

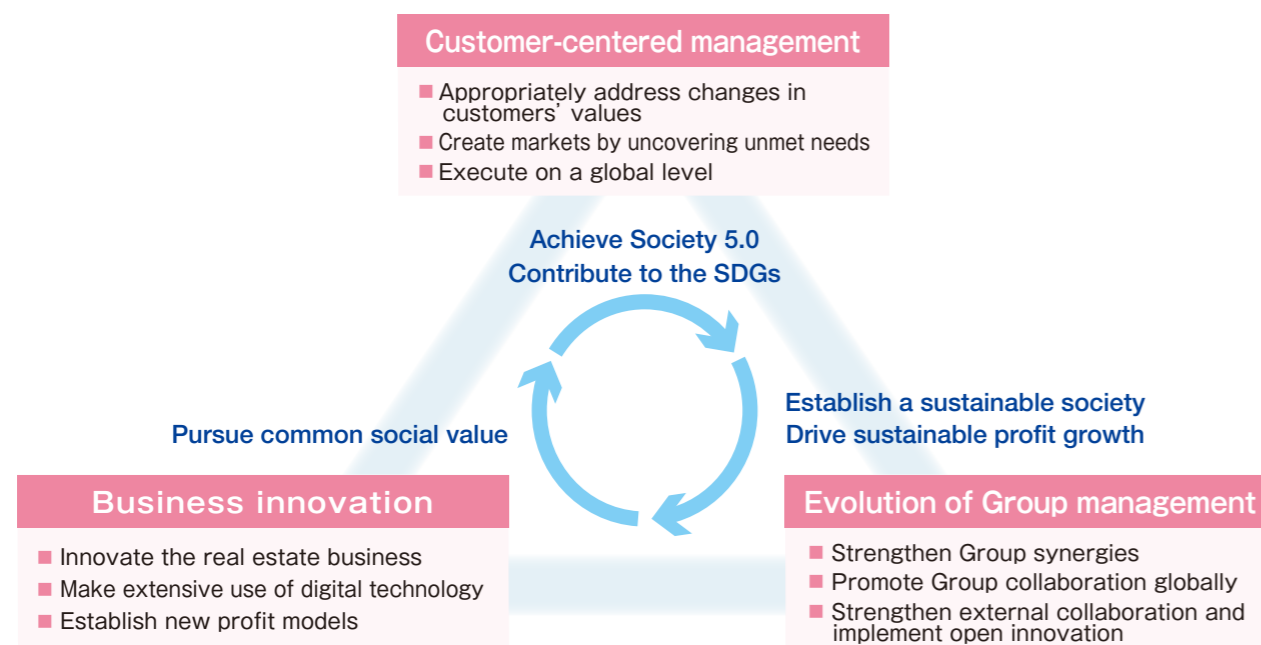
Long-Term Vision: VISION 2025

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



Basic Strategies



Main Initiatives



Outlook

Realize sustainable growth in profits by 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
<p>Reduce environmental impact and generate energy ▶ P.77</p> <ul style="list-style-type: none"> Contribute to achieving a decarbonized society by reducing energy usage and greenhouse gas emissions Transition to renewable energy for electricity used in business operations Build rich natural environments that get better with age 	
<p>Create new industries through open innovation ▶ P.31 ▶ P.48</p> <ul style="list-style-type: none"> Form worldwide industrial clusters to pool various resources and drive innovation Constantly create new value from the customer's perspective through broad-based relations and collaborations 	
<p>Establish ultra-smart societies by creating neighborhoods ▶ P.93</p> <ul style="list-style-type: none"> Leverage technologies to solve individuals' and neighborhoods' problems by building communities and places for people to gather and support one another As a country facing issues earlier than others, build neighborhoods that will serve as international problem-solving models 	
<p>Achieve health, safety and security in people's daily lives ▶ PP.57-76</p> <ul style="list-style-type: none"> Develop and operate resilient, safe, and secure facilities that protect people from threats such as disasters and infectious diseases 	
<p>Achieve a society where a diverse workforce can thrive ▶ P.83</p> <ul style="list-style-type: none"> Establish a foundation for everyone to live the life they choose, regardless of individual circumstances Provide products and services that expand people's potential and foster expectations and hope for the future Promote good mental and physical health and provide products and services to make active, happy lives possible 	
<p>Continuously improve compliance and governance ▶ P.95 ▶ P.115</p> <ul style="list-style-type: none"> Build a well-structured compliance system to win further trust from society Establish a strong and flexible governance system that achieves both growth and stability 	

Sustainable Society

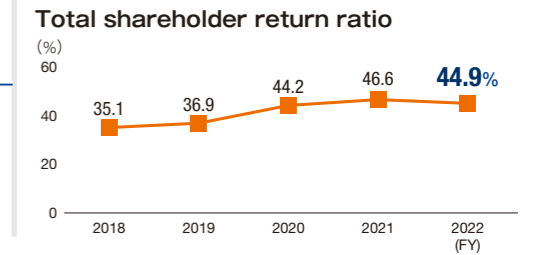
Sustainable Profit Growth

Medium- to long-term goals (main non-financial KPIs) ▶ P.41 ▶ P.43		
Greenhouse gas emissions	Share of renewables in power used for business activities	Female manager ratio (Mitsui Fudosan Co., Ltd. non-consolidated)
Achieve by FY2050 Net Zero	By FY2050 100%	By 2030 20%

Basic Capital Policy

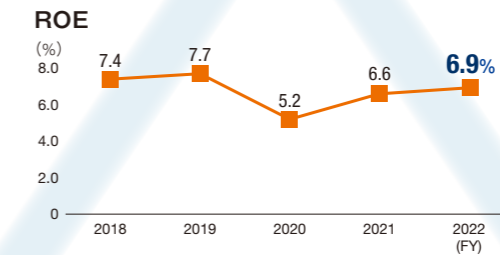
The Company has a basic policy of continuously enhancing shareholder value and corporate value through well-balanced distribution of earnings every fiscal year for expanding returns to shareholders and investing in growth, while maintaining financial soundness.

Undertaking the stable payment of dividends while flexibly repurchasing own shares



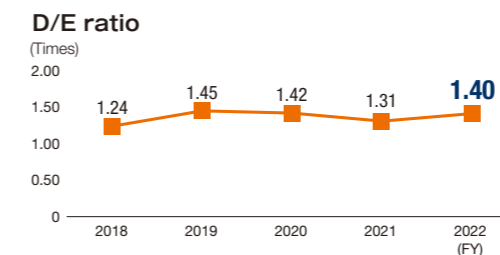
Shareholder Return Enhancements

Continuously Enhance Corporate Value, Increase Shareholder Value



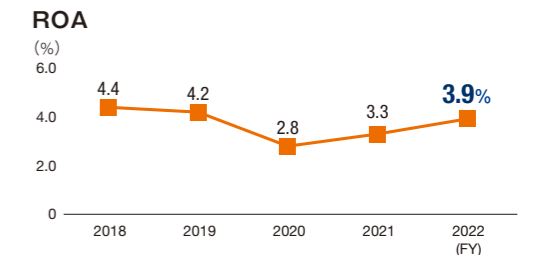
Financial Soundness

Ensuring an appropriate D/E ratio level



Investment for Growth and Building of Quality-Based Asset Portfolio

Reinvestment of profits in good investment opportunities Building of quality-based asset portfolio



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 **45% of profit*** attributable to owners of parent.

* Revised in May 2022

Message from the CEO

Pioneering a New Mitsui Fudosan

As a platformer,
we will help improve industrial
competitiveness
and create new industries
by stimulating new demand
through our pursuit of
neighborhood creation.

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

Takanashi Ueda

Introduction

Since assuming the position of President and Chief Executive Officer on April 1, 2023, I have girded myself against the gravity of the Group's mission and weight of my responsibilities. At the same time, I am determined to help build a new future going forward in concert with all stakeholders who support the Mitsui Fudosan Group.

To begin, I would like to provide a brief overview of my career. Over an employment track record of roughly four decades, my work at the Company's head office in Nihonbashi began in 2009, just on a dozen or so years ago. Prior to this, I worked in a number of branch offices and was seconded to various Group companies. As such, I have had the opportunity to observe Mitsui Fudosan as a corporate Group from an outside perspective over an extended period.

My first assignment after joining the Company was to the Yokohama Branch which was comprised on only four employees. Thereafter, Japan experienced the bursting of its economic bubble and I spent the next six-plus years engaged in the disposal of non-performing loans at Mitsui Fudosan Finance Co., Ltd. This period was much like chewing sand and my memories are of an extremely harsh time.

With the dawn of real estate securitization, I then spent more than 10 years working at Mitsui Fudosan Investment Advisors, Inc. from 1999. My work over this period included setting up private funds in preparation for the establishment of Nippon Building Fund Inc. (NBF), Japan's first publicly listed real estate investment trust (J-REIT). As a

part of the Group's efforts to engage in non-asset business activities, I was later involved in asset management operations. This entailed raising funds from investors. In specific terms, I participated in the winning bid for the Tokyo Midtown project. While maintaining my position as a real estate developer, I have found these experiences and the opportunity to gain an insight into the perspectives and mindsets of institutional investors to be illuminating. With this, I believe that I have played a part in promoting the Company's holding & leasing, development & sales, and management as well as joint value creation with investors business models.

