

# 2 Value Creation Strategy

## CONTENTS

Message from the CEO .....	029
TOPICS: Selected as a participant in the Tsukiji	
District Urban Development Project .....	037
Mitsui Fudosan Group Materiality .....	039
Mitsui Fudosan Group Long-Term Vision & INNOVATION 2030 .....	041
Business Strategy .....	044
Expand the Rental Lab and Office Buildings Businesses .....	051
Financial Strategies .....	053
Message from the CFO .....	059
Human Resource Strategies .....	063
Digital Transformation Strategy .....	071
Sustainability Strategy .....	075
TOPICS: Creating “never-ending forests” that last into the future .....	077





# Message from the CEO



We will steadfastly bring to fruition the Group's long-term vision under the "& INNOVATION 2030" banner, formulated in concert with all stakeholders, and together, build a robust future for the Group and Japan. "Transforming the city Transforming the future"

*Takashi Ueda*

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

## Introduction

Japan's Nikkei Stock Average hit a record high for the first time in 34 years in February this year. As someone who experienced the peaks and troughs of Japan's bubble economy and so-called "lost 30 years," I am witnessing this historical milestone conscious of the enormous swell that continues to emerge on the back of evolving trends. At this critical tipping point, the Group announced details of its new Group Philosophy and the Group's long-term vision "& INNOVATION 2030" this spring. In formulating our Philosophy and long-term vision, and in my capacity as President, I had the opportunity to exchange views with various stakeholders, including investors. Our long-term vision, in particular, embodies the many valuable comments and opinions of investors, who have supported us over an extended period of time. The Company's Executive Management Committee and Board of Directors have deliberated on how we can maximize the Group's corporate value over the medium to long term on numerous occasions. Taking the aforementioned into consideration, I am proud to say that our long-term

vision, which was formulated in concert with our long-term investors, provides the road map toward the optimal solution.

Working hand-in-hand with stakeholders, I look forward to building a robust future for the Group and Japan guided by this new long-term vision. "Transforming the city Transforming the future."

### Corporate Message

(Formulated in April 2024)

.....

**Transforming the city  
Transforming the future**

## Looking Back on "VISION 2025" and Our Understanding of the External Environment

Under its long-term vision, "VISION 2025," announced in May 2018, the Group completed eight large-scale mixed-use developments in central cities and such large-scale projects as Hudson Yards in New York, expanded the scope of its operations on a global scale, overcame difficulties imposed by the COVID-19 pandemic, and has grown steadily toward its goals. We overcame the COVID-19 pandemic and have steadily grown toward achieving our goals. Regarding our shareholder return policy, we raised our total shareholder return ratio, which combines the stable payment of dividends with the continuous buyback of shares, from our initial target of 35% to 45% in fiscal 2021.

Meanwhile, we recognize the need to address pending issues with respect to our balance sheet and efficiency. The balance of the Group's balance sheet, for example, has exceeded initial projections. The is due to such factors as unforeseen fluctuations in foreign currency exchange rates, rapid inflation, and subsequent shifts in policies encompassing interest rate hikes, as well as stagnant real estate market conditions in

Europe and the United States, and the acquisition of prime investment properties, including Tokyo Dome, in excess of expectations.

Turning to the external environment, the world is undergoing a major paradigm shift. Looking ahead, changes in operating conditions can be expected to intensify with the upswing in geopolitical risks, the transition to an inflationary society and an increase in global interest rates, currency fluctuations, widespread acceptance of new workstyles, rapid growth of generative AI, efforts to address climate change, and other factors.

Taking into consideration the status of domestic wage increases by the corporate sector and achievement of commodity price targets, the Bank of Japan lifted its negative interest rate policy. As a result, we are witnessing the shift to unprecedented monetary easing. During the prolonged period of deflation, markets failed to fully appreciate added value, consumer sentiment waned, and it became difficult to pursue new ideas. Today, Japan is finally breaking free from deflation and is primed to embark on a new era of innovation.



## Message from the CEO

## Aspirations Underpinning the Group's New Philosophy

How then should we interpret this external environment?

I am convinced that the coming era represents a tremendous opportunity for the Mitsui Fudosan Group. It is clear that in the coming days, added value will be fairly evaluated, and that the significance of our overwhelming ability to create added value will become increasingly evident.

The world is undergoing a major transformation. For the Group to continue creating new value, we must refrain from settling on the status quo, and change our mindset, transform ourselves, and evolve.

With this in mind, I have taken a fresh look at the Group's origins, redefined our Philosophy, and summarized the aspirations that we wish to fulfill into three missions. These missions codify our commitment to nature and an abundant earth, shining brightly through innovation, and providing people with inspiration and happiness.

In addition, we summarized our Philosophy and newly established a corporate message that indicates the direction in which the Group

is moving.

The Mitsui Fudosan Group is guided by the Corporate Message: "Transforming the city Transforming the future." In a society that is beset by a high degree of uncertainty and a harsh future outlook, we have expressed our strong desire to "transform the future" by "transforming the city" in concert with our stakeholders, unafraid of change, for a brighter future.

[For details, see P.005](#)

While formulating our Philosophy, we reviewed the Group's key issues and identified a new set of "GROUP MATERIALITIES" based on deliberations by the Executive Management Committee and Board of Directors. In specific terms, we streamlined these GROUP MATERIALITIES to six priority issues and reset non-financial KPIs.

[For details, see P.039](#)

Our Philosophy and GROUP MATERIALITIES outline the core concepts that underpin the Group's corporate activities. We will ensure that all employees reaffirm the DNA passed down by our predecessors, clarify our mission and priority issues for the future, and evolve into a Mitsui Fudosan Group that is finely attuned to the new era.

## A Complete Picture of the Group's New Long-Term Vision & INNOVATION 2030 [For details, see P.041](#)

Based on our Philosophy and GROUP MATERIALITIES, we will work to bring the Group's *DREAM* to a *REALITY* through our *VISION* with an eye firmly placed on the next era. Against this backdrop, "& INNOVATION 2030" defines our policy as a company that will continue to create new value for society in the years to come, while efforts to contribute to the creation of added value for society as an industry

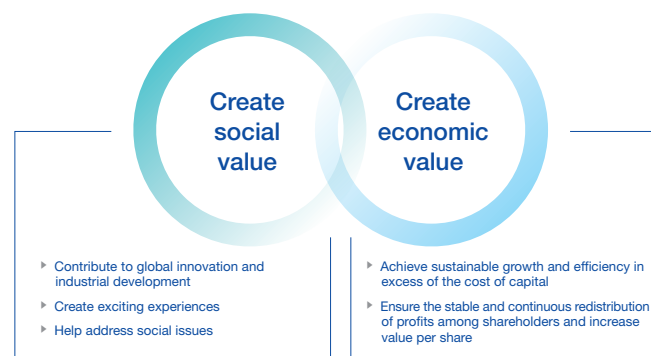
developer outline our vision around 2030. To achieve each of these ends and growth going forward, we have identified three paths as business strategies and will engage in management with an equal focus on the three financial strategies of enhancing growth, promoting efficiency, and providing shareholder returns.



## The Group's Vision

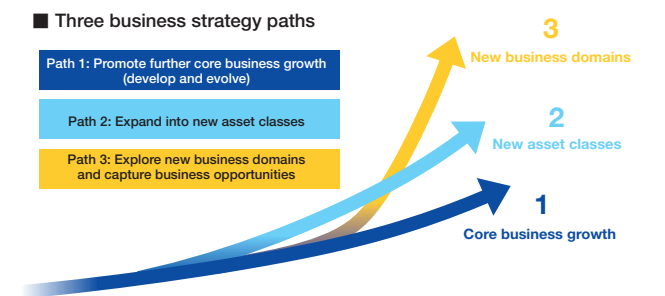
The Mitsui Fudosan Group has continued to support life science and other industries not only through hard (real estate development) activities but also through the provision of places and communities by bringing together the expertise and knowledge of the companies, society, and people that comprise them.

Our goal is to evolve into an industry developer that transcends the traditional boundaries of a real estate developer by around 2030. As an industry developer, we will work to create both social and economic value as two wheels of a cart by strengthening Japan's industrial competitiveness and creating new industries.



## Business Strategy

In an effort to realize our vision, we will promote a business strategy that consists of three core paths. In addition to a growth strategy in existing real estate domains, we will practice "ambidextrous management" with the dual aim of capturing business opportunities in new business domains.



### Path 1: Promote further core business growth [For details, see P.045](#)

#### (1) Decouple from the market

Decoupling refers to the achievement of high profitability regardless of the external environment through differentiation and other means. As our track record of central city mixed-use developments and premium condominiums indicates, the Mitsui Fudosan Group's strengths lie in the competitive advantage of each of its assets as well as its ability to generate new market demand while also decoupling from the market by developing and providing innovative high-value-added products and services to customers.

The provision of added value coupled with demand for its fair evaluation are prerequisites for top-line growth in periods of prolonged inflation. Against this backdrop, and buoyed by its comprehensive and mixed-use asset capabilities, the Group will work to secure stable and continuous revenue and earnings growth by creating new added value

in its creation of neighborhoods and stimulating new demand.

For example, the Tsukiji District Development Project, which recently selected a prospective operator, is a neighborhood creation initiative designed to transform the future with the next 100 years of society in mind. Drawing on the District's history, the project looks to revitalize the Tokyo aqua metropolis, bring excitement, promote interaction and innovation, engender the admiration of locals, and attract people from around the world.

[For details, see P.037](#)

Strengthening the Mitsui Fudosan Group network is another important theme. With this in mind, we will generate new demand for our valued customers by establishing a single network that seamlessly links services by asset.

#### (2) Accelerate efforts to realize added value generated through development

Reflecting earlier on VISION 2025, I commented on the need to improve efficiency. In addition to securing stable leasing income from the properties that we own, I believe that we must accelerate the pace at which we promote an Income Gain, Capital Gain, and Management business model cycle as we work to achieve increased efficiency going forward. From a large-scale development perspective, we will also proactively utilize third-party funding from various entities, including institutional investors from the business kickoff stage, and work to improve business efficiency.

To continuously achieve added value in the future, it is vital that we

accelerate the pace of asset turnover while also capturing new business opportunities. On these two points, the Mitsui Fudosan Group has already earmarked an investment of approximately ¥1 trillion in major projects through fiscal 2030 with the amount of new value added generated projected to reach around ¥500 billion.

I am confident that this cycle of generating and realizing high added value through development will enable us to enhance the quality of the portfolio through the ongoing replacement of assets in the future and to secure sustainable, stable, and continuous gain on sales.

#### (3) Further develop and evolve overseas business

Two trophy assets completed at Hudson Yards in Manhattan, New York, have further strengthened the leasing income that forms the bedrock of our overseas business. Over the past several years, the Group has also engaged in numerous rental multifamily housing, Mitsui Lab, and office building developments, primarily in North America, and has steadily accumulated a number of seed properties for sale to investors. In addition to enjoying income gains from the upswing in properties in operation, the Group's future overseas

business expansion endeavors will transition to a phase that is driven by efforts to realize added value through development and the sale of properties. In this manner, we will shift our focus to business development through the turnover of assets. In the sale of properties, we will monitor domestic and overseas interest rates as well as investment market trends in a bid to maximize capital gains, and make smart decisions on when to sell and when to buy in the local market.

## Message from the CEO

## Path 2: Expand into new asset classes

For details, see P.047

## (1) Sports and Entertainment Business

In the post COVID-19 era, we again realize that real value stems from various sources, including sports. Meanwhile, the more the global trend toward digitalization progresses, I believe we will witness an era in which a growing number of people will seek out higher added value in emotional experiences and real-world, sense-based experiences that cannot be obtained digitally. Quick to recognize the emergence of this era, we acquired TOKYO DOME CORPORATION through a takeover bid. Drawing on that company's expertise and know-how in stadium management, we acquired the Chichibunomiya Rugby Stadium

reconstruction business. We are also involved in arena operations in Funabashi and are promoting the creation of neighborhoods utilizing the power of sports and entertainment as one of our key themes.

Moreover, we combined the retail facilities and sports and entertainment businesses and established a single division. As a group, we are working to gain a competitive advantage and secure strengths not found in other companies by generating new synergies through collaboration between the two businesses.

## (2) Mitsui Lab and Office Building Business

People across all corners of the globe witnessed firsthand the fusion of technology and biomedicine through the accelerated development of a vaccine in the aftermath of COVID-19, reminding us of the role that innovation plays in paving the way for the future. This in turn highlights the growing importance of global-scale life science initiatives in the coming years. One of the industries in which Japan can compete on the global stage is the life science field.

The Mitsui Fudosan Group is committed to the development of Japan's life science field. Since 2016, we have endeavored to build an ecosystem that encourages the creation of life science innovation by "building communities" and "developing places" mainly in Nihonbashi. Each life science base around the world is built on an established community and is supervised by a governing body. In collaboration with interested members in academia, we established Life Science Innovation Network Japan, Inc. (LINK-J), in Nihonbashi and put in place a platform for the life science community. In addition, we are pioneering the promotion of R&D rental lab and office development in

close proximity to the city center. The life science R&D environment in Europe and the United States has already experienced change over the years with the mainstream trend shifting from the traditional "suburban, closed, and ownership-type" R&D facility to today's "urban, open, rental-type" base. For example, a concentration of life science companies has located in the Boston-Cambridge area, most of which are rental labs and offices.

Distinguished by their low remote work and high attendance rates, these labs and offices are recognized as a stable asset class with high operating levels. In recent years, the supply of rental labs and offices has skyrocketed in the United States.

In light of the aforementioned global trends, we repositioned rental labs and offices as a seed for the next stage of growth and will further expand this business both in Japan and overseas. We will work to help resolve R&D environment issues, capture new demand, and create new markets.

## (3) Further expand business domains, including strengthening the data center business

Data centers are forecast to experience growth in line with the rapid digitalization of society in recent years. These assets have a high affinity with retail and logistics facilities, and as a strength of the Group, we believe we can demonstrate our competitive advantage compared with other companies in our industry by leveraging our know-how in

this field.

In addition to the "solar power generation" and "offshore wind power" businesses, we will focus on business development that precisely meets the needs of the times, including "school facilities," to further expand our business domains.

## Path 3: Explore new business domains and capture business opportunities

For details, see P.049

With the aim of cultivating new fields that transcend the real estate domain, this third path can be expected to serve as a new source of revenue. The Mitsui Fudosan Group has built a diverse customer base through various business development activities over the past 80 years. Expanding beyond the conventional landlord-tenant bond, these relationships are evolving into robust ties built on broad and deep joint businesses and research.

In this instance, we will take full advantage of our customer base strengths, build networks that go beyond the boundaries of the traditional real estate developer, and upgrade our development menu of places and communities. One specific example is the "Aerospace"

field. In partnership with JAXA and other volunteers from industry, government, and academia, we established "cross U" as a co-creation platform for the aerospace business and have already initiated activities. cross U operates two aerospace hubs in the Nihonbashi area to provide aerospace business players with places and a community. During the first year of activities, cross U expanded to 252 members, making it one of Japan's largest aerospace business communities, based in Nihonbashi. The scope of aerospace development is broad, encompassing industries as diverse as the mobility, green tech, robotics, data science, and life science fields, and is expected to expand from the related business and market scale perspectives.

Looking ahead, we will continue to contribute to the development of the aerospace business in Japan.

In this format, we intend to identify new industry fields that will drive the next generation of Japanese industry and nurture new sources of revenue for the future through various means, including investments as a major player.

As a framework designed to help bring these aspirations to fruition, we recently established the Innovation Promoting Division. As far as

## Financial Strategies

For details, see P.053

Moving on, I would like to elaborate on our financial strategies aimed at realizing our vision. As a company that is inextricably tied to the capital markets, we recognize the need to earn the confidence of investors by not only creating social value but also steadfastly enhancing economic value to continue creating the future through the creation of new value backed by the creation of neighborhoods. To this end, we must stably maintain, manage, and expand the three key

financing is concerned, we have also put in place an M&A investment budget of over ¥400 billion and a start-up equity investment limit of over ¥100 billion through fiscal 2030.

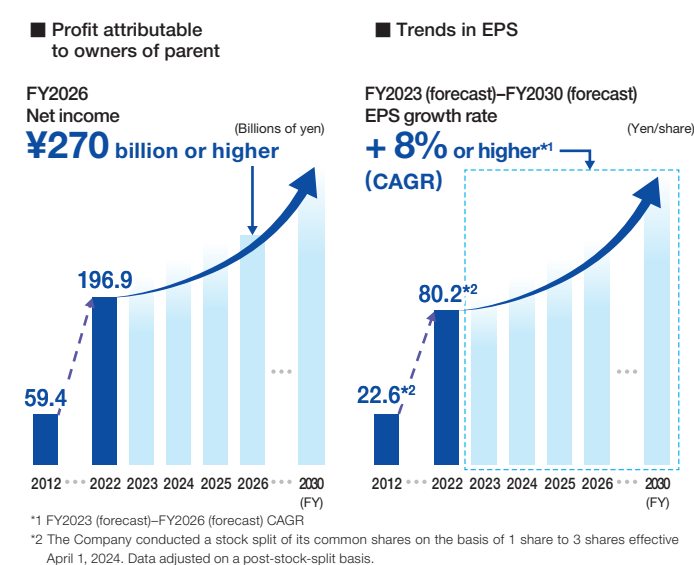
Over the period of the Group's stated vision, we will explore new promising industrial fields, allocate management resources, including human and financial capital, and paint a picture of renewed growth for both the Group and the next generation of burgeoning industries as an industry developer.

objectives: enhance growth, efficiency, and shareholder returns. Focusing equally on each of these objectives, we will efficiently employ the capital entrusted to us by investors, promote underlying sustainable growth, and expand shareholder returns commensurate with growth. Sharing this aspiration with investors, we see this as the most appropriate path to maximizing our corporate value.

## [1] Improving growth potential

From a growth potential perspective, we will work to achieve stable and continuous profit growth and enhance cash-generating capabilities by steadfastly carrying out each of the measures outlined in our previously mentioned business strategies. In particular, we have set the business and net income targets of ¥440 billion or higher and ¥270 billion or higher, respectively, in fiscal 2026, and will aim for further sustainable growth around fiscal 2030, a long-term milestone.

In similar fashion to the past, we have positioned the EPS growth rate as an important KPI and an indicator of net income growth and source of shareholder returns. We will also target an EPS CAGR of 8% or higher/year from fiscal 2023 to fiscal 2030, exceeding the 7% target under "VISION 2025," while taking into account organic profit growth through our mainstay business and the flexible and continuous repurchase of own shares.



## [2] Improving efficiency

Next, I will comment on "efficiency" in line with our approach toward balance sheet control.

From a balance sheet asset control perspective, we will endeavor to improve the Group's ROE by ramping up efforts to accelerate the turnover of assets and realize added value while taking into consideration the scale of total assets and the need to enhance the asset portfolio's quality. We will promote the turnover of assets based on a total balance sheet approach, taking into consideration not only the disposition of existing real property for sale but also such factors as fixed assets, strategic shareholdings, and stocks held purely for investment purposes. At the same time, we plan to allocate proceeds to investments for future growth.

As another measure designed to improve ROE, we will firmly implement our universal Income Gain, Capital Gain, and Management business model cycle as a means to expand assets under

management and management revenue through such means as the consignment of management following the sale of assets and promotion of development business activities utilizing the capital of other parties.

Turning to our approach toward controlling balance sheet liabilities and equity, the Group's main real estate development and neighborhood creation-oriented businesses are characterized by the heavy long-term use of the balance sheet. As such, it is extremely important that we maintain and enhance financial soundness in preparation for long-term fluctuations in financial markets and unforeseen circumstances. Over and above the need to improve ROE, we will therefore work to secure a balance between the scale of interest-bearing debt and maintaining financial soundness while promoting proper financial leverage control based on the Group's D/E ratio.



## Message from the CEO

## [3] Enhancing shareholder returns



As the manager of a business, I am acutely aware that a stable and continuous approach toward returns as the basis for sustainable growth is of the utmost importance to investors who support the Company over the long term. In formulating our vision, we have decided to further enhance shareholder returns in light of our stable cash flow underpinned by a robust asset portfolio, confidence in our ability to expand future cash-generating capabilities, and the balance between such factors as profit growth and equity. Guided by our new shareholder return policy, we will strengthen the total payout return ratio to 50% or higher for each period over the next three years.

In addition, we have decided to lift our dividend payout ratio from around 30% to around 35% each fiscal year to ensure stable dividends even in the event of a future pandemic or financial crisis.

We have also introduced continuous and progressive dividends in an effort to better clarify our policy on shareholder returns with a view to increasing dividends in tune with sustainable profit growth.

At the same time, we will adopt a flexible and continuous approach toward the repurchase of own shares over the next three years. We believe that the repurchase of own shares should be undertaken in an ongoing flexible and agile manner, while taking into consideration a comprehensive list of factors, including the level of the Company's stock price and an awareness toward increasing the value per share, which will lead to a greater sense of market security and confidence. On this basis, we are cognizant of the need to ensure the continuity of own share repurchase activities in combination with the payment of dividends as well as efforts to further increase liquidity. To this end, we have set the ratio of own shares, which represents the total payout return ratio less the dividend payout ratio, at 15% or higher. Furthermore, we recognize that the repurchase of own shares is an important factor that affects EPS growth and efforts to improve ROE. With this in mind, we will continue to consider more effective ways to increase, improve, and strengthen the three key objectives: enhance growth, efficiency, and shareholder returns.

## Expand shareholder returns

Stable and continuous shareholder returns

Total payout return  
ratio **50% or higher each period**

## Strengthen dividends

Increase in dividends linked to sustainable profit growth

Dividend payout ratio  
Around **35% each period**,  
introduce continuous and  
progressive dividends

Growth and increase  
in value per share

Flexible and continuous  
repurchase of own shares

## Infrastructure That Supports Our Business Strategy: Human Resources, DX, and ESG

In closing, I would like to convey our thoughts on human resources, DX, and ESG, which form the infrastructure that supports our business and financial strategies.

