Mitsui Fudosan Group Long-Term Vision & INNOVATION 2030

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.mitsuifudosan.co.jp/

For more detailed information about the promotion of active roles for women, please refer to the following link.
https://www.women.mitsuifudosan.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.

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

Business Strategy
Achieve growth through three paths

& INNOVATION 2030
DREAM, VISION, REALITY

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

Infrastructure That Supports the Strategy

Human resources | D X | E S G

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

- Engage in talent management commensurate with individual careers
- Further strengthen the current high level of engagement
- Strengthen investment in education to secure new knowledge and awareness

Toward a More Advanced Industry Developer with the Aim of Achieving Our Vision

Actively secure human resources and knowledge to accelerate innovation

- Promote recruitment from various fields and industries in response to an increasingly complex and sophisticated business environment, and expand inclusion measures
- Strengthen training to utilize technology and global resources and education that encourages employees to take on challenges in new fields

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

- Instill Group-wide the Group's values that encompass a thoroughgoing customer-centered approach and the importance placed on team results over the individual and further develop the Group's One Team organizational structure
- Strengthen intergroup strategic human resource exchanges
- Expand Group-wide employee compensation and conditions
- Promote D&I on a Group-wide basis, including health management, the promotion of women's participation, etc. to realize a safe and secure work environment

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

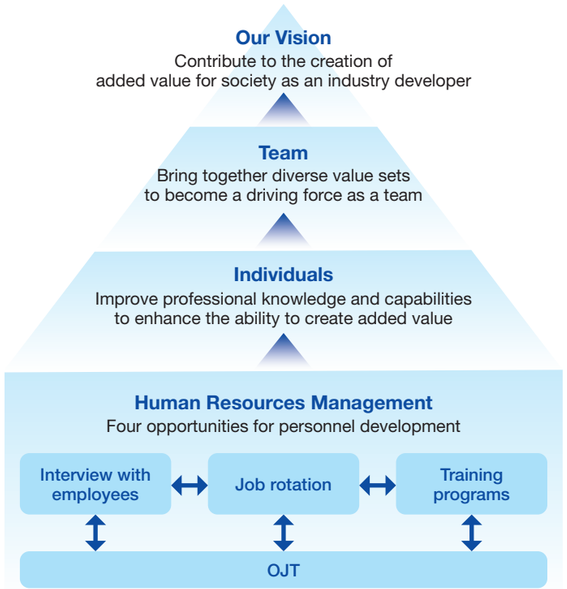
Raise the level of human resource capabilities, the source of value creation

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

Return rate from childcare leave
Achieved for 24 consecutive years*1 **100%**

Percentage of male employees taking childcare leave*2
116.6%

*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.

Training expenses per employee
132,000 yen

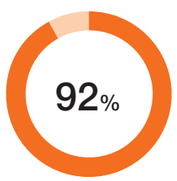
Training time per employee
28.4 hours

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.

I am proud to work for this company



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.

Turnover rate (full-time staff)
0.93%

Actively secure human resources and knowledge to accelerate innovation

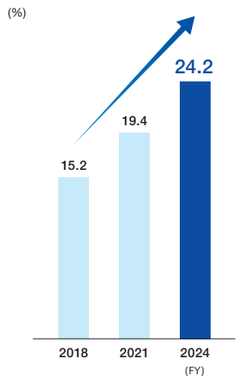
Recruit and include employees from various fields and industries

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

DX銘柄2022
Digital Transformation

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

Priority measures 1 2

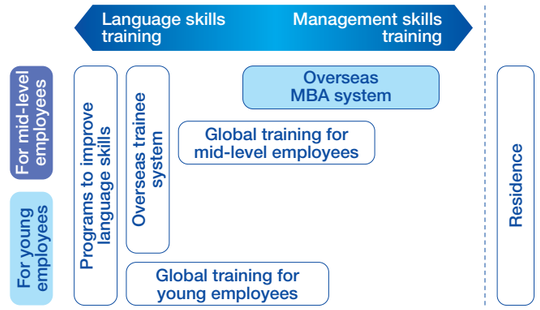
Development of Global Personnel

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.

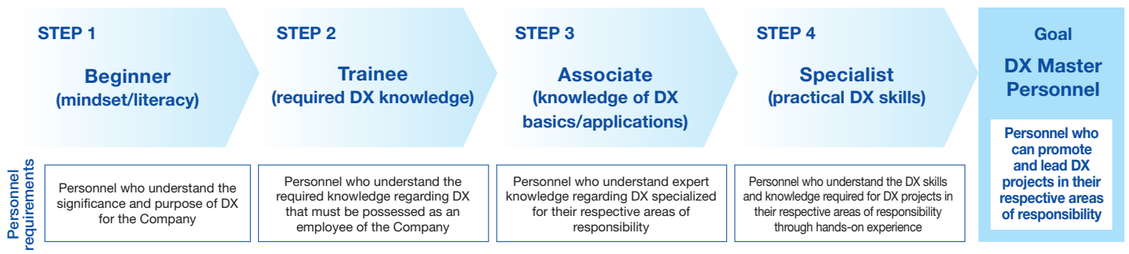
Development of DX Business Personnel

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.