Following the collapse of Lehman Brothers, I spent the next 14 years from 2009 in the Office Building Division. Here, I consistently took steps to capture business opportunities, engaged in new office planning, and participated in workstyle projects. I also worked to advance mixed-use developments in central Tokyo, including Hibiya, Nihonbashi, Otemachi, and Yaesu. Over the ensuing period, I was involved in the launch of the WORK STYLING business as well as the Nihonbashi Life Science Initiative. These endeavors are geared toward strengthening international competitiveness through the creation of neighborhoods and creating business platforms to stimulate new demand.

Looking back, I am convinced that the past 14 years have epitomized Mitsui Fudosan's neighborhood creation approach of getting better with age and putting people first.

My Mission as President

▶ Passing on Mitsui Fudosan's DNA to the Next Generation

Shifts in the Group's operating conditions, including recent changes in the natural and social environments as well as the growing diversification of people's values are progressing at an astonishing rate on a global scale. Given this era of expanding uncertainty, I recognize the need to clearly identify my mission as President going forward. In light of the irreversible changes that continue to take place across the globe, my role is more than simply drawing a road map for the next era. Looking well beyond the boundaries of the conventional real estate business, I believe my mission is to decipher and understand the needs of people and companies and to help steer Mitsui Fudosan's transition into a company that creates new demand.

Throughout its history, the Mitsui Fudosan Group has consistently opened up new value and innovated its business by listening the needs of the times and voices of its customers while bringing together diverse knowledge and senses of value as the Japanese economy

and society dedeveloped (see page 17).

Drawing on a track record of constant evolution, Mitsui Fudosan's customer orientation that sincerely addresses customers' needs and spirit of enterprise that boldly tackles value creation and innovation are integral to the Company's DNA, which continues to be inculcated into each and every employee and remains firmly entrenched through the Group today.

The world currently stands at a major turning point. From a period of COVID-19 recovery, we are transitioning to a period of change. While the rules of thumb that have been helpful in the past may no longer apply in times like these, the timing of each impending change may conversely serve as an opportunity. Against this backdrop, I am convinced that now is the time for us to evolve into a new Mitsui Fudosan by fully demonstrating our DNA and taking the initiative to secure the next stage of growth.

Mitsui Fudosan's DNA: "spirit of enterprise" and "customer orientation"

Late 1950s –

Contributed to infrastructure development
in the Tokyo metropolitan area



1968

Japan's first skyscraper



1981

A forerunner in shopping centers



1993

A forerunner in Tokyo Bay area
tower condominium buildings



1995

Japan's first genuine outlet mall



2001

Japan's first corporation listed
on the J-REIT



➔ Becoming a Platformer That Supports Japan's Industry and Creates New Demand

During my time at Mitsui Fudosan Finance, Japan saw its economic bubble burst. At that time, I was deeply concerned that Japan would fall by the wayside compared with the rest of the world. Later, while seconded to Mitsui Fudosan Investment Advisors, I worked with others to bring the securitization of real estate to the domestic market. I still remember the passion and drive I held to somehow raise Japan's standing in the world.

Looking back, I would think about Japan's position in the world each and every working day.

Currently, there are concerns that Japan's growth has stalled and that its international competitiveness has deteriorated compared with other developed countries. My thoughts and aspirations therefore spring from the desire to help improve Japan's industrial competitiveness and growth while enriching the lives and lifestyles of its working populace.

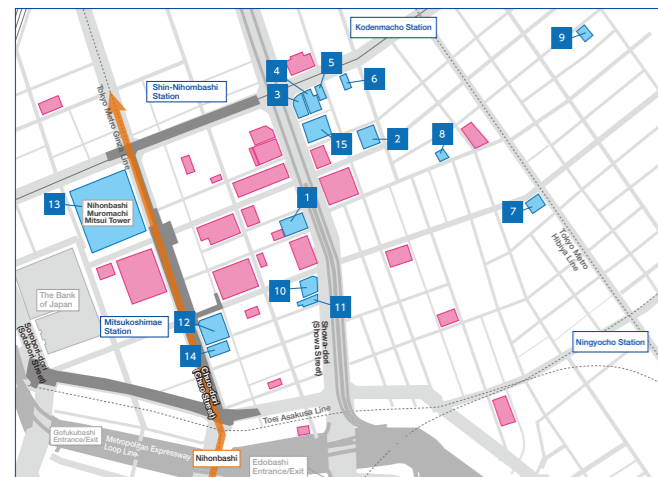
When serving as General Manager of the Office Building Division, I was busily engaged in leasing activities. This included 200,000 tsubo of office space at several new large-scale buildings in Nihonbashi, Hibiya, and Otemachi, a first for the Company, in 2020, around the same time the Tokyo Olympics were originally scheduled. As a result of these endeavors, I came to the conclusion that our interests would be better served by finding ways to increase the size of the pie rather than compete for a portion of the small pie that exists today.

Accordingly, I have worked to link these experiences to mixed-use neighborhood creation and life science initiatives in Nihonbashi.

The Nihonbashi Life Science Hub initiative is a symbolic example of how the Mitsui Fudosan Group supports the life sciences industry in Japan, stimulates demand, and creates social value while increasing economic value by providing a platform for neighborhood creation from both the tangible and intangible perspectives.

In the first instance, Nihonbashi has consistently been positioned as an urban development initiative that allows the Mitsui Fudosan Group to spearhead efforts to create various functions, including offices, retail facilities, hotels, and halls, while also promoting efforts to revitalize the area with local residents. On another front, Nihonbashi has been a hub for drug discovery since the Edo period

Nihonbashi: A hub for drug discovery and home to many pharmaceutical-related companies



■ Mitsui Fudosan LINK-J Base (life science building) ■ Japan Pharmaceutical Manufacturers Association and Pharmaceutical Industry Association

and home to many pharmaceutical-related companies.

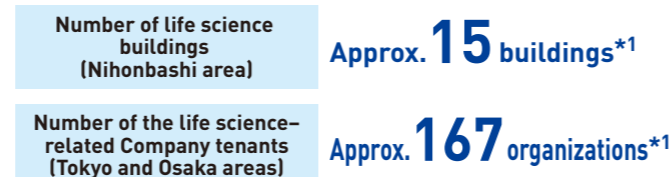
Recognizing the growing importance of global-scale life science initiatives in the coming years, Mitsui Fudosan and interested members in academia established Life Science Innovation Network Japan, Inc. (LINK-J) with the aim of contributing to the solution of issues related to the health and longevity of people around the world, in 2016. LINK-J is charged with the tasks of building communities and developing sites as a part of efforts to put in place a life science ecosystem in Nihonbashi, and to roll out activities that help create new industries and transform Nihonbashi into a sacred place for life science. Today, LINK-J is comprised of 652 member organizations, and arranged a total of 834 events in 2022 that attracted over 200,000 attendees. Mitsui Fudosan has established a network of approximately 15 life science buildings in Nihonbashi occupied by 167 corporate tenants.

Life Science Creation of New Industries and Developing Life Science Centers

Life science-related general incorporated association



Developing sites



*1 As of February 2023 *2 Actual results for 2022

Moreover, a number of entities from outside the life science field, including WOVEN by Toyota and the Boston Consulting Group, have endorsed and sympathized with the Group's activities and endeavors and have moved to Nihonbashi as tenants. Urban diversification has led to the diversification of tenants, and Nihonbashi has now grown into one of the top rent-earning districts in Tokyo.

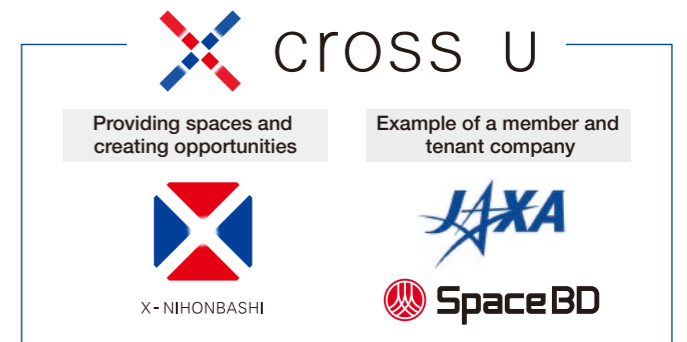
Currently, Mitsui Fudosan is collaborating with the Japan Aerospace Exploration Agency and initiating steps to transform Nihonbashi into a world-class mecca for the aerospace sector with the aim of creating the next industry. To this end, we are looking to extend Nihonbashi, which served as the starting point for Japan's

five major roads in the Edo period to a sixth roadway to space.

Advances in space development have had an impact on the creation of industries in fields as diverse as mobility, green tech, robotics, data science, and life science, and the size of related businesses and markets continues to grow. Nihonbashi is already home to more than 30 space-related players from industry, government, and academia. This has in turn created a space-related ecosystem that gathers the latest knowledge and information.

Moving forward, we want to remain the developer of choice and a partner with a close affinity to people and companies. I would like to go beyond the conventional framework of a real estate developer and become an industrial developer platform through the creation of neighborhoods. My goal is to pioneer a new Mitsui Fudosan by positively engaging with various industries, gaining many insights and seeds of innovation, and creating new businesses and demand.

cross U, a general incorporated association, established for the space business



cross U (general incorporated association): Co-creation platform established with the Company at its core with the aim of expanding the space business

Mitsui Fudosan's Competitive Advantage and Pending Issues

Moving on, I would like to elaborate on the Group's competitive advantage in creating neighborhoods and the challenges that we are likely to face in the future.

