

Mitsui Fudosan Group Long-Term Vision & INNOVATION 2030

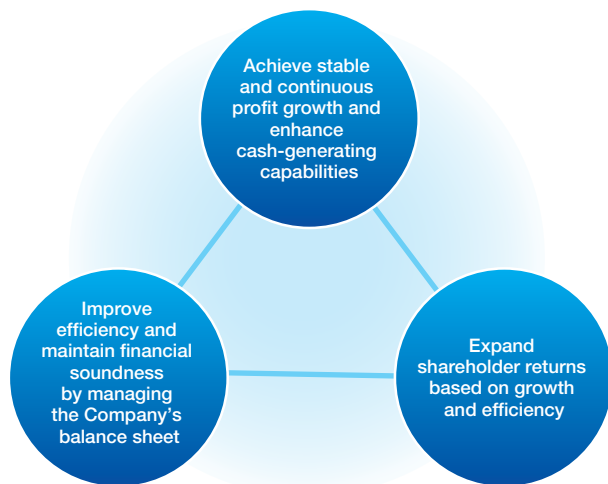
Financial Strategies (formulated in April 2024)

For more details

Please also refer to "Progress of Key Quantitative Targets"  PP.31-32

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 also 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 increases 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.

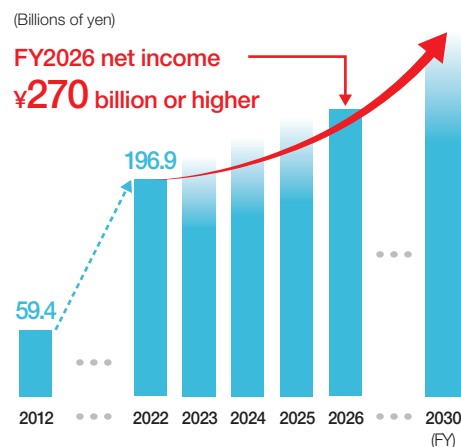
High profit growth

■ Business income by segment

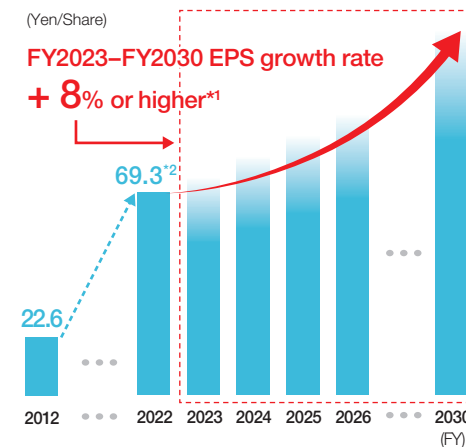
	Leasing	Property Sales	Management	Facility Operations	Business Income*
FY2022	Approx. ¥150 billion	Approx. ¥153 billion	Approx. ¥63 billion	Approx. -¥4 billion	Approx. ¥313 billion
FY2026	Around ¥180 billion	Around ¥210 billion	Around ¥70 billion	Around ¥30 billion	¥440 billion or higher

* 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

■ Trend in profit attributable to owners of parent



■ Trend in EPS

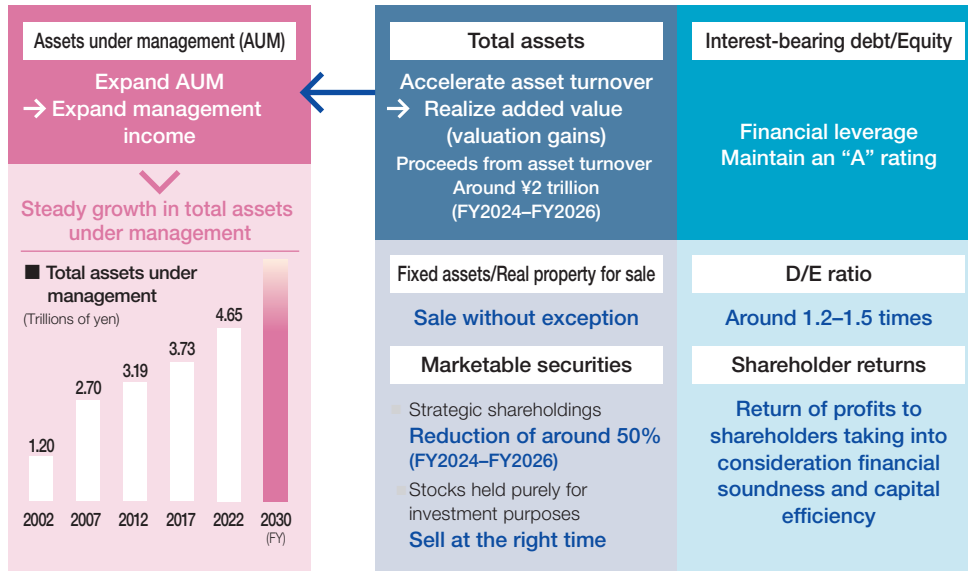


*1 FY2023 (forecast)-FY2030 (forecast) CAGR
*2 The Company conducted a stock split of its common shares on the basis of 1 share to 3 shares effective April 1, 2024. Data adjusted on a post-stock-split basis.

