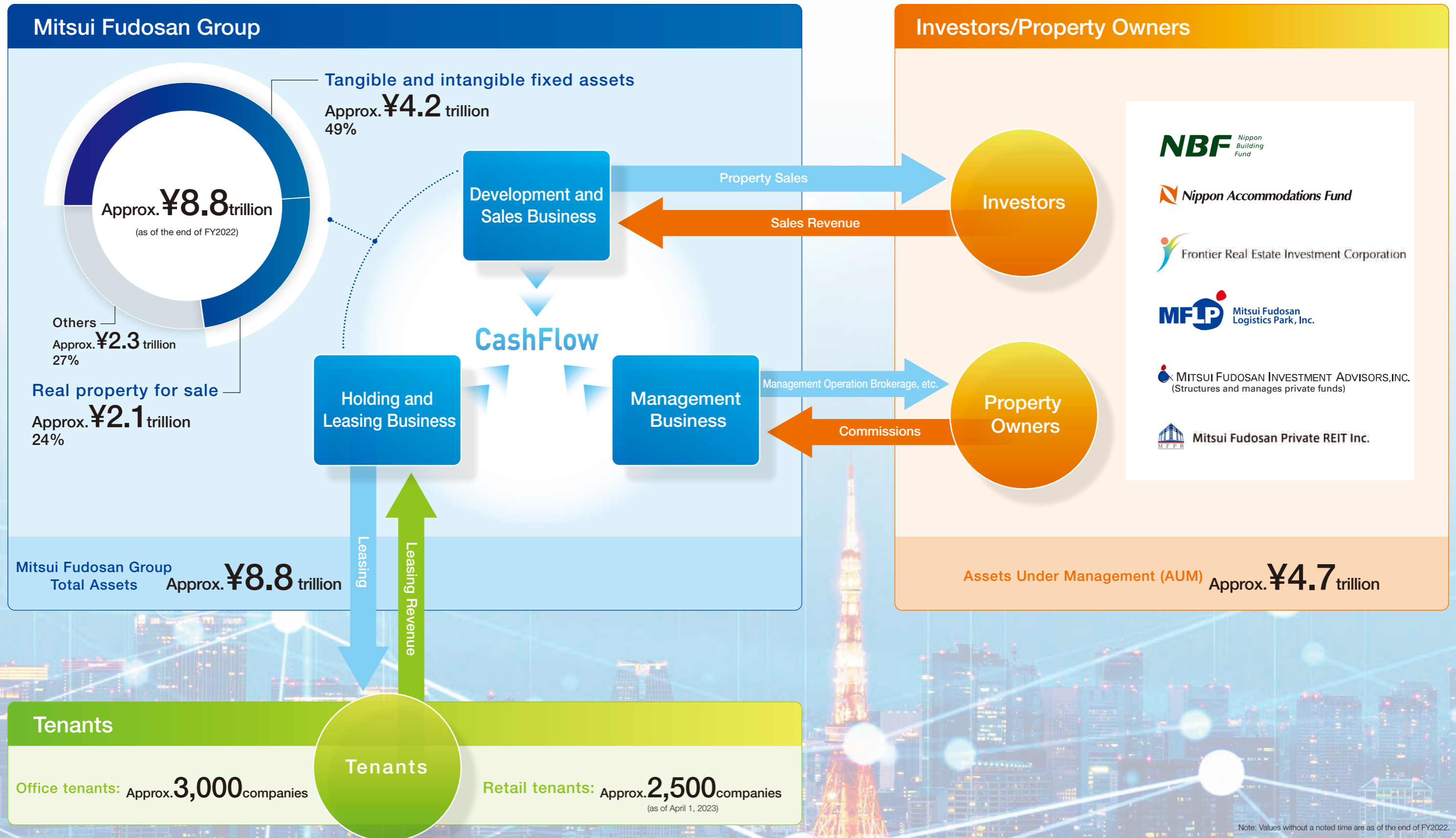


Expansion of overseas business areas



# Business Model for Realizing Sustainable Growth

Maximize Profits through an Optimal and Flexible Combination of Real Estate “Holding & Leasing,” “Development & Sales,” and “Management”





# Expanding Our Corporate Value

This Integrated Report outlines the Mitsui Fudosan Group's efforts to expand its corporate value.

## Value Creation Based on Social Value and Economic Value

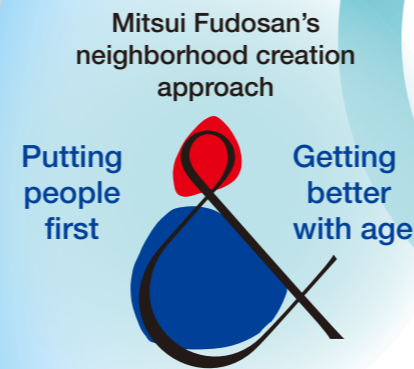
Value Creation Process (P.7) Value Creation Sources and Achievements (P.9)

### Expanding the Corporate Value of the Mitsui Fudosan Group

Group Statement/Vision/Mission (P.3)

Message from the CEO (P.29)

Long-Term Vision: VISION 2025 (P.25)



#### Social Value

- Solving Social Issues through Neighborhood Creation (P.11)
- Strategies toward the Realization of a Decarbonized Society (P.41)
- Main Environmental Initiatives (P.77)
- Main Social Initiatives (P.83)

#### Economic Value

- Message from the CFO (P.30)
- Business Model for Realizing Sustainable Growth (P.21)
- Business Report (P.55)

Development and Sales Business

CashFlow

Holding and Leasing Business

Management Business

### Reducing Capital Costs

#### Initiatives for Sustainable Growth

- Strategies toward the Realization of a Decarbonized Society (P.41)
- Main Environmental Initiatives (P.77)
- Corporate Governance (P.95)
- Risk Management (P.114)
- Compliance (P.115)
- Investor Relations Activities (P.129)

### Improving Growth Potential

#### Initiatives for Further Growth

- Diverse Asset Classes and Global Expansion (P.19)
- Business Report (P.55)
- Human Resource Strategies (P.43)
- Main Social Initiatives (P.83)
- Digital Transformation Strategy (P.45)
- DX Promotion Initiatives (P.93)