➔ Comprehensive Strengths

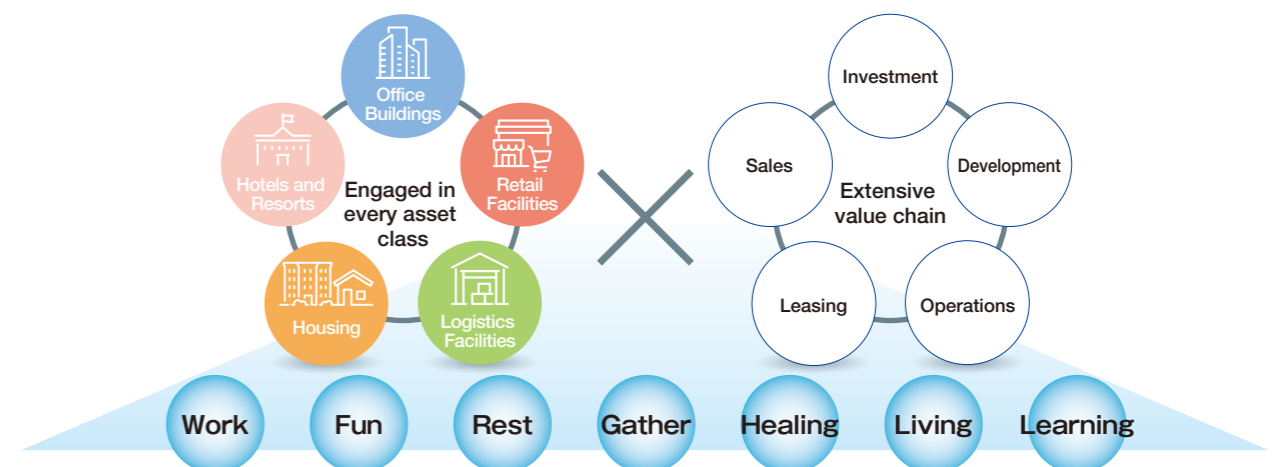
As a company, Mitsui Fudosan must possess the ability to put forward a broad range of proposals that present every possibility and option to meet the diversifying needs of customers. In this context, the Group is a single corporate entity that handles all types of assets while generating diverse earnings through leasing, sales, and management activities. As a result, we are one of the few companies in the world that can promote mixed-use urban development, drawing on a unique set of comprehensive capabilities. 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.

Conversely, these comprehensive strengths also give rise to a host of inherent issues. The complexity of the Group's business, for example, makes it difficult to see risks from the outside. As such, there is the tendency for the markets to value the Group's

assets at a conglomerate discount. Having said this, the very fact that we possess all types of assets and various ways to generate earnings provides us with the comprehensive strengths to demonstrate our tolerance to risk and resilience against abrupt changes in the external environment and markets.

It is important for the Group to eliminate information asymmetries so that investors do not factor in excessive risk and understand the strengths of the Group's comprehensive capabilities. In this sense, the Group's comprehensive strengths step beyond conventional boundaries becoming internal and external collaboration that encompasses product divisions and the Group. Moving forward, we will engage in sound and continuous dialogue with the capital markets so that all concerned can understand how the Group is connected to the evolution of the real estate industry.

Engaged in every asset class Extensive value chain Development capabilities necessary for creating neighborhoods

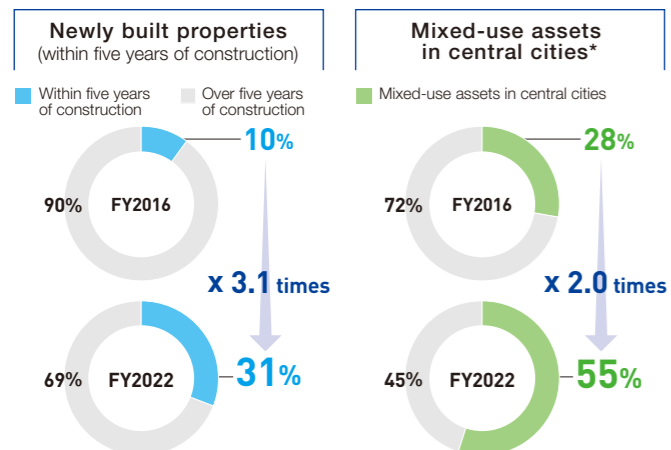


Asset Portfolio and Customer Base Strengths

The COVID-19 pandemic that began in 2020 significantly altered the way in which people work. As a result, remote work and telecommuting became widespread throughout the world. At the same time, the significance and importance of office space was again reaffirmed, with favorably located, high-specification, multifunctional properties that contribute to increasing productivity, securing human resources, and promoting corporate branding becoming relatively popular. Taking into consideration these prevailing conditions, I anticipate seeing more winners and losers in cities and among office buildings.

The pie charts and data that follow outline the percentage of properties within five years of construction and the percentage of mixed-use properties in our asset portfolio. The Mitsui Fudosan Group has undertaken a succession of redevelopment projects in central Tokyo and New York, beginning with TOKYO MIDTOWN HIBIYA in 2018, as well as the replacement of assets. Compared with the past, the Group's asset portfolio has undergone a rejuvenation and the percentage of favorably located, high-specification, and multifunctional mixed-use assets is increasing.

Rejuvenation of the portfolio and an increase in mixed-use assets in central cities



* TOKYO MIDTOWN series, COREDO series, 50 Hudson Yards, 55 Hudson Yards, and five other large-scale properties

In addition, the Mitsui Fudosan Group is strengthening long-term relationships with tenants by providing a host of proprietary, intangible services. These services include the WORK STYLING shared office initiative, the provision of green power to the private areas of tenants, the &well service that contributes to companies' health and productivity management, and &BIZ consulting, a comprehensive service that in addition to providing office space offers new workstyle proposals.

Full range of intangible services

&WORK STYLING
MITSUI FUDOSAN
Multisite shared offices

Green Power Supply Services
Provision of green power to the private areas of tenants

&well
MITSUI FUDOSAN
Health management support service

&BIZ consulting
MITSUI FUDOSAN
Support for work style and workplace innovation

In similar fashion to Nihonbashi, which as previously mentioned we have positioned as a center for life science, we are pushing forward unique proposals, including the development of ecosystems that lead to the creation of new businesses and demand by bringing together companies and academia through the provision of places and communities.

Providing Places and Communities



LINK-J networking event

The value of real (brick and mortar) assets is being increasingly reaffirmed as the effects of the pandemic have continued to subside. Recognizing the need for cities to exhibit a variety of attributes, we are creating cities that people want to visit through the integration of work and life and the provision of various features based on our proprietary tangible and intangible strategies. From the very fact that our offices are located in these cities, I believe that we are creating offices that people will want to work in and spaces that corporate leaders will choose as a relocation destination.

Armed with its comprehensive real estate capabilities, Mitsui Fudosan also boasts a customer network cultivated through more than 80 years of business activities. This network is not limited to the corporate sector, but is wide-ranging. Mitsui Fudosan's customer network transcends industrial boundaries and encompasses academia as well as the agricultural, medical, and other domains. Moreover, relationships extend beyond those of landlords and tenants to include joint venture partners as required. In this regard, there are instances where we engage in joint research in a bid to give back to society. This in turn results in deep and robust relationships.

In this manner, the depth of the Group's asset portfolio and the strength of its customer base have been built up over a long history. This is not something that can be imitated by other companies and provides us with competitive advantages in the medium to long term.

The Mitsui Fudosan Group has always maintained an artisan-like corporate culture, confident that steady and painstaking efforts to provide high-quality products will be well received and highly appreciated. The Group has, however, failed to sufficiently showcase its appeal to the outside world and to highlight its differences from other companies and defining features. To work in concert with the capital markets, we recognize the need to externally communicate our strengths in a clear and quantitative manner. As President, I see this as one of my key responsibilities. Looking ahead, I welcome your expectations toward in the Mitsui Fudosan Group.

Mitsui Fudosan's Neighborhood Creation

Mitsui Fudosan's Neighborhood Creation Approach

Putting people first and getting better with age underpin the Mitsui Fudosan Group's efforts to create neighborhoods.

Our goals are to provide a neighborhood platform, build communities, and develop sites where various people and businesses gather. In creating ecosystems, the Group is working to stimulate innovation while creating new industries and values. As we achieve these goals, we expect new demand and needs to emerge,

buildings and services to evolve, and neighborhoods to become more attractive, attracting even more people and businesses with the passage of time. This virtuous cycle will lead to the growth of industries and businesses, increase the competitiveness of cities, and promote economic development. I believe that this kind of value creation is the raison d'être and social mission of developers.

Through neighborhood creation Providing people with emotional experiences, Enriching people's lives, and Achieving a sustainable society

Mitsui Fudosan's neighborhood creation approach

Putting people first

Real Estate as a Service
Belonging to a high-quality community



Getting better with age

Responding to changing human needs and values, neighborhoods continue to evolve



Achieving Sustainability through the Creation of Neighborhoods

As a corporate citizen living on this planet, it is vital that we view environmental issues as our own while adopting a management approach that ensures that all stakeholders get better with age in the future.

Long before the terms sustainability and ESG became commonplace, the Mitsui Fudosan Group incorporated each aspect into its "♫" logo principles. The idea is not to choose between conflicting concepts by focusing on "or," but rather to pursue the qualities of compatibility and coexistence inherent in "♫." Based on the "♫" logo principles of coexisting in harmony with society, linking diverse values, and achieving a sustainable society, we are promoting efforts to coexist with the global environment and enhance the sustainability of society through the creation of neighborhoods.