## [1] Human Resources (the Importance of D&amp;I)

For details, see P.063

Human resources who take the initiative while mobilizing their knowledge and networks, not only in the real estate sector but also in all other industries, are essential for the Group to initiate innovation across various industries as an industrial developer. As the world's values diversify amid dramatic changes in the business environment, it is equally important to embrace diversity within the organization in order to accurately grasp customers' needs and social requirements.

Put another way, D&I lies at the core of the Group's strategy. It is critical that every facet of our organization, including the decision-making layer, comprises diverse human resources. Our goal is to become a corporate

group in which human resources with diverse backgrounds and values can maximize their capabilities, share information through the exchange of opinions, stimulate a positive chemical reaction, and create new added value. To achieve this goal, we will engage in Group-wide efforts to raise the level of human resource capabilities, the source of value creation, and actively secure human resources and knowledge to accelerate innovation. Supporting the activities of diverse human resources, we will also further develop the Group's One-Team organization that brings together the strengths of the Mitsui Fudosan Group.

## [2] About DX (Developing DX Business Personnel)

For details, see P.071

Changes in behavior due to the digital shift and such emerging trends as generative AI are evolving at an accelerating pace while triggering global transformation. The inference here is that DX is sparking dramatic change in traditional values irrespective of the industry and across all fields. Against this backdrop, the environment surrounding the real estate industry is expected to become increasingly diverse with disparate ways in which people live and work.

Under these circumstances, the Mitsui Fudosan Group will pursue diversity in its human resources in the real estate DX field as well as in the development of an infrastructure to ensure AI and digital support to

deepen DX with the aim of establishing a business model that combines the real and digital and further promoting innovation. Rather than simply secure professionals well versed in the DX and digital fields, it is important that the Group's pool of DX professional recruits actively interact with existing business staff and evolve into DX business personnel with a deep understanding of both DX and the Company's business.

We will link efforts to develop DX business personnel with expertise in both DX and business to a new level of competitiveness going forward.

## [3] About ESG (The Era of Sustainability Management)

For details, see P.075

Historically, Mitsui Fudosan has employed quantitative financial indicators to measure trends in its corporate value. Having said this, we are today entering an era in which the driving force behind sustainability management, which works to increase corporate value through both the financial and non-financial perspectives, will come to the fore. In particular, the surging wave of global-scale climate change is a phenomenon that transcends national borders and is ravaging a single earth. To solve this issue, the entire supply chain must be connected as a "chain of self" toward the realization of a sustainable society. In order to solve this issue, the entire supply chain must work in unison to realize a sustainable society.

Working to fulfill its social responsibility to build and develop social infrastructure, the Mitsui Fudosan Group formulated the Group Action Plan to Realize a Decarbonized Society in 2021. We will work diligently to implement and achieve this plan. Against this backdrop, the Group is also committed to sustainable forestry and is involved in protecting

natural forests taking into consideration the need to conserve biodiversity in the roughly 5,000 hectares of forest it owns in Hokkaido. Furthermore, based on the Mitsui Fudosan Biodiversity Policy, formulated in 2023, we will endeavor to realize the Nature Positive concept.

As far as corporate governance is concerned, we have on numerous occasions taken steps to consider the structure of the Board of Directors required to bring & INNOVATION 2030 to fruition. In conjunction with these considerations, we increased the ratio of outside directors by adding one outside director with extensive knowledge of the finance and capital markets as well as insight into corporate management. Also recognizing the importance that diversity plays in the composition of the Board of Directors, we will continue to pay close attention to efforts aimed at improving the soundness, transparency, and efficiency of management.

## In Closing

Guided by the "&" Logo Principles, the Mitsui Fudosan Group's neighborhood creation goal is to provide a neighborhood platform, build communities, and develop places where various people and businesses can gather. In creating ecosystems from which new demand and needs can be expected to emerge, the Group is working to stimulate innovation while creating new industries and value. With the passage of time with people and companies, the neighborhoods that we create will become more appealing, which in turn will attract even more people and businesses. This virtuous cycle will help promote industry and corporate growth, increase the competitiveness of cities, and advance economic development. This kind of value creation is the Group's raison d'être and its social mission.

Through the announcement of & INNOVATION 2030, we will continue to engage in dialogue with stakeholders and work to create both social and economic value as two wheels of a cart while sharing the direction that the Group should take. I also believe that one of my key missions as president is to build a track record that exceeds expectations and increase shareholder value.



We will continue to take on the challenge of creating new value through the creation of neighborhoods, together with long-term investors who share the Group's vision for the future.

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



# TOPICS — Selected as a participant in the Tsukiji District Urban Development Project

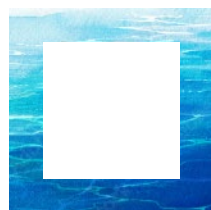


As the representative company of a consortium comprising 11 partner companies, Mitsui Fudosan announced that the consortium was selected as the prospective operator for the Tsukiji District Development Project by the Tokyo Metropolitan Government in April 2024. The former site of the Tsukiji fish market is an asset of Tokyo residents. Building on the history of Tsukiji, the goal is to create an area that is cherished by locals and attracts people from around the world.

Serving in part as a foreign settlement during the Meiji Restoration, the area helped promote the exchange of civilizations and cultures with the rest of the world. As such, plans are in place to construct a

number of buildings, including a grand-scale multifunctional venue and a meetings, incentives, conferences, and exhibitions (MICE) facility. Following the market's relocation from Nihonbashi to Tsukiji in the wake of the Great Kanto Earthquake, and continued development as a food hub, another initiative is the scheduled establishment of a food court and food lab in collaboration with the Tsukiji outer market.

In addition to a concept of "delicious" and "enjoyable," we are looking to establish innovation facilities, including life science facilities, to enhance Japan's industrial competitiveness and create cutting-edge industries.



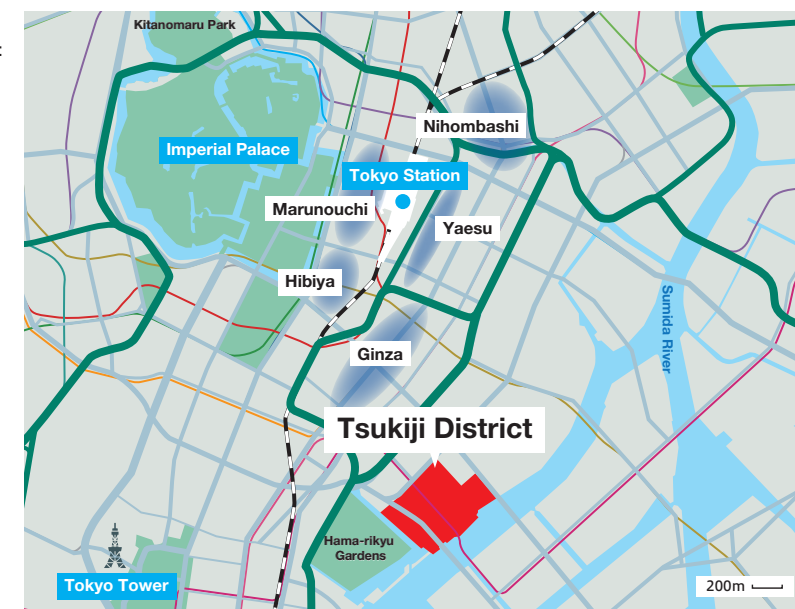
Through the creation of this neighborhood that is designed to transform the future with the next 100 years of society in mind, we will work to revitalize the Tokyo aqua metropolis, bring excitement, promote interaction and innovation, engender the admiration of locals, and attract people from around the world.



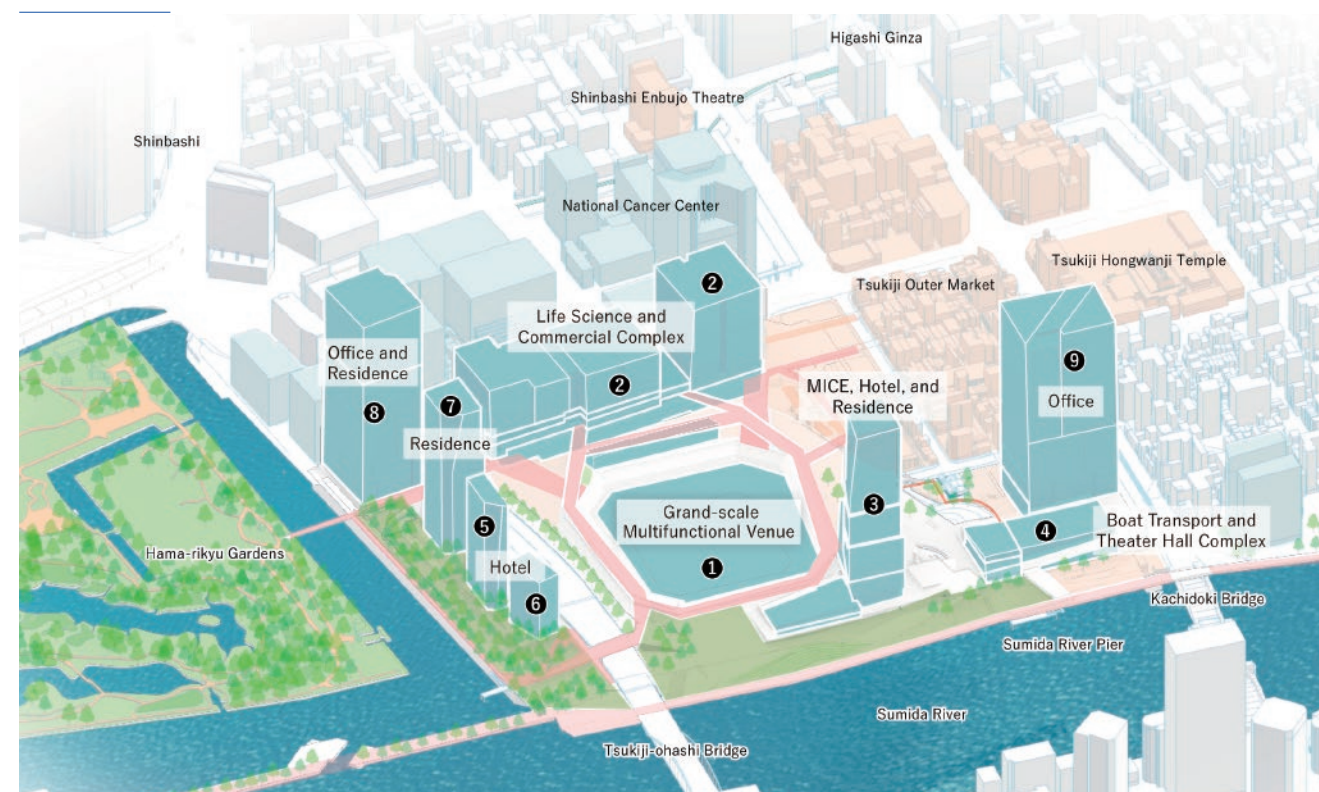
## A new neighborhood with a site area of approximately 19 hectares in central Tokyo

- Area of Tokyo Metropolitan Government-owned land to be used: Approx. 19 hectares
- Scheduled opening: First half of 2030s or later (partial opening in advance in fiscal 2029)
- Operating companies\*: Mitsui Fudosan Co., Ltd. (representative company)  
Toyota Fudosan Co., Ltd.  
The Yomiuri Shimbun Holdings
- Builders: Kajima Corporation  
Shimizu Corporation  
Taisei Corporation  
Takenaka Corporation
- Architects: Nikken Sekkei Ltd.,  
Pacific Consultants Co., Ltd.
- Partners: The Asahi Shimbun Company  
Toyota Motor Corporation

\* Companies responsible for development and operation



## Building Layout Plan





# Mitsui Fudosan: Group Materiality

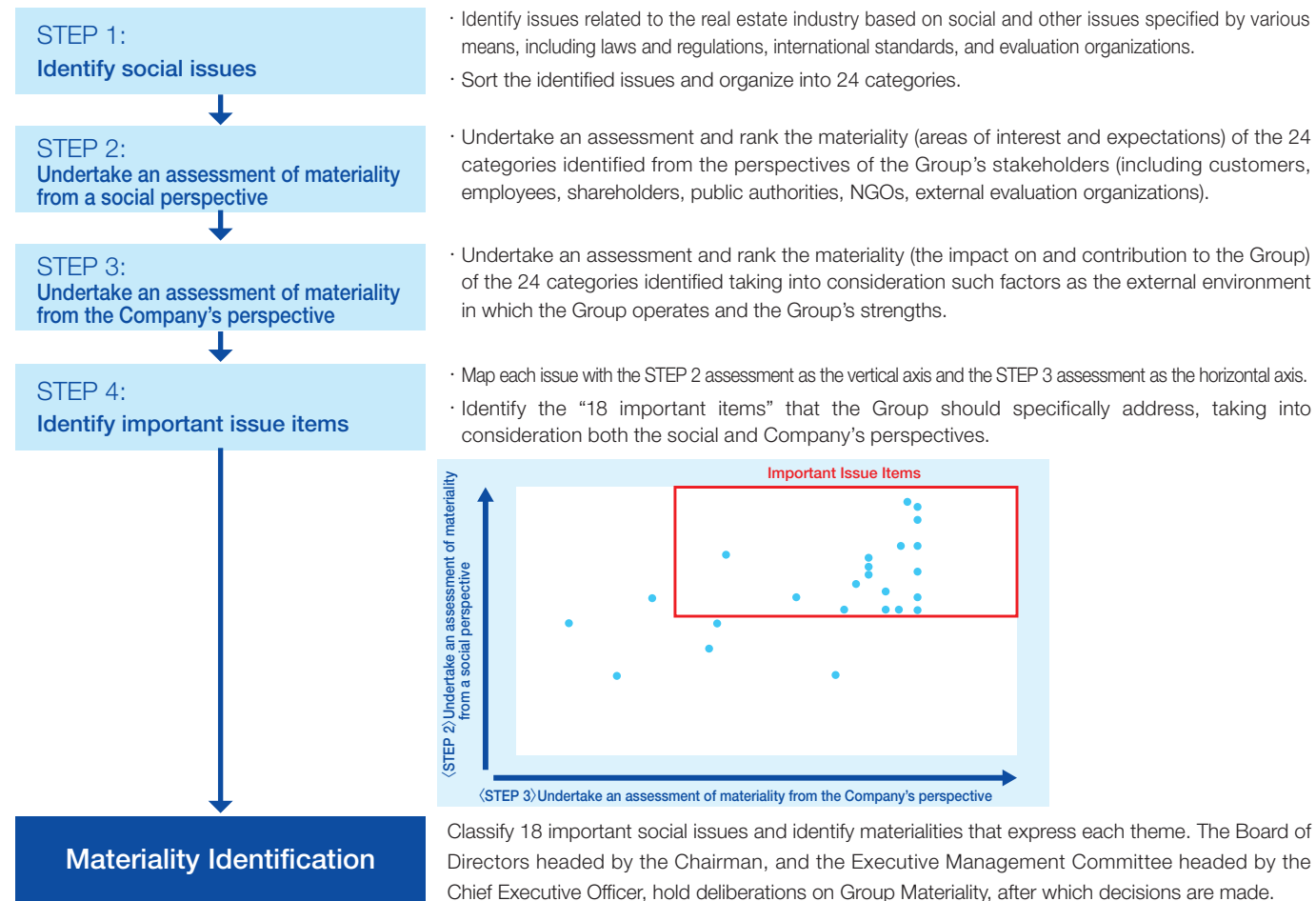
For details, please refer to the following: [https://www.mitsuifudosan.co.jp/esg\\_csr/approach/materiality/](https://www.mitsuifudosan.co.jp/esg_csr/approach/materiality/)

Guided by the meaning of “&” “to generate new value through cooperation, coexistence and co-creation, we forge ahead innovating,” Mitsui Fudosan is working toward the “creation of social value” and the “creation of economic value” as two wheels of a cart. Creating social value leads to the creation of economic value, which in turn leads to the creation of even greater social value.

The Company identified Group Materiality as a priority issue when formulating its new management philosophy in April 2024. Moving forward, we will contribute to sustainability by addressing this issue through our core business.

## Identification Process

Mitsui Fudosan has clarified its thoughts on six materialities, including the identification of social issues, that reflect the perspectives of various stakeholders.



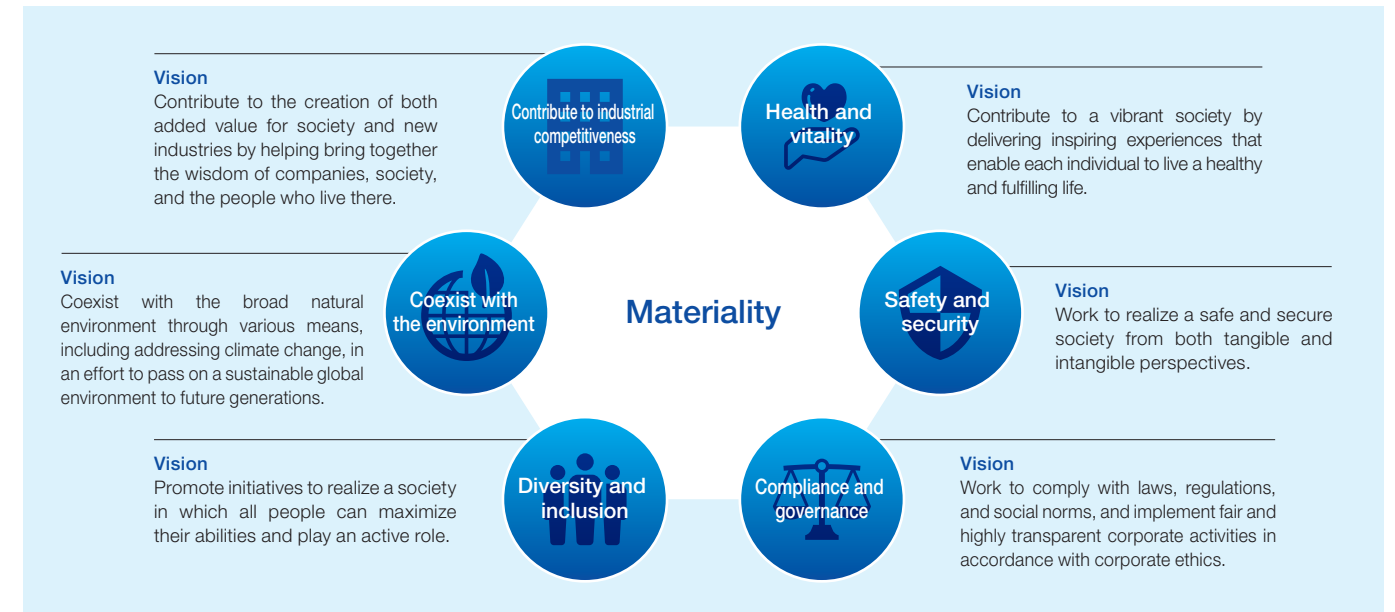
### Classification of important issue items to be addressed by theme

Creating new industries	Mitigating climate change	Promoting wellness among building users	Building safety	Realizing an inclusive society	Building strong governance
Strengthening industrial competitiveness	Transitioning to a circular economy	Improving experiential value	Preparing for disasters	Empowering diverse human resources	Ensuring compliance
	Preserving biodiversity	Employee health	Addressing the declining population and aging of society		Engaging in risk and crisis management
	Maintaining a green environment while taking into consideration the landscape				Addressing human rights

### Group Materiality (Priority Issues)



## Group Materiality (Priority Issues)



### Opinions from External Stakeholders (Experts)

We received the candid opinions of experts with diverse backgrounds and expertise on identifying materiality, which were reflected in the materiality identification process.

Tomonari Yashiro President, Tokyo City University Katsuhiko Kokubu Professor at the Graduate School of Business Administration, Kobe University

## Indicators and Targets by Materiality

Materiality	Evaluation indicator	Period	Numerical target	Materiality	Evaluation indicator	Period	Numerical target
Contribute to industrial competitiveness	Strengthen industrial competitiveness Initiatives that contribute to the creation of added value for society by supporting people's daily lives and diverse corporate activities New area expansion Initiatives that contribute to the creation of new industries by further developing the industry creation platform	Annual disclosure of initiatives*2		Health and vitality *1	Improvement in experiential value Initiatives to create neighborhood that people want to visit by delivering exciting experiences Realize a society of wellbeingInitiatives to realize a society brimming with vitality where workers and visitors are in excellent health	Annual disclosure of initiatives*2	
					Number of paid leave days taken	Annual	14 days annually
Coexist with the environment	Progress of the Decarbonization Action Plan Expansion of green spaces, utilization of forests Initiatives to increase greenery in the urban core through development and to regenerate Japan's forests	Annual disclosure of initiatives*2		Safety and security	Health checkup and screening rate	Annual	100%
	CO <sub>2</sub> and other emission reduction rate (1,000 t-CO <sub>2</sub> )	2030	40% decrease compared with FY2019		Safety and security Continuous efforts from both the hard (real estate) and soft (services) perspectives and initiatives to realize a safe and secure society	Annual disclosure of initiatives*2	
		2050	Virtually zero	Diversity and inclusion*1	Conduct disaster drills including tenant companies	Annual	2 times
	Proportion of electric power used in business activities derived from renewable energy (RE100)	FY2050	100%		Realize an inclusive society Initiatives to realize a society in which all people can maximize their abilities and play an active role	Annual disclosure of initiatives*2	
	New building external environment certification acquisition rate Note: Limited to rental properties, including office buildings, retail facilities, logistics facilities, as well as hotel and resort facilities.	Annual	100%		Improvement of employee engagement	Annual	80% or higher
	Energy consumption per base unit (kL/m <sup>2</sup> / year)	Annual	1% reduction annually		Training time per employee	Annual	Last year's level
	Clean/industrial water use per base unit (m <sup>3</sup> /m <sup>2</sup> per year)	Annual	Less than the previous fiscal year		Training expenses per employee	Annual	Last year's level
	General waste emissions per base unit (t/m <sup>2</sup> per year)	Annual	Less than the previous fiscal year		Women in management positions ratio	2025	10%
	Industrial waste emissions per base unit (t/m <sup>2</sup> per year)	Annual	Less than the previous fiscal year			2030	20%
	Waste recycling ratio (at Mitsui Fudosan Co., Ltd. headquarters)	FY2030	90%		Ratio of female hires	Annual	40%
Compliance and governance				Compliance and governance	Employment rate of people with disabilities	Annual	2.5% or higher*3
					Percentage of male employees taking childcare leave	Annual	100%
					Return rate from childcare leave	Annual	100%
					Compliance training implementation participation rate	Annual	100%
					Implementation and enhancement of human rights due diligence	Annual*2	

\*1 Quantitative KPIs on a stand-alone basis. \*2 Anticipated disclosure in the Sustainability and other reports. \*3 Work toward exceeding the legal employment rate (2.5% as of April 2024, increasing to 2.7% from July 2026).

