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Human Resources Strategy

Message from a Director

Toward each employee becoming an “individual who excels” through facing a variety of challenges. Bringing together the capabilities of these “individuals who excel,” we will work to demonstrate the “team capabilities” that embody the Group’s inherent strength.

Makoto Tokuda

Director
Senior Executive Managing Officer (In Charge of Personnel)



Based on its belief that human resources, as assets, are the driving force behind the continued creation of new value, the Mitsui Fudosan Group has continued to engage with each and every employee in a way that helps them enhance their respective fields of knowledge and capabilities, and to serve as a driving force as a team. I am also convinced that our greatest strength, based on the correct intentions, is surely that like-minded people will coalesce and as a team pave the way by demonstrating capabilities greater than the sum of our parts.

I myself have vivid memories of experiences in which we overcame major challenges and difficulties and paved the way through teamwork. For example, during my time as a team member, I recall the experience of working hard as part of a team and being able to contribute to the launch of Japan's first REIT. During my time as an executive manager, and when faced with various projects coming to a standstill in the fallout following the collapse of Lehman Brothers, instances arose where we pooled our wisdom as a team and moved projects forward at the end of negotiation and coordination. To demonstrate teamwork requires that each and every one of us enhances our respective fields of knowledge and capabilities and becomes an “individual who excels.” It is my belief that when people enhance their individuality by facing a range of challenges, and these “individuals who excel” form a team, they will be able to bring about innovation and the creation of added value.

Under & INNOVATION 2030, the Mitsui Fudosan Group states that its vision is to “contribute to the creation of added value for society as an industrial developer.” The profile of the ideal human resources who will support the realization of that vision are “people who possess diverse perspectives, varying careers, are highly motivated, and who will take on the challenges of innovation while creating added value.” We are aiming “to become an organization in which such people form One Team, and brings together diverse values and capabilities as well as realizes further added value creation as a team.”

To realize these human resources and organization, we will engage in three initiatives. The first involves

“raising the level of our human resource capabilities, the source of value creation.” While enhancing talent management that focuses on each and every employee and strengthening investment in education to gain new insights and awareness, we will elevate our employees’ ability to create added value. We will also further strengthen the current high level of employee engagement, leading to improved performance. The second initiative involves “actively securing human resources and knowledge to accelerate innovation.” In actively recruiting human resources from a variety of fields and industries, we are supporting their active participation. We are also intensifying our efforts to acquire and develop technology and globally minded human resources. Acquiring human resources with diverse perspectives and expertise will increase the speed at which we generate innovation.

The third initiative is to “support the activities of diverse human resources and develop the Group’s One Team organization that brings together the strengths of the Group.” To become an organization that brings together the capabilities of its employees and creates added value, the Mitsui Fudosan Group is working as one to instill its values. This includes “a thoroughgoing customer-oriented approach” and “importance placed on team results over the individual,” to promote communication and cooperation within the Group through training and other means, and to expand employee compensation and conditions. Furthermore, to support the active participation of diverse human resources, we are promoting D&I, including health and productivity management and the empowerment of women, throughout the Group. For example, we are focusing on four areas: respecting diverse lifestyles and values, including those relating to childcare and nursing care; creating environments in which employees can continue working long term; supporting independent career development; and changes in awareness throughout the organization.

Monitoring the results and current status of these initiatives, we will ascertain both the quantitative and qualitative aspects while evolving our human resources strategies and measures. This will be achieved by, for example, carrying out interviews between Personnel Department staff and all employees and conducting engagement surveys on an annual basis.

Human Resources Strategy

A Complete Picture of the Mitsui Fudosan Group's Human Resources Strategy

Within the Group 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 Mitsui Fudosan Group's vision: Contribute to the creation of added value for society as an industry developer. Having identified the profiles of the ideal human resources and organizations we believe are necessary to bring this vision to fruition, we are undertaking a variety of initiatives.

& INNOVATION 2030
DREAM, VISION, REALITY

Infrastructure That Supports the Strategy

Human resources

DX

ESG

The profiles of the ideal human resources and organizations that will support the realization of our vision

Human resources who possess diverse perspectives, varying careers, are highly motivated, and who will take on the challenges of innovation while creating added value

Organizations that bring together diverse values and capabilities as well as realize further added value creation as teams

① Raise the level of human resource capabilities, the source of value creation

Engage in talent management commensurate with individual careers

Strengthen investment in education to secure new knowledge and awareness

② Actively secure human resources and knowledge to accelerate innovation

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

Recruit and include employees from various fields and industries

③ Support the activities of diverse human resources and further develop the Group's One-Team organization that brings together the strengths of the Group

Instilling Mitsui Fudosan Group's values throughout the entire organization

Bringing together the strengths of the Group

Creation of organizational environments that enable all employees to be their true selves and demonstrate their capabilities to the fullest extent



Established "MIND Learning Forest," a training facility that fosters innovation



Studying at overseas graduate schools to obtain an MBA



Visits to each department by the President



Mitsui Fudosan Group joint training

For more details

<https://www.hrm.mitsuifudosan.co.jp/>

Human Resources Strategy

KPIs & Progress (Mitsui Fudosan non-consolidated)

- ① Raise the level of human resource capabilities
- ② Actively secure human resources and knowledge to accelerate innovation

Indicators	Period	Numerical target	FY2024
Training time per employee*1	Annual	Last fiscal year's level	32.2 hours (+3.8 hours YoY)
Training expenses per employee*2	Annual	Last fiscal year's level	¥134,000 (+¥2,000 YoY)
Return rate from childcare leave	Annual	100%	100%
Percentage of male employees taking childcare leave*3	Annual	100%	100%
Number of paid leave days taken	Annual	14 days annually	15.7 days
Employee engagement**4	Annual	80%	92%

*1 Calculated by dividing the total amount of training hours by the total number of regular employees

*2 Calculated by dividing the total amount of training expenses by the total number of regular employees

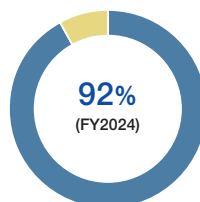
*3 The denominator is the number of male employees whose partner gave birth in the relevant fiscal year, and the numerator is the number of male employees who used the leave system either as childcare leave at the time of their child's birth or childcare leave in the relevant fiscal year. Where there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

➤ Further strengthen the current high level of engagement

Every year, the Company conducts an engagement survey of all its employees with the aim of measuring the degree to which their values and aspirations are aligned with the actual state of the organization. Positioned as a key indicator for measuring employees' willingness to contribute voluntarily and independently to the organization and their work, the survey question "I am proud to work for this company" has been set as a KPI. The percentage of people who answered in the affirmative to this question was more than 90% for the third consecutive year and is thus reaching an extremely high level. The high level of engagement with the Company is also reflected in low employee turnover rates. The survey results were generally at a high level, but the areas with relatively low rates of positive responses were "work-life balance" and "empowering diverse human resources." To address these issues, we are working on continuous operational reforms and creating workplace environments in which everyone can respond to each other, thereby leading to improvements.

■ Key indicator 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



For the third consecutive year
More than 90%

Turnover rate
(regular employees) **1.31%**

- ③ Support the activities of diverse human resources, further develop the Group's One-Team organization

Indicators	Period	Numerical target	FY2024
Women in management positions ratio*1	2025	10%	10.2%
	2030	20%	
Ratio of female hires	Annual	40%	41.2%
Employment rate of people with disabilities*2	Annual	2.5% or higher*3	2.74%
Health checkup and screening rate	Annual	100%	100%

*1 Among career-track employees, the ratio of women in management positions as of April 1 of the following fiscal year

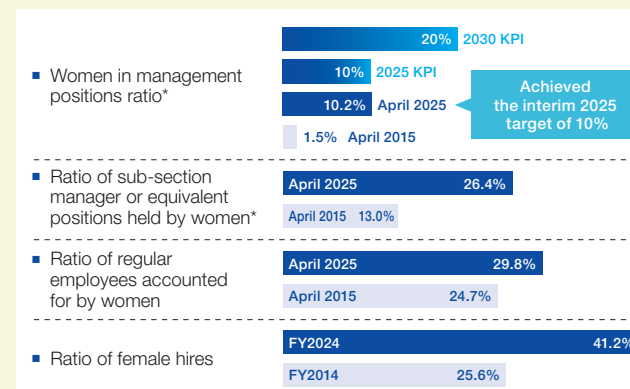
*2 Figures for each fiscal year are those for June 1 of the relevant fiscal year

*3 Work toward exceeding the legal employment rate (2.5% as of April 2024, increasing to 2.7% from July 2026).

➤ Increasing the ratio of women in the decision-making layer

The ratio of women in management positions came in at 10.2% in April 2025. As such, we achieved our 2025 KPI of 10%. With the Company's first female internal director appointed in fiscal 2025, the ratio of women in the decision-making layer is also increasing. As far as women nearing management level are concerned, we are also steadily attracting and developing female employees in positions equivalent to sub-section manager, with 26.4% of such positions held by women.

KPI related to the empowerment of women and progress updates



First female internal director appointed

P.78



Akiko Kaito
Director

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

Human Resources Strategy

① Raise the level of human resource capabilities, the source of value creation

Engage in talent management commensurate with individual careers

We define the basic human resources profile necessary to enhance human resources capabilities, which we recognize serve as the wellspring for value creation, as “highly skilled players who possess a foundation grounded in skills that are supported by a vision of considerable breadth and depth, who have established their own areas in which they excel, and who contribute to organizational results by creating high added value.” By bringing together these human resources, blending diverse values, fostering mutual respect, and generating team momentum as a membership-based organization, we are creating further added value.