Responding to climate change, which is progressing on a global scale, is an especially important social obligation of the Group as a builder and developer of social infrastructure. We have been actively pursuing the Group Action Plan to Realize a Decarbonized Society. Among a host of initiatives, we have endorsed the agenda of the Task Force on Climate-related Financial Disclosures (TCFD), joined the international initiative RE100, acquired the international Science Based Targets (SBT) initiative certification, and were selected for the Climate Change A List by the CDP for the second consecutive year. Moreover, we formulated the Mitsui Fudosan Group Biodiversity Policy, which includes our existing initiatives and vision for the future, in a bid to address growing requests for the disclosure of information on biodiversity initiatives (see page 79). Mitsui Fudosan has joined the

30by30 Alliance, which aims to effectively conserve at least 30% of the Earth's land and oceans by 2030 as a sound ecosystem, and is also involved in protecting natural forests with consideration toward biodiversity in the roughly 5,000 hectares of forest it owns in Hokkaido, and sustainable forestry. Additionally, in the Jingu Gaien redevelopment, plans are in place to preserve four rows of ginkgo trees and undertake diverse tree planting. In the future, we intend to increase the number of trees taller than three meters at the site from 1,904 to 1,998 trees, which will increase the ratio of greenery from the current level of approximately 25% to approximately 30%. Through these means, we will work on green circulation over the next 100 years.

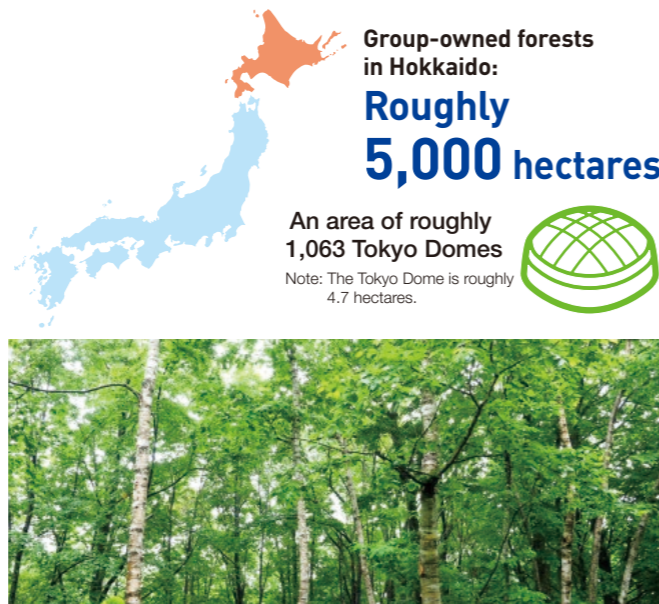
Meanwhile, the challenge and need to combat climate change continues to mount. Approximately 90% of the Group's greenhouse gas emissions are Scope 3 emissions. With this in mind, achieving net-zero CO₂ emissions by 2050 will require efforts not only by the Group, but also by the entire supply chain. Should the supply chain view this challenge as someone else's problem nothing will be achieved. We are now at a turning point that will determine the future of the planet 100 years from now. Our commitment, as a corporate sector, and management's will to take the initiative are being put to the test.

As far as supply chain downstream efforts to reduce CO₂ emissions are concerned, including those for tenants and homebuyers, steady steps are under way to improve the environmental performance of energy-efficient equipment in new and existing properties. We have already concluded contracts with more than 100 customers to supply green power to private areas in response to tenant requests.

In addition, we are working to procure real green power that does not rely solely on non-fossil fuel certificates. Accordingly, we are utilizing the power transmission and distribution network in the development and operation of mega-solar plants. Efforts to roll out initiatives are under way. This includes employing a self-consignment scheme to transmit the energy generated in-house to Company-owned properties. Looking ahead, we will continue to procure renewable energy by utilizing new technologies, including mega-solar and offshore wind power generation in order to achieve carbon neutrality not only for the Group, but also tenants.

Turning to upstream supply chain endeavors encompassing building material manufacturers and construction companies, we formulated the Manual for Calculating GHG Emissions Produced during Construction together with NIKKEN SEKKEI LTD. in March 2022. Taking full advantage of this initiative, steps were taken to establish a study group comprising experts as well as related ministries and agencies. Later in June, the Manual was officially released by the Real Estate Association of Japan as the industry standard. In transcending company boundaries, this tool and other measures are helping to reduce emissions across the industry as a whole.

Mitsui Fudosan Group-Owned Forests



Creating Neighborhoods Is About Developing People

Despite the ability to help improve industrial competitiveness, create new industries as well as enrich and advance people and society through the creation of neighborhoods as a platformer, it is clear that much more than the wisdom of the real estate industry alone will be required in the future. In order to trigger innovation as a platformer in a variety of new fields such as the virtual space, aerospace, and green industries, it is vital that we acquire any and all information about the environment and people. With this in mind, it is important for people with wide-ranging values to play an active role. New ideas and businesses are born when people with different values and backgrounds battle each other's opinions and ideas. This in turn helps to enhance an organization's ability to respond to change. In other words, as a group that advocates the creation of neighborhoods that put people first, investments in human capital and human rights measures are critical to the development of people. Based on this awareness of issues, the Mitsui Fudosan Group is working diligently to promote priority measures for diversity & inclusion (D&I), the development of human resources and improvement of skills, diverse work styles, health management, and improvement of employee engagement (see page 83).

Meanwhile, we have positioned the promotion of women's active participation as an important theme of our D&I strategy. While many of our customers are women, we have long been recognized as a highly homogenous, male-dominated company. As such, we will first direct our energies toward the promotion of women. Building on these endeavors, we will then put in place an environment in which all employees can better demonstrate their abilities, regardless of age, nationality, disability, employment status, and length of employment with the Company, as well as their circumstances with respect to child and nursing care.

People serve as the greatest driving force behind the creation of corporate value. More than ever before, the Group will continue to integrate diverse values and capabilities and transform them into value-creating capabilities as a team. Utilizing the various opinions and insights that emerge from this process, we will then continue to provide new value to society.



Shareholder Returns

Maintaining a long-term, stable, and continuous approach toward returns linked to sustainable growth is of the utmost importance to investors who support the Company over the long term.

Mitsui Fudosan has set a total shareholder return ratio target of 45% as part of its shareholder return policy. While working to stabilize the scale of its returns, the Company has continued to consistently maintain and increase its dividends over the past 20 years, even when net income has declined. We hope that you understand the message that management is attempting to convey to the capital markets through this corporate stance.

Even with its new management structure, this spirit remains unchanged.

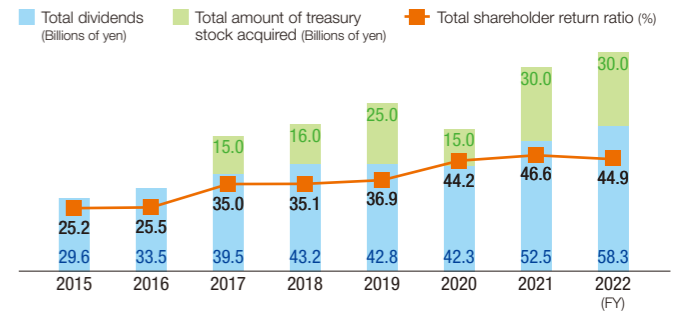
As far as our dividend per share forecast is concerned, we will continue to progressively pay dividends as in the past. In fiscal 2023, we plan to pay an annual dividend of ¥68 per share, up ¥6 per share, with a target dividend payout ratio of 30% on net income of ¥210 billion. Despite adopting a flexible approach toward the buyback of shares, we recognize the need to consider implementing a continuous program at a certain scale in light of the current share price.

Shareholder returns also impact EPS growth while improving ROE. Working to realize our vision, we will look to further enhance returns by lifting the total shareholder return ratio from its current level of 45%. Within sight of achieving our long-term vision, VISION 2025, in advance, we will reassess our future beyond that point. Moving forward, we will work to announce details of a new long-term vision by next spring.

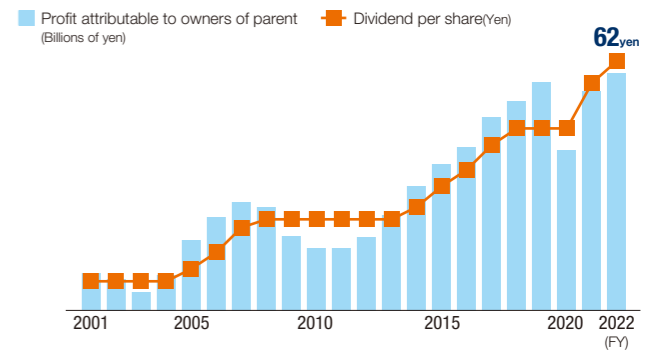
A Stance of Maintaining Stable and Continuous Returns
Stable dividends and flexible repurchases of our Company's shares while consistently maintaining and improving on the past

Continuous and progressive dividends linked to profit growth

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



Dividend per Share/Profit Attributable to Owners of Parent



In Closing

Mitsui Fudosan's business entails the creation of value that contributes to the realization of a sustainable society. As an extension of the social value that we create, our track record to date provides a clear indication of our economic value.

Meanwhile, even compared to the time horizon of the investors who support us, the neighborhood creation that we target requires a considerable amount of time. As such, we recognize that difficulties in visualizing the effects of growth and efficiency are an issue. I recognize that an important part of my mission is to meet the expectations of investors who have taken the risk of investing in the Company. To this end, I will clearly lay out a direction and provide details of our track record while working to achieve established goals, including improvements in quantitative indicators.