# Mitsui Fudosan Group Long-Term Vision & INNOVATION 2030

## Structure of & INNOVATION 2030

The Mitsui Fudosan Group has positioned efforts to contribute to the creation of added value for society as an industry developer as its vision for around fiscal 2030. To bring this vision to a reality, we will work diligently to secure growth by following three paths of business strategy and promote management based on a tripartite model of enhance growth, efficiency, and return as our financial strategy.

### Relationship to Our Philosophy and Materiality

Based on Our Philosophy, we have identified Group Materiality priority issues. We will strive to resolve these Group Materiality priority issues by pressing forward with efforts to bring the Group's long-term vision & INNOVATION 2030 to fruition.

Our Philosophy

Group Materiality

&amp; INNOVATION 2030

## Vision

### Contribute to the creation of added value for society as an industry developer

#### Contribute to global innovation and industrial development

- Accelerate efforts to generate innovation and develop new industries by bringing together the wisdom of various people and companies through the provision of places and communities.

#### Create exciting experiences

- Create attractive neighborhoods to help realize a vibrant society where people's hearts are overflowing with excitement.

#### Help address social issues

- Create wide-ranging added value through innovation and the creation of neighborhoods where people can work, live, enjoy, and visit.
- Help build a sustainable society on a global scale by coexisting with the environment and contributing to such efforts as addressing climate change.

Create social value    Create economic value

### Achieve sustainable growth and efficiency in excess of the cost of capital

- Achieve stable and continuous profit and cash growth over the long term through the efficient use of invested capital.
- Further develop the "Income Gain Business, Capital Gain Business, and Management" business model (For details, please refer to page 023). In addition to stable leasing income from property holdings, accelerate efforts to realize added value by ramping up the sale of properties and promote management that enhance both growth and efficiency.

### Ensure the stable and continuous redistribution of profits among shareholders and increase value per share

- Increase shareholder value over the medium to long term by reinvesting earnings.
- Redistribute profits among shareholders, taking into consideration such factors as the business environment, performance, and financial position.
- In addition to the stable payment of dividends, increase value per share through the flexible and continuous repurchase of own shares.

## Business Strategy

### Achieve growth through three paths

- Promote further core business growth (develop and evolve)
- Expand into new asset classes
- Explore new business domains and capture business opportunities

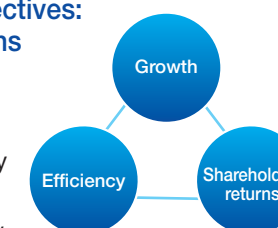


& INNOVATION 2030  
DREAM, VISION, REALITY

## Financial Strategies

### Manage with an equal focus on the three key objectives: enhance growth, efficiency and shareholder returns

- Achieve stable and continuous profit growth and enhance cash-generating capabilities
- Improve efficiency and maintain financial soundness by managing the Company's balance sheet
- Expand shareholder returns based on growth and efficiency



## Infrastructure That Supports the Strategy

Human resources

DX

ESG



## Mitsui Fudosan Group Long-Term Vision &amp; INNOVATION 2030

## Quantitative Targets

## ■ Quantitative Targets: Around FY2030

<b>Growth Indicator</b>	EPS* <sup>1</sup> growth rate <b>+8%</b> or higher* <sup>2</sup>	<b>Efficiency Indicator</b>	ROE <b>10%</b> or higher
-------------------------	--	-----------------------------	--------------------------

## ■ Quantitative Targets: FY2026

<b>Growth Indicator</b>	EPS growth rate <b>+8%</b> or higher* <sup>3</sup>	<b>Efficiency Indicator</b>	ROE <b>8.5%</b> or higher
PL	Business income <b>¥440 billion</b> or higher* <sup>4</sup>	Shareholder Returns (FY2024–FY2026)	Total payout return ratio <b>50%</b> or higher each period
	Net income <b>¥270 billion</b> or higher		Dividend payout ratio Around <b>35%</b> each period
BS	Total assets Around <b>¥9 trillion</b>		<b>Stable dividend increases linked to sustainable profit growth (continuous and progressive dividends)</b>
	Interest-bearing debt Around <b>¥4.5 trillion</b>		<b>Flexible and continuous repurchase of own shares</b>
Efficiency Indicator	ROA <b>5%</b> or higher* <sup>5</sup>		

## ■ Business income by segment

	FY2022	FY2026	Image of Growth
Leasing	Approx. ¥150 billion ▶	Around <b>¥180 billion</b>	Increase in leasing income due to the completion of new properties. Increase in leasing income due to such factors as the increase in existing property rent revenue.
Management	Approx. ¥153 billion ▶	Around <b>¥210 billion</b>	Focus on the stable generation of high margins. Amounts recorded each period vary depending on market conditions.
Property Sales	Approx. ¥63 billion ▶	Around <b>¥70 billion</b>	Increase in management fees due to such factors as AUM growth and increase in property management fees.
Facility Operations	Approx. -¥4 billion ▶	Around <b>¥30 billion</b>	Further improvements in ADR for hotels and resorts. Increase in the number of Tokyo Dome customers, etc.
Business Income* <sup>6</sup>	Approx. ¥313 billion ▶	<b>¥440 billion</b> or higher	

\* 1 Earnings per share

\* 2 FY2023 (forecast)–FY2030 (forecast) CAGR

\* 3 FY2023 (forecast)–FY2026 (forecast) CAGR

\* 4 Operating income + Equity in earnings/losses of affiliates (including Gain/loss on sales of shares of subsidiaries and affiliates for the purpose of real estate sales) + Gain/loss on sales of fixed assets

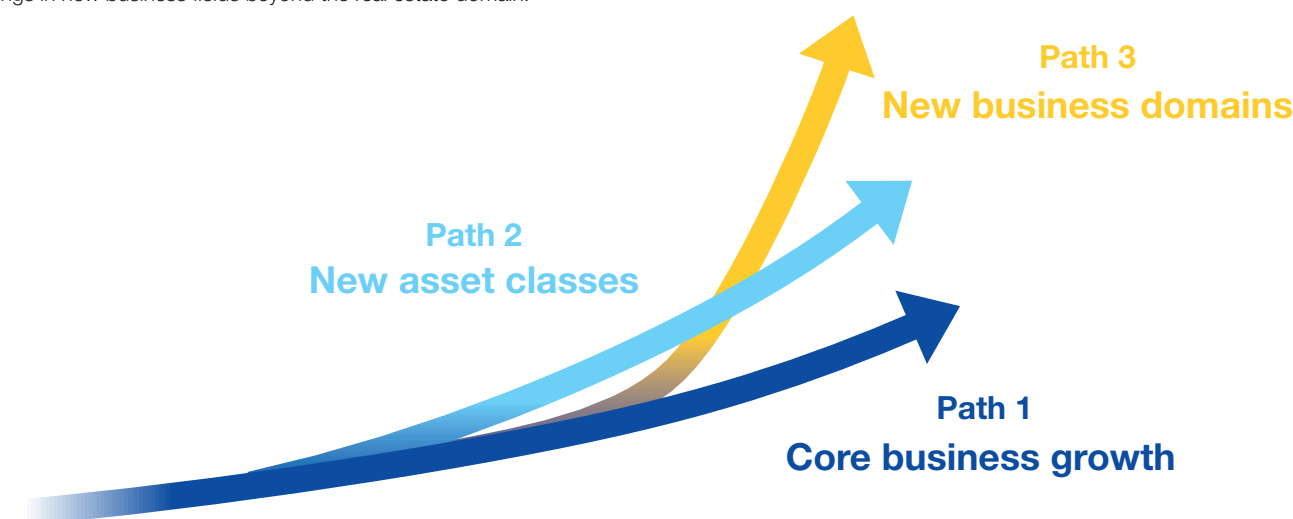
\* 5 Business income / Average total assets over period

\* 6 Business income = Operating income + Equity in earnings/losses of affiliates (including Gain/loss on sales of shares of subsidiaries and affiliates for the purpose of real estate sales) + Gain/loss on sales of fixed assets

## Business Strategy

## Three business strategy paths

The business strategies that we intend to follow through to 2030 are comprised broadly of three paths. Under each of these three paths, we will first, promote further core business growth, second, expand into new asset classes, and third, explore new business domains and capture business opportunities. Rather than an “either/or” proposition, we look at each of the three paths from an “and” perspective. As such, each path is linked to the other. In addition to our growth strategy in the existing real estate domain, we will practice ambidextrous management by increasing sources of earnings in new business fields beyond the real estate domain.



## Path 1: Promote further core business growth (develop and evolve)

Work to further grow (develop and evolve) the core businesses that have supported the Group's efforts to create value to date.

- (1) Decouple from the market\*
- (2) Strengthen development profitability~Realize added value
- (3) Further develop and evolve overseas business

\* Achieve high profitability regardless of the external environment through differentiation and efforts to create new markets.

## Path 2: Expand into new asset classes

Accelerate expansion into new asset classes by leveraging the strengths and know-how cultivated in core businesses.

- (1) Create neighborhoods harnessing the power of sports and entertainment
- (2) Expand the Mitsui Lab & Office business
- (3) Further expand business domains by strengthening the data center business, etc.

## Path 3: Explore new business domains and capture business opportunities

Explore new business domains and capture business opportunities to realize the Group's continued growth in the future.

- (1) Further develop and evolve as a platformer
- (2) Invest in mainstay fields
- (3) Establish a new division



## Mitsui Fudosan Group Long-Term Vision &amp; INNOVATION 2030

## Path 1

## Promote further core business growth (develop and evolve)

1  
Core business growth

## Decouple from the market

- Pursue a customer-centered approach. Combine real and digital media to provide experiential value that meets the diversifying needs of individual customers. Further promote the development of mixed-use neighborhoods that integrate soft (services) and hard (real estate) to strengthen the competitiveness of entire cities. Strengthen the Mitsui Fudosan Group Network while working to upgrade and expand memberships organizations.
- Decouple from the market by differentiating each business and efforts to develop neighborhoods while creating new demand.

## Increase the quality and quantity of core business value provided through real and digital measures

For details, see P072

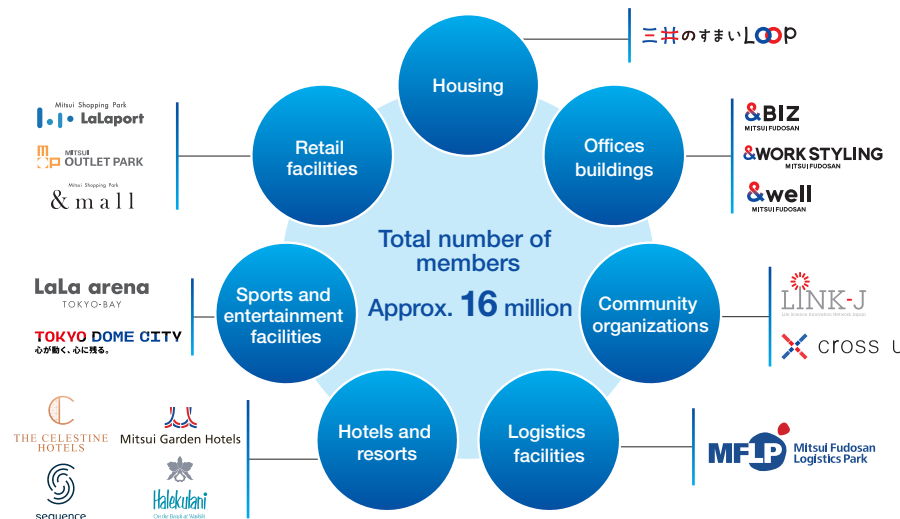
<b>Offices</b>	Develop offices you want to work in in cities you want to visit.
<b>Retail facilities</b>	Build a one-of-a-kind omni-channel platform.
<b>Housing</b>	Strengthen collaboration among Group companies, provide one-stop services.
<b>Hotels and resorts</b>	Utilize customer data and DX, propose personalized high-quality stay experiences.
<b>Logistics</b>	Help address customer issues throughout the supply chain, not just in the warehouse.

## Create mixed-use neighborhoods

- Harness the wide-ranging know-how cultivated to date and integrate soft (services) and hard (real estate) to provide value that meets the various working, living, enjoying, and relaxing needs of people.



## Strengthen the Mitsui Fudosan Group Network



## Strengthen development profitability~Realize added value

For details, see P023

- Further develop the "Income Gain Business, Capital Gain Business, and Management" business model. In addition to stable leasing income from property holdings, accelerate asset turnover and realize added value (valuation gains) at an early stage from total real property for sale and fixed assets.
- Engage in long-term management of assets under management after sale.
- Also consider the proactive use\* of third-party funding from the kickoff stage of large-scale developments.

\* Proactively call for third-party funding from various entities, including institutional investors from the business kickoff stage; in addition to the Company's share of revenues, improve business efficiency by acquiring management fees.

## Create sustainable added value

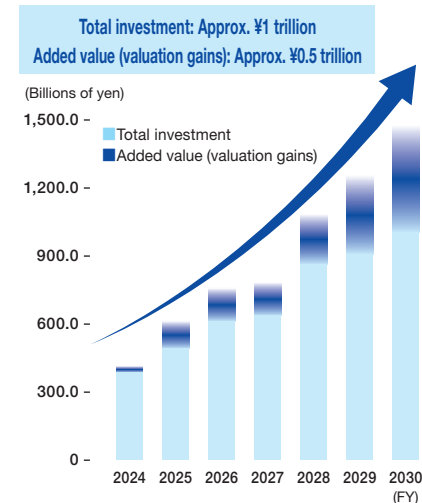
## Major Projects Scheduled for Completion between FY2024 and FY2030

- MOP MARINEPIA KOBE (reconstruction)
- MFLP・LOGIFRONT Tokyo-Itabashi
- MFLP Yokohama Shinkoyasu
- Nihonbashi 1-Chome Central District Project
- Former Yokohama City Hall Block Utilization Project
- (Tentative name) LaLaport ANJO
- Nihonbashi-Honsho 1-Chome 3 Project
- Hakone Project
- Yaesu 2-Chome Central District Project
- Uchisaiwaicho 1-Chome Central District Project
- Uchisaiwaicho 1-Chome North District Project
- Nihonbashi Muromachi 1-Chome District Project
- Hino Data Center Project

## Create added value through major projects

Notes:

1. Based on the Company's own current estimates.
2. Amounts for each fiscal year are cumulative for FY2024 and beyond.



Nihonbashi 1-Chome Central District Project

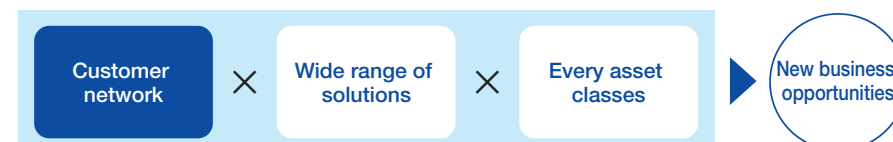


(Tentative name) LaLaport ANJO



MFLP・LOGIFRONT Tokyo-Itabashi

## Capture new business opportunities



## Further develop and evolve overseas business

## Accelerate the turnover-type investment model

- Accelerate new acquisitions focusing on turnover-type purchases while carefully selecting products and areas
- Realize profits after generating added value. Strengthen BS control endeavors.
- Target further overseas business growth by making smart decisions on when to buy sell based on conditions in each local market.



## Growth by area and product strategy

- Position such offices as 50 Hudson Yards in the United States as an earnings platform and accelerate expansion into the fast-growing Sun Belt Area as a next step.
- Expand investment in Australia and India where growth is expected.
- Build a portfolio drawing on the business environment in each area.
- Consider investing in new business domains (e.g., renewable energy facilities, student dormitories, data centers)



## Expand into the U.S. Sun Belt Area

## Promote business across a three-area structure

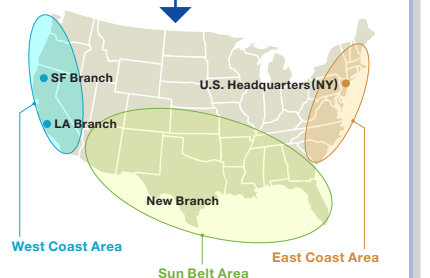
Expand high-growth investments, focusing on the Sun Belt Area\* in the United States Accelerate logistics facility and other business activities, including rental multifamily housing, which is experiencing robust real demand and remarkable growth. Open offices in the area and establish a three-area structure that includes the existing East Coast (NY) and West Coast (SF, LA) areas.

\* Generally refers to the area south of the 37th parallel north latitude.

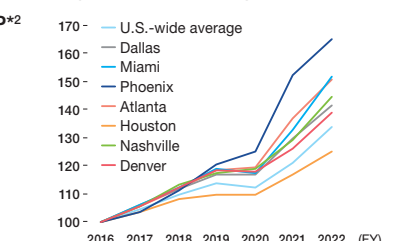
## Population trends\*1 / Trends in nominal GDP\*2 (growth rate from 2016 to 2022)

	East Coast	West Coast	Sun Belt
Population trends	101.8%	101.1%	105.7%
Trends in nominal GDP	130.2%	143.1%	144.9%

Sources: \*1 U.S. Bureau Census \*2 U.S. Bureau of Economic Analysis \*3 REIS (Real Estate Information Service) All Class



## Trends in housing complex rents\*3 (with 2016 as 100)





## Mitsui Fudosan Group Long-Term Vision &amp; INNOVATION 2030

## Path 2

## Expand into new asset classes

2  
New asset classes

## Create neighborhoods harnessing the power of sports and entertainment

- Utilize sports and entertainment, strengthen mixed-use functions, and promote the creation of neighborhoods that instill excitement.
- Capture business opportunities by leveraging TOKYO DOME CORPORATION's strengths.
- Establish a new division to maximize the value of each customer's experience through synergies between retail facilities and the power of sports and entertainment.

## Expand on the back of TOKYO DOME CORPORATION's strengths

- Employ sales and booking coordination capabilities across a wide range of genres, including sports and concerts.
- Leverage the ability to manage on-site operations for events that cater to thousands to tens of thousands of people.
- Harness the ability to plan and manage independent entertainment events.
- Utilize the ability to plan directly managed leisure facilities.

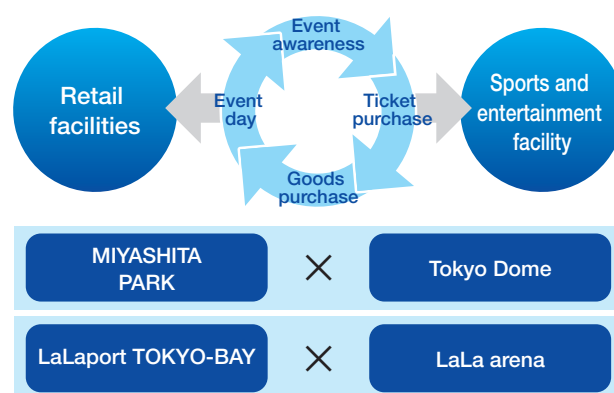


Tokyo Dome City

New Chichibunomiya Rugby Stadium project  
(utilizing the know-how of TOKYO DOME CORPORATION)

## Promote the arena business

- Increase points of customer contact through arena operations, enhance event content, etc., and develop measures to increase synergies with retail facilities.



LaLa arena TOKYO-BAY

## Create exciting experiences through sports and entertainment

- Create exciting experiences through events and content.
- Actively promote initiatives in collaboration with external partners.



## Expand the Mitsui Lab &amp; Office business

- Further expand the rental wet lab market\*, created by the Company, and capture demand.
- Contribute to open innovation in society by putting in place an environment for various research scenarios.

\* Wet lab: Research facility for conducting experiments using equipment and chemicals

- Responding to the growing importance of open innovation in the R&D environment, the Company already developed 13\* projects in Japan and abroad.
- Strengthen both urban projects, which are located in major metropolitan areas, and business seeds regional projects, which are located near academia and medical institutions.

\* Including projects scheduled to commence.

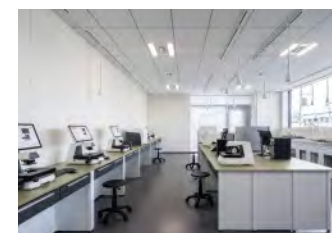


MITSUI LINK-Lab SHINKIBA 2



Torrey View (San Diego, U.S.)

- In addition to such tangible assets as buildings and equipment, support tenant company innovation creation by combining intangible services, including communication spaces and communities such as Life Science Innovation Network Japan Inc. (LINK-J).

Common Equipment Room  
(MITSUI LINK-Lab SHINKIBA 2)MITSUI LINK-Lab  
(events for interaction between tenants)

## Further expand business domains by strengthening the data center business, etc.

- Strengthen data center business to support the digitalization of society. Capture rising demand.
- Moreover, leverage the Group's strengths and expertise, expand into various asset classes, and create value for customers.

- Expand business domains to urban-and co-location -type data centers\* (DCs) by leveraging know-how in the Data Center DC business.

\* A service that rents out space to install servers, network equipment, etc.