Four opportunities for personnel development

Our basic policy for human resources development is to nurture the capabilities of each employee through a combination of the “four opportunities for personnel development” tailored to their career paths, so that employees with advanced expertise and broad perspectives can demonstrate their individual personalities and capabilities.

While OJT forms the basis of our personnel development, job rotation that does not specify assignment or work location helps to expand our foundation and establish areas of expertise. We also ascertain our employees' strengths through various hearings, including individual interviews between the staff of the Personnel Department and all employees, enabling us to manage them one-on-one and assign them to the right positions. We also offer a wide variety of training programs, providing many opportunities for employee growth.

Examples of job rotations

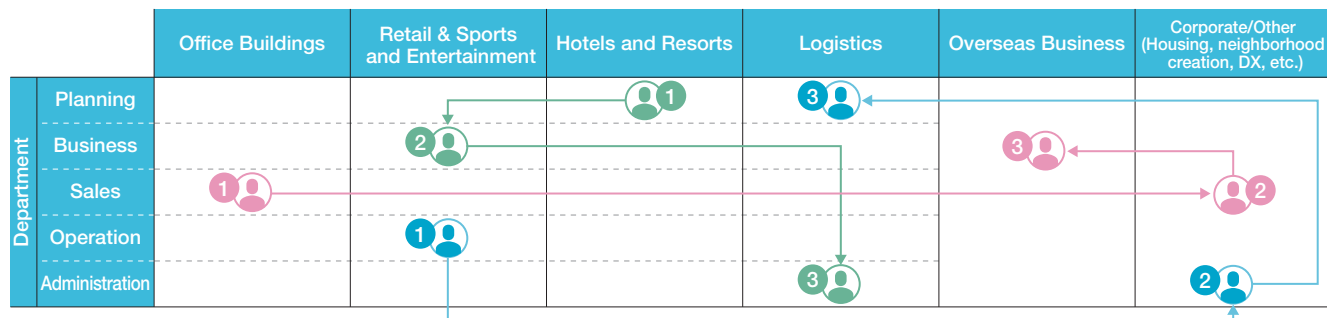
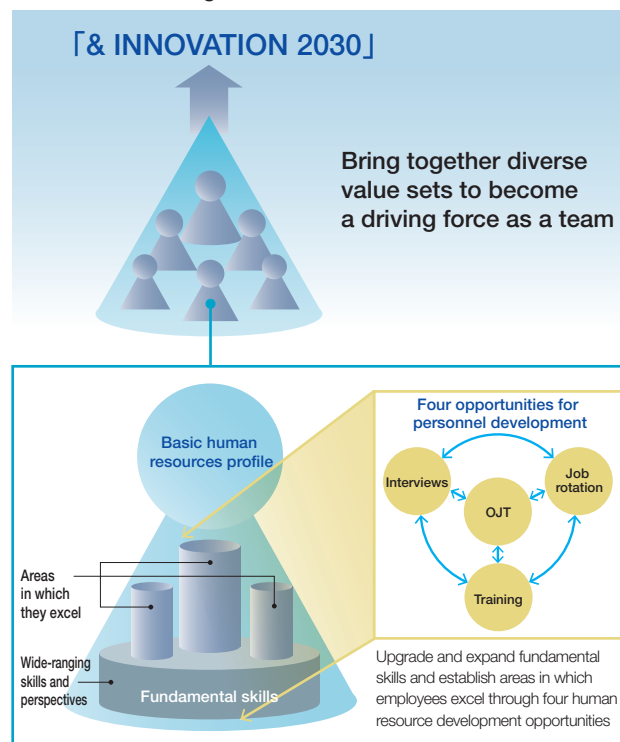


Image of strengthening human resources capabilities with the aim of realizing & INNOVATION 2030



Strengthen investment in education to secure new knowledge and awareness

More than 100 different types of training programs

To enable employees to gain new knowledge and awareness, we offer more than 100 different types of training programs. In this manner, we support employees' independent skills and career development. The programs included mandatory rank-based training that ranges 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.

Training time per employee

32.2 hours

Training expenses per employee

¥134,000

Training program details

<https://www.hrm.mitsuifudosan.co.jp/training/>

Example: “&MIND Learning Forest,” a training facility that fosters innovation

As part of our strengthened investment in education to raise the level of our human resources capabilities, including cultivating an innovative mindset among our employees and their ability to create added value, we have opened a new training facility called “&MIND Learning Forest” to foster innovation. Here we will host events such as in-house training sessions, lectures, and internships for students. Compared with the previous facility, “&MIND Learning Forest” has twice the floor space (approximately 819 m²) and four training rooms. This allows us to flexibly accommodate a variety of uses while enabling multiple training sessions to be conducted simultaneously. Through the training and events held at this facility, we will provide employees with more opportunities for growth and new insights.



Human Resources Strategy

② Actively secure human resources and knowledge to accelerate innovation

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

Development of global personnel

We are strengthening the development of global personnel in a bid to expand our overseas business. Specifically, we are providing a variety of opportunities to our employees. This includes implementing a language learning program for up to two months for younger employees, specific language training for mid-level employees, an overseas internship program lasting from six months to a year, an MBA system provided by overseas graduate schools, and stints working overseas through job rotations, while providing subsidies to cover the expense of language lessons to all employees, including those in administrative positions.

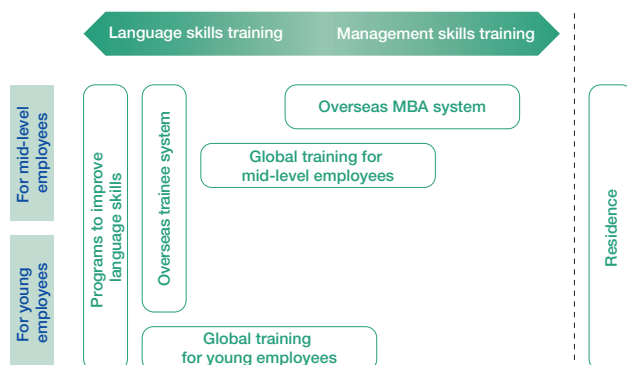
Number of participants in global training for younger/mid-level employees

471 people over 14 years (2011 to 2024)

Number of overseas business staff (including locally hired employees)

FY2017 **250** → FY2024 **430** **Approx. 1.7 times in 7 years**

Global personnel development program



Development of DX business personnel

To generate innovation while improving business efficiency and sophistication, 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 in fiscal 2021. 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 for details on human resource development initiatives intended to provide the ability to understand both business and digital tools. **PP.56-58**

Recruit and include employees from various fields and industries

Promoting mid-career hiring

To generate innovation as well as the creation of added value, we actively recruit mid-career human resources from various fields and industries, with the number of mid-career hires increasing each year. Fig. A shows the previous jobs of employees hired mid-career from fiscal 2022 to fiscal 2024 by industry. To establish business models that combine the real and digital worlds and to deepen DX to encourage innovation, we are strengthening our recruitment of strategic technical staff in our mid-career recruitment efforts. Also, to secure and develop highly specialized personnel to respond to the increasing sophistication of operations and technology and to carry out operations in a steady manner, we began hiring expert personnel in construction technology fields from fiscal 2024 and in accounting fields from fiscal 2025.

Expanding inclusion measures

We are also engaging in efforts to expand various measures so that our employees with a diverse range of backgrounds who were hired mid-career can fully exercise their unique attributes and play active roles at the Company based on their individual experiences and capabilities.

[Examples of measures for employees who were hired mid-career]

- Mentor system to support the formation of in-house networks
- Introducing to each other employees who joined the Company at the same time and fostering connections between employees who joined the Company mid-career
- Two-day onboarding training for self-reflection, goal-setting, and practical review of the Company's main projects
- Monthly surveys to ascertain the workload and mental state of employees
- Meetings with the Chairman (Conveying the Mitsui Fudosan Group's DNA)



Onboarding training field trips

Percentage of mid-career hires among regular employees

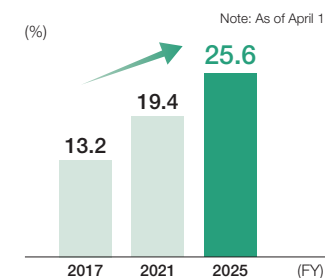
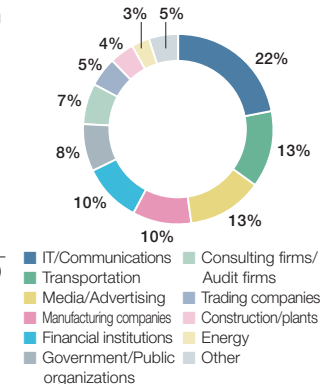
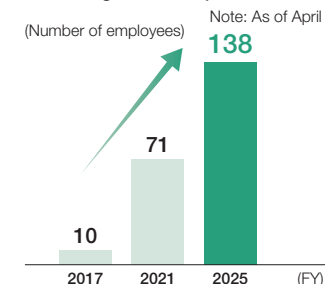


Fig. A: Previous industries of mid-career hires

Note: Last three years



Trend in the number of employees in strategic technical positions



Fiscal years in which the recruitment of strategic technical staff began (fiscal years in which recruitment began)

FY2013	Management techniques
FY2017	IT
FY2024	Construction techniques
FY2025	Accounting

Human Resources Strategy

③ Support the activities of diverse human resources and further develop the Group's One-Team organization that brings together the strengths of the Group

To generate innovation and create added value, we believe it is important for the entire Mitsui Fudosan Group to work together as One Team.