Adopting a long-term perspective, the Mitsui Fudosan Group is committed to firmly communicating both its qualitative vision, including its raison d'être, social mission, and value creation, and its quantitative vision of sustainable growth, improved efficiency, sound financial position, and enhanced shareholder returns to achieve these goals.

I am extremely fond of the quote by the 19th century French science fiction novelist, Jules Verne, "What humans can imagine, humans can always achieve."

From past experience, I strongly believe that what can initially be considered an outlandish idea can take shape as a concept and come to fruition when underpinned by a cause that brings together like-minded people. I believe that the advantage of locality, advantage of time, and advantage of people through various encounters have made our Group what it is today.

We will continue to cherish our relationships with stakeholders and strengthen relationships of trust through more active dialogue.

As we work to achieve our established goals, I ask for the continued support and understanding of all stakeholders.

Expectations from External Experts

Following the appointment of Takashi Ueda as Mitsui Fudosan's new President, here we present messages submitted from external experts.

A leader who values connections and supports the life science industry with a fervent passion.

Shinya Yamanaka

Director Emeritus & Professor, Center for IPS Cell Research and Application (CiRA), Kyoto University
President, CiRA Foundation, Kyoto University



The first time I met Mr. Ueda was in San Francisco. It was at the symposium celebrating the first anniversary of my having been awarded the Nobel Prize, when I gave a speech in which I said that the prize had been won by an all-Japan team. Mr. Ueda, who had listened to my speech, was kind enough to convey his passion by saying, "We also want to be added to this all-Japan team." At that time, Mr. Ueda was also visiting someone with Kyoto roots, and so I remember feeling even more of a connection.

What surprised me after that was that the passion that I had heard at that time later bore fruit in the form of collaboration with LINK-J, Mitsui Fudosan's Lab & Office business, and venture capital (VC) as a life science business. Very impressed by Mr. Ueda's dynamism in having pushed ahead to take action to revitalize the life science industry, I am very grateful to him for having started a rental lab business in Japan like that in Boston,

which is one of the world's leading life science industry clusters. In a variety of life science fields, LINK-J serves as a catalyst for creating unprecedented new industries. Believing that LINK-J will play an important role in accelerating the return of research results to society, I participated as a special member of the Steering Advisory Committee up until 2022.

Having had a wonderful chance encounter with Mr. Ueda, I was delighted to hear about his appointment as President. If there is someone like Mr. Ueda at the helm, someone who is passionate, youthful and values relationships between people, I am sure that employees will likely follow his lead with peace of mind. I have high hopes that Mitsui Fudosan will naturally continue to drive innovation in the life science field, from research to practical application.

Shinya Yamanaka

Graduated from Kobe University School of Medicine, completed doctoral course at Osaka University Graduate School. Doctor of Medicine. After working as a postdoctoral researcher at Gladstone Institutes in the United States and as an Assistant Professor (currently as an Associate Professor) at the Nara Institute of Science and Technology, he became a Professor at Kyoto University in 2004 (current position). Since 2007, he has also been a senior researcher at Gladstone Institutes. In 2010, he became Director (in 2022, Director Emeritus) of CiRA, Kyoto University. Since 2020, Dr. Yamanaka has also served as President of the CiRA Foundation, Kyoto University. In 2012, he shared the Nobel Prize in Physiology or Medicine with Dr. John Gurdon for the discovery that mature cells can be reprogrammed to become pluripotent. He is currently working on basic research with the aim of pioneering new life sciences at CiRA.



Charm that attracts those around him × Driving force that brings ideas to fruition

Hideyuki Okano

Professor, School of Medicine, Department of Physiology, Keio University
Chairman of the Board, LINK-J



"To create a forum where experts from various fields in the life sciences gather and interact"—The first time I heard Mr. Ueda's fervent passion was when I was fortunate enough to be seated next to him on a flight home from a business trip to San Francisco. At that time, Japan could boast of being one of the world's leading countries in terms of basic research in the life science field, but the problem that was pointed out was that those results were rather difficult to put into practical use. Industry-government-academia collaboration and a fusion of all walks of science are required in the commercialization process, and when I heard Mr. Ueda's story, I thought that was something I should definitely try. What impressed me most was his passion and inquiring mind with regard to the life science field—from the point of view of a real estate developer, which is an entirely different industry—and his personality that attracts people. Subsequently, we were both involved in the launch of LINK-J, and I have been working with Mr. Ueda for the

past seven years and now as Chairman of the Board.

Ten years having passed since we first met, when I heard that Mr. Ueda had become President, I was very happy, as if it were me. At first, Mr. Ueda's stated desire to make Tokyo's Nihonbashi district a mecca for life sciences might have sounded like a flight of fancy. However, this fully demonstrated his innate unifying power and, in combination with LINK-J's activities, that flight of fancy was turned into a concept as a life science business that develops places such as rental laboratories and offices. LINK-J and Nihonbashi having naturally already become a presence that is attracting attention from around the world has led to a realization in which the concentration of laboratories and offices is progressing. Mr. Ueda, please do us the honor of demonstrating that immeasurable driving force in leading Mitsui Fudosan and LINK-J as well as Japanese industry in the years to come.

Hideyuki Okano

Graduated from Keio University School of Medicine. Doctor of Medicine. After having held a series of positions—Assistant Professor at Keio University School of Medicine; Assistant Professor at the Institute for Protein Research, Osaka University; Research Fellow at Johns Hopkins University School of Medicine in the United States; Research Associate, Institute of Medical Science, The University of Tokyo; Professor at the Institute of Basic Medical Sciences, University of Tsukuba; and Professor in the Faculty of Medicine, Osaka University—Dr. Okano has been Professor at Keio University School of Medicine since 2001 (current position); Dean of Keio University School of Medicine (2015–2017), Dean of Keio University Graduate School of Medicine (2017–2021), and visiting Professor at Massachusetts Institute of Technology (current position).



Message from the CFO

In addition to maintaining a stronger awareness of bottom line (net income) growth, we will strive to increase corporate value by improving asset and capital efficiency through balance sheet control. In my capacity as the new CFO, I will actively engage in dialogue with investors.

Executive Managing Officer **Chiharu Fujioka**

Fiscal 2022 Business Results and Outlook for Fiscal 2023

In fiscal 2022, we recorded operating income of ¥305.4 billion, up 24.7% year on year, and profit attributable to owners of parent (hereinafter referred to as net income) amounted to ¥196.9 billion, up 11.3% year on year. Revenue from operations, operating income, ordinary income and net income all surpassed initial forecasts and set new record highs.

For fiscal 2023, we are taking into account factors that include contributions to earnings and profit from office buildings completed in the previous fiscal year and newly opened retail facilities, improvements in earnings and profit through favorable housing sales and the sale of assets while maintaining an awareness of balance sheet control, and further recovery of earnings and profit at hotels, resorts and Tokyo Dome. As a result, we forecast revenue from operations of ¥2,300 billion, operating income of ¥330 billion, ordinary income of ¥245 billion, and net income of ¥210 billion, all of which are expected to be record highs. The net interest burden has increased significantly due to the impact of rapid interest rate hikes in the United States, but as the pace of the U.S. policy interest rate hikes has slowed, we expect that the rate of increase in our interest rate burden will likewise follow a gentle curve.

Regarding shareholder returns, we plan to increase the annual dividend by ¥6 per share from the fiscal year ended March 31, 2023, to ¥68 per share.

Balance Sheet Control from a Medium- to Long-Term Perspective

As the Group's main businesses of real estate development and neighborhood creation-oriented businesses are characterized by the heavy long-term use of the balance sheet, balance sheet control from a medium- to long-term perspective is extremely important to achieve future earnings and profit growth and improve efficiency. Specifically, we take a 5–10 year perspective, combining proactive growth investments with cost recovery through continuous asset replacement in a well-balanced manner. We manage the entire

balance sheet from a high level, through measures such as maintaining financial soundness through appropriate management of outstanding interest-bearing debt and the debt/equity ratio.

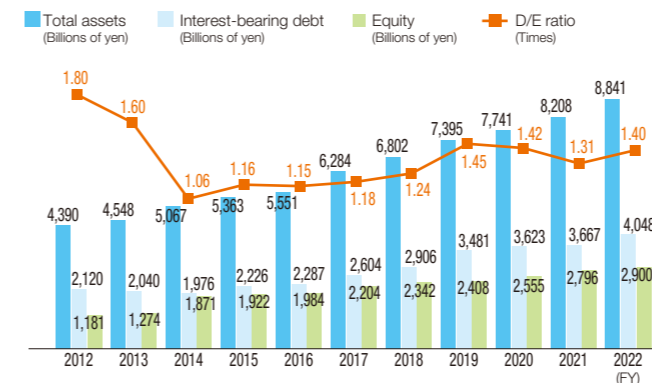
Comparing the balance sheet assets at the start of VISION 2025 (March 31, 2018) and March 31, 2023, total assets have increased approximately 1.4 times, from ¥6,284.7 billion to ¥8,841.3 billion. This was mainly due to the acquisition of excellent business opportunities and the favorable results of growth investments, such as the successive completion of large-scale, mixed-use projects—in Tokyo's Hibiya, Nihonbashi and Yaesu districts as well as in New York—and the inclusion of the Tokyo Dome Group in the Company's scope of consolidation as a subsidiary. While promoting growth investments, we have sold properties in recent years, including Shinjuku Mitsui Building, IIDABASHI GRAND BLOOM and TOYOSU BAYSIDE CROSS TOWER, to our sponsored REITs and have been making progress with asset replacement, such as the sale to investors of properties developed overseas, for example in the United States. With regard to investment securities, we have sold a total of ¥165.2 billion in shares under our policy of reducing strategic shareholdings as of the end of fiscal 2022 since fiscal 2018.