Data center: MFLP Inzai II

- Leverage the Group's strengths and expertise, expand into various new asset classes, and increase the value provided to customers in connection with the creation of neighborhoods.



School facility: Rugby School Japan (Kashiwa-no-ha)



## Mitsui Fudosan Group Long-Term Vision &amp; INNOVATION 2030

## Path 3

## Explore new business domains and capture business opportunities

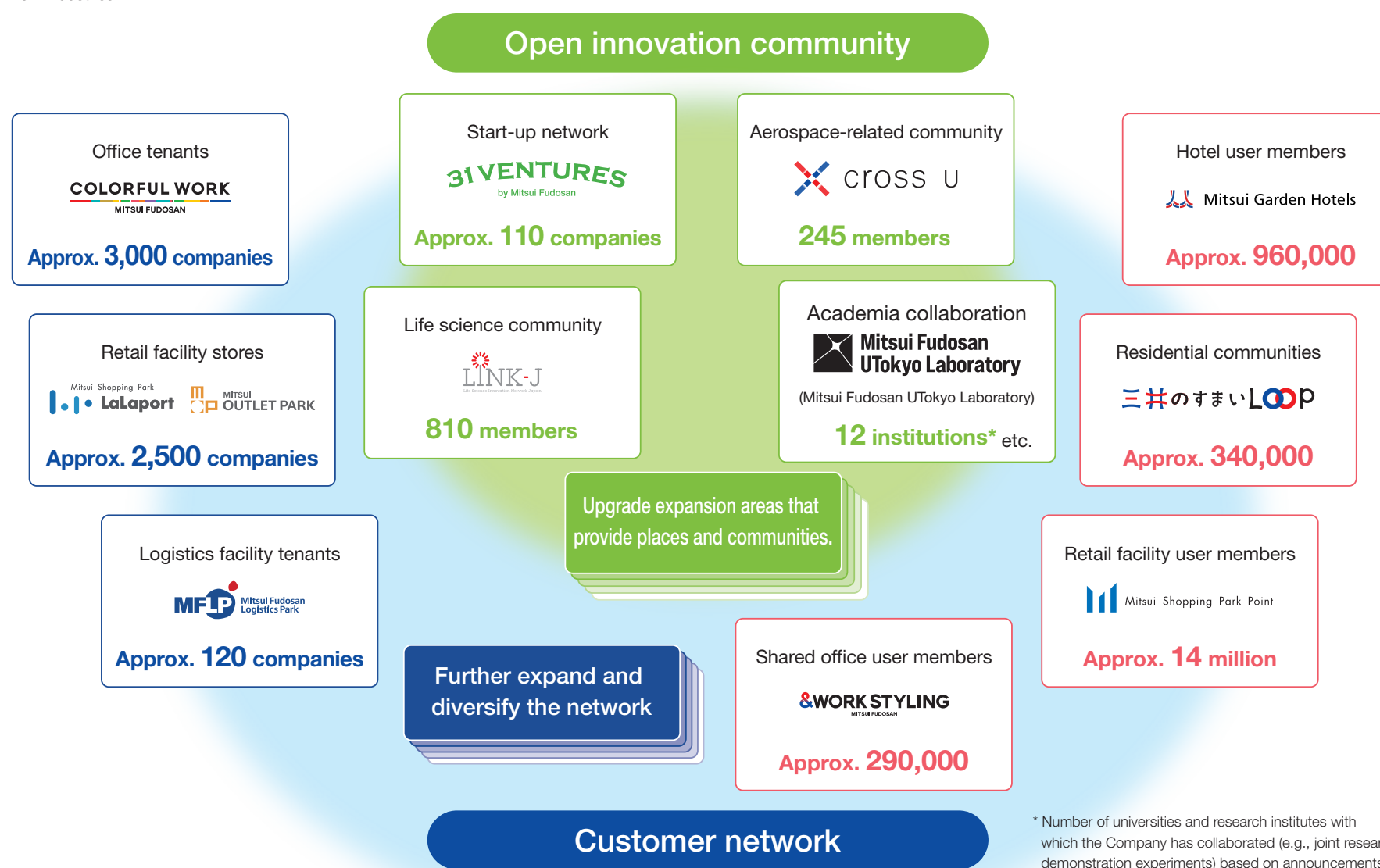
3  
New business domains

## Further develop and evolve as a platformer

- Play a role in bringing together the wisdom of companies, society, and the people who live there.
- Build a network that transcends the traditional boundaries of real estate developers by providing a platform for open innovation.
- Upgrade expansion areas (menus) that provide places and communities as an industry developer. Accelerate contributions to the innovation and creation of new industries through increased involvement as a platformer.

## Extensive networks and communities

- Upgrade place and community service menus by leveraging networks established to date.
- Play a role in bringing together the wisdom of diverse people from various areas, including large companies, start-ups, and academia, and accelerate contributions to open innovation and the creation of new industries.



\* Number of universities and research institutes with which the Company has collaborated (e.g., joint research, demonstration experiments) based on announcements.

## Pick up

## “cross U,” a co-creation platform for the aerospace business

- A business co-creation platform that provides places and a community for aerospace business-related players
- Established in partnership with volunteers from industry, government, and academia, activities commenced at a base in Nihonbashi in April 2023
- During the first year of activities, special members increased to 252; working to promote further growth as one of the largest space business communities in Japan

Providing spaces and creating opportunities

Example of a member and tenant company



X-NIHONBASHI

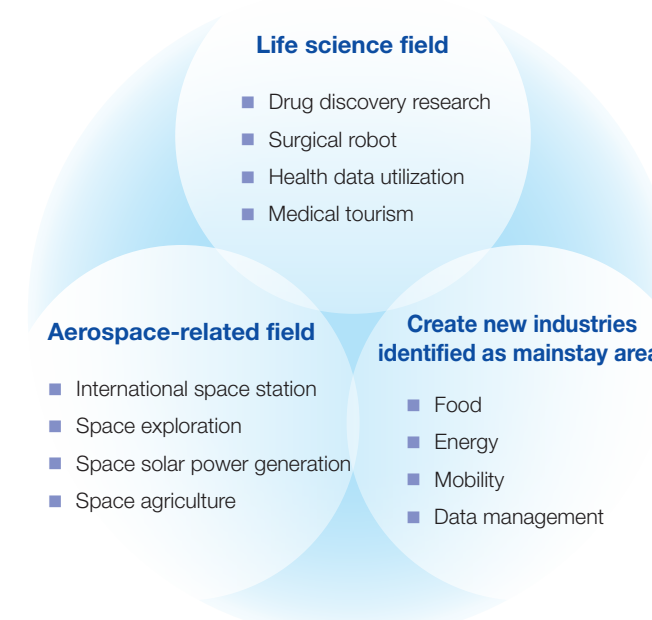


SpaceBD

## Invest in mainstay fields

- Search for business seeds that contribute to the creation of new industries by drawing on the places and communities we provide.
- Identify and invest in mainstay areas where the Group can leverage its strengths, including its diverse network, vast points of customer contact, and planning know-how.
- Work to expand into relevant business fields and nurture into a new source of revenue for the future.

## Image of investment consideration areas



## Establish a new division

- Establish a new division for Group-wide growth through innovation. Explore new business domains and effectively allocate management resources to capture business opportunities.
- Actively utilize M&As and newly establish a dedicated department.

## M&amp;A investment budget\*1

Over ¥400 billion

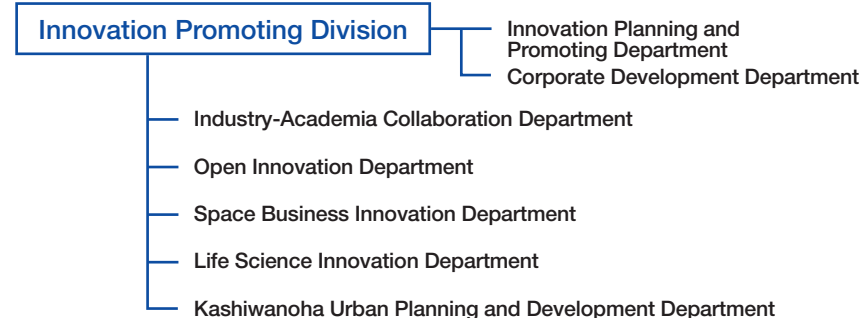
\*1 To FY2030

## Start-up equity investment limit\*2

Over ¥100 billion

\*2 To FY2030

## Division structure





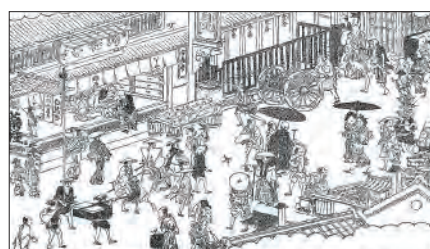
Special  
Feature

# Expand the Rental Lab and Office Buildings Businesses

## ► Why Is Mitsui Fudosan Promoting Life Sciences Businesses?

### In the Nihonbashi Area

- During the Edo period, Tokugawa Ieyasu concentrated drug wholesalers in Nihonbashi, which was then the center of drug trading throughout Japan.
- Many pharmaceutical companies are still based there today
- Base for promoting "old yet new" bio-innovation



Edo Meisho Zu-e (Illustrated Book of Famous Places in Edo) Vol. 7 (National Diet Library)  
Compiled from <https://dl.ndl.go.jp/pid/2563380/1/39>

### In the United States

- Leading the world in the life science field
- The Rental Lab and Office Buildings businesses form a mature market as infrastructure supporting the life science field
- Life science clusters in Boston, San Francisco, and San Diego, which are close to the Company's U.S. business promotion areas



Launching initiatives in life science both domestically and overseas

## ► Why Is Mitsui Fudosan Able to Promote Its Rental Lab and Office Buildings Businesses?

### Features of Rental Labs and Office Buildings

- Stable asset class with high utilization rates as worker attendance rates are high
- In contrast, dedicated equipment is required, with initial investments high and tenants limited compared to regular offices

While an attractive asset class, relationships with life science companies are essential to advance business

### Status of Life Science Companies

- Start-ups: Low financial resources and unable to own research facilities  
Necessary scale changes as they grow
- Large : Research facilities in locations with good transportation companies access needed to increase competitiveness in recruiting  
Need for collaboration with start-ups, academia, and other industries

Rising demand for rental laboratories

### Mitsui Fudosan Group's Characteristics/Initiatives

- Based in Nihonbashi, Tokyo, where Japan's life science industry is concentrated
- Established LINK-J, a life science community organization, to support innovation in the life science industry as a platform provider

Mitsui Fudosan Group maintains strong relationships with many life science companies

The increasing demand for rental labs and office buildings among life science companies and the Mitsui Fudosan Group's relationships with them have enabled the promotion of the Rental Lab and Office Buildings businesses.

## ► Further Accelerating Creation of Demand for and Proliferation of Rental Labs and Office Buildings

### Building Communities



An interaction platform for life sciences established in 2016 in partnership with academia and industry

Number of members	137 (2017)	810 (Feb. 2024)
Number of events per year	380 (2017)	1,142 (2023 results)

### Providing capital

#### LP investments in life science-related funds

Providing support according to each stage; putting more advanced technological seeds into practical use.  
Further accelerating the creation of new industries



Expansion of the life science community, increase in contact points

Accelerating the development of places, absorbing demand

## Expansion of Rental Labs and Office Buildings

Positioning rental labs and office buildings as the seeds for its next growth, the Group is greatly expanding further both domestically and overseas.

Japan | 9 properties

U.S. | 4 properties\*  
\* Including planned property development



We aim to help resolve R&D environment-related issues in the life science field, a global growth field, both in Japan and overseas while capturing new demand and creating new markets.

# Financial Strategies

## Summary of Financial Strategies

Manage with an equal focus on the three key objectives: enhance growth, efficiency and shareholder returns



### Achieve stable and continuous profit growth and enhance cash-generating capabilities

- ▶ Achieve stable and continuous leasing income growth through various measures, including the development of new properties and existing property top-line growth.
- ▶ Realize development added value through the stable and continuous turnover of assets, while taking into consideration the balance between leasing income and sales profit.
- ▶ Enhance cash-generating capabilities through business planning, property development, and management capabilities that are the source of the Company's competitive advantage.

### Improve efficiency and maintain financial soundness by managing the Company's balance sheet

- ▶ Further enhance the quality of the asset portfolio by considering and executing asset turnover, reviewing not only real property for sale but fixed assets and investment securities.
- ▶ Maintain an "A" rating as a measure of financial soundness and appropriately control financial leverage.
- ▶ Steadily and sustainably improve ROE to a level that exceeds the cost of shareholders' equity.

### Expand shareholder returns based on growth and efficiency

- ▶ Improve the dividend payout ratio and achieve stable dividend increase linked to profit growth (continuous and progressive dividends).
- ▶ Undertake the flexible and continuous repurchase of own shares.
- ▶ Implement measures to increase the proportion of long-term shareholders.

## 1. Achieve stable and continuous profit growth

- Increase profit with a view toward fiscal 2030, Set the EPS growth rate as a quantitative target and key indicator of increased shareholder value and target an EPS CAGR of +8% or higher from fiscal 2023 to fiscal 2030 together with the flexible and continuous repurchase of own shares.

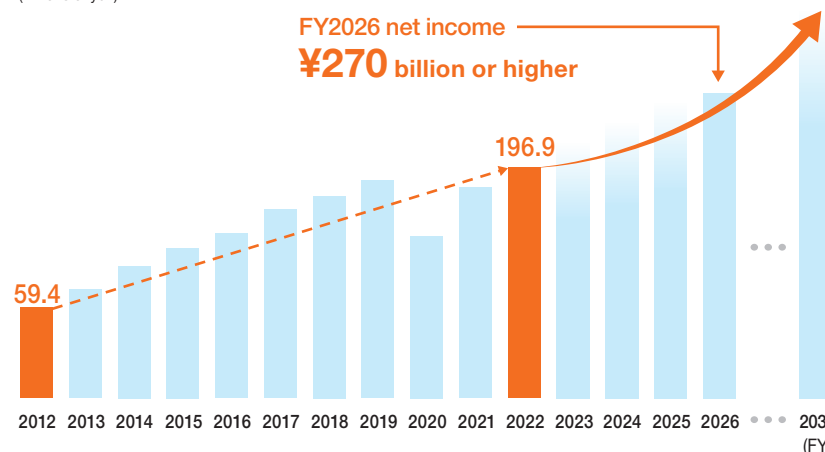
### Business income by segment

	FY2022	FY2026	Image of growth
Leasing	Approx. ¥150 billion ▶	Around <b>¥180 billion</b>	Increase in leasing income due to the completion of new properties. Increase in leasing income due to such factors as the increase in existing property rent revenue.
Property Sales	Approx. ¥153 billion ▶	Around <b>¥210 billion</b>	Focus on the stable generation of high margins. Amounts recorded each period vary depending on market conditions.
Management	Approx. ¥63 billion ▶	Around <b>¥70 billion</b>	Increase in management fees due to such factors as AUM growth and increase in property management fees.
Facility Operations	Approx. -¥4 billion ▶	Around <b>¥30 billion</b>	Further improvements in ADR for hotels and resorts. Increase in the number of Tokyo Dome customers, etc.
Business Income*	Approx. ¥313 billion ▶	<b>¥440 billion or higher</b>	

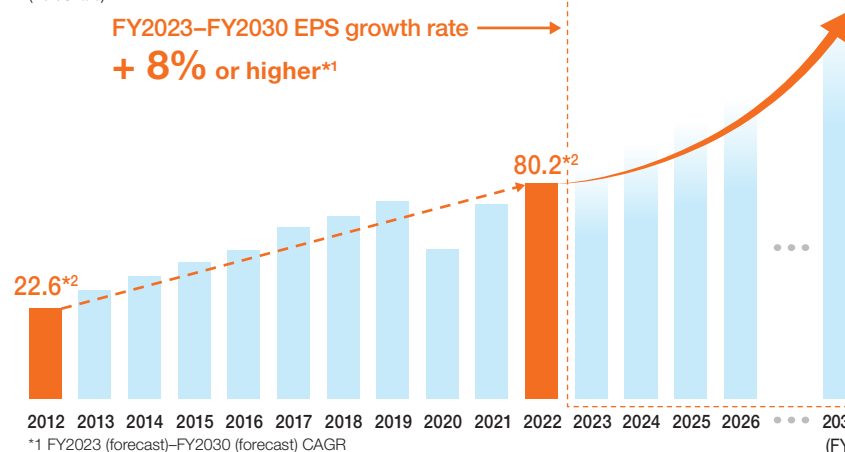
\* Business income = Operating income + Equity in earnings/losses of affiliates (including Gain/loss on sales of shares of subsidiaries and affiliates for the purpose of real estate sales) + Gain/loss on sales of fixed assets

### High profit growth

#### ■ Trends in profit attributable to owners of parent (Billions of yen)



#### ■ Trends in EPS (Yen/Share)



\*1 FY2023 (forecast)-FY2030 (forecast) CAGR

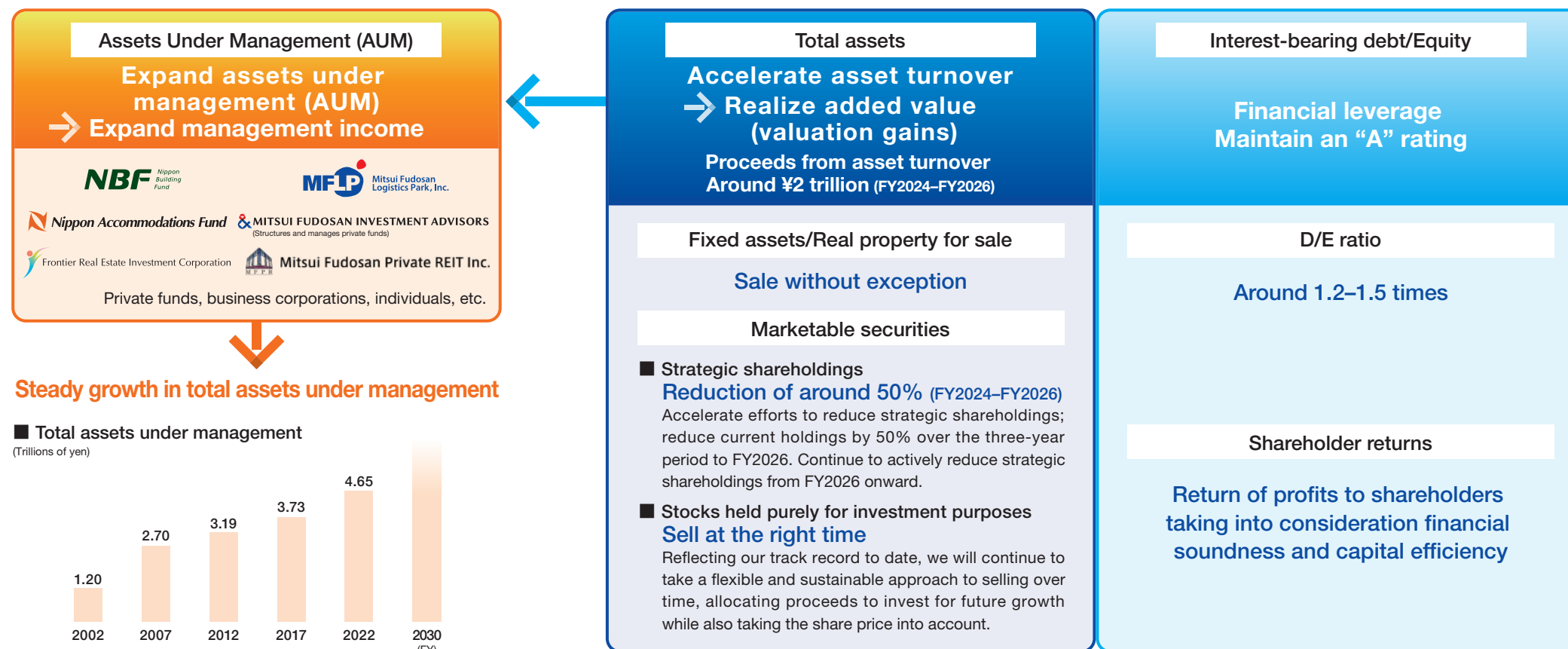
\*2 The Company conducted a stock split of its common shares on the basis of 1 share to 3 shares effective April 1, 2024. Data adjusted on a post-stock-split basis.



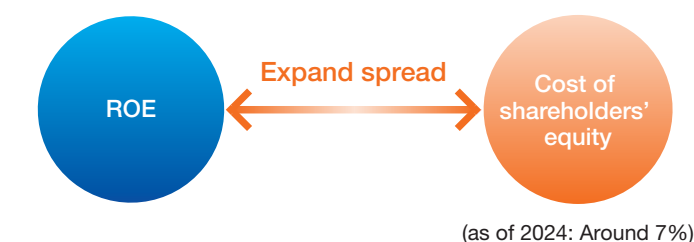
## Financial Strategies

## 2. Improve efficiency and maintain financial soundness

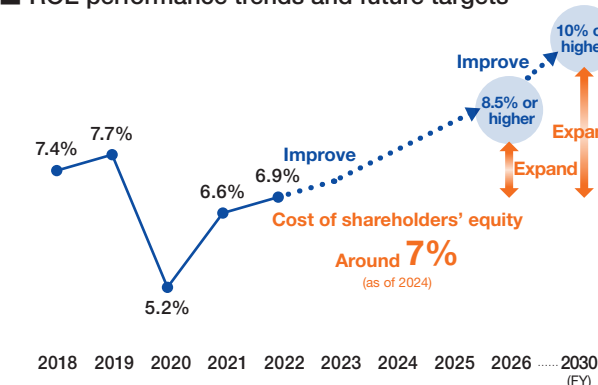
- Accelerate asset turnover and realize added value (valuation gains), while taking into consideration the balance between leasing income and sales profit. (Sale of fixed assets and real property for sale without exception; reduction of strategic shareholdings; sell at the right time stocks held purely for investment purposes.) Work to increase management revenue by expanding assets under management.
- Maintain a highly efficient and sound financial structure while controlling the balance sheet (BS).