Selected as a Nadeshiko Brand

Eruboshi Certification

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 Hakuhodo 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.

Internal impacts

Process Innovation
Productivity and operational reforms as an organization

Direct outcomes (financial value)

Creating Environments where Diverse Human Resources Can Thrive while Maintaining Customer Satisfaction

Regular Sunday closures at housing sales centers* Adoption of new styles of housing sales methods

✖

Digitalization of sales workplaces Enhanced customer convenience through digitalization

*Only at some locations

Reduce hours worked through DX-based workstyle reforms

Work efficiency improvement time due to system renewal

Approx. **279,000** hours Approx. **145** people

*Converted to 1,920 hours/person per year (8 hours × 20 days × 12 months)
*Total for all systems in operation from April 2018 to March 2023

External impacts

Product Innovation
Product and service development and innovation

SUPERYARD, a company for expanding employment for people with mental disabilities and supporting career advancement

YASMO, the first private sector-run temporary day care and rest facility for mothers and fathers

Mitsui Garden Hotel Kashiwa-no-ha Park Side, a hotel supporting cancer patients

Indirect outcomes (non-financial value)

Workplace Outcomes
Culture of acceptance, improved working environments, employee growth, greater engagement

I am proud to work for this company **92%**

More than 90% of employees responded that they are proud to work for the Company (non-consolidated)

Turnover rate **0.93%**

Low turnover rate of less than 1% (non-consolidated, regular employees)

Promoting interaction and understanding within the Group through joint Group training programs (total of more than 6,000 attendees)

Greater External Recognition
Higher customer satisfaction and market recognition, acquisition of talented human resources

Selected as a Nadeshiko Brand, an initiative that chooses companies excelling in efforts to empower women, for the third consecutive year

Platinum Kurumin certification for its high level of effort as a child-rearing support company

Selected for the DX Stocks 2022 in recognition of our efforts to promote DX

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 promotion event "&well Festa"

Health management support service "&well"

Health checkup and screening rate **100%**

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

KPIs & Progress (Mitsui Fudosan non-consolidated)

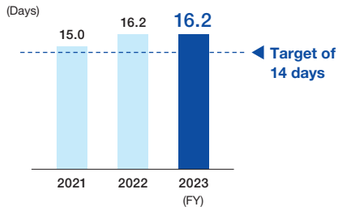
Raising the level of human resource capabilities and actively securing human resources and knowledge to accelerate innovation

Indicators	Period	Numerical target	FY2023
Training time per employee*1	Annual	Last year's level	28.4 hours (+0.2 hours compared with the previous year)
Training expenses per employee*2	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*3	Annual	100%	116.6%
Number of paid leave days taken	Annual	14 days annually	16.2 days
Employee engagement*4	Annual	80%	92%

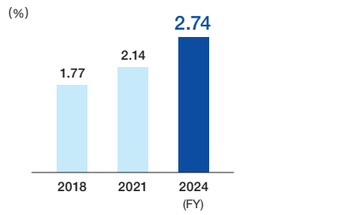
Supporting the activities of diverse human resources and further develop the Group's One-Team organization

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

■ Number of paid leave days taken



■ Employment rate of people with disabilities



*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)

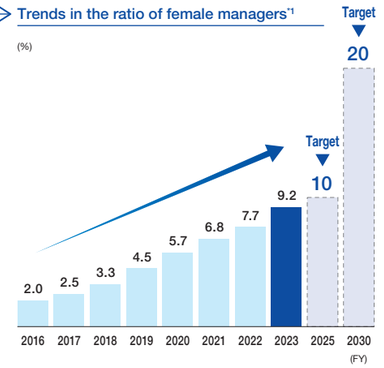
■ Ratio of female managers*1*2
20% FY2030 KPI
10% FY2025 KPI
9.2% FY2023
3.3% FY2018

■ Ratio of sub-section manager or equivalent positions held by women*1*2
FY2023 25.0%
FY2018 18.7%

■ Ratio of regular employees accounted for by women*1
FY2023 28.9%
FY2018 23.2%

■ Ratio of female hires
FY2023 48.6%
FY2018 41.3%

Trends in the ratio of female managers*1



*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