As a result of these efforts, we recognize that the current asset size has expanded more than expected, partly due to the impact of recent exchange rate fluctuations. However, since when the financial and real estate markets change is also a time to prepare high-quality assets that will be the source of future profit generation, we believe it is important to promote balance sheet control from a long-term perspective, without being influenced by the current short-term financial environment. While paying attention to the balance between future sustainable growth, efficiency and financial soundness, we would like to show an appropriate profit scale commensurate with the balance sheet scale and with a stronger awareness of ROE and ROA going forward. Likewise, we will continue to control those areas where management can make self-help efforts and, while not limiting asset replacement to real estate for sale, give consideration to the total, including fixed assets and marketable securities. Regarding the balance between debt and equity, we will consider the optimal cash allocation for growth investment, debt repayment and shareholder returns, based on such factors as ROE, the D/E ratio, and EPS growth rate.

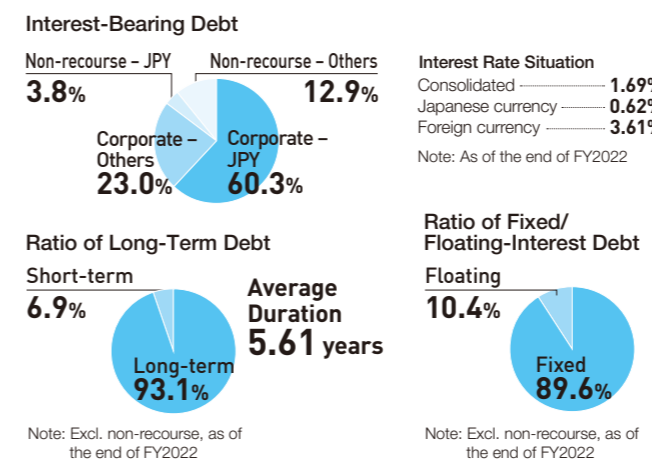
The external environment continues to be unstable, with inflation progressing around the world and concerns about future interest rate trends and economic recession, mainly in the United States. Under these circumstances, building and maintaining a sound

financial position is important for the stable continuation of business. For this purpose, as a rule of thumb the Group manages its D/E ratio at a level of about 1.2–1.5. At the same time, to reduce risks related to financial market volatility while property development projects are under way, we are taking measures such as raising the ratio of fixed interest rate borrowings and long-term borrowings, staggering repayment periods, and maintaining our credit rating, (however, for new, dollar-denominated borrowings that are exposed to high interest rate risk and for the refinancing of existing floating interest rate borrowings, borrowings with floating interest rates or fixed interest rates with short maturities will be used in combination to respond to interest rate declines in the near future). We have also secured commitment lines totaling ¥400 billion to maintain liquidity for emergencies. As part of funding actions in the Group Action Plan to Realize a Decarbonized Society that we formulated in the autumn two years ago, we issued green bonds of ¥130 billion in May this year, following on from July last year the largest amount ever issued by a domestic real estate company. As such we are striving to diversify funding sources as well. In addition, to prepare for exchange rate fluctuations, we work to offset and reduce risks by using natural hedges, mainly in overseas businesses via the procurement of funds in local currencies.

Changes in Total Assets, Interest-Bearing Debt, Equity, and D/E Ratio



Fund Procurement and Credit Rating Situation



Credit Rating

Rating agency	Long-term	Short-term	Outlook
Moody's	A3	-	Stable
Standard & Poor's	A-	A-2	Stable
R&I	AA-	a-1+	Stable
JCR	AA	J-1+	Stable

Note: As of August 4, 2023

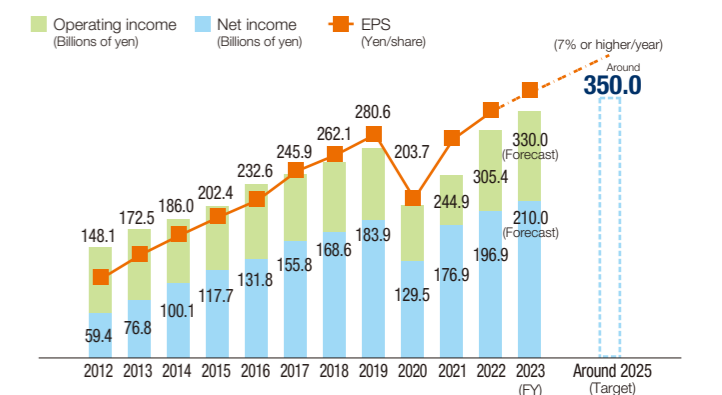
Achieving Medium- to Long-Term Goals and Corporate Value

The Group's medium- to long-term growth targets are operating income of about ¥350 billion (around 2025) and an EPS growth rate of 7% or more (average up to 2025), and its efficiency targets are ROA of around 5% and ROE of around 8% (both around 2025).

Of these, if the gain on sale of fixed assets (extraordinary income) expected this fiscal year is factored into the operating income target of ¥330 billion for fiscal 2023, I believe the operating income target is within sight of being achieved ahead of schedule. In the meantime, I also believe that there are still issues to be addressed in terms of improving efficiency. We are currently discussing how to improve efficiency with the goal of formulating the next long-term vision.

The Group is strongly aware of growth not only in the top line (revenue from operations) but also in the bottom line (net income). Toward the realization of future earnings and profit growth and to improve efficiency based on our long-term financial strategy of staying abreast of the real estate cycle and interest rate trends, in addition to carefully selecting investments with an awareness of collected cash flow, we will continue to achieve returns that exceed the cost of capital by promoting balance sheet control with a focus on growth and efficiency. Through dialogue with investors and the enhancement of disclosure information, I will reflect the opinions of our investors in our management as we strive to reduce capital costs and further increase corporate value.

Outlook



Growth target

Operating income Around **¥350 billion** (around 2025)
EPS growth rate **7% or higher/year** (average for VISION 2025 period*)

Efficiency target

ROA Around **5%** (around 2025)
ROE Around **8%** (around 2025)
D/E ratio Around **1.2–1.5 times** (VISION 2025 period*)

* Assumed after FY2021 during the VISION 2025 period (announced in May 2022)

Strategies toward the Realization of a Decarbonized Society

Message from a Managing Director

We will expand our horizons across the entire supply chain as a platformer working toward decarbonization.

Yoshihiro Hirokawa

Managing Director
Senior Executive Managing Officer
(In charge of sustainability promotion-related activities)



Seeking to link diverse values, coexist in harmony with society and achieve a sustainable society, as symbolized by the Mitsui Fudosan “” logo, we have engaged in neighborhood creation. We not only build buildings but also create places where people gather and provide opportunities to create prosperity and new things. In addition, we create new value together with a diverse array of people to realize a sustainable society.

We believe that the philosophy symbolized by the Mitsui Fudosan “” logo is also important regarding the issue of climate change, which is a pressing issue for the Earth. The Mitsui Fudosan Group formulated its Decarbonization Action Plan in 2021 to achieve net-zero greenhouse gas (GHG) emissions by 2050 and is working to achieve this goal. Under the plan, we are improving environmental performance in new and existing properties, promoting the greening of power consumption in common areas of properties owned and areas used by the Group, and developing renewable energy sources.

TOKYO MIDTOWN YAESU had its grand opening in March 2023 is the largest ZEB Ready* certified office building in Japan. We are also working to obtain ZEB certification for our commercial and logistics facilities as part of our efforts to promote the creation of environmentally friendly facilities. In addition, all 1,002 units at MITA GARDEN HILLS to be completed in 2025 are on track to acquire ZEH-Oriented certification, and we will introduce medium-pressure carbon neutral city gas and electricity generated from virtually 100% renewable energy sources, enabling us to introduce services that feature virtually zero CO₂ emissions from both electricity and gas.

As a result of our sustainability efforts, including the above, we have been certified for the second year in a row following 2021 as a CDP2022 Climate Change A-List company—the highest rating in the climate change category—by CDP, a non-profit organization that conducts international environmental research and seeks information disclosure. In 2022, we also began participating in GRESB Real Estate Assessments, a benchmark evaluation that measures ESG performance in the real estate sector.

On the other hand, a large percentage of our GHG emissions are related to our supply chain. Based on the philosophy symbolized by the Mitsui Fudosan “” logo, we are working together with the builders and designers involved in building construction, as well as the tenant companies and residents who use urban spaces in order to reduce the overall urban impact on the earth.

We are providing the Green Energy Supply Service as an initiative with tenant companies. Utilizing our various green electricity platforms, this service provides electricity used in office buildings and other facilities as virtually renewable energy through the use of Non-fossil Fuel Energy Certificates. We actively encourage and support tenant companies in their efforts to address RE100 and ESG issues.