Steadily and sustainably improve ROE to a level that exceeds the cost of shareholders' equity

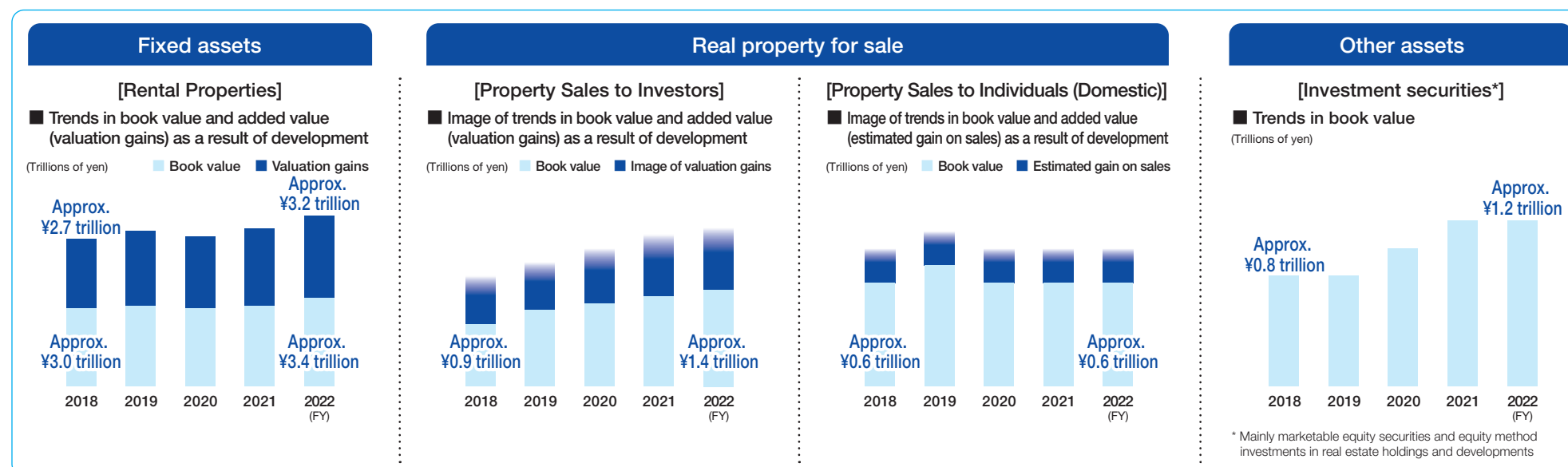


■ ROE performance trends and future targets



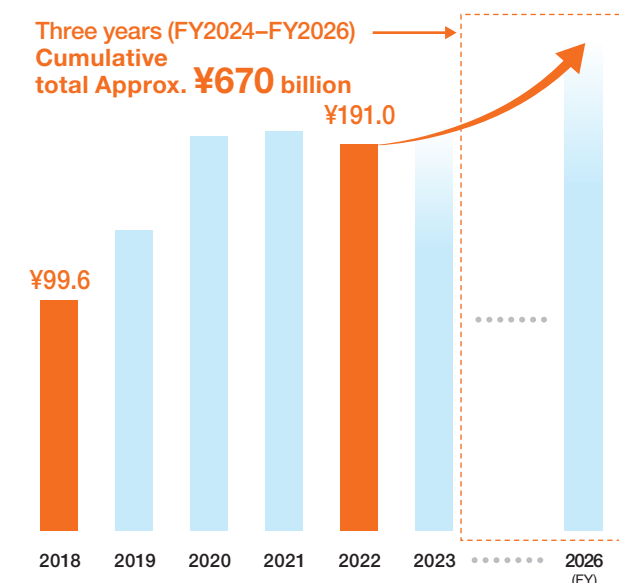
## 3. Realize added value (gain on sales)

- Enhance the quality of the asset portfolio for further growth and improved efficiency.
- Accelerate asset turnover of not only real property for sale but fixed assets and investment securities (including strategic shareholdings and stocks held purely for investment purposes). Continuously realize added value.



Added value realization

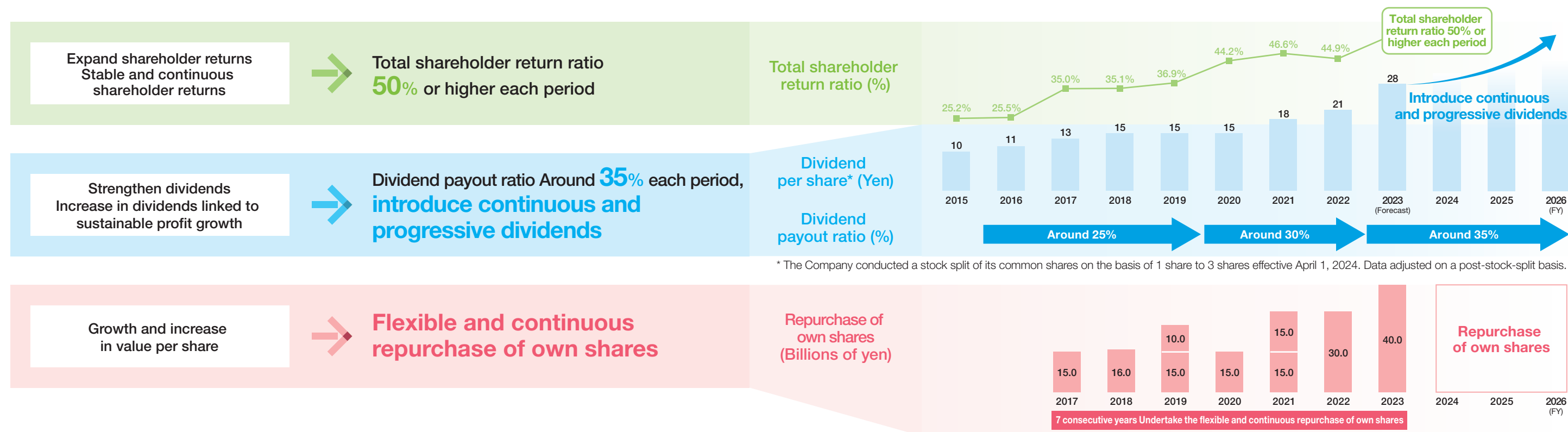
■ Fixed assets, real property for sale, marketable securities (Billions of yen)





## Financial Strategies

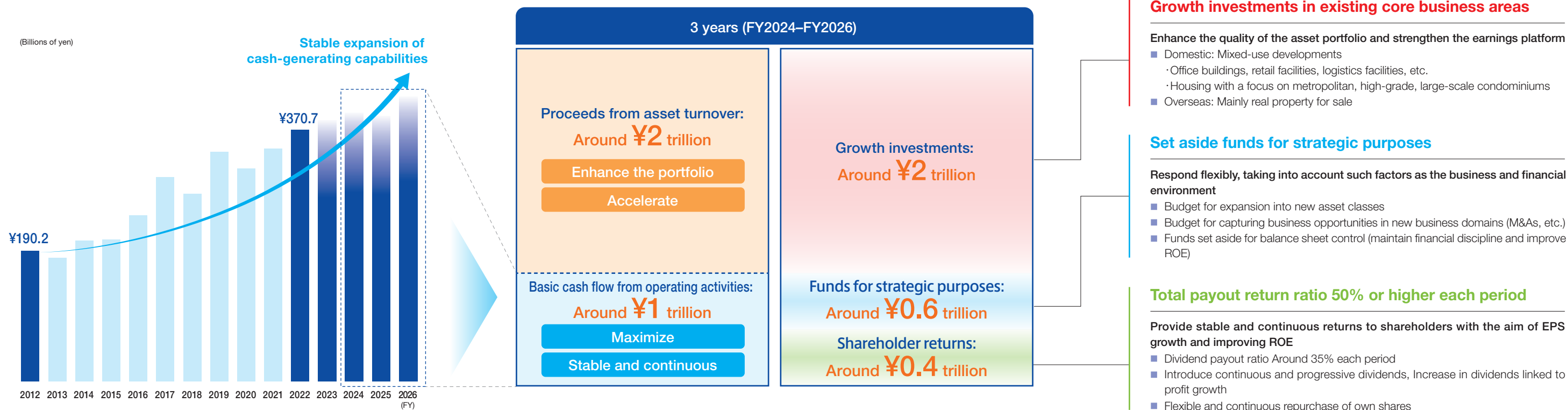
## 4. Expand shareholder returns (FY2024–FY2026)



## 5. Enhance cash-generating capabilities (FY2024–FY2026)

- Maximize basic cash flow\* generated by mainstay businesses. Strengthen stable and continuous cash-generating capabilities.
- Enhance the quality of the asset portfolio, accelerate asset turnover, and realize added value.
- Appropriately allocate basic cash flow from operating activities and proceeds from asset turnover to growth investments, strategic funds and shareholder returns with a focus on growth and efficiency while controlling increases in outstanding debt.

\* Basic cash flow from operating activities: Cash flow minus changes in such items as working capital (including increase/decrease in real property for sale) from operating cash flows, plus gains/losses on asset turnover.





## Financial Strategies

## Message from the CFO

By promoting management with an equal focus on the three key objectives: enhance growth, efficiency, and shareholder returns, I will strive to raise corporate value by advancing balance sheet control and improving our asset and capital efficiency as well as by continuing to engage in active dialogue with investors.

Chiharu Fujioka Executive Managing Officer

## Fiscal 2023 Business Results and Future Outlook

In fiscal 2023, revenue from operations reached a record high for the 12th consecutive period, while operating income, ordinary income, and profit attributable to owners of parent (hereinafter net income) reached record highs for the second consecutive period.

We also decided to apply our new strengthened shareholder return policy (total payout return ratio of 50% or higher each period, dividend payout ratio of around 35% each period) under & INNOVATION 2030, the Group's new long-term vision announced on April 11, 2024, ahead of schedule from the fiscal year ended March 2024 and revised our annual dividend upward to ¥84 per share (up ¥22 per share from the previous fiscal year). In addition, as a result of the decision to repurchase own shares worth ¥40 billion, the total shareholder return ratio is scheduled to come in at 52.7%, based on net income of ¥224.6 billion.

For fiscal 2024, revenue from operations and net income are expected to again reach record highs. These forecasts factor in increased profit from accelerated asset replacement, after taking into account a comprehensive view of fixed assets, real property for sale, and investment securities, as well as further earnings and profit growth from the thriving hotel and resort business.

Under & INNOVATION 2030, we have newly established an item called business income. An indicator comprising the total value of equity in earnings/losses of affiliates and gain/loss on sales of fixed assets added to conventional operating income, business income directly expresses the added value created by our core businesses. This indicator has been established as an expression of management's intention to actively replace assets, including not only real property for sale but also fixed assets.

The business income forecast for fiscal 2024 is ¥370 billion, an increase of ¥23.8 billion compared with the previous fiscal year.

In addition, we expect net income to increase ¥10.3 billion year on year to ¥235 billion.

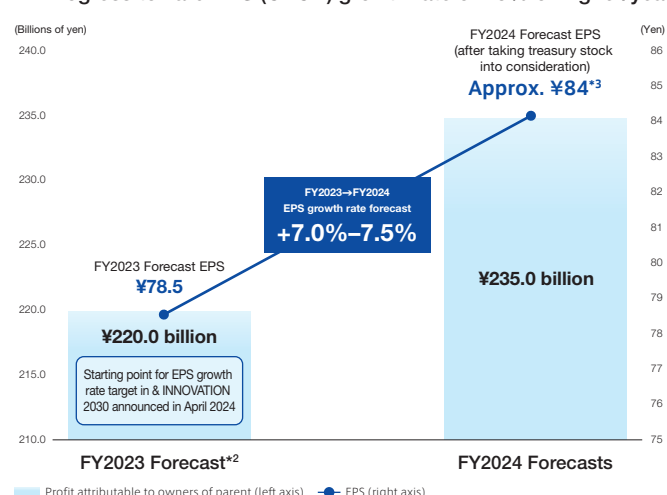
To deepen two-way dialogue with investors and other stakeholders, under & INNOVATION 2030, we have set numerical targets for growth, efficiency, shareholder returns, etc. for fiscal 2026 as milestones toward our vision for fiscal 2030. The profit targets adopted for fiscal 2026 are business income of more than ¥440 billion and net income of more than ¥270 billion. I believe that, as expected, fiscal 2024 has gotten off to a good start toward achieving these profit targets.

As far as the EPS growth rate is concerned, under & INNOVATION

2030, we have set an EPS CAGR target of +8% or more for fiscal 2026. However, as stated under & INNOVATION 2030, assuming forecast net income of ¥220 billion for fiscal 2023 as the starting point, the EPS growth rate for the forecast net income of ¥235 billion for fiscal 2024 will be in the 7.0%–7.5% range (after taking into account the previously announced ¥40 billion repurchase of own shares). It is my belief that we are off to a good start in terms of our EPS growth target for fiscal 2026.

By bringing about the realization of growth through the three business strategy paths outlined in & INNOVATION 2030 and adopted by the entire company, we will work to achieve the profit targets, including business income, net income, and EPS growth rate, as well as the efficiency targets. In my capacity as CFO, I will support these efforts, particularly in terms of cash allocations and finances.

### & INNOVATION 2030 (announced April 2024) Progress toward EPS (CAGR) growth rate of +8% or higher/year\*1



### Cash Allocation Plan for Promoting Management with Equal Focus on the Three Key Objectives: Enhance Growth, Efficiency, and Shareholder Returns

Under & INNOVATION 2030, we have outlined our cash allocations for the next three years to help investors understand, for example, how the Company plans to generate cash and the cash generated will be put to use, our thoughts on financial management, and our efforts to deepen communications.

I believe that the following three points are essential to the cash allocations we have disclosed at this time.

The first point is to maximize core operating cash flow over the next three years.

Historically, cash flow from operating activities has fluctuated dramatically from period to period due to the large scale of investment in real property for sale and recovery, making it difficult to see the stability and continuous growth of cash flow from our core businesses externally.

Therefore, we have now excluded “increase/decrease in cash from investment returns from real property for sale” from cash flows from operating activities and newly established “basic cash flow from operating activities,” which is cash flow minus changes in such items as working capital (including increase/decrease in real property for sale) from operating cash flows, plus gains/losses on asset turnover. Over the next three years, we will generate basic cash flow from operating activities of approximately ¥1 trillion through (1) Stable and continuous leasing income from the development of new properties and existing property top-line growth, and (2) Enhancing our cash-generating capabilities via our core businesses, such as the realization of development added value from the stable and continuous turnover of assets, while focusing on growth through both leasing income and sales profit.

The second point is to recover approximately ¥2 trillion in assets over the three-year period through the turnover of assets.

While taking into consideration increases in leasing income and sales profit, we will promote balance sheet control, which includes the sale not only of real property for sale but also of fixed assets and securities, and aim to recover approximately ¥2 trillion.

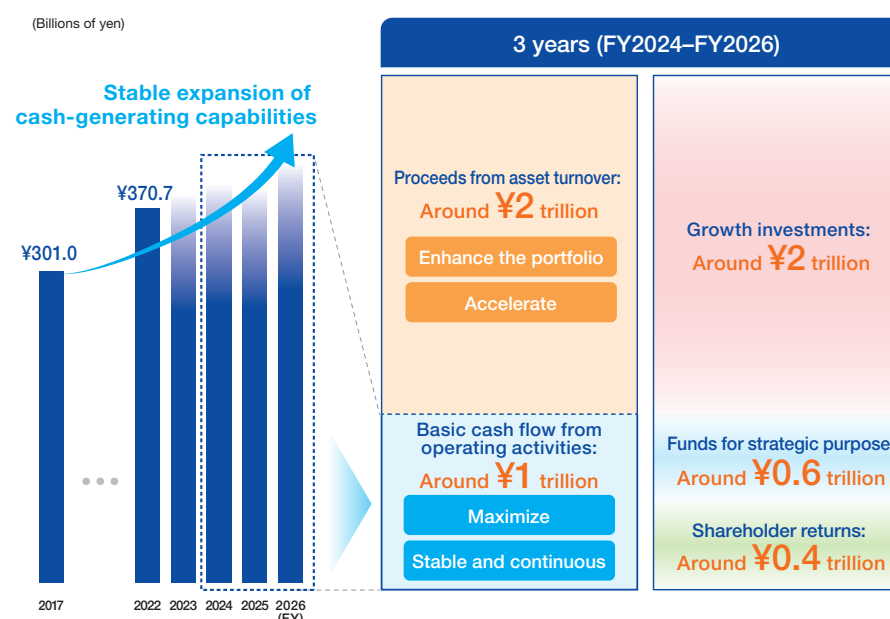
This figure is equivalent to 1.4 times the amount recovered over the past three years (fiscal 2021 to fiscal 2023), with half of the funds expected to be from domestic residential sales, and there is already a growing number of properties for which contracts have been concluded. As we have many assets suitable for sale both domestically and overseas, I believe that we will be able to fully achieve our goal of property sales to investors.

The third and final point is capital allocation of approximately ¥3 trillion in cash inflows over the three-year period.

From a cash outflow perspective, we will use the total of ¥3 trillion from the basic cash flow and asset recovery to appropriately allocate funds for growth investments, strategic funds, and shareholder returns while limiting any increase in borrowings.

In specific terms, we will allocate approximately ¥2 trillion to growth investments in our core businesses, approximately ¥600 billion to M&A investments and balance sheet control to extend our future business domains by establishing a new strategic fund framework, and approximately ¥400 billion to shareholder returns, which we have recently enhanced.

### Enhance cash-generating capabilities (FY2024–FY2026)



### Growth investments in existing core business areas

#### Enhance the quality of the asset portfolio and strengthen the earnings platform

- Domestic: Mixed-use developments  
Office buildings, retail facilities, logistics facilities, etc.  
Housing with a focus on metropolitan, high-grade, large-scale condominiums
- Overseas: Mainly real property for sale

### Set aside funds for strategic purposes

#### Respond flexibly, taking into account such factors as the business and financial environment

- Budget for expansion into new asset classes
- Budget for capturing business opportunities in new business domains (M&As, etc.)
- Funds set aside for balance sheet control (maintain financial discipline and improve ROE)

### Total payout return ratio 50% or higher each period

#### Provide stable and continuous returns to shareholders with the aim of EPS growth and improving ROE

- Dividend payout ratio: Around 35% each period
- Introduce continuous and progressive dividends, Increase in dividends linked to profit growth
- Flexible and continuous repurchase of own shares



## Message from the CFO

## Balance Sheet Control and Maintenance of a Sound Financial Position

Real estate development and neighborhood creation-type businesses are characterized by the heavy long-term use of the balance sheet.

However, due to the acquisition of excellent business opportunities and steady results from growth investments in recent years, combined with the impact of recent exchange rate fluctuations, from a balance sheet perspective, we recognized that total assets would stand at approximately ¥9.4 trillion and interest-bearing liabilities would total approximately ¥4.4 trillion at the end of fiscal 2023, amounts that were higher than expected.

For this reason, under & INNOVATION 2030, we will promote balance sheet control over the medium to long term, with the aim of maintaining total assets at approximately ¥9 trillion and interest-bearing liabilities at approximately ¥4.5 trillion in fiscal 2026, by accelerating asset turnover and realizing added value (valuation gains), while keeping in mind growth from both leasing income and sales profit.

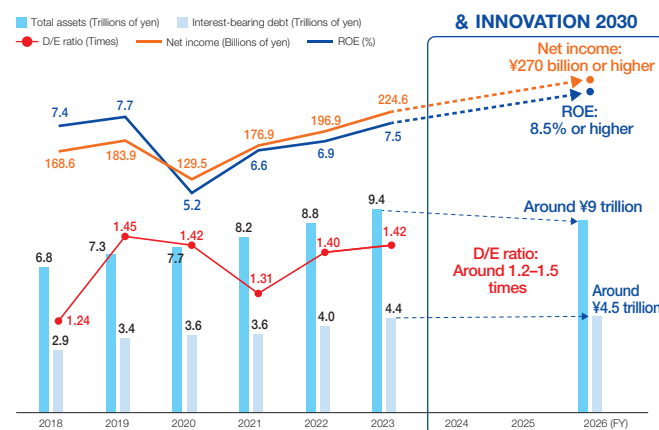
To accelerate asset turnover, we will not only sell off all fixed assets and real property for sale without exception but also take an overall view of investment securities.

As far as strategic shareholdings are concerned, which are included in investment securities, we had previously adopted a sales policy. Under & INNOVATION 2030, however, we have clearly stated that we will reduce these holdings by 50% from fiscal 2024 to fiscal 2026 and continue to actively pursue a reduction policy from fiscal 2026 onward.

In the case of shares held purely for investment purposes, we have decided that “reflecting our track record to date, we will continue to take a flexible and sustainable approach to selling over time, allocating proceeds to invest for future growth while also taking the share price into account.” Moving forward, we will undertake sales at the opportune time.

By promoting these initiatives, we will strengthen our portfolio and, without increasing our assets or liabilities, achieve profit growth while bringing about improvements in efficiency.

### ■ Current status and future outlook for net income, ROE, total assets, and liabilities



In addition, taking into consideration the high level of interest rates overseas, and the transition to a positive interest rate environment in Japan in the future, I recognize the importance of maintaining and building a sound financial base on a continuous basis and curbing our net interest burden in order to ensure the stable continuation of our business.

For this reason, I aim to maintain A ratings from the major rating agencies. I will also promote appropriate financial leverage control. This includes keeping the D/E ratio at around 1.2 to 1.5 times, and paying close attention to maintaining financial soundness.

### ■ Credit ratings

Rating agency	Long-term	Short-term	Outlook
Moody's	A3	—	Stable
Standard & Poor's	A-	A-2	Stable
Fitch Ratings	A	—	Stable
Rating and Investment Information, Inc.	AA-	a-1+	Stable
Japan Credit Rating Agency, Ltd.	AA	J-1+	Stable

Note: As of August 2, 2024

In addition, with expectations that interest rates would remain high due to the prolonged tightening of monetary policy in Europe and the United States in response to the rise in global inflation, our initial earnings forecast for fiscal 2023 projected that the net interest burden would come in at ¥80 billion (a year-on-year increase of approximately ¥26 billion from ¥53.9 billion).