Instilling Mitsui Fudosan Group's values throughout the organization

To deepen into a One-Team organization, we believe it is important for each and every employee to understand the Group's management strategy and the values that the Group holds dear, including "a thoroughgoing customer-orientation approach" and "the importance placed on team results over the individual," and then approach work with high motivation. For this reason, we are working to create opportunities for dialogue between the president, management, and employees, and to convey messages from the management team.

● Creating opportunities for dialogue with the management team

For management to convey and communicate the Group's policies and ideas and to talk directly to employees, President Ueda personally visits each department to talk with employees, conducts briefings on long-term management policies, and holds roundtable discussions between the Chairman and new graduates and mid-career hires. Every year, the President and Chairman of Mitsui Fudosan give a joint talk to new Group employees as an opportunity to directly convey the Group's history and values from top management.

Example 1: Visits to each department by the President An opportunity for President Ueda to express his thoughts and receive questions directly from employees



A total of **84** sessions held over a period of approx. two years from April 2023
Target: All Company employees (including those of overseas subsidiaries)

Example 2: Mitsui Fudosan Group Joint Lecture



Conducted in April 2025
Target: **926 new employees** from **25 companies** in the Group

Bringing together the strengths of the Group

We are working together as a Group on a variety of initiatives to support the activities of diverse human resources and bringing together the strengths of the Group.

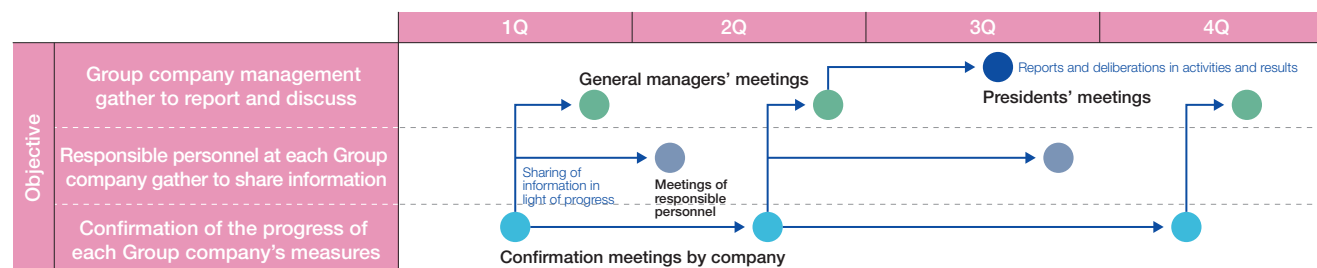
For example, we are promoting D&I and the active participation of women across the Group, promoting personnel exchanges within the Group through training and other means, and expanding Group-wide employee benefits.

Example 1: Group-wide D&I and a system to promote the active participation of women

To realize environments in which diverse human resources can thrive across the Group, we are moving forward with initiatives by setting Group-wide quantitative targets and conducting D&I surveys to ascertain the current situation and manage progress across the entire Group.

As shown in diagram A, we also provide forums to facilitate the sharing of information between Group staff and department heads, and for gathering the presidents of each Group company to report on and discuss activities and results.

■ Diagram A: Image of the D&I and women's empowerment promotion structure



Example 2: Get Connected and Grow Project

As a Group-wide initiative to promote D&I as well as the empowerment of women, the Mitsui Fudosan Group conducted the "Get Connect and Grow Project," which includes joint training and networking events. To date, a cumulative total of more than 8,500 people has participated in the project. In addition to acquiring skills and abilities, these jointly organized Group events offer the opportunity to build connections and business collaboration that extend beyond company lines and to discover a variety of different role models.

[Project activity examples]

- Mandatory D&I e-learning for Mitsui Fudosan Group employees
- Seminars for female manager candidates and young employees (one-step-higher perspective and understanding roles)
- Female manager forums (attaining the point of view of management positions, networking between female managers)
- One-time training and networking events (childcare roundtable discussions, organizational knowledge management)



Seminar programs for young female employees



Childcare roundtable discussions

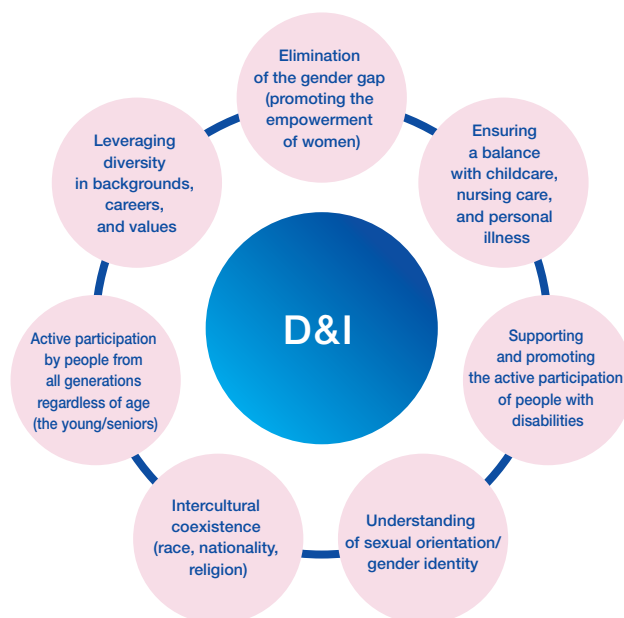
Human Resources Strategy

Creation of organizational environments that enable all employees to be their true selves and demonstrate their capabilities to the fullest extent

To form links to the creation of added value and innovation by incorporating perspectives from diverse human resources, we have created organizational environments in which people with diverse values, talents, and lifestyles can demonstrate their capabilities to the fullest extent.

● Promotion of equity, including the empowerment of women

Equity refers to a state in which support is provided that takes into consideration the differences and circumstances of each individual, where everyone has equal opportunities in an equal environment. As part of our equity promotion endeavors, we are working to improve various systems, promote understanding, and foster a positive culture through training and other measures.



Example 1: Eliminating the gender gap (promoting the empowerment of women) P.50

As far as the empowerment of women is concerned, which is an important theme within D&I, we are emphasizing two focal points (refer to Table A) with the aim of increasing the ratio of women in the decision-making layer and building an organization in which female employees can continue working for the long term. Furthermore, with the President and CEO as the person in charge and the commitment of top management, we are promoting these two-pronged initiatives while regularly verifying and discussing progress with the management team.

■ (Table A) Two focal points for promoting the empowerment of women in the Group

① Creating environments in which diverse lifestyles and values are respected regardless of gender and people can continue working long term

[Practical examples]

- Psychological safety training geared toward organizational leaders
- Ascertaining conditions as well as employee requests through annual interviews with all employees conducted by Personnel Department staff and D&I surveys, while developing a variety of systems and environments.

② Organizational awareness reforms and support to improve employees' own motivation/career development

[Practical examples]

- Supporting the empowerment of women through a mentoring system geared toward women in management positions
- Each division/department to create training plans for women nearing management level and provide systematic training

For more details

https://www.women.mitsuifudosan.co.jp/index_en.html

Example 2: Balancing work and childcare (paternity leave/childcare for men)

We are working to foster a culture of support for both work and childcare, regardless of gender.

[Practical examples]

- Study sessions for management and seminars for employees, with obstetricians and gynecologists as lecturers
- Mandatory training for men returning from parental leave and their superiors



A Group joint roundtable discussion for working fathers

Example 3: Supporting/encouraging the participation of people with disabilities

- In our Personnel Department, we established our Challenged Center, which is comprised of employees with intellectual disabilities and dedicated instructors, and the refreshment room Refre, where people with physical disabilities serve as health keepers.
- Alongside the advertising and PR company Hakuhodo, we established SUPERYARD Co., Ltd., with the aim of expanding the corporate employment of people with mental disabilities and supporting their career advancement after employment. At Mitsui Fudosan, staff members with mental disabilities are steadily performing well, and we expect to increase their numbers in the coming years.
- Persons in charge of employing people with disabilities at each Group company meet regularly to share best practices, etc.

● Creating environments that support the active participation of diverse employees

[Practical examples for realizing flexible work locations and times]

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

[Practical examples designed to support work-life balance]

- In-office nurseries, subsidy system for babysitter and housekeeping service expenses
- 100% paid childcare leave for men at the time of a child's birth
- Nursing care consulting system, system for subsidizing the cost of providing nursing care

Human Resources Strategy

TOPICS Main D&I 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	External impacts
	Process Innovation	Product Innovation
Direct outcomes (financial value)	<p>Productivity and operational reforms as an organization</p> <p>Creating environments where diverse human resources can thrive while maintaining customer satisfaction</p> <div> <p>Regular Sunday closures at housing sales centers* Adoption of new styles of housing sales methods</p> <p>Digitalization of sales workplaces Enhanced customer convenience through digitalization</p> </div> <p>* Only at some locations</p> <p>Reduce hours worked through DX-based workstyle reforms Work efficiency improvement time due to system renewal</p> <p>Approx. 607,000 hours Approx. 316 people</p> <p>Notes: 1. Target: Systems in operation from April 2018 to March 2024 2. Converted to 1,920 hours/person per year (8 hours × 20 days × 12 months)</p>	<p>SUPERYARD, a company for expanding employment for people with mental disabilities and supporting career advancement</p> <ul style="list-style-type: none"> ■ Provision of various D&I plans for office buildings business tenants ■ Hotel supporting cancer patients <p>Workshop on menstrual pain</p> <p>Mitsui Garden Hotel Kashiwa-no-ha Park Side</p>
	<p>Workplace Outcomes</p> <p>Culture of acceptance, improved working environments, employee growth, greater engagement</p> <p>I am proud to work for this company 92%</p> <p>More than 90% of employees responded that they are proud to work for the Company (non-consolidated)</p> <p>Turnover rate 1.31%</p> <p>Low turnover rate of around 1% (non-consolidated, regular employees)</p> <p>Promoting interaction and understanding within the Group through joint Group training programs (total of more than 8,500 attendees)</p>	<p>Greater External Recognition</p> <p>Higher customer satisfaction and market recognition, acquisition of talented human resources</p> <p>NADESHIKO BRAND 2025</p> <p>Selected as a Nadeshiko Brand, an initiative that chooses companies excelling in efforts to empower women, for the fourth consecutive year</p> <p>Platinum Kurumin certification for its high level of effort as a child-rearing support company</p> <p>As a company that actively promotes the empowerment of women, obtained "Eruboshi Certification" (multiple Group companies, with the Company obtaining two stars on a non-consolidated basis)</p>
Indirect outcomes (non-financial value)		

Health and productivity management

In creating organizations in which diverse human resources can demonstrate their capabilities to the fullest extent, we view the health and safety of each and every employee as a management issue. With responsibility placed on the President and Representative Director, 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. The Company is also contributing to the resolution of social issues by, for example, promoting the spread and expansion of health management to its external business partners.