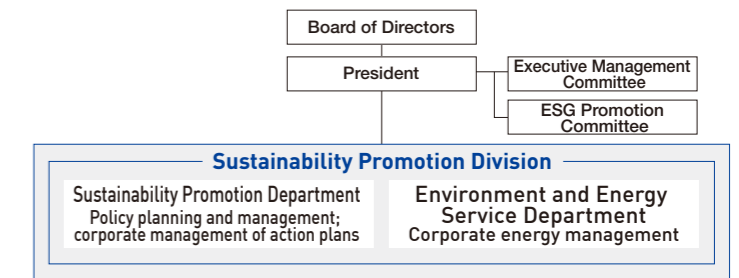
As part of our efforts with builders and designers, we have formulated a GHG Emissions Calculation Manual to calculate the amount of GHG emissions during construction. This initiative will enable us to visualize GHG emissions throughout the supply chain and encourage reductions in GHG emissions from building construction. The Company developed this manual in fiscal 2021 and collaborated with The Real Estate Companies Association of Japan to assist in developing its manual in fiscal 2023.

Reaching the lofty goal of net zero emissions in 2050 will be difficult simply through the initiatives that the Group is currently pursuing, and therefore will require dynamic innovation. To this end, it is essential to broaden our perspective not only within the Company but also throughout the supply chain. We therefore intend to leverage neighborhood creation to promote the development of new technologies and the creation of new industries in the field of decarbonization. We will continue to work with diverse stakeholders to solve the social issue of realizing a decarbonized society.

* Office-use portion of Yaesu Central Tower.

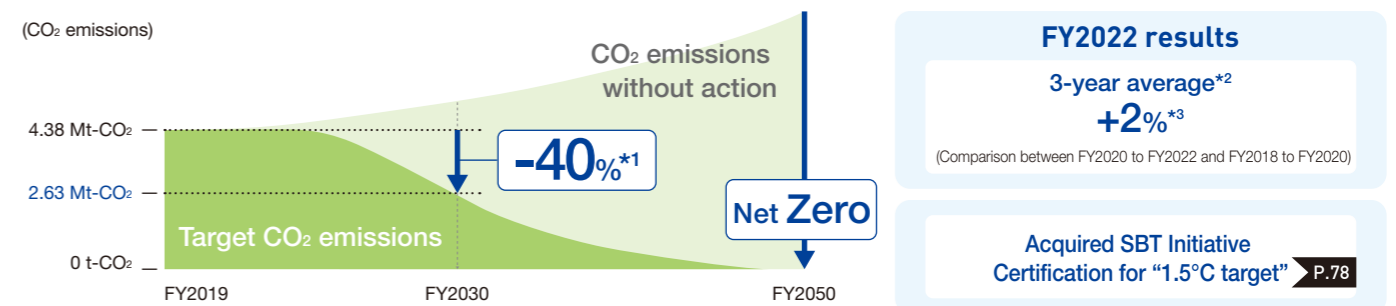
Sustainability Promotion Framework

To accelerate ESG and SDG initiatives, including further strengthening the framework for promoting the “Group Action Plan to Realize a Decarbonized Society,” the Sustainability Promotion Division was established in fiscal 2022.



Greenhouse Gas Emission Reduction Targets

See details of the Mitsui Fudosan Group's Reduction Targets for Greenhouse Gas Emissions here. https://www.mitsui-fudosan.co.jp/english/esg_csr/carbon_neutral/



*1 Scope 1 + Scope 2: 46.2% reduction by FY2030 (vs. FY2019)

*2 The majority of our Group's greenhouse gas emissions (total of Scope 1, 2, and 3) are from the emissions at the time of construction (Scope 3-1, 3-2), which are recorded at the time of completion of buildings for lease and at the time of sale of buildings for sale, as well as emissions from future operations until the demolition of buildings for sale (Scope 3-1). These emissions vary greatly depending on the increase or decrease in the number of properties completed or sold in each fiscal year, so it is not possible to verify the reduction effect only by the emissions in a single fiscal year. Therefore, our Group has decided to verify the progress of emission reductions by comparing the average emissions over a three-year period, not just a single year.

*3 Due to higher numbers of large properties completed in fiscal 2022 and properties sold compared with previous years.

Progress of the Group Action Plan to Realize a Decarbonized Society

See here for details. https://www.mitsui-fudosan.co.jp/english/esg_csr/kpi_progress/

Action plans	Major programs in fiscal 2022
Action Plan 1 ● New properties: Realize ZEB/ZEH-level environmental performance for all properties ● Existing properties: Create on-site renewable energy for the renovation of properties to improve the energy efficiency of properties	<ul style="list-style-type: none"> New buildings: In principle, all new buildings constructed after the “Decarbonization Action Plan” achieved ZEB/ZEH-level environmental performance (e.g., TOKYO MIDTOWN YAESU* is Japan's largest project to acquire ZEB Ready certification) Office*-use portion of Yaesu Central Tower Existing properties: Implemented renovation for improved energy-saving performance as needed (LED installation etc. at Sumitomo Mitsui Banking Corporation Head Office, Ginza Mitsui Building, etc.)
Action Plan 2 ● By fiscal 2022, achieve greening of electricity consumption in common areas of properties owned and areas used by the Group in 25 properties in the Tokyo metropolitan area ● By fiscal 2030, achieve greening of electricity consumption in common areas of properties and areas used by the Group	<ul style="list-style-type: none"> Achieved the greening of electricity consumption in common areas of properties and areas used by the Group in 25 buildings in the Tokyo metropolitan area
Action Plan 3 ● Provide a Green Menu to tenants and buyers	<ul style="list-style-type: none"> Concluded an agreement for introducing green energy: A total of 62 cases
Action Plan 4 ● Develop mega-solar with a total output of approximately 175,000 kW by fiscal 2030	<ul style="list-style-type: none"> Secured seven new mega solar development sites totaling 19,000 kw
Action Plan 5 ● Develop tools to accurately grasp CO ₂ emissions during construction ● Require submission of a reduction plan by construction companies, etc.	<ul style="list-style-type: none"> Construction companies will be required to calculate CO₂ emissions during construction and submit reduction plans using the Company's GHG Emissions Calculation Manual during fiscal 2023
Action Plan (Other) ● Acquire external certifications ● Introduce an Internal Carbon Pricing (ICP) System ● Establish a system for promoting action plans	<ul style="list-style-type: none"> Participated in GRESB (existing property management) since fiscal 2022 A total of 84 properties acquired external certifications (acquired for 54 properties in fiscal 2022) (Key properties) ・TOKYO MIDTOWN YAESU: DBJ Green Building certification (plan certification) 5 Stars, CASBEE Smart Wellness Office certification (new building) S rank ・Nihonbashi Muromachi Mitsui Tower: DBJ Green Building certification 5 Stars

Human Resource Strategies

Message from a Managing Director

We are pursuing five priority measures aimed at achieving growth for both the Company and employees.

Makoto Tokuda

Managing Director
Executive Managing Officers
(In Charge of Personnel)



Based on the belief that human resources are the driving force behind the continued creation of new value as a real estate developer, we have positioned our human resource strategies as important infrastructure to support the various initiatives set forth in our long-term vision, VISION 2025.

Since our founding, we at Mitsui Fudosan have demonstrated a spirit of enterprise and willingness to flexibly and tenaciously take on challenges that we have inherited and nurtured as our DNA and have been offering varied and innovative solutions and services for business and living. Our approach to human capital is to prepare an environment for action to enable the improvement of employees' professional knowledge and capabilities and enhancement of their ability to create added value and to bring together diverse values in a spirit of mutual respect while being a driving force as a team. Based on this approach, we are working on Diversity and Inclusion (D&I), Human Resource Development and the Improvement of Skills, Diverse Work Styles, Health and Productivity Management, and the Improvement of Employee Engagement as priority measures.

Starting with D&I, we believe it is important for us to be inclusive of diversity in order to continue to grow and develop our business by agilely identifying the changing values of our customers in a changing business environment. We have established the D&I Promotion Declaration and are promoting women's activities as a particularly important theme Group-wide. We are also committed to promoting other diversity and inclusion initiatives, such as the hiring and training of global and DX personnel, and the employment of people with disabilities.

Turning to Human Resource Development and the Improvement of Skills, we strive to develop the skills of each individual through a combination of four human resource development opportunities: (1) OJT, (2) annual interviews between the Personnel Department and each employee, (3) job rotation, and (4) training programs. The aim is 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 addition, we maintain extensive systems that include a leave system whereby employees can take time to study at graduate school and a side-job system.

As for Diverse Work Styles, we maintain remote work and super flextime work systems with no core hours for all employees that allows them to independently choose where and when they work in order to prepare an environment for action. In addition, the Company is working to support employees in balancing work with childcare and nursing care, maintaining a 100% return-to-work rate after maternity leave for 23 consecutive years.

As for Health and Productivity Management, we have established the Health and Productivity Management Declaration and are working to maintain and improve the health of our employees based on the belief that physical and mental health is a prerequisite for employee performance. In recognition of these efforts, the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange selected Mitsui Fudosan as 2023 Health & Productivity Stock Constituent an exceptional enterprise with respect to its health and productivity management practices.

Lastly, Mitsui Fudosan undertakes measures towards the Improvement of Employee Engagement with the aim of fostering in individual employees a high degree of motivation while performing their duties. Engagement surveys indicate that more than 90% of employees are proud to work for the Company.