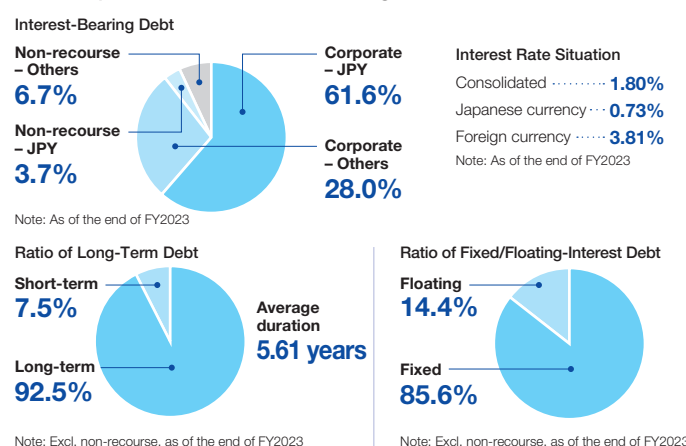
In response, we took flexible measures to reduce interest rates. This included taking advantage of the interest rate differential between the yen and the dollar and carefully selecting funding sources and methods. As a result, we were able to improve our net interest burden by approximately ¥8 billion from the ¥80 billion forecast at the beginning of the fiscal year to ¥72.3 billion.

Going forward, we anticipate that steps will be taken to lower interest rates in the United States. Notwithstanding, I expect interest rates to remain high for the time being.

However, as approximately 90% of our yen-denominated borrowings are long term and fixed, I do not anticipate any significant impact as a result of interest rate hikes. However, I expect interest rates to gradually rise domestically as well.

In this manner, I believe it is necessary to closely monitor interest rate trends in Japan and other countries. In my capacity as CFO, I will respond flexibly to each situation, and pursue a variety of measures, including adjusting borrowing maturities and methods, to control interest rates and maintain and improve financial soundness.

### ■ Fund procurement and credit rating situation



## Raising Corporate Value by Steadily and Sustainably Improving ROE to a Level That Exceeds the Cost of Shareholders' Equity

From an ROE perspective, while we were able to recover to the pre-COVID-19 level of 7.5% at the end of fiscal 2023, I believe that there are still issues to be addressed. Under & INNOVATION 2030, we have therefore set ROE targets of 8.5% or higher for fiscal 2026 and 10% or higher around fiscal 2030.

To achieve these targets, we will work to grow net income, as the numerator, and control shareholders' equity, as the denominator, by strengthening returns. Turning specifically to the numerator, net income, we will do the following:

(1) First, increase business income from ¥346.1 billion in fiscal 2023 to ¥440 billion in fiscal 2026 through income growth in each business segment. We will achieve increased income in each segment through the following initiatives:

- **Leasing:** Increase in leasing income due to the completion of new properties and increased rents from existing properties
- **Property sales:** Sales of fixed assets and real property for sale without exception, with an eye toward increasing both property sale and leasing income
- **Management:** In doing so, we will consider proactively utilizing third-party funds (borrowed capital) in the case of large-scale developments from the start-up stage as well as raising business efficiency through earning management fees, which we classify as non-asset income, in addition to our share of revenues.
- **Facility operations:** Further improve hotel resorts ADR, increase in the numbers of Tokyo Dome customers, etc.

(2) At the same time, we will proceed with the sale of investment securities.

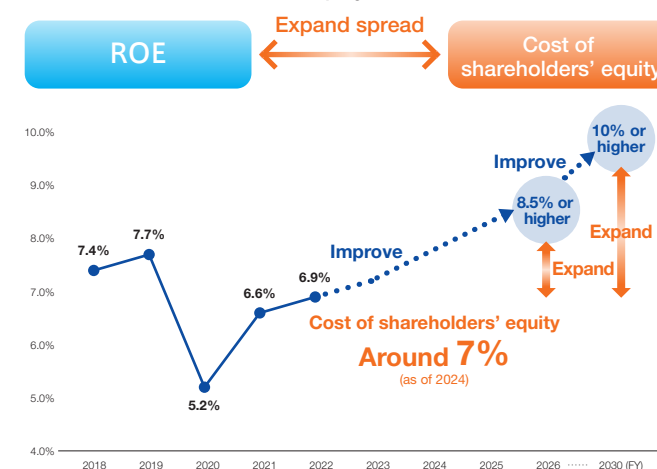
The aforementioned will increase net income from ¥224.6 billion in fiscal 2023 to ¥270 billion or more in fiscal 2026.

We will control shareholders' equity, as the denominator, by increasing our total return ratio from the previous level of approximately 45% to 50% or higher.

I am aware that there are various discussions regarding the cost of shareholders' equity, but based on the CAPM, which is the most commonly used calculation method, I believe that the cost is around 7%.

It is my belief that to raise our corporate value and increase our share price, we need to expand the equity spread between our ROE and the cost of shareholders' equity. Accordingly, I will continue to make every effort to improve our ROE.

### ■ Steadily and sustainably improve ROE to a level that exceeds the cost of shareholders' equity



## Continue to Engage in Proactive IR Dialogue

I recognize that in raising our corporate value and increasing our share price it is essential that investors have a deep understanding of our company.

For that reason, I consider dialogue with investors to be one of my most important tasks as CFO.

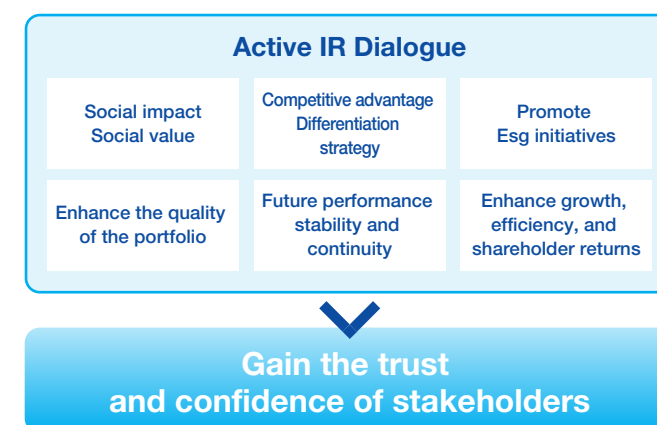
Since becoming CFO last year, I have kept mutual dialogue very much in mind, holding numerous meetings with investors, listening directly and frankly to their opinions, and explaining the Company's thinking.

The content of these dialogues was actively provided as feedback within the Company, leading to discussions within management, and was reflected in & INNOVATION 2030.

To help investors better understand its content, I am currently spearheading efforts to explain & INNOVATION 2030. Having said this, I will continue to strengthen our communications, particularly about the Company's social value, competitive advantage and differentiation strategy, efforts to improve ESG, the resilience of our asset portfolio, and the stability and continuity of our future performance. I will steadily promote management that integrates the three key objectives—enhance growth, efficiency, and shareholder returns—set out in & INNOVATION 2030 and improve each of the KPIs to achieve our

numerical targets. By proactively engaging in IR dialogue, I will work diligently to gain and maintain the trust and sense of security of our investors and other stakeholders, thereby contributing to raising our corporate value and increasing our stock price.

### ■ Communication aimed at deepening engagement with capital markets



# Human Resource Strategies

Message from a Managing Director

**We will ramp up efforts to promote human resource-related initiatives with the aim of realizing our Group Vision.**

**Makoto Tokuda**

Managing Director  
Senior Executive Managing Officer  
(In Charge of Personnel)

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. And based on the belief that human resources, as assets, are the driving force behind the continued creation of new value, we have laid out a basic approach to our human resource strategies. Specifically, we will engage with each and every employee in a way that helps them to enhance their respective fields of knowledge and capabilities, and to serve as a driving force as a team.

Within the Group's long-term vision & INNOVATION 2030, we have positioned the concept that, as assets, human resources serve as the key infrastructure for supporting our strategies to realize the Group's vision: contribute to the creation of added value for society as an industry developer. We will therefore work as a Group to raise the level of human resource capabilities, the source of value creation, and secure new human resources and knowledge that will accelerate innovation to realize the Group's vision. Moreover, we will support the activities of diverse human resources in an effort to further develop the Group into a One-Team organization that brings together the strengths of the Group in a way that only Mitsui Fudosan can.

In terms of "raising the level of human resource capabilities," we will work to further strengthen talent management and engagement that addresses the careers of individuals by understanding their career aspirations and situations, for example, by conducting annual individual interviews between the staff of the Personnel Department and all employees. We will provide more opportunities to gain new knowledge

and awareness through various educational investments, such as the provision of cross-border program in different industries and the development of a postgraduate study support system.

Moreover, in terms of acquiring new human resources and knowledge to accelerate innovation, we will promote recruitment from various fields and different industries to respond to an increasingly complex and sophisticated business environment, and expand inclusion measures such as mentoring and onboarding training to enable people with diverse backgrounds to play an active role. We will continue to expand inclusion measures such as mentoring and onboarding training to enable people with diverse backgrounds to flourish. And we will work to strengthen training and provide education in new areas in an effort to develop capabilities in the fields of technology and global business, including DX training for all employees and overseas language training for young and mid-career employees.

As our approach to preparing an environment that supports the participation of this diverse group of human resources, in addition to enhancing employee benefits, we will work together as a Group in the area of D&I, including efforts to create a safe working environment through health and productivity management, as well as by empowering women. Moreover, to further mobilize the Group's strength, the Group is working to deepen its organisation into a One Team organisation by spreading values such as "a thoroughgoing customer-centered approach" and "the importance placed on team results" throughout the Group, strengthening inter-Group personnel exchanges. The Group is working to deepen its organisation into a One Team organisation.

For more detailed information about our human resource 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](https://www.women.mitsui-fudosan.co.jp/index_en.html)

## Positioning of Human Resources in the Mitsui Fudosan Group

Within the Group's long-term vision & INNOVATION 2030, we have positioned the concept that, as assets, human resources serve as the infrastructure that supports our strategies to realize the Group's vision: contribute to the creation of added value for society as an industry developer.



### Five priority measures under our human resource strategies For details, see P. 65

Under our human resource strategies, we have defined and will promote the following five priority measures.

The initiatives described on the following pages include the numbers corresponding to the relevant priority measures next to the initiative titles.

**1**  
Diversity and Inclusion

**2**  
Human Resource Development and Improvement of Skills

**3**  
Diverse Workstyles

**4**  
Health and Productivity Management

**5**  
Improvement of Employee Engagement



## Human Resource Strategies

## Raise the level of human resource capabilities, the source of value creation

## Engage in talent management commensurate with individual careers

Priority measures 2 3

## Human Resource Development

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. Similarly, our basic approach to human resource development is to expand upon the individual capabilities of each employee through a combination of four human resource development opportunities, according to the individual's career. This approach aims to develop employees with advanced expertise and a broader perspective, and who are able to fully demonstrate their individual attributes.

## Diverse Workstyles

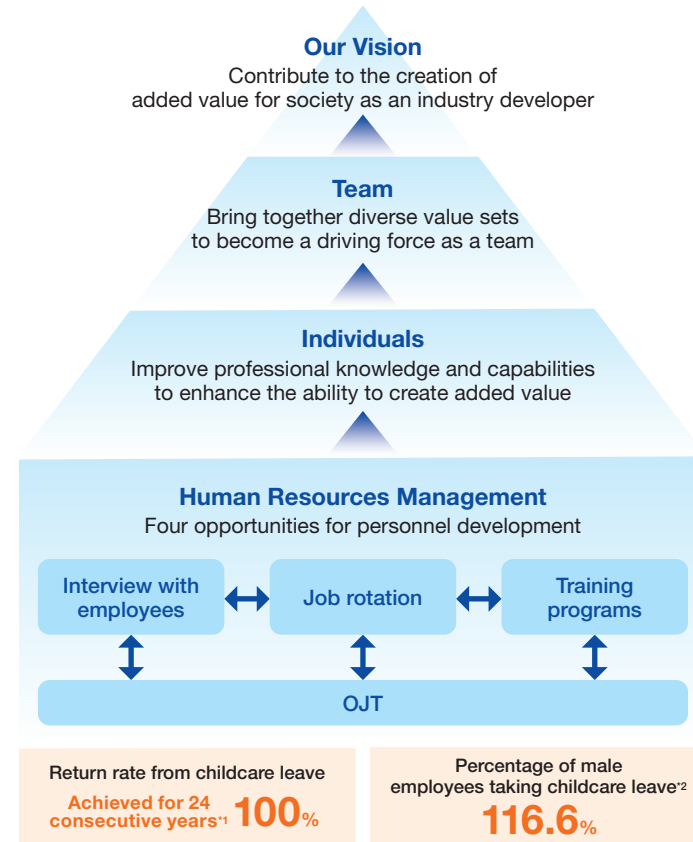
We are putting in place organizations in which human resources with diverse talents, lifestyles, and perceptions of value can maximize their respective abilities.

## [Examples of initiatives for realizing flexible work locations and times]

- Set targets for the number of paid leave days taken and set recommended days for taking leave
- Establish a remote work system and a super flex-time system for all employees
- Support productivity improvements through the use of DX

## [Examples of initiatives for balancing childcare and nursing care]

- In-office nurseries, subsidy system for babysitter and housekeeping service expenses
- Childbirth and childcare interview system and training programs for those returning to work from maternity/childcare leave
- Nursing care consulting system, subsidizing the cost of providing nursing care
- Partially subsidizing expenses involved in fertility treatments



\*1 Fiscal 2000 to fiscal 2023

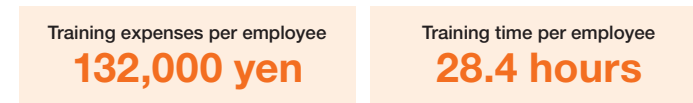
\*2 The denominator is the number of male employees whose partner gave birth in the relevant fiscal year, and the numerator is the number of male employees who used the leave system either as childcare leave at the time of their child's birth or childcare leave in the relevant fiscal year. Where there 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%.

## Strengthen investment in education to secure new knowledge and awareness

Priority measure 2

We offer more than 100 different types of training programs, including mandatory rank-based training ranging from new employees to the management level, systematic elective training that encourages learning by individual employees, and cross-boundary learning, global training, and other offerings for nominated employees only. We are also strengthening investments in education intended to encourage new insights and awareness, including a business proposal system, a

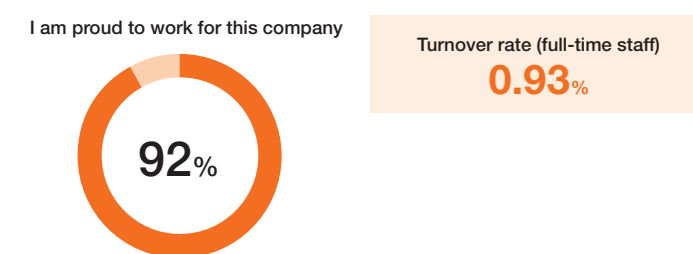
side-job system, a reemployment system, a leave whereby employees can take time to study at graduate school, and a graduate school tuition fee subsidy system.



## Further strengthen the current high level of engagement

Priority measure 5

We distribute engagement surveys to all employees for the purpose of measuring the coherency between the values and orientations of our employees and the organization as it currently stands. We believe that the fact that more than 90% of our employees are proud of working for the Company, possess the desire to independently contribute to their organization and work, and are able to engage in work of their own initiative has materialized in the low turnover rate.



Note: 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.

## Actively secure human resources and knowledge to accelerate innovation

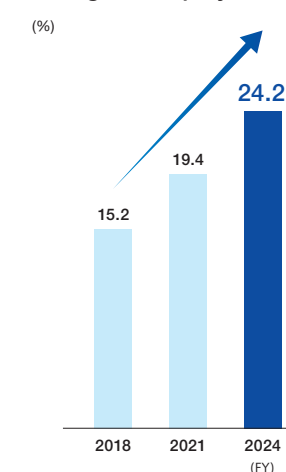
## Recruit and include employees from various fields and industries

Priority measures 1 2

To contribute to the creation of added value for society as an industry developer, we actively recruit mid-career human resources from various fields and industries, with the number of mid-career hires increasing each year. More recently, we have strengthened efforts to recruit professionals in the field of IT and have focused on recruiting those with overseas experience, foreign nationals, and other globally minded human resources. This move has served to establish business models that combine real and digital tools and to further develop DX in a way that promotes innovation.

Similarly, we are engaging in efforts to expand our various approaches to onboarding for mid-career hires so that as human resources with a diverse range of backgrounds come together, they can play an active role in the Company by fully exercising their unique attributes based on their respective experiences and capabilities. Specifically, we offer a mentoring system to help build networks within the Company, introduce employees hired at the same timing to each other, hold regular one-on-one meetings between employees and superiors, organize group training sessions for self-reflection and goal-setting, and run site tours of the Company's major facilities.

## Percentage of mid-career hires among regular employees



Note: As of April 1

Number of Expert Positions Hired  
**Cumulative total: 90**  
Note: As of April 2024



## Strengthen training to utilize technology and global resources and education that encourages employees to take on challenges in new fields

Priority measures 1 2

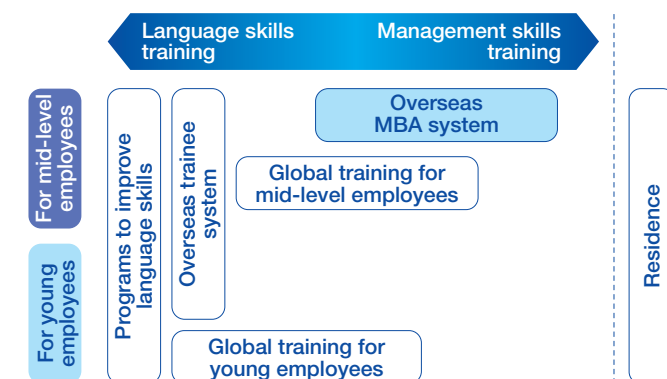
## Development of Global Personnel

We are striving to develop global-oriented staff through measures such as a one-month language learning program for younger employees, a specific language training for mid-level employees, a one-year overseas internship program, an MBA system provided by overseas graduate schools, and stints working overseas through job rotation.

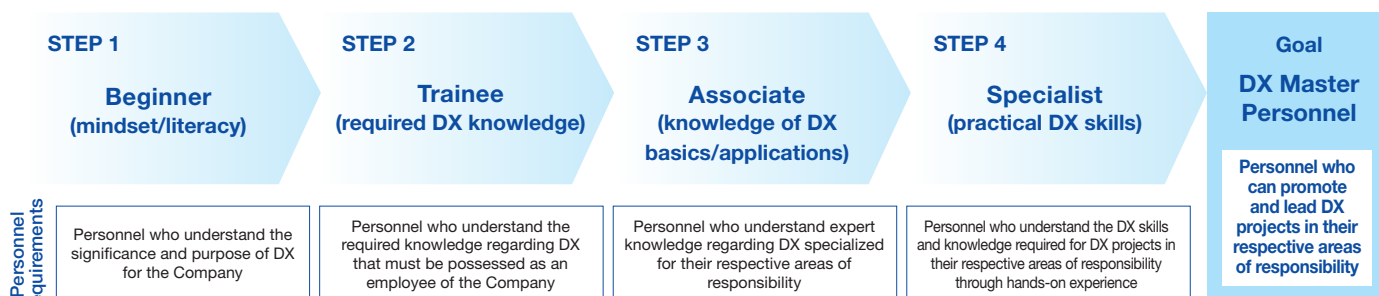
## Development of DX Business Personnel

In fiscal 2021, we established the DxU, a DX training program targeting all employees in an effort to develop human resources with both excellent planning and digital tool implementation skills. Employees who have completed each step are certified as DX Masters who can promote and lead DX projects in their respective areas of responsibility and are awarded a corporate commendation. Also, see the DX Strategy (page 071) for details on human resource development initiatives intended to provide the ability to understand both business and digital tools.

## Global personnel development program



## DX Training Road Map





## Human Resource Strategies

## Support the activities of diverse human resources and further develop the Group's One-Team organization that brings together the strengths of the Group

## Diversity and inclusion

Priority measure 1

## Diversity and Inclusion Declaration

As the principle behind the "&" logo, the Group's DNA is based on the concept of "to generate new value with society through cooperation, coexistence, and co-creation, we forge ahead, innovating." Believing that the driving force for continuous creation of new value as "an industry developer" that goes beyond the boundaries of a real estate developer resides in human resources as assets, Mitsui Fudosan positions promoting diversity and inclusion as one of the fundamental business strategies and works throughout the Group in unison toward developing an organization where people with diverse values, talents, and lifestyles can achieve their potential.

## Policy

Our passionate, capable employees have a diverse range of skills, experiences, and values; as such, we are working to ensure an environment where they can demonstrate their individual abilities to the utmost, and recognize one another as individuals, evaluated fairly regardless of their race, nationality, religion, sex, age, presence or not of disability, gender identity, sexual orientation, or other characteristics. To this end, we are promoting workstyle reforms and enhancing our human resource system so as to raise organizational productivity and enhance our employees' work-life balance. We have made promoting female participation a key theme, setting Group-wide quantitative goals and qualitative action plans, and we will formulate various measures to promote this as a united Group.

## Promotion Framework

Under our Management's Commitment, the Director in Charge of Personnel bears ultimate responsibility for ensuring diversity- and inclusion-related initiatives are pushed forward with the Personnel Department's D&I Promotion Office at their heart, with knowledge input from inside and outside the Group. In this way, diversity and inclusion is an important management strategy. Reports of our activities, policies for each fiscal year, and other matters are discussed by the Board of Directors. Furthermore, we are promoting this topic as a united Group and share policies at meetings at which Group company presidents are present, as well as periodically convening the Diversity & Inclusion Promotion Council.