In recognition of these initiatives, we were certified under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500, Large Enterprise Category) as a company that excels in health and productivity management practices for a ninth consecutive year.

[Practical examples]

- Individual interviews with all employees by Personnel Department staff
- Subsidizing of medical examination costs for employees and their spouses, such as medical checkups and gynecological cancer screening costs
- Organizing of health promotion events, seminars, and step count challenges, as well as distribution of online articles, as part of the &well service that we offer as a health and productivity management support service for companies
- Established our Health Management Center, a specialized organization responsible for maintaining and improving employee health



Health management support service "&well"



Health promotion event "WELLNESS WEEK"

Digital Transformation Strategy

Message from a Director

**As an industrial developer,
we will promote DX and work to
drive business transformation
and innovation.**


Nobuhiko Mochimaru

Director
Executive Managing Officer (In charge of DX)

Under the Group long-term vision & INNOVATION 2030, we position DX as an important form of infrastructure that underpins our strategy to realize the Group's vision: "contribute to the creation of added value for society as an industrial developer." Factors such as the digital shift and the evolution of generative AI are dramatically changing social and industrial values, and it is expected that lifestyles and working styles will become even more diverse in the environment surrounding the real estate industry. It is my belief that promoting DX will be essential in responding to these changes in the environment and increasing corporate value. Guided by & INNOVATION 2030, we have formulated a new DX policy, DX VISION 2030, and the Group is working as one to promote DX with the dual goals of establishing a business model that combines the real and digital worlds and the promotion of innovation.


Under our competitive strategy, on which we place the greatest importance, we are endeavoring to provide experiential value that meets the diversifying needs of each and every one of our customers through the combination of real and digital media, and by working on differentiation in each business and in neighborhood creation. We will also strive to provide value through DX by, for example, advancing the provision of places and communities that leverage the various networks and the customer base of more than 16 million people that we have built up to now, and by creating digital solutions that leverage our relationships with a wide range of stakeholders.

To support these efforts, we are not only hiring expert personnel specializing in the digital field but also maintaining more of a focus on developing DX business personnel who are familiar with both our business and digital technologies. Furthermore, through the utilization of data that combines generative AI and conventional AI, we will accelerate the strengthening of our competitiveness. To maintain and improve competitiveness and safety in a rapidly evolving digital environment, we are also actively working on

strategic system renewal and the strengthening of infrastructure security, which form the foundation for promoting DX. In particular, amid the increasing sophistication of cyberattacks that target companies, the Group has positioned cybersecurity measures as an important management issue. We are working to strengthen comprehensive measures across all Group companies, including those overseas, and are thoroughly monitoring and making decisions at the management level. This includes establishing a system for regular reporting to senior management. Going forward, we will make our infrastructure security standards even more advanced and put in place a secure and advanced digital environment.  **P.87**

Annual publication of the DX White Paper

To ensure that shareholders, investors, customers, business partners, and other parties understand the status of progress made in promoting the Group's DX, we have published our DX White Paper every fiscal year since fiscal 2020. In its pages we compile instances of the Group's DX promotion, results, and the value provided to customers.

 https://www.mitsuifudosan.co.jp/dx/dx_hakusyo.pdf
(in Japanese only)



Digital Transformation Strategy

Positioning of the DX Strategy in the Mitsui Fudosan Group

Mitsui Fudosan has positioned DX as an important prerequisite and underlying strength of its strategies going forward under the Group long-term vision & INNOVATION 2030. Building on this critical infrastructure, we formulated the DX Policy, DX VISION 2030, and are working together as a unified Group to promote DX in a bid to establish a business model that combines the real and digital worlds while advancing innovation.

For more details

https://www.mitsuifudosan.co.jp/dx/dx_hakusyo.pdf (in Japanese only)

& INNOVATION 2030

DREAM, VISION, REALITY

Infrastructure That Supports the Strategy

Human resources

DX

ESG

DX Strategy: DX VISION 2030

Improving Experiential Value to Meet the Diversifying Needs of Customers

	&Customer	Real × Digital Business Transformation	&Crew	AI/Digital Human Resources Innovation	&Platform	Digital Platform Innovation
Concept		Real × Digital Skills Utilize digital tools to maximize the value of real “places” Digital Customer Journey Enhance customer resolution and expand data-based approaches Co-creation-based Service Development Deploy services that exceed the framework of the Company through co-creation		Reform Work through AI-accompaniment Integrate knowledge and shift manpower to areas where humans excel Digital Inclusion Develop DX business personnel, strengthen recruitment of DX professionals		Strategic System Updates Develop systems in a planned, consistent manner Group Infrastructure and Security Standardization Standardize and advance mechanisms toward Group-wide uniformity
2030 Vision for Group DX		<ul style="list-style-type: none"> Utilize digital tools in all businesses and in every situation Provide seamless customer experiences across businesses Diversify co-creation-based approaches and expand areas of application 		<ul style="list-style-type: none"> Expand the ratio of all employees accounted for by DX business personnel to 25% Update data infrastructure, enhance the productivity and quality of operations through the use of AI 		<ul style="list-style-type: none"> Prepare secure, cutting-edge digital environments for all Group companies, including overseas Operate under standard rules and governance approaches Strategically update systems, convert development know-how to organizational knowledge
Successful Examples of DX Promotion		Strengthening the Mitsui Fudosan Group network using digital skills Our main membership organizations <div> <div>Oct. 2021 13.64 million people</div> <div>July 2025 Approx. 16.80 million people</div> </div>		Use of generative AI by employees <div> All of our approximately 2,000 employees have access to generative AI chat programs Frequency of monthly use: Approx. 27 times per user </div>		<div> Increase in operational efficiency by updating major systems^{*1} Reduction in the number of hours: Approx. 610,000 hours </div> <div> Degree of employee IT satisfaction^{*2,3} Sense of operational efficiency increase through systems: 86% </div>

^{*1} For projects with a planned budget (initial + 5 years of running costs) of ¥100 million or more, performance measurement values after 6 months of operation will be calculated based on systems that were in operation between April 2018 and March 2024.

^{*2} Data on a non-consolidated basis

^{*3} Conducted in July 2023 with a response rate of 71% (approximately 2,000 employees surveyed)

Digital Transformation Strategy

TOPICS

DX VISION 2030

&Customer

Real × Digital Business Transformation

Co-creation-based Service Development

▶ Adoption of the Urban OS developed for Kashiwa-no-ha Smart City across cities nationwide

Steps were taken to provide the Urban OS jointly developed by Mitsui Fudosan and BIPROGY Inc. for Kashiwa-no-ha Smart City (Kashiwa City, Chiba Prefecture), an initiative that promotes neighborhood creation through public, private, and academic collaboration, to the entire Kobe area in October 2024 and to Yaezu City from August 2025. The decision has also been made to introduce the Urban OS to Aichi Prefecture and Funabashi City during fiscal 2025.

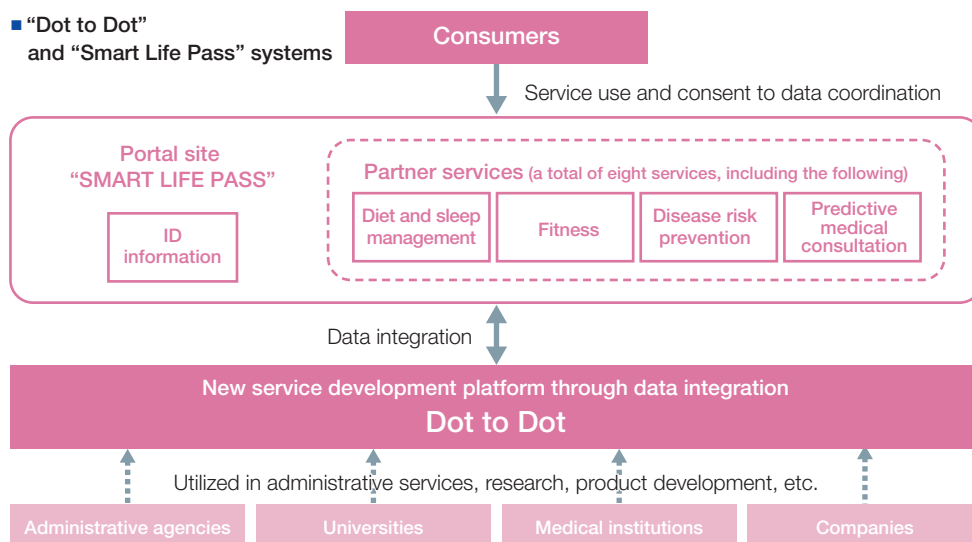
[Urban OS features]

- Consists of partner services connected to the consumer “Smart Life Pass” portal website and the data connectivity platform “Dot to Dot.”
- Consumers can use partner services that encompass such areas as health enhancement and childcare support regional revitalization through “Smart Life Pass.”
- Partner services will share personal data subject to the consent of the consumer to improve service functionality.