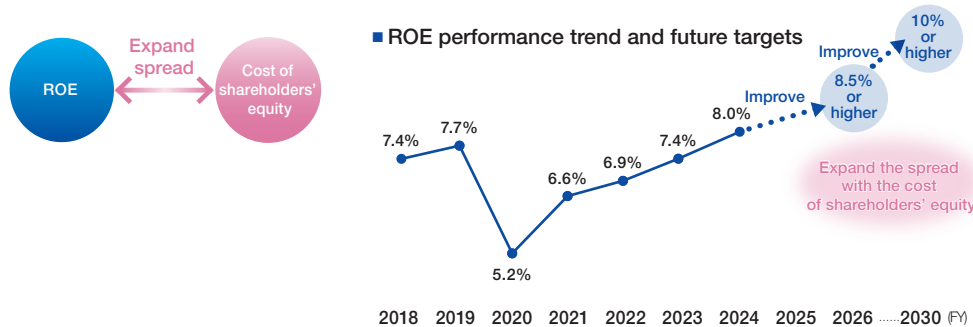
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2. Improve efficiency and maintain financial soundness

- 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).

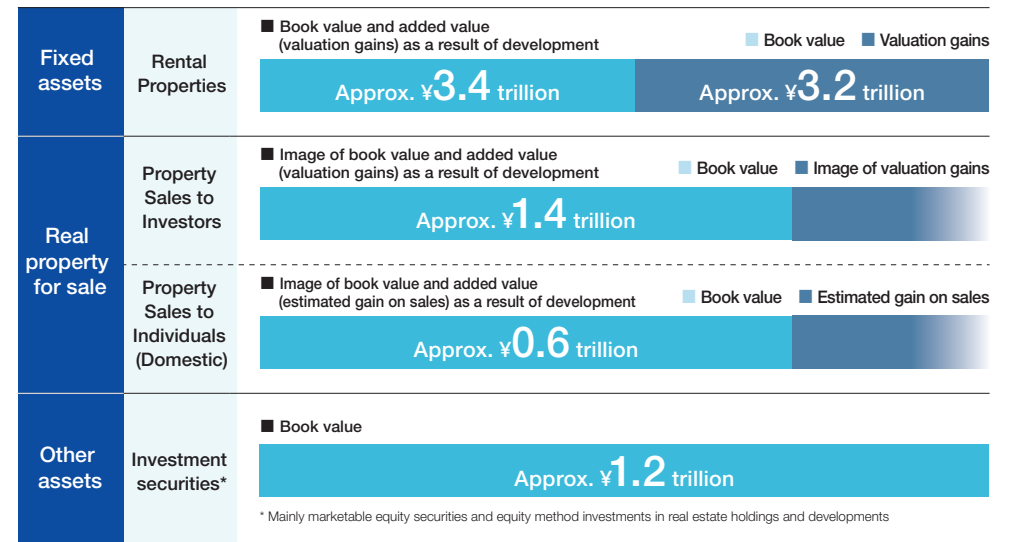


Expand the spread with ROE

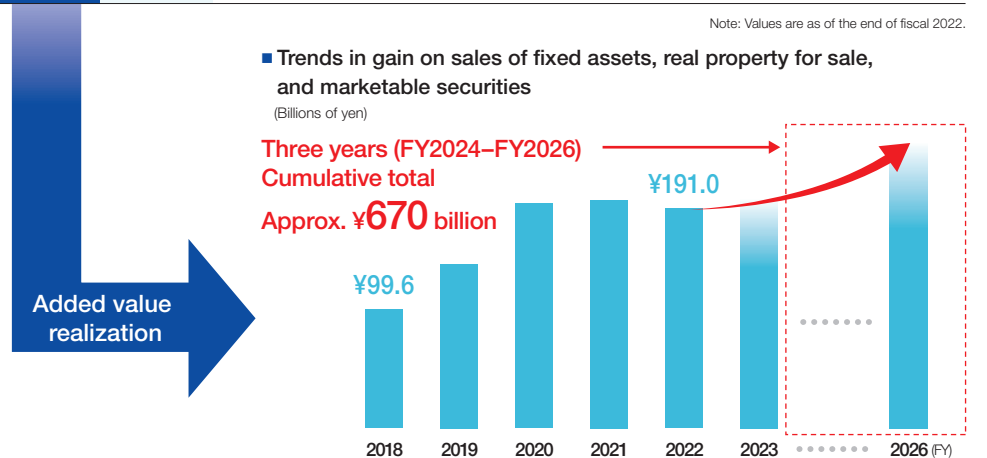


3. Realize added value (gain on sales)

- 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.