Feedback training for organization heads

Priority Measures: Promoting Active Roles for Women  
An Environment Where People Want to Work for a Long Time

To develop an environment where diverse personnel, whether male or female, can play an active role, we are working to change the awareness of the organization and our managers. To do this, we are implementing unconscious bias training and other measures for all our employees. Through efforts by members of the Personnel Department, such as discussions and individual interviews with all employees, we will grasp the circumstances that employees face and their hopes, and develop an environment and various systems, including those that support childcare and caring for others, accordingly.

Through improving the environment and actively hiring women (with a ratio of female hires target of at least 40%), female employees are playing active roles in many departments as corporate officers, company staff, and business line staff in Japan and overseas. As of April 2024, we had a 9.2% ratio of female managers and a 25.0% ratio of female sub-section managers or the equivalent. We are working to increase the ratio of female managers to 10% by 2025 and 20% by 2030.

In recognition of our various initiatives, we were selected for the third consecutive year as a Nadeshiko Brand, a program in which Japan's Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) jointly select companies that excel in the promotion of women's participation. Similarly, we were selected for the seventh consecutive year as a constituent stock in the MSCI Japan Empowering Women Index, an index composed of companies that excel in gender diversity practices.

2024 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

THE INCLUSION OF Mitsui Fudosan Co., Ltd. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Mitsui Fudosan Co., Ltd. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

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

## Raising Motivation and Supporting Career Development

By conducting diversity and inclusion training, and other measures for organization heads, we are promoting female participation and advancing changes in awareness throughout the organization. We also offer female managers career development support via a mentor system and other initiatives, such as career development planning for female employees in management positions and female manager candidates. In addition, we work to enhance the motivation of female employees and support their career development through exchanges of opinions as part of D&I working groups composed of members openly recruited from within the Company, lectures and seminars organized by female role models from inside and outside the Company, and exchange events within the Company.

## Various Diversity Promotion and Inclusion Initiatives

The Company is advancing initiatives intended to realize a corporate culture in which personnel with diverse values accept each other and demonstrate their individual abilities to the fullest, regardless of their race, nationality, religion, sex, age, presence or not of disability, gender identity, sexual orientation, or other characteristics.

As a means of enabling employees to choose from among a diverse range of workstyles and careers, we have established a system related to changing official duties, as well as a system to allow contract employees to become regular employees, through which we encourage employees to further their careers within the Company. In addition, we have introduced the Return Entry System for reemploying employees who have resigned for unavoidable reasons, such as the relocation of a spouse, childcare, or nursing care.

We are also engaged in ongoing efforts regarding the hiring of people with disabilities, including establishing the Challenged Center in the Company's Personnel Department composed of employees with intellectual disabilities as well as full-time advisors. Moreover, in collaboration with Hakuodo Incorporated, we established SUPERYARD Co., Ltd., to expand employment at companies for people with mental disabilities and to support their career advancement after they have been employed. Staff with mental disabilities also play a role at the Company, so we expect to hire more in the future.

From the perspective of diversity of gender identity and sexual orientation, we have established internal regulations to enable employees with same-sex partners to apply for and use various Company programs that cover spouses, family members, etc. In addition, we offer e-learning courses for all employees and training for Personnel Department staff to help them acquire knowledge on LGBTQ+. Moreover, we are advancing various D&I initiatives that reflect the views of our employees. These views are acquired through exchanges of opinions as part of D&I working groups composed of members openly recruited from within the Company and through in-house questionnaires.



LGBTQ+ training for Personnel Department staff



Exchanging opinions as part of working groups composed of members openly recruited from within the Company

## Group-Wide Initiatives

To support the activities of a diverse range of human resources and bring together the strengths of the Group, we engage in various activities involving the promotion of D&I and the empowerment of women as a unified group. For example, with Mitsui Fudosan's Personnel Department serving as secretariat, the Company established the Group Women's Participation Promotion Subcommittee to promote active roles for women as a unified group. Furthermore, we are promoting initiatives within the Group, including sharing policies and confirming progress at meetings at which Group company presidents are present, periodically convening the Diversity and Inclusion Promotion Council together with the departments in charge of D&I at each Group company, and implementing universal Group initiatives. We have also set and manage the progress of targets for each Group company regarding indicators such as the ratio of female managers.

Moreover, we are working to evolve the entire Group into a One Team organization through inter-Group personnel exchanges and by expanding Group-wide employee benefits.

## Mitsui Fudosan Group Get Connected and Grow Project

We organize the Mitsui Fudosan Group Get Connected and Grow Project, through which we hold joint Group training programs and networking events that have been attended by more than 6,000 people in total. In addition to acquiring skills and abilities, these jointly organized Group events offer the opportunity for women to form inter-organizational networks with each other and to discover a variety of different role models.

[Project Activity Examples]

- Seminar for young female employees (e.g., fostering career awareness)
- Seminar for female manager candidates (one-step-higher perspective and understanding roles)
- Female manager forums (attaining the point of view of management positions, networking between female managers)
- Seminar for managers (e.g., management skills)
- Roundtable discussion by theme (working fathers, self-improvement)
- One-time training (psychological safety, organizational knowledge management)
- e-learning (e.g., diversity management)



Discussion during a seminar-style training



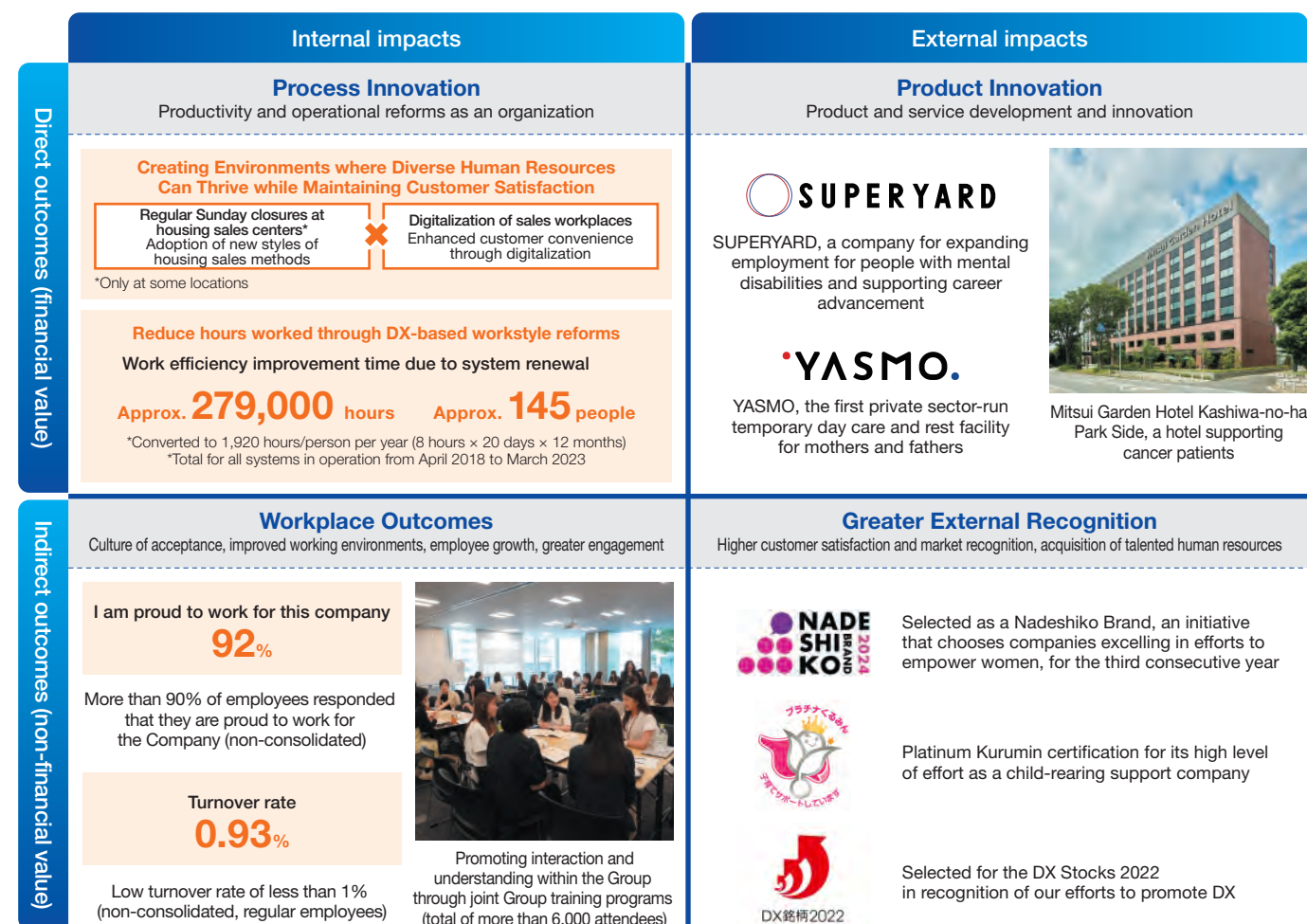
Message from a managing officer at a seminar-style training



## Human Resource Strategies

## Examples of Diversity and Inclusion Promotion Outcomes

Our Group-wide efforts to promote diversity and inclusion have led to operational reforms throughout the Group, a corporate culture of acceptance, and a greater level of engagement. Moreover, they have helped to create various services that support a diverse group of customers and lifestyles, as well as to enhance our reputation among society, including our selection by multiple external recognition programs, for example.

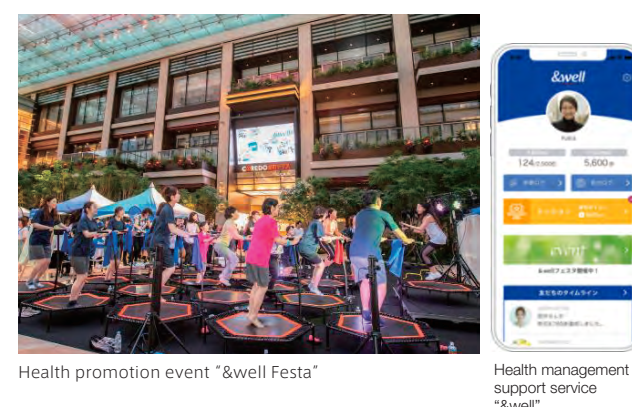


## Health and productivity management

## Priority measure 4

We formulated our Health and Productivity Management Declaration given our recognition that the health and safety of all employees is an important issue for management in strengthening the Company's competitiveness and achieving sustainable growth. With responsibility placed on the managing director in charge of personnel affairs, we have taken action to maintain and improve employees' health to create environments where employees can work energetically in ways suited to their individual lifestyles.

Specifically, we conduct consultations for employees by personnel staff and provide health checkup expense subsidies for employees and their spouses. We also organize health promotion events, seminars, and step count challenges, as well as distribute online articles, as part of the &well service that we offer as a health and productivity management support service for companies. Moreover, we have established a specialized organization responsible for maintaining and promoting employee health: the Health Management Center. We also plan and verify the outcomes of measures to address health issues in consultation with the health insurance association. In recognition of these initiatives, we were selected as a 2023 Health & Productivity Stock Constituent as a company that excels in health and productivity management practices, and for eight consecutive years, we have been certified under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500, Large Enterprise Category).



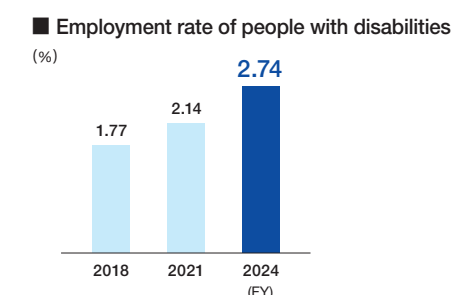
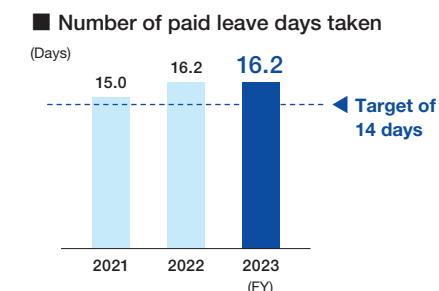
Health checkup and screening rate  
**100%**

2024  
健康経営優良法人  
Health and productivity  
ホワイト500

## KPIs &amp; Progress (Mitsui Fudosan non-consolidated)

## Raising the level of human resource capabilities and actively securing human resources and knowledge to accelerate innovation

Indicators	Period	Numerical target	FY2023
Training time per employee <sup>*1</sup>	Annual	Last year's level	28.4 hours (+0.2 hours compared with the previous year)
Training expenses per employee <sup>*2</sup>	Annual	Last year's level	¥132,000 (+¥1,000 compared with the previous year)
Return rate from childcare leave	Annual	100%	100%
Percentage of male employees taking childcare leave <sup>*3</sup>	Annual	100%	116.6%
Number of paid leave days taken	Annual	14 days annually	16.2 days
Employee engagement <sup>*4</sup>	Annual	80%	92%

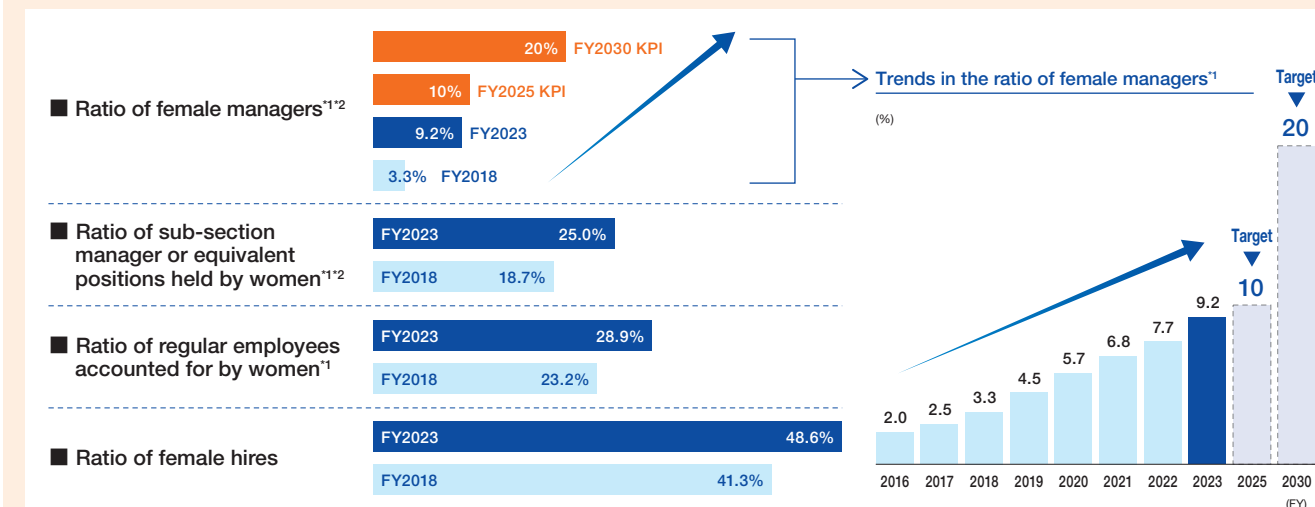


## Supporting the activities of diverse human resources and further develop the Group's One-Team organization

Indicators	Period	Numerical target	FY2023
Ratio of female managers <sup>*5</sup>	2025	10%	9.2%
	2030	20%	
Ratio of female hires	Annual	40%	48.6%
Employment Rate of People with Disabilities <sup>*6</sup>	Annual	2.5% or higher <sup>*7</sup>	2.74%
Health checkup and screening rate	Annual	100%	100%

\*1 Calculated by dividing the total amount of training hours by the total number of permanent employees  
 \*2 Calculated by dividing the total amount of training expenses by the total number of permanent employees  
 \*3 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. 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%.  
 \*4 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.  
 \*5 Among career-track employees, the ratio of female managers as of April 1 of the following fiscal year  
 \*6 Figures for each fiscal year are those for June 1 of the relevant fiscal year  
 \*7 Work toward exceeding the legal employment rate (2.5% as of April 2024, increased to 2.7% from July 2026)

## KPI related to the empowerment of women and progress updates (Mitsui Fudosan non-consolidated)

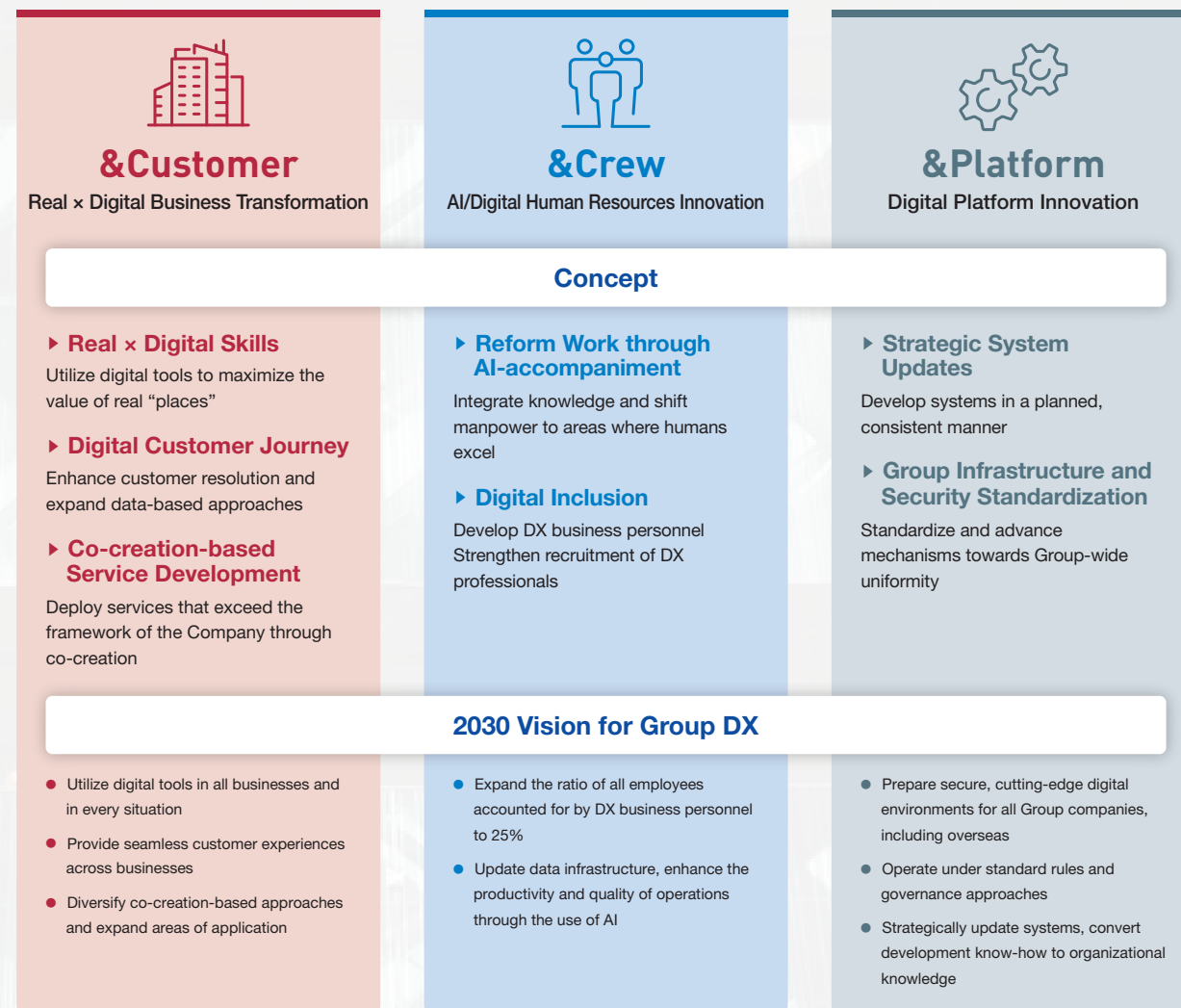


\*1 Figures for each fiscal year are those for the beginning of the fiscal year starting April 1 of the following year.