Moving forward, we will expand and rollout partner services to other administrative agencies through UDCK Town Management (UDCKTM), the general incorporated association in charge of providing services.

* Dot to Dot is a registered trademark of BIPROGY Inc.

■ “Dot to Dot” and “Smart Life Pass” systems



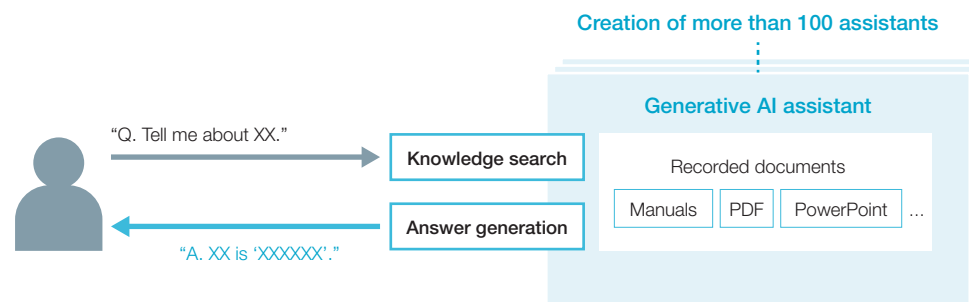
&Crew

AI/Digital Human Resources Innovation

Reform Work through AI-accompaniment

▶ Greater work efficiency: Active use of generative AI assistants improves work efficiency

Enable more efficient searches by creating generative AI assistants that can answer questions tailored to each business domain and business issue.



▶ Generate new added-value: AI powered Tokyo Dome city newspaper

Develop a paid service (¥500/sheet) that delivers a “one-of-a-kind” newspaper created through conversations with generative AI about events at and memories of Tokyo Dome City.



&Platform

Digital Platform Innovation

Strategic system updates

▶ Major systems on a non-consolidated basis: All developed or updated within 10 years

▶ Major system/service development project

Released systems/services

(October 2023 to September 2024)

14

Under development
(excluding the conceptual phase)

(October 2023 to September 2024)

15

Sustainability Strategy

Message from a Director

By sincerely engaging with nature, people, and local communities, we will realize the formation of a sustainable future and achieve economic growth.

Akiko Kaito

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



In April 2025, the Mitsui Fudosan Group formulated its Declaration of Coexistence with the Environment in Neighborhood Creation, titled & EARTH for Nature, which clearly states the vision for which the Group is aiming through coexistence with the environment in neighborhood creation. Reexamining the consideration for nature that we have accumulated on-site so far and the relationships we have built up between people and local communities, this declaration represents the universal values and basic stance of the Group. [PP.62-64](#)

Neighborhoods are places where people gather, work, and live, but at the same time they are also places where people interact with nature, learn, and grow. We consider nature, people, and the local community to be one and the same, a single entity we refer to as an “environment.” Rather than simply protecting nature, we believe that it is through people’s involvement that we can pass on the environment to future generations—this approach lies at the heart of our neighborhood creation.

For example, in Tokyo’s Nihonbashi district, where the Company was founded, we rebuilt Fukutoku Shrine and developed Fukutoku Garden, creating a space where nature, people, and culture can coexist while respecting the history of the area. Through the revitalization of green spaces in TOKYO MIDTOWN, biodiversity has been restored, to the stage at which rare birds have begun to visit.

Projects centered on coexistence with nature are spreading not only in Tokyo but also throughout Japan. In our Group-owned forests in Hokkaido, we are working to create “never-ending forests,” where the aim is a cycle of planting, cultivating, and use. At Nemu Resort, which is located in Ise-Shima National Park, we provide opportunities for visitors to engage with bountiful nature as a “resort that nurtures satoyama, sea, and forests.” Within the site, a satoyama-style aquatic garden has been created. In this area that connects the forest and the sea, you can encounter seasonal creatures, such as kingfishers, ducks, killifish, and freshwater crabs. Plants such as irises and hydrangeas add a beautiful touch to the garden, and the space

is maintained using natural materials, with consideration given to the balance of the ecosystem.

From Nihonbashi, the district where the Company was founded, we aim to expand our network of prosperous environments throughout Japan through neighborhood creation. To achieve this, we will take our efforts to the next level with each project.

Together with these efforts to coexist with the environment, responding to climate change is one of our greatest responsibilities. In order to reduce our greenhouse gas (GHG) emissions, we are making steady progress with our decarbonization efforts, for example, by making emission calculations and reduction plans obligatory during construction in the case of all new projects.

Environmental and social sustainability also have deep connections with human rights. With this in mind, the Group will continue to take such measures as practicing human rights due diligence with regard to business and human rights, and steadily work to identify and mitigate risks, including those in the supply chain.

In tackling the complex challenges of sustainability, the capabilities of people with diverse values are indispensable. In addition to furthering our diversity and inclusion endeavors, we will also work carefully as a group, united as One Team, to engage in dialogue with each and every workplace. I believe that this accumulation of efforts will serve as a driving force behind the creation of a sustainable future.

While facing nature, people, and local communities with sincerity, the Mitsui Fudosan Group will foster value that will continue long into the future and lead to sustainable economic growth.

Sustainability Strategy

Positioning of ESG in the Mitsui Fudosan Group



Infrastructure That Supports the Strategy

Human Resources

DX

ESG

For more details

https://www.mitsui-fudosan.co.jp/english/esg_csr/


Under the Group long-term vision & INNOVATION 2030 with a view toward fiscal 2030, the Mitsui Fudosan Group is committed to creating added value for society in a sustainable manner by creating both social and economic value.

Under this vision, we view the promotion of sustainability management as our natural responsibility in order to help build a sustainable society on a global scale and to achieve sustainable growth as a company. Among these initiatives, we have positioned the Environment, Society, and Governance (ESG), along with Human Resources and DX, as an important infrastructure that supports the business and financial

strategies of & INNOVATION 2030. Accordingly, we are proactively implementing various initiatives to further strengthen this infrastructure.

Specifically, we are pursuing a wide array of initiatives that include addressing climate change, adopting renewable energy sources, engaging in co-creation with local communities, promoting supply chain management, and strengthening our corporate governance system. Through these activities, we will incorporate ESG perspectives into our management decisions and business operations with the aim of simultaneously solving social issues and enhancing corporate value.

Sustainability promotion framework

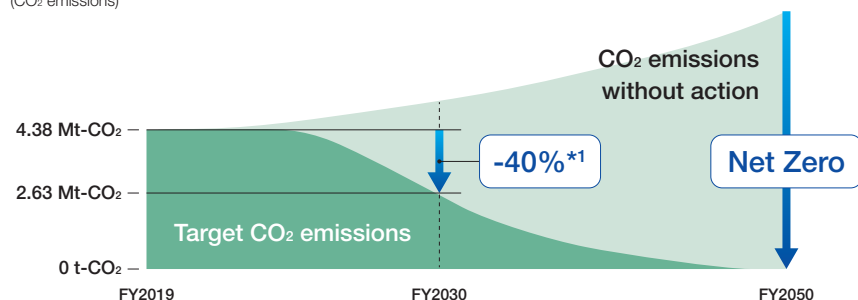


The Group has established the ESG Promotion Committee (chaired by the President & CEO; within Mitsui Fudosan Co., Ltd., non-consolidated) and the ESG Promotion Subcommittee (a subordinate organization chaired by the General Manager of the Sustainability Promoting Division) in order to facilitate the Mitsui Fudosan Group's efforts to address sustainability issues. The ESG Promotion Committee is responsible for developing philosophies and policies on sustainability issues, coordinating department activity targets and plans, and supervising and evaluating progress. To promote these initiatives, the ESG Promotion Subcommittee sets annual targets for each department and oversees their progress. To address climate change and other risks, we gather information on domestic and international trends and requirements from a variety of channels, including national and local governments, the Japan Business Federation, and the Real Estate Companies Association of Japan. Based on this, we identify risks through the highly specialized ESG Promotion Subcommittee and assess their impact at the ESG Promotion Committee. In addition, the Strategy Planning Special Committee and the Risk Management Special Committee discuss how significant risks impact business activities and how to resolve these issues through core operations. These initiatives are regularly reported to the Board of Directors, which monitors targets and progress, as well as reviews them as needed on a case-by-case basis.