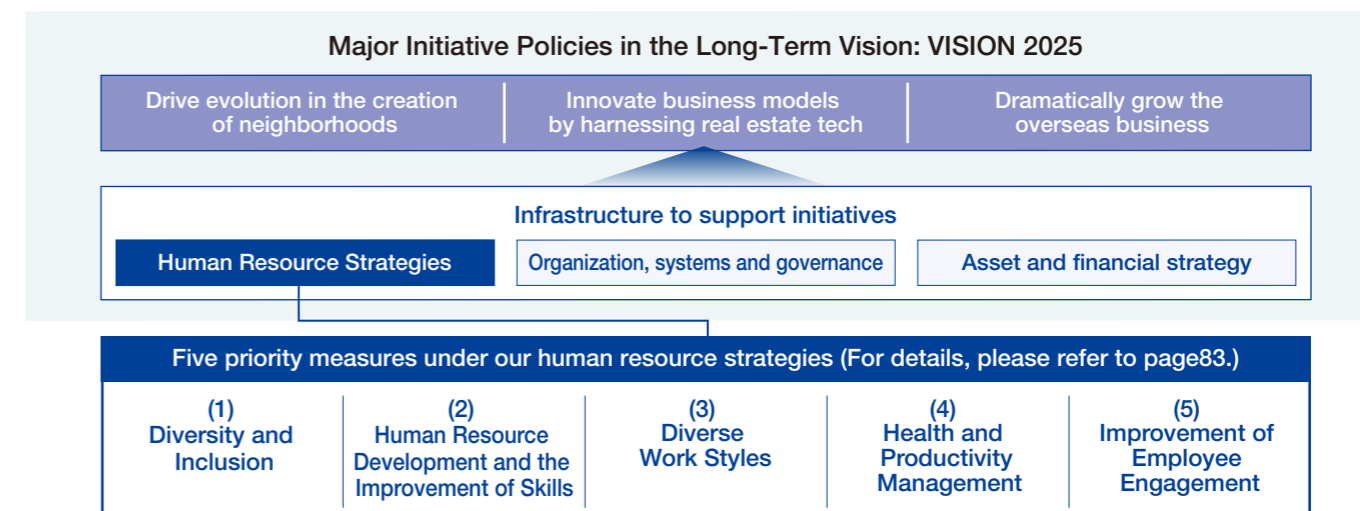
Consequently, we continue to treat each employee as an individual and create a stage for them to thrive in order to create new value and contribute to society as an unbeatable team, in which all employees with diverse values recognize and enhance each other. These initiatives are intended to enable the Company and employees to grow together.

For more detailed information about our human resources initiatives, please refer to the following link. (In Japanese only)
<https://www.hrm.mitsui-fudosan.co.jp/>

For more detailed information about the promotion of active roles for women, please refer to the following link.
https://www.women.mitsui-fudosan.co.jp/index_en.html

Positioning of Human Resources in the Mitsui Fudosan Group

We have positioned human resources as the driving force behind the continued creation of new value as a real estate developer. Accordingly, we are promoting human resource strategies as the infrastructure to support the various initiatives in our long-term vision, VISION 2025.



Priority Measure KPIs & Progress (Mitsui Fudosan non-consolidated)

Priority measures	Non-consolidated KPIs			Progress status			Remarks
	Indicators	Period	Numerical target	FY2020	FY2021	FY2022	
(1) Diversity and Inclusion	Women in management positions ratio*1	2025 2030	10% 20%	5.7%	6.8%	7.7%	Selected as a Nadeshiko Brand by the Ministry of Economy, Trade and Industry as a company that ably promotes active roles for women (second consecutive year)
	Ratio of female hires	Annual	40%	Target setting from FY2021	40.5%	44.1%	
	Employment rate of people with disabilities*2	Annual	2.3% or above	2.07%	2.14%	2.52%	
(2) Human Resource Development and the Improvement of Skills	Training time per employee*3	Annual	Last year's level	Target setting from FY2023	28.2 hours		
	Training expenses per employee*4	Annual	Last year's level	Target setting from FY2023	¥131,000		
(3) Diverse Work Styles	Return rate from childcare leave	Annual	100%	100%	100%	100%	
	Percentage of male employees taking childcare leave*5	Annual	100%	Target setting from FY2022		122.9%	
	Number of paid leave days taken	Annual	14 days annually	13.8 days	15.0 days	16.2 days	
(4) Health and Productivity Management	Health checkup and screening rate	Annual	100%	99.5%	100%	100%	Selected for the first time as a 2023 Health & Productivity Stock Constituent an exceptional enterprise with respect to its health and productivity management practices
(5) Improvement of Employee Engagement	Employee engagement*7	Annual	80%	Target setting from FY2023		92%	

*1 Figures for each fiscal year are those for the beginning of the fiscal year starting April 1 of the following year *2 Figures for each fiscal year are those for June 1 of the relevant fiscal year
*3 Calculated by dividing the total amount of training hours by the total number of permanent employees *4 Calculated by dividing the total amount of training expenses by the total number of permanent employees
*5 The denominator is the number of male employees whose partner gave birth in the relevant fiscal year, and the numerator is the number of male employees who used the leave system either as childcare leave at the time of their child's birth or childcare leave in the relevant fiscal year.
*6 Where there are male employees who take childcare leave, etc. in a different fiscal year from that of their child's birth, this rate might exceed 100%.
*7 The proportion who responded to the statement "I am proud to work for this company" with a 4 or 5 out of a five-point scale of agreement.

Digital Transformation Strategy

Positioning of DX promotion plan in our Company

Long-Term Vision: VISION 2025

Building a sustainable society through neighborhood creation

Using technology to innovate the real estate industry itself

Evolving into a global company

DX VISION 2025

Business Transformation

<Customer orientation and solving social issues>

Smart City/Property

Making towns and facilities comfortable and convenient by digitalization

Omni Channel

Integrating real and digital customer contact points

Real Estate as a Service

Offering service provision beyond providing space

&Resilience that digitally streamlines and supports the strengthening of a company's BCP P.93

Workstyle Reforms

<Improving productivity and employee satisfaction>

ABW
Activity-Based Working

Active ways of working that are not limited by location

BPR
Business Process Re-engineering

Reforming existing business flow/systems

Promoting workstyle reforms through the use of RPA and low-code tools P.94

Promotion Bases

Cybersecurity

Continuous evolution of group security

Data Utilization

Utilization of customer and business data

Real Estate x Digital Human Resource Development

Company-wide IT literacy and the driving force of the DX Division

Advancement of Group Systems

Standardization/efficiency

Modern Development

Cheap, fast, good, and permanent development

Practical examples
▶ Initiatives designed to generate business growth utilizing acquired and accumulated data P.94
▶ DxU, digital transformation (DX) training for all of the Company's employees P.87

Key Perspectives in Promoting the Company's DX

Positioning

DX is diverse

Specific strategies are critical in determining how best to advance DX

DX is a means to an end

The ultimate goal is to provide value to customers; Clarifying the Who, What, and How

In combination with the real

Combination with the Company's real strengths is important

Real Estate as a Service II

Grasping customers' overt and unmet needs with the aim of creating services that only Mitsui Fudosan can provide

Providing real estate as a service rather than as a product

Viewing business by customer behavior rather than by product

Aiming for the optimal combination of the real and digital

<What can be achieved digitally>

Smarter customer processes

Data application (acquisition and analysis)

Key Perspectives in Promoting the Company's DX

Customer perspective

Adopt a thoroughgoing customer-oriented approach

Real and digital perspective

Raise real value to its ultimate level through the most favorable combination

Data application perspective

Define the quality and quantity of data required based on clear objectives

Successful Examples of DX Promotion

Result 1 Business Transformation

- Simultaneously promoting DX in all businesses with the aim of improving customer satisfaction and solving social issues
- Releasing new businesses that go beyond the boundaries of existing businesses one after another

Major business transformation projects

	2020	2021	2022
Releasing new services	5	11	14
Main projects under development	8	12	9
Main demonstration experiment projects	4	6	4

Our main membership organizations

Oct. 2021 Oct. 2022

13.64 million people ▶ 15 million people

Retail facilities: Approx. 13 million people
 Housing: Approx. 300,000 people
 Hotels: Approx. 690,000 people
 Office buildings (WORK STYLING members): Approx. 250,000 people
 Office buildings (& Life-Biz): Approx. 130,000 people
 Tokyo Dome: Approx. 630,000 people

Result 2 Workstyle Reforms

- Promotion of system renewal and business reforms are ongoing so as to encourage diverse work styles and make customers and our process smart

Main projects for workstyle reform

	2020	2021	2022
Releasing new systems	4	5	6
Main projects under development	6	7	13

Work efficiency improvement time due to system renewal

Aggregation for the period from April 2018 to March 2022

Approx. 270,000 hours, Approx. 138 people*

*Converted to 1,920 hours/person per year (8 hours × 20 days × 12 months)

Result 3 Promotion Bases

- Currently promoting cybersecurity measures essential for promoting DX and facilitating smooth system operations, etc.

In-house system cloud rate (for Mitsui Fudosan Co., Ltd.)

2020 2021 2022

Approx. 80% Approx. 94% Approx. 95%

External Evaluations

Awards received

Received the DX Stocks 2022 award

Evaluation points: DX promotion system and the ability to execute DX projects / KASHIWA-NO-HA DATA Platform initiatives

Received the 2021 IT Promotion award (Social Issue Solution Area)

Evaluation points: SMART LIFE PASS KASHIWA-NO-HA and Dot to Dot

Received the DX Stocks 2021 Digital x COVID-19-Countermeasures

Received the 2022 IT award (customer and business function areas)

Evaluation points: Digital service innovation initiatives at LaLaport FUKUOKA

Received the DX Stocks 2021 Digital x COVID-19-Countermeasures Company (Resilience Category) award

Evaluation points: Continuous operations under the COVID-19 pandemic

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