\*2 Among career-track employees, the ratio of manager, sub-section manager, or equivalent positions held by women

# Digital Transformation Strategy

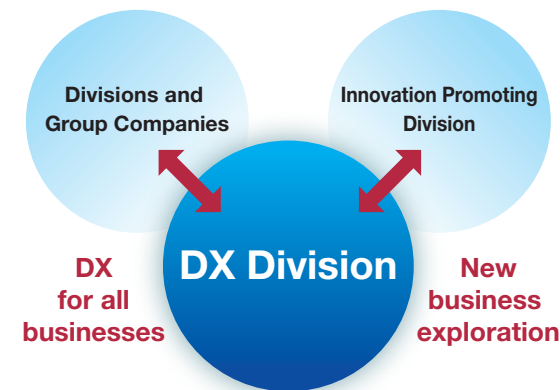
## Positioning of the DX Strategy in the Mitsui Fudosan Group



## &Customer (Real x Digital Business Transformation)

### Real x Digital Skills

- Prioritize the value provided to customers and maximize the value of various real "places" using digital tools

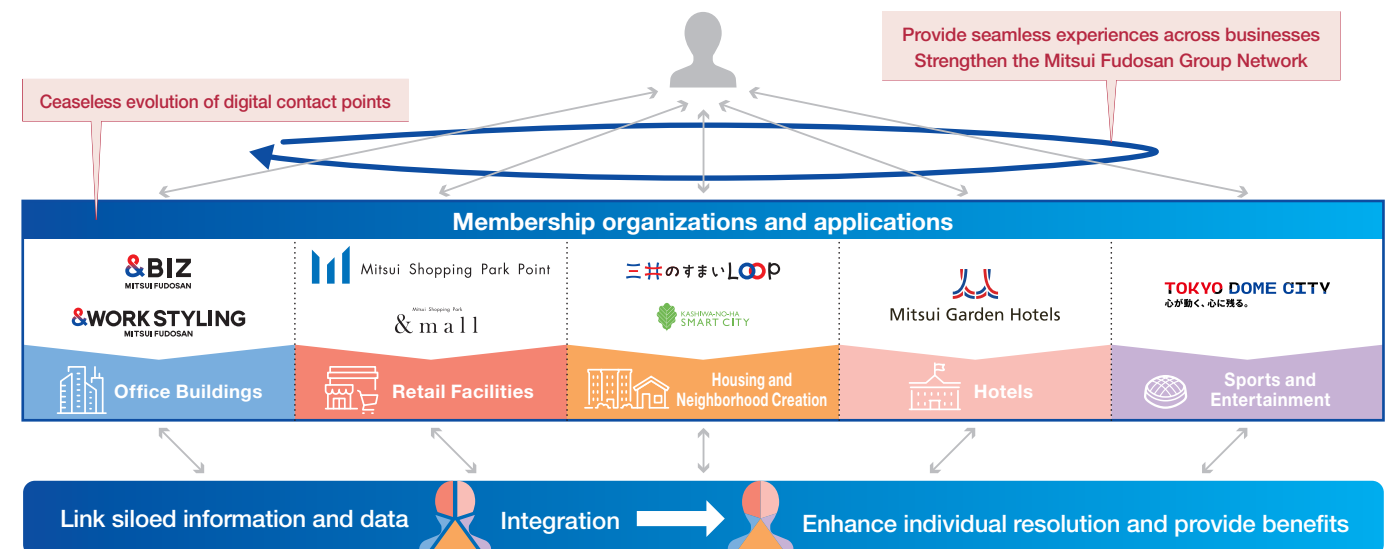


### Real x Digital Strategies for each business

<b>Office Building Division</b>	Realize offices in which people want to work in the cities they want to visit, and strengthen intangible services.
<b>Retail Properties Division</b>	Diversify revenue sources by providing various services through a combination of physical facilities and an omni-channel platform, and innovate business models.
<b>Homes and Lifestyle Promotion Division</b>	Integrate the management of customer data and strengthen collaboration among Group companies. Provide one-stop service.
<b>Hotels and Resorts Division</b>	Utilize customer data to propose a full-package (pre and post travel) and a personalized stay experience. Promote DX while putting in place an environment in which staff can focus on service.
<b>Logistics Properties Business Division</b>	Strengthen various service functions using digital technology and implement a platform strategy through community formation.
<b>Neighborhood creation related divisions</b>	Evolve smart cities (data-based services).

### Digital customer journey

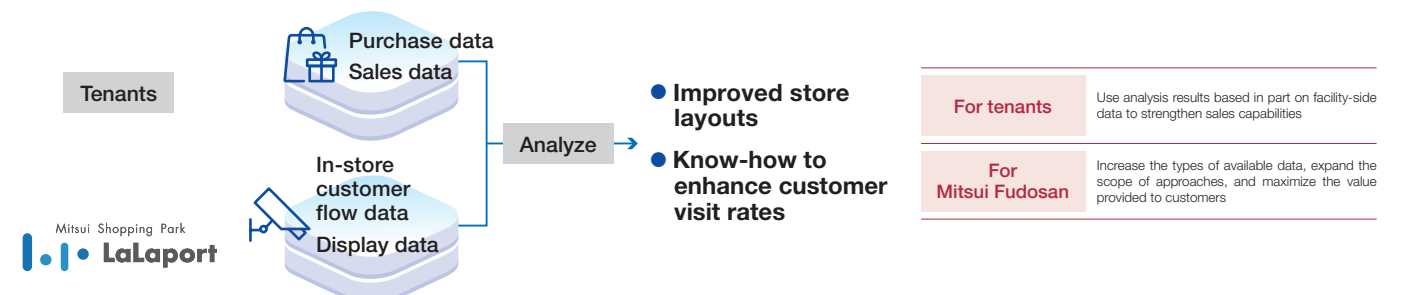
- Enhance customer resolution by evolving contact points, and help strengthen the Mitsui Fudosan Group Network using digital skills



### Co-creation-based service development

- Collaborate with tenant and partner companies to develop new services, as well as to utilize data, in a way that goes beyond the scope of individual companies

### Example of co-creation with LaLaport Tenants





## Digital Transformation Strategy

## &amp;Crew (AI/Digital Human Resources Innovation)

## Reform work through AI-accompaniment

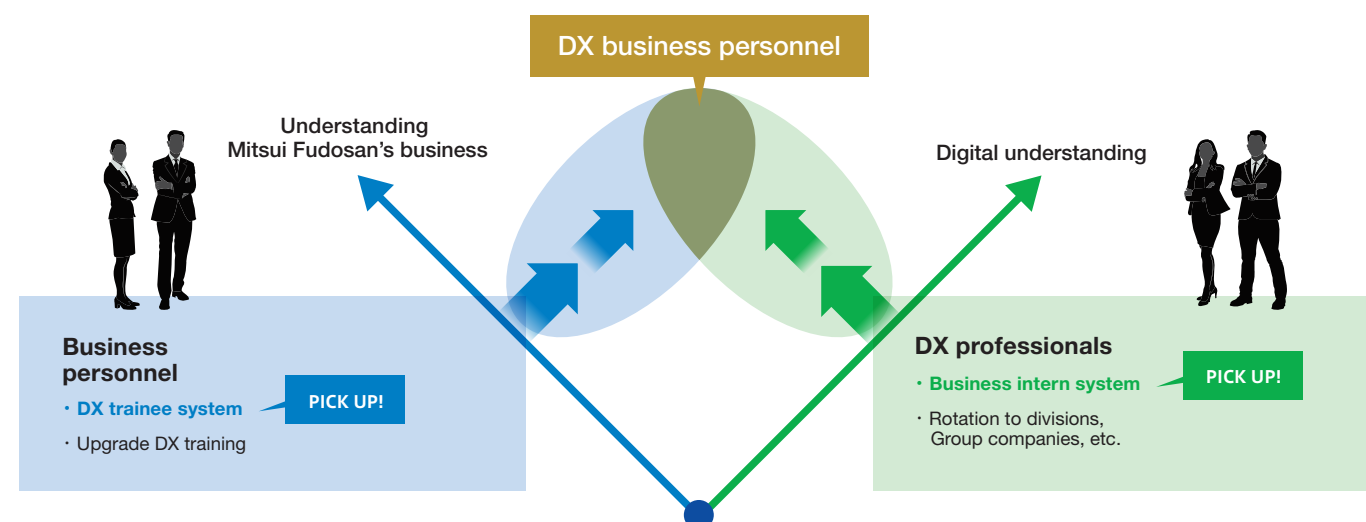
- Fully leverage AI to elevate knowledge into wisdom as a group

## Digital inclusion

- Develop DX business personnel that can understand both business and digital tools

## DX business personnel development structure

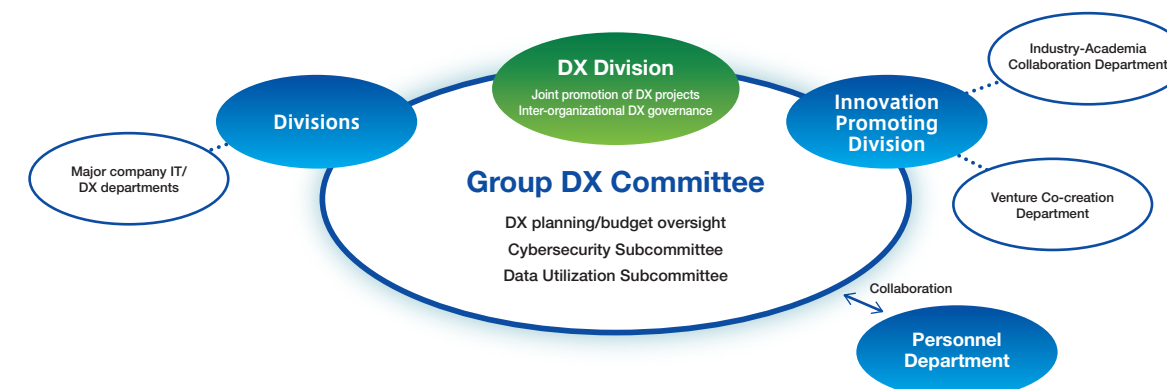
In addition to continuously developing DX business personnel, secure DX professionals from outside



## DX Promotion Framework

## Promoting DX simultaneously in all businesses

- Under our management's commitment, the divisions and Innovation Division collaborate on promoting DX through the an ambidexterity approach of evolving existing businesses and exploring new businesses.
- Simultaneously promote DX in nearly the entire range of existing businesses for the purpose of enhancing customer satisfaction and solving social issues.
- Work to recruit DX professionals and provide DX training for all companies in collaboration with the Personnel Department.



## Successful Examples of DX Promotion

## Result 1 &amp; Customer (Real × Digital 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 Real × Digital projects

	FY2021	FY2022	FY2023
Released services	11	14	11
Main projects under development	12	9	7
Main demonstration experiment projects	6	4	1

## Our main membership organizations

Oct. 2021	Retail facilities	14 million people
	Housing	340,000 people
	Hotels	960,000 people
As of the end of July 2024	Office buildings (WORK STYLING members)	290,000 people
	Office buildings (& Life-Biz)	150,000 people
	Tokyo Dome	600,000 people

## Result 2 &amp;Crew (AI/Digital Human Resources Innovation)

## DX Division personnel

FY2020	FY2021	FY2022	FY2023
92	105	119	138

Go beyond system development and infrastructure preparation to realize diverse approaches to DX promotion, including data-based marketing, etc.

## Mitsui Fudosan specialized generative AI: &amp;Chat

Used by nearly all **2,000** employees

Enhance the quality and productivity of operations by preparing a secure data protection environment and by linking internal data

## Result 3 &amp;Platform (Digital Platform Innovation)

## Number of cybersecurity inspection sites

FY2020	FY2021	FY2022	FY2023
101 Sites	103 Sites	106 Sites	114 Sites

Under way at all target sites

## Cloud-usage ratio (Mitsui Fudosan Co., Ltd., non-consolidated)

FY2020	FY2021	FY2022	FY2023
80%	94%	95%	96%

The transition to cloud-based operations by Mitsui Fudosan on a non-consolidated basis is nearly complete

## &amp;Platform (Digital Platform Innovation)

## Strategic system updates

- With a comprehensive view of the Group, strategically update systems from the perspectives of integration, simplification, and differentiation

## Group infrastructure and security standardization

- Standardize and advance mechanisms toward Group-wide uniformity
- Take more sophisticated action against dramatically evolving cyberattacks

# Sustainability Strategy

Message from a Managing Director

We will help realize a decarbonized society, an important social issue, across the entire supply chain.

Nobuhiko Mochimaru

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

We recognize that the Mitsui Fudosan Group has a social responsibility to help build a global-scale sustainable society and work to coexist with the environment through various measures, including efforts to address climate change. We formulated a new Group Philosophy in April 2024, positioning the idea “to generate new value through cooperation, coexistence, and co-creation, we forge ahead, innovating” at the heart of the “&” Logo Principles. At the same time, we have identified “& EARTH: Together with Nature, Together with the Future” as one of the missions that we wish to fulfill. Conscious that the creation of neighborhoods must remain in harmony with the global environment, we will work to realize a society that coexists with the Earth while calling on the support of the entire supply chain.

The Group has set the goal of achieving net-zero greenhouse gas (GHG) emissions by 2050. Drawing on the Group Action Plan to Realize a Decarbonized Society, we are working with suppliers and tenants to achieve this goal. As a part of efforts to improve the environmental performance of our properties, including the acquisition of external green building certification for all of our new buildings, we expect to provide green energy to the tenant companies of a cumulative total of more than 140 properties by the end of this fiscal year. Meanwhile, approximately 90% of the Group's GHG emissions stem from upstream and downstream supply chain activities, which are classified as Scope 3 emissions. To reduce these emissions, we recognize the critical need to expand our efforts beyond our own operations to the entire supply chain. We formulated the GHG Emissions Calculation Manual to help calculate CO<sub>2</sub> emissions during construction in fiscal 2021. Following an approach to the Real Estate Companies Association of Japan, our Manual led to the publication of an industry manual in fiscal 2023. This manual helps “visualize” GHG emissions throughout the supply chain and encourages the industry as a whole to reduce GHG emissions associated with the construction of buildings. In addition to taking up an equity interest in venture capital companies that specialize in

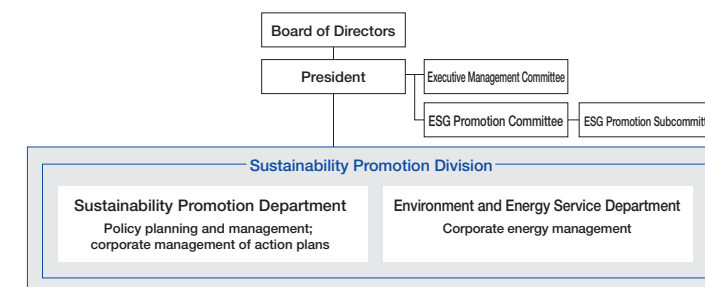
decarbonization both at home and abroad, we invest in and support the development of new technologies that are indispensable to achieving net zero emissions across a broad area. This includes the fusion energy field, which is expected to provide a new energy source that does not emit CO<sub>2</sub> in the power generation process. In each instance, we are advancing initiatives in collaboration with the supply chain and stakeholders.

The Mitsui Fudosan Group owns and manages approximately 5,000 hectares of forest in Hokkaido and is committed to promoting “never-ending forests” based on a cycle of “planting,” “cultivating,” and “using.” We are working to conserve biodiversity in Company-owned forests. In recognition of these endeavors, a portion of the Company's forests was certified as a Nature Harmony Site by Japan's Ministry of the Environment. Furthermore, we are increasing the green spaces in urban areas through the creation of neighborhoods. Working in this way to preserve the natural environment, we are trying to realize nature positivity.

As a measure of the high esteem in which the Group's contributions to sustainability are held, we were selected for inclusion by CDP, a nonprofit organization engaged in international environmental surveys and information disclosure, in the “CDP 2023 Climate Change A List” of top-ranking companies in the climate change category (for the third consecutive year since 2021). In addition, we obtained the highest rank of “5 Stars” in the GRESB Real Estate Assessment, which measures the level of consideration toward ESG concerns among real estate companies and funds, and were selected as a Global Sector Leader, making us one of the companies to receive the highest rank, particularly among global real estate companies and funds in the sector. We will continue to work with our diverse stakeholders to achieve a sustainable society and resolve various social issues, including climate change.

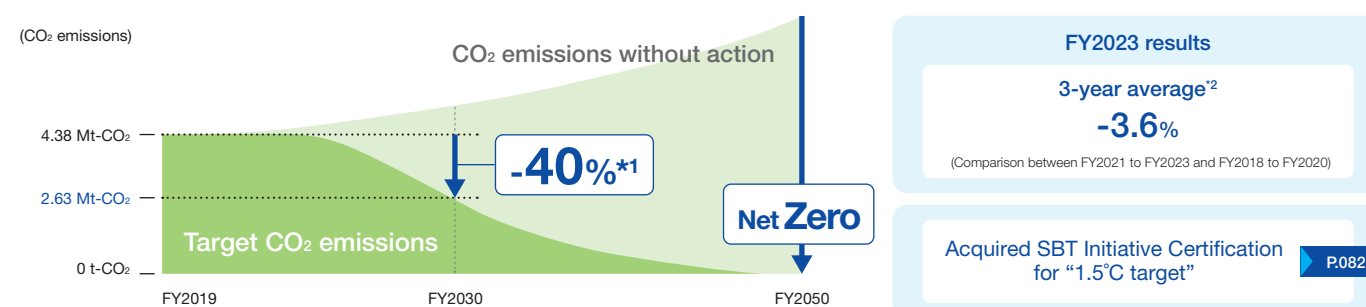
## Sustainability Promotion Framework

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/](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 3-11). 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.

## Progress of the Group Action Plan to Realize a Decarbonized Society

Action plans	Major programs in fiscal 2023
<b>Action Plan 1</b> <ul style="list-style-type: none"><li>● New properties: Realize ZEB/ZEH-level environmental performance for all properties</li><li>● Existing properties: Create on-site renewable energy for the renovation of properties to improve the energy efficiency of properties</li></ul>	<ul style="list-style-type: none"><li>● New buildings: In principle, all new buildings constructed after the “Decarbonization Action Plan” achieved ZEB/ZEH-level environmental performance</li><li>● Existing properties: Implemented renovation for improved energy-saving performance as needed</li></ul>
<b>Action Plan 2</b> <ul style="list-style-type: none"><li>● 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</li><li>● By fiscal 2030, achieve greening of electricity consumption in common areas of properties and areas used by the Group</li></ul>	<ul style="list-style-type: none"><li>● 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</li><li>● Achieved greening of electricity consumption in common areas of properties and areas used by the Group amounting to a total of 100 million kWh</li></ul>
<b>Action Plan 3</b> <ul style="list-style-type: none"><li>● Provide a Green Menu to tenants and buyers</li></ul>	<ul style="list-style-type: none"><li>● Concluded an agreement for introducing green energy: A total of 107 cases</li></ul>
<b>Action Plan 4</b> <ul style="list-style-type: none"><li>● Develop mega-solar with a total output of approximately 175,000 kW by fiscal 2030</li></ul>	<ul style="list-style-type: none"><li>● Expanded to a total of 16 sites, amounting to 56,000 kW</li></ul>
<b>Action Plan 5</b> <ul style="list-style-type: none"><li>● Develop tools to accurately grasp CO<sub>2</sub> emissions during construction</li><li>● Require submission of a reduction plan by construction companies, etc.</li></ul>	<ul style="list-style-type: none"><li>● Construction companies are required to calculate CO<sub>2</sub> emissions during construction and submit reduction plans using the Company's GHG Emissions Calculation Manual as of October 2023</li></ul>
<b>Action Plan (Other)</b> <ul style="list-style-type: none"><li>● Acquire external certifications</li><li>● Introduce an Internal Carbon Pricing (ICP) System</li><li>● Establish a system for promoting action plans</li></ul>	<ul style="list-style-type: none"><li>● Mitsui Fudosan Obtains Highest Rank of “5 Stars” in GRESB Real Estate Assessment Selected as a Global Sector Leader</li><li>● All newly constructed properties acquired external certifications</li></ul>



# TOPICS — Creating “never-ending forests” that last into the future

The Mitsui Fudosan Group is actively engaged in the creation of sustainable “never-ending forests” that will lead to a more abundant future while continuing to promote a cycle of planting, cultivating, and using the roughly 5,000 hectares of forests it owns in Hokkaido.

## Creating never-ending forests



### Planting



#### Planting 90,000–100,000 saplings each year

Every year since 2008, Group employees have been conducting tree-planting training activities. By planting saplings one at a time, employees experience being a part of creating a “never-ending forest” and a creator of the future environment.

**Forests owned by the Mitsui Fudosan Group absorb and store 21,315 t-CO<sub>2</sub>/year\*<sup>1</sup> equivalent to the emissions of 7,400 households\*<sup>2</sup>.**

\*<sup>1</sup> Figures certified by FORESTOCK Association as of Jan. 1, 2023.

\*<sup>2</sup> CO<sub>2</sub> emissions per household in Japan: 2.88 t-CO<sub>2</sub>/year (Ministry of the Environment, 2020)

### Using



Wooden rental office buildings Wooden condominium “MOOXION”

#### Active use of wood from thinning

Timber that has been systematically harvested at the right time or thinned for forest maintenance is actively used by Group companies as construction materials or to build office furniture and toys.

### Cultivating



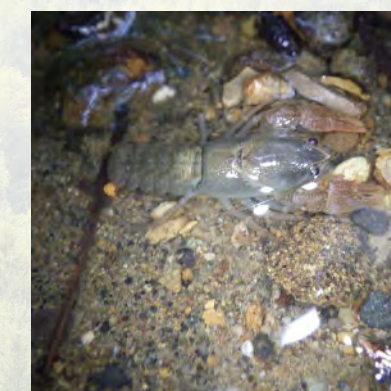
#### Putting in place and environment conducive to the cultivation of trees

Regular maintenance is essential to sustain a healthy forest. The planted forests owned by the Mitsui Fudosan Group are maintained by clearing underbrush and thinning trees. In this manner, we are putting in place an environment in which trees can thrive.

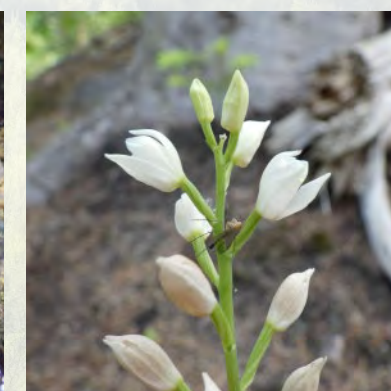
## Nature positive initiatives

We are contributing to the Nature Positive goal by protecting forests and conserving ecosystems centered on trees, plants, and animals. Just under 40% of our forests are natural forests that are preserved in their natural state with minimal management. Meanwhile, just over 60 percent are planted forests dominated by Sakhalin fir and other trees species, which must be properly managed to maintain the health of the forest. In addition, steps have been taken to confirm that vulnerable plant and animal species identified in Japan's Ministry of the Environment's Red List inhabit these forests.

● Scarce flora and fauna that inhabit the Group's forests



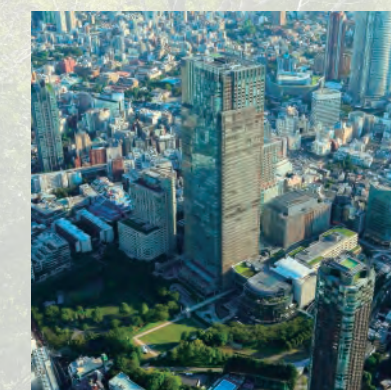
Japanese crawfish



Cephalanthera longifolia

## Creating forests in cities

As far as the creation of neighborhoods in urban areas is concerned, we are working to create neighborhoods that are overflowing with greenery and “get better with age” by actively providing green spaces while carrying forward each urban area's history through various measures, including the preservation and transplanting of existing trees.



TOKYO MIDTOWN



Uchisaiwaicho 1-Chome District Project