Sustainability Strategy

Responding to Climate Change

Greenhouse gas emission reduction targets

(CO₂ emissions)

FY2024 results

3-year average*² **-0.7%**
 (Comparison between fiscal 2022–fiscal 2024
 and fiscal 2018–fiscal 2020)

Acquired SBT Initiative Certification
 for “1.5°C target”

- Participation in initiatives concerning response to climate change



For more details

Please also refer to “Responding to Climate Change” **PR.109–110**

*¹ Scope 1 + Scope 2: 46.2% reduction by fiscal 2030 (vs. fiscal 2019)

*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 progress in fiscal 2024
Action Plan 1	<ul style="list-style-type: none"> ■ New properties: Realize ZEB/ZEH-level environmental performance for all properties ■ Existing properties: Create on-site renewable energy for the renovation of properties to improve the energy efficiency of properties 	<ul style="list-style-type: none"> ■ New buildings: In principle, all new buildings constructed after the “Decarbonization Action Plan” achieved ZEB/ZEH-level environmental performance ■ Existing properties: Implemented renovation for improved energy-saving performance as needed
Action Plan 2	<ul style="list-style-type: none"> ■ By fiscal 2022, achieve greening of electricity consumption in common areas of properties owned and areas used by the Group in 25 properties in the Tokyo metropolitan area ■ By fiscal 2030, achieve greening of electricity consumption in common areas of properties and areas used by the Group 	<ul style="list-style-type: none"> ■ Achieved the greening of electricity consumption in common areas of properties and areas used by the Group in 25 buildings in the Tokyo metropolitan area ■ Achieved greening of electricity consumption in common areas of properties and areas used by the Group amounting to a total of 100 million kWh
Action Plan 3	<ul style="list-style-type: none"> ■ Provide a Green Menu to tenants and buyers 	<ul style="list-style-type: none"> ■ Concluded an agreement for introducing green energy: A total of 146 cases
Action Plan 4	<ul style="list-style-type: none"> ■ Develop mega-solar with a total output of approximately 175,000 kW by fiscal 2030 	<ul style="list-style-type: none"> ■ Expanded to a total of 42 sites, amounting to 131,000 kW
Action Plan 5	<ul style="list-style-type: none"> ■ Develop tools to accurately grasp CO₂ emissions during construction ■ Require submission of a reduction plan by construction companies, etc. 	<ul style="list-style-type: none"> ■ Construction companies are required to calculate CO₂ emissions during construction and submit reduction plans using the Company's GHG Emissions Calculation Manual as of October 2023
Action Plan (Other)	<ul style="list-style-type: none"> ■ Acquire external certifications ■ Introduce an Internal Carbon Pricing (ICP) System ■ Establish a system for promoting action plans 	<ul style="list-style-type: none"> ■ Obtained the rank of “5 Stars” for the GRESB Development Benchmark in the GRESB Real Estate Assessment and the rank of “4 Stars” for the GRESB Standing Investment Benchmark ■ All newly constructed properties acquired external certifications

Sustainability Strategy

Declaration of Coexistence with the Environment
in Neighborhood Creation

& EARTH for Nature

Guided by the “&” Logo Principles, the Mitsui Fudosan Group is committed to creating social value by solving social issues. With this in mind, we have continued to create neighborhoods while taking to heart the principle of “Getting Better with Age.”

As far as coexistence with the environment is concerned, we have undertaken a variety of initiatives under the principle of “& EARTH With nature, sharing the future.” Moreover, achieving a better environment has become an important social issue for realizing a well-being-focused society in recent years.

In a bid to communicate broadly to society our vision for achieving coexistence with the environment when working to create neighborhoods, we formulated “& EARTH for Nature,” the Mitsui Fudosan Group's declaration of coexistence with the environment in neighborhood creation.

In working to fulfill this “& EARTH for Nature” declaration, we are endeavoring to expand our network of prosperous environments not only in Nihonbashi but also throughout Tokyo and across Japan. At the same time, we hope to pass on this vision to future generations. We view nature, people, and communities in “Holistic” terms and as such are working to create a prosperous “Holistic Environment” in which the appeal of nature, people, and communities can circulate and grow even more vibrant over time.

This declaration embraces the Mitsui Fudosan Group's universal values and basic approach, which it has continued to practice while promoting further growth through future projects. Looking ahead, we will contribute to society by creating a diverse spectrum of neighborhoods.

Positioning of “& EARTH for Nature”

GROUP MISSION

& EARTH With nature, sharing the future

GROUP MATERIALITY

Coexistence with the environment



Declaration of Coexistence with the Environment in Neighborhood Creation

& EARTH for Nature

Through neighborhood creation, we aim to expand our network of sustainable and prosperous “**Holistic Environments**” not only in Nihonbashi but also throughout Tokyo and across Japan, and pass it on to future generations.

Our Concept of a “Holistic Environment”

We see the environment as a “Holistic Environment,” blending nature, people, and communities into a cohesive whole. We strive to create sustainable and prosperous “**Holistic Environments**” where the unique appeal of each element of nature, people, and communities circulates and grows even more vibrant over time.



Sustainability Strategy ... Declaration of Coexistence with the Environment in Neighborhood Creation & EARTH for Nature

Key Issues to Address



Preserve and nurture greenery

Policy By preserving greenery that carries the land's memories and history, and creating new greenery, we will create an environment where everyone can conduct activities alongside green spaces.

<Case study>

Jingu Gaien District Urban Redevelopment Project



Preserve the four rows of ginkgo trees, and increase the number of trees* from 1,904 to 2,304
 * Trees over 3.0 m in height
 (Conceptual image of the completed project as of April 2023)



Harness the allure of water

Policy We will revitalize the waterfront that carries the land's memories and history, while creating a water-rich environment that provides a place for people to relax.

<Case study>

Nihonbashi



Revitalize Nihonbashi, which was once a key hub for both water and land transportation, as a base for "Waterfront City Tokyo," centered on waterway transportation. (Create an expansive space with a close affinity with water and develop a waterway transportation network.)



Enrich the ecosystem

Policy By considering the connection with the surrounding environment and the preservation of the ecosystem, we will create an environment where wildlife and people can coexist for generations to come.

<Case study>

Group-owned forests



Through proper management of Group-owned forests, enrich not only the forest ecosystems but also the ecosystems of the rivers and seas connected to them.



Connect the aspirations of the community

Policy By valuing our coexistence with the surrounding communities, we will create an environment that preserves and passes down its nature, culture, and history to future generations.

<Case study>

Fukutoku Shrine and Fukutoku Garden



Rebuilt the main hall of Fukutoku Shrine and developed Fukutoku Garden, featuring a plaza at the center of its over 1,000 m² (10,764 ft²) site. Also serves as a temporary shelter for those unable to return home during disasters (Photo provided by Fukutoku Shrine)



Promote the circulation of natural resources

Policy We will appropriately promote the circulation of natural resources, including through the creation of "never-ending forests," and advance neighborhood creation that connects to the future.

<Case study>

Nihonbashi Honcho Mitsui Building & forest



Utilize timber from Group-owned forests for structural and interior materials used in development.



Supervision

Professor
Yukari Takamura

Institute for Future Initiatives,
The University of Tokyo

Graduated from the Faculty of Law, Kyoto University. Completed coursework in the doctoral program at the Graduate School of Law, Hitotsubashi University, without obtaining a degree. Held positions including Professor of Ryukoku University, Professor at the Graduate School of Nagoya University, and Professor at the Integrated Research System for Sustainability Science (IR3S), the University of Tokyo. Since April 2019, she has served as Professor at the Institute for Future Initiatives, the University of Tokyo.

Sustainability Strategy ... Declaration of Coexistence with the Environment in Neighborhood Creation & EARTH for Nature

Examples of the Mitsui Fudosan Group's contributions to the environment through the creation of neighborhoods

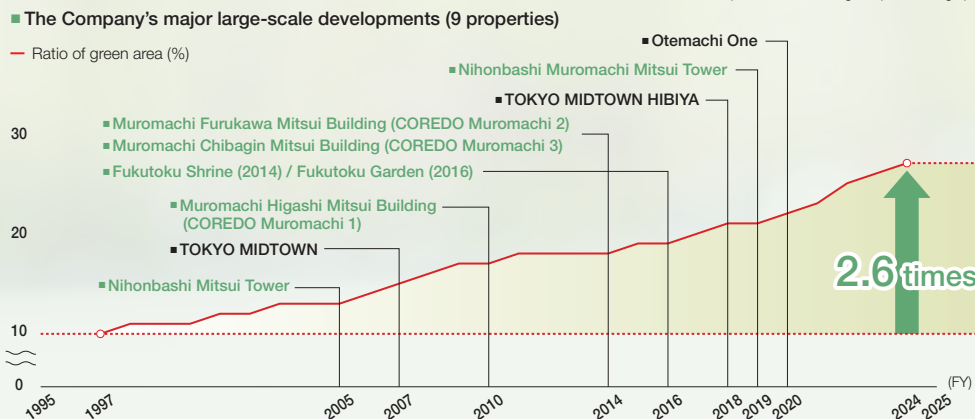
Note: This analysis was conducted by Think Nature Inc. by combining biodiversity big data and AI technology

Amount of greenery

Increasing the amount of greenery through the creation of neighborhoods

The amount of greenery compared with the amount prior to development has increased 2.6 times with respect to nine of the Company's major large-scale development properties. Of this total, green spaces have increased 4.4 times with respect to 6 properties in the Nihonbashi area.*

Note: Properties illustrated in green print in the graph.



2.6 times



TOKYO MIDTOWN (before development)



TOKYO MIDTOWN (after development)

Note: The green area of each property is determined using aerial photography, satellite images, and AI technology. Follow-up evaluations of changes in the amount of greenery before and after development were conducted.

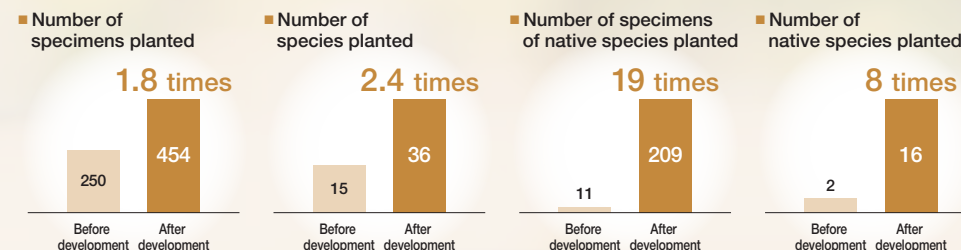
Quality of greenery

Improving the quality of greenery and supporting biodiversity

As a result of development, the number of native species planted*¹ increased 8-fold, and the quality of greenery improved. This led to a 1.8-fold increase in the number of bird species attracted to the site and a 1.4-fold increase in the number of butterfly species*².