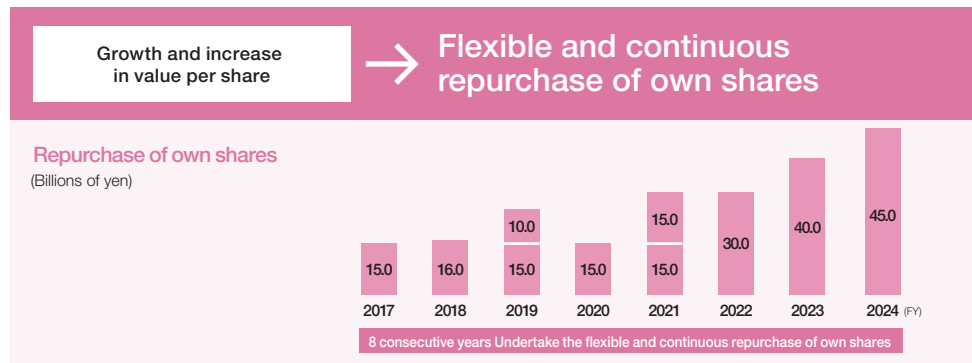
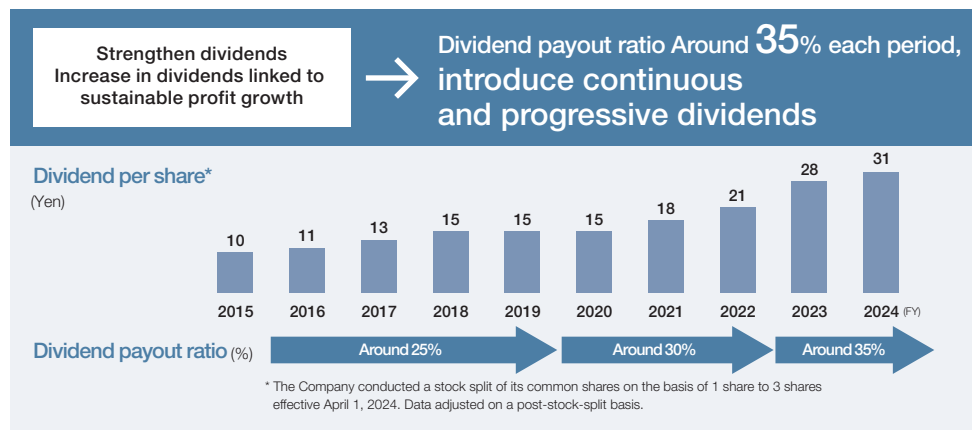
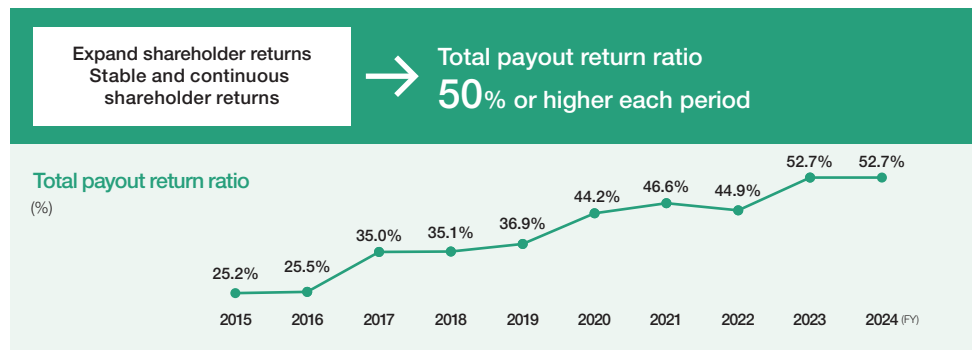


Note: Values are as of the end of fiscal 2022.



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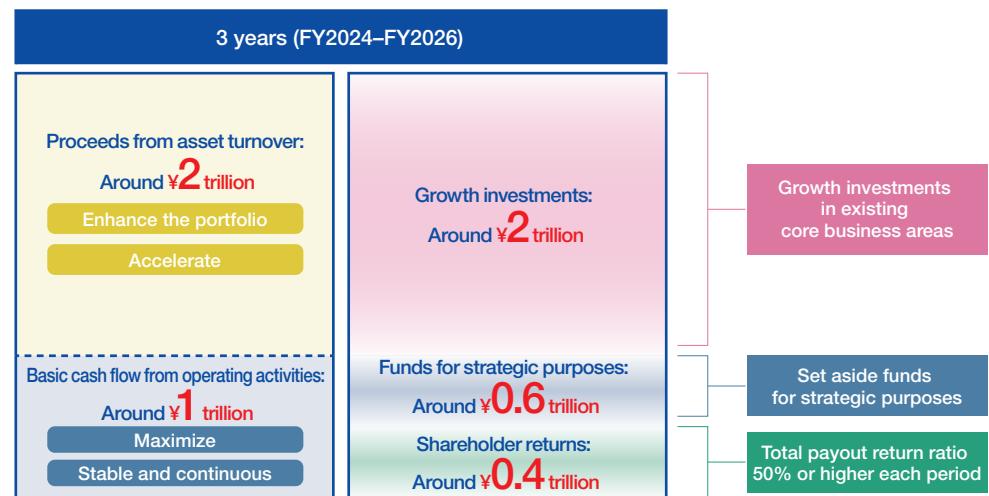
4. Expand shareholder returns



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.



- 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