*¹ Refers to tree species estimated to be naturally distributed within a 5 km radius of the site.*² The change in biodiversity was analyzed and the effects of improved green space quality were evaluated using data on the distribution of native species originally living in the area and data on plant use by birds and butterflies. The number of specimens and species planted before development was estimated based on historical records of street tree plantings.

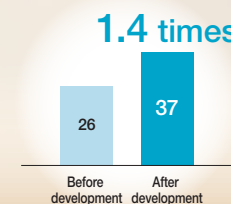
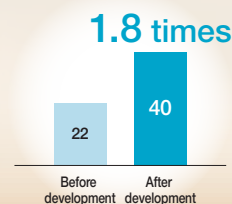
As a result of development, the number of specimens and species planted increased. Notably, the number of native species planted increased significantly.



With an increasing number of native tree species, the number of bird and butterfly species attracted to the site increased.

■ Number of bird species attracted to the site

■ Number of butterfly species attracted to the site



Sustainability Strategy ... Declaration of Coexistence with the Environment in Neighborhood Creation & EARTH for Nature

Discussion between an Expert and an Outside Director

Connecting Prosperous
“Holistic Environments”
to the Future

— What “& Earth for Nature” Hopes to Achieve

Mitsui Fudosan announced details of its declaration of coexistence with the environment in neighborhood creation, “& EARTH for Nature,” in April 2025. Here, we provide excerpts from a dialogue between Professor Yukari Takamura of the University of Tokyo's Institute for Future Initiatives, who helped oversee preparation of the declaration and the Company's outside director, Eriko Kawai.

**Eriko Kawai**

Outside Director

**Professor
Yukari Takamura**Institute for Future Initiatives,
The University of TokyoSocial conditions surrounding
“coexistence with the environment”

Takamura I sense that society's interest in how companies are addressing such sustainability issues as climate change and efforts to protect the natural environment from a medium- to long-term perspective is growing on a daily basis. Responding especially to concerns regarding climate change from the capital markets, the disclosure of information based on the recommendations put forward by the Task Force on Climate-related Financial Disclosures (TCFD) has progressed. Furthermore, interest in corporate initiatives that target nature, including ecosystems and biodiversity, has increased rapidly over the past two to three years. Against this backdrop, Mitsui Fudosan began disclosing information in accordance with the guidelines issued by the Taskforce on Nature-related Financial Disclosures (TNFD) from fiscal 2025. In fact, Japan leads the world in disclosing information in accordance with

the TNFD guidelines, which reflects the high level of interest among Japanese companies. While depending on the industry, I believe that there is already widespread recognition among companies that nature, on which companies depend for raw materials and other resources, business activities that impact nature, and conservation endeavors all effect business operations, asset values, and corporate management as a whole.

The significance of establishing
& EARTH for Nature

Kawai Some time ago, I worked in Nihonbashi. Back then, it was a gray, lifeless city with little greenery. Thanks to Mitsui Fudosan's neighborhood creation endeavors, Nihonbashi today is filled with greenery, creating an extremely pleasant environment. In addition to creating economic value, the Group's neighborhood creation initiatives are generating social value while contributing to the

environment. Having said this, I still feel that this has not been adequately conveyed to the broader society.

Takamura To a certain extent, human activities inevitably impact nature and the environment. This is especially true of the real estate industry, where the mission to create comfortable living and working spaces while undertaking measures that help enrich nature is a critical challenge that significantly effects corporate value.

Kawai I believe that Mitsui Fudosan has conveyed to those who view real estate development as destructive to the environment that the Company's neighborhood creation endeavors also focus on environmental conservation. Mitsui Fudosan's public declaration of coexistence with the environment in neighborhood creation outlines how the Company has and will continue to coexist with the environment while clarifying the Company's corporate stance. Looking ahead, steps will be taken to monitor whether the Board of Directors is adhering to the declaration as well as the progress of ESG initiatives, with each linked to executive compensation as KPIs.

Sustainability Strategy ... Declaration of Coexistence with the Environment in Neighborhood Creation & EARTH for Nature ... Discussion between an Expert and an Outside Director

I hope that this declaration will serve as a catalyst to change any negative perception of real estate development.

Takamura It is vital that Mitsui Fudosan clearly explains and conveys details of its initiatives to society. The significance of utilizing quantitative data as well as specific examples to communicate how the Company is addressing its impact on nature, enriching the environment, and creating new value in an easy-to-understand manner to a broad spectrum of interested parties cannot be overstated.



Features of & EARTH for Nature

Takamura Mitsui Fudosan has outlined its thoughts on the environment in its declaration. The Company is working to maintain and enhance the sustainability of nature, improve local communities, and push forward initiatives over the long term for the benefit of future generations. Despite the many challenges that this entails, I applaud the Company for clarifying its commitment and resolve through its declaration.

Kawai In addition, Mitsui Fudosan has identified five specific issues that it is seeking to address on a priority basis. Looking at efforts to “harness the allure of water,” as one example, the Company has listed a number of initiatives. As outlined in the Appendix, the green space

the Group has created, maintained, and managed to date is estimated to be approximately 6,300 ha (approximately 15,568 acres), roughly the same size as the area inside the loop of the Yamanote Line.

Takamura As I mentioned when commenting on the formulation process, presenting data in a clear and concise manner is extremely important. In addition to the vast areas of forest owned by the Company, Mitsui Fudosan touched on the importance of utilizing and preserving its holdings in a sustainable manner. Here, I would like to see the Company adopt a more proactive approach toward the use of timber harvested from the forests it owns. In utilizing this timber in the construction of buildings and creation of neighborhoods, the Company is positioned to promote the storage of carbon thereby reducing emissions into the atmosphere. On a separate point, I have heard that there is a shortage of workers and funds in areas with forests, which in turn is impeding sustainability and conservation endeavors. I would therefore hope that the Company will expand its efforts to support the surrounding forests in tandem with the creation of neighborhoods.

Meanwhile, the value of nature varies from region to region. For TOKYO MIDTOWN, as one example, Mitsui Fudosan has visualized its contribution to biodiversity using data. The issue, however, is how to evaluate this contribution to the value of nature going forward. This not only includes the area and volume of green spaces, but also cultural and region-specific value. As in the case at hand, I believe it would also be useful to provide qualitative data on, for example, the observation of bird species listed on Japan's Ministry of the Environment's Red List.

Expectations for the future

Kawai I am convinced that environmentally conscious real estate development will become a valuable option for the younger generation. For example, the time will come when people will pay closer attention to zero-emission condominiums when choosing a place to live. The fact that a location or property is environmentally friendly will of itself become a brand. In this sense, Mitsui Fudosan's declaration is an effective tool in the Company's branding endeavors.



Takamura I recently spoke with representatives of a global company that took up space in a Mitsui Fudosan building when relocating its office. Conscious of its responsibility as a global corporate entity to address concerns surrounding climate change, the decision was made to take up space in a resilient and environmentally friendly office building. With this in mind, I believe that it is extremely important to create a market where the absence of greenhouse gas emissions is clearly reflected in the value of real estate. Currently, the government is looking into the systems and measures required to calculate and reduce greenhouse gas emissions throughout the entire lifecycle of buildings. While there are no existing methods in place at this time, I am aware that Mitsui Fudosan is spearheading industry efforts in the climate change field. For example, the Company published the Manual for Calculating GHG Emissions Produced during Construction which has been used by the Real Estate Companies Association of Japan to develop a manual as well as for other purposes. Moving forward, I would hope that Mitsui Fudosan will also play a leading role in the natural environment conservation field.

Kawai That's right. I would hope that Mitsui Fudosan's Declaration of Coexistence with the Environment in Neighborhood Creation will filter through to the real estate industry and society as a whole, and serve as a tailwind to further accelerate this trend. In doing so, I am confident that this will help to enhance Japan's appeal as a nation.

Takamura It would be wonderful if the real estate industry and communities as a whole could evolve by considering the environment and adopting a vision for a better society from a medium- to long-term perspective. The next step then would be to help bring this vision to a reality.

Sustainability Strategy

Human Rights Initiatives

Policy

The Mitsui Fudosan Group respects basic human rights and complies with laws and regulations concerning workers' rights in each country where it conducts business.

Initiatives for raising human rights awareness

Mitsui Fudosan is putting in place a system to ensure that human rights are respected throughout the entire Group. In addition, we are continuously working to improve understanding and awareness regarding human rights through initiatives such as holding human rights awareness training for all Mitsui Fudosan employees.

Human rights due diligence

In 2020, we started human rights due diligence in accordance with the UN Guiding Principles on Business and Human Rights. As a supplement to the Human Rights Policy, we designated major issues related to human rights. We are continuously evaluating their impact on human rights, and putting in place initiatives to prevent or minimize their impact, and will continue monitoring.

Human rights impact evaluation

We conducted evaluations of the human rights impact of new and existing businesses Group-wide (predominantly in Japan). These evaluations also cover human rights issues that relate to labor problems as well as health and safety. We have engaged with stakeholders to evaluate this impact. Specifically, we asked attorney Akiko Sato for her input, which has been reflected to the greatest extent possible. We will ensure in the future that we continue to create opportunities to gather feedback periodically.

Sample of impact on stakeholders and human rights

		Business				
		Rental	Built-for-sale	Management	Agency	Contracting, etc.
Stakeholders	Group employees	Total for all segments (regular/non-regular)				
	Supplier employees	Total for all segments (regular/non-regular)				
	Tenants' employees, etc.	○	○ (incl. investors)	○	—	—
	Buyers, orderers, etc.	—	○	○	○	○
	Building users, visitors, etc.	○	—	○	—	—
	Local residents, businesses, etc.	○	○	○	—	○

For more details

https://www.mitsuifudosan.co.jp/english/esg_csr/society/03.html

Refining by severity and probability

Probability		Low (less than once a decade)	Medium (more than once a decade, less than once every three years)	High (once or more every three years)
Severity: High	Direct		We selected issues in this area as important human rights issues (human rights impacts)	
	Indirect			
Severity: Medium	Direct			
	Indirect			
Severity: Low	Direct			
	Indirect			

Salient issues related to human rights initiatives

- Prohibition of discrimination, harassment, or other unfair treatment in the workplace
- Ensuring a safe and healthy working environment
- Consideration for safety, security, and health in urban development
- Consideration of minorities and prohibition of unfair discrimination toward them in business activities
- Sufficient communication with clients and other stakeholders in business activities

Survey into the status of initiatives to address human rights issues in our business

As part of the Mitsui Fudosan Group's human rights due diligence, in fiscal 2022, we carried out a questionnaire survey into initiatives to respect human rights at four divisions and 10 Group companies (as well as interviews at a Group company). The questionnaire looked into 15 issues—those strongly relevant to the work of the divisions and Group companies taken from 42 human rights issues identified during the formulation of the Mitsui Fudosan Group Human Rights Policy—and surveyed internal systems to prevent human rights violations, ensure awareness of manuals and procedures, report on the status of training, etc.

Attorney at Kotonoha Law. Business and Human Rights Liaison Officer, United Nations Development Program (UNDP). Currently, Ms. Sato works to enhance awareness and understanding of business and human rights by providing advice on topics such as human rights policy and human rights due diligence; coordinating stakeholder engagement, and proposing policy to the government.

Akiko Sato



Relief mechanism initiatives

* Platform for Responsible Recruitment of Foreign Workers

<https://jp-mirai.org/jp/>

The Group is a member of the Platform for Responsible Recruitment of Foreign Workers (JP-MIRAI)* and promotes initiatives that utilize human rights violation risk information regarding foreign workers.

Sustainability Strategy

Supply Chain Management

The Mitsui Fudosan Group's Sustainable Procurement Standards

As a corporate group that supports the foundations of life such as offices and housing, the Group recognizes the need to fulfill its social responsibilities at a higher level. To this end, we believe that the entire supply chain should work together to promote sustainable procurement that contributes to the resolution of ESG issues. The Group has formulated the Sustainable Procurement Standards outlining the basic guidelines, and we published these standards on our website in December 2018 and have notified our main business partners. In February 2022, we revised these standards to prepare for human rights due diligence, and include basic guidelines on items to be complied with or actively promoted by both the Mitsui Fudosan Group and its business partners related to ordering.

We share these standards within the Group to build and operate an ordering and contract process in line with the nature of our business, and notify and request the understanding of our business partners. We address the promotion of sustainable procurement throughout the supply chain to realize a sustainable society.

Sustainable Procurement Standards Item List

1. Compliance with Laws and Regulations, etc.
2. Respect for Human Rights in Business Activities
3. Respect for Human Rights Related to Labor
4. Safe and Healthy Working Environment
5. Establishment of Business Ethics
6. Ensuring Quality
7. Consideration for the Environment
8. Information Security
9. Crisis Management and Business Continuity Plan

Surveys and dialogue with suppliers

As a result of appraisals into human rights risks, for existing suppliers, such as general contractors, that have a great deal of overlap with, and influence on, the Group's ESG issues, we carry out surveys and dialogue in line with our Sustainability Procurement Standards to promote and raise awareness of important themes.

▶ Survey subjects and periods

We conduct questionnaires and interviews with major contractors (detailed below) with whom we have continuous business dealings.

Survey subjects and periods

FY2021	5 major general contractors and 1 other company
FY2022	3 large security companies 3 large cleaning/equipment management companies
FY2023	22 medium-sized general contractors 84 small general contractors/builders
FY2024	7 advertising agencies

Survey content

- (1) Questionnaire survey
- (2) On-site inspection
- (3) On-site interviews at the head office

▶ Future issues

Through the survey, we discovered issues in the following areas at certain companies.

For more details

https://www.mitsuifudosan.co.jp/english/esg_csr/society/04.html

General contractors & builders

- Measures to address working long hours and health issues that arise from that
- Accurate technical guidance for foreign technical intern trainees
- Thorough compliance with the Labor Standards Act
- Checks at materials suppliers to ensure there are no human rights or environmental problems and measures to ensure no illegally logged lumber in wood procurement
- Corruption prevention

Security companies & cleaning/equipment management companies

- Measures to address working long hours and health issues that arise from that
- Measures to address occupational accidents such as tripping or falling
- Corruption prevention

Advertising agencies

- Execution of human rights due diligence on business partners
- Identification of significant human rights risks (human rights issues)
- Development of training and consultation systems to address LGBTQ-related issues

▶ Engagement with suppliers that takes issues into account

Taking on board the results of the surveys, we conducted current status interviews with contractors whose initiatives are lacking in some way, and carried out dialogue and engagement to lead to future improvement. In the future, we plan to continue conducting monitoring and engaging in dialogue.

Suppliers we have engaged with to make improvements

Implemented in March 2024	Medium-sized general contractors: 2 Small general contractors/builders: 4
Implemented in December 2024	Advertising agencies: 7

Outside Directors' Discussion

Toward Realizing the Group Long-Term Vision

A roundtable discussion was held among outside directors Tsunehiro Nakayama, Eriko Kawai, Mami Indo, and Takashi Hibino. Topics of discussion included an overview of the first fiscal year of the Group long-term vision & INNOVATION 2030, including progress and outstanding issues, the executive compensation system, and effectiveness of the Board of Directors. Details are presented as follows.



Tsunehiro Nakayama

Member of the Nomination Advisory Committee
Member of the Compensation Advisory Committee

Eriko Kawai

Member of the Nomination Advisory Committee
Member of the Compensation Advisory Committee

Mami Indo

Member of the Nomination Advisory Committee
Member of the Compensation Advisory Committee

Takashi Hibino

Chairperson of the Nomination Advisory Committee
Chairperson of the Compensation Advisory Committee

Looking Back on the First Year of the Group Long-Term Vision & INNOVATION 2030

Hibino In overall terms, I believe that Mitsui Fudosan performed flawlessly in fiscal 2024, the first fiscal year of the Group long-term vision & INNOVATION 2030. This is reflected in the Company's operating results where each business segment posted historic high revenue and profits, including record levels of business income, ordinary income, and net income. Mitsui Fudosan also looked

beyond its profit and loss to keep a watchful eye the Company's balance sheet and downside risks. Taking into consideration the structure of the business environment, the Company engaged in detailed discussions over skyrocketing condominium prices and other aspects of domestic business conditions. I was also relieved to see that the Company provided timely reports on the progress of its new businesses intended to drive innovation, and that it is moving forward in a grounded manner in line with its long-term vision.

Indo I couldn't agree more. Quantitatively speaking, Mitsui Fudosan made steady progress toward its fiscal 2026 targets during the first

fiscal year of the vision. I also think it did well in advancing along its three business strategy paths. In promoting Path 1: Promote further core business growth (develop and evolve), the Company achieved a high level of profitability despite skyrocketing construction costs, higher interest rates in Japan, and other changes in the external environment. I was also pleased to see the Company secure progress in its efforts to decouple from the market right from the first fiscal year. Meanwhile, under Path 2: Expand into new asset classes, Mitsui Fudosan also significantly expanded revenue and broke new ground through the sports and entertainment business, including LaLa arena TOKYO-BAY, which opened last year and got off to a strong start with high occupancy rates.

Nakayama Looking back on fiscal 2024, it seems to me that one of the key points was the success Mitsui Fudosan achieved in nurturing the facility operations segment, which includes the sports and entertainment and hotel and resorts businesses, into a fourth source of revenue behind the leasing, property sales, and management segments. Although the facility operations business struggled more than any other segment during COVID-19, the Company was able to transform this segment into a fairly lean and robust operation by pursuing greater efficiency instead of cutting the workforce at the hotels it operated during this period. In this regard, the results of efforts to bolster this segment's foundation was reflected in profit growth in fiscal 2024. I therefore recognize the evolution of the Company's facility operations into a fourth source of revenue as a major stride forward that will eventually serve as another starting point when embarking on Path 2: Expand into new asset classes, part of the three business strategy paths.

Indo That's certainly the case. Mitsui Fudosan also engaged in various activities that sought to further develop and evolve itself as a platformer under Path 3: Explore new business domains and capture business opportunities. Although we have yet to see any outcomes that are directly linked to these activities, since this is only the first fiscal year of the vision, I intend to keep my eye on this path.

Kawai Given that its core businesses have achieved such a high degree of steady progress, Mitsui Fudosan may find it difficult to intentionally undertake the challenge of new business. As an outside director, however, I intend to continue supporting these new challenges. I also believe that the Company must ensure diversity

Outside Directors' Discussion

among its workforce, because any new business will demand different perspectives and skills.

Nakayama Although the Company will likely consider M&As given the chance, I feel it is important for Mitsui Fudosan to prepare in advance from a human resources standpoint in order to ensure that its structure remains capable of taking such opportunities should they suddenly arise. Likewise, as with Path 1 and Path 2, I believe the Company must consider Path 3 in terms of timing. With this in mind, the Company did establish the new Innovation Promoting Division last year as an organization specialized in Path 3. Here, management must not push this new division into a corner, or else it will run off in the direction of short-sighted actions instead of establishing its own track record. Which is why I believe we should not measure the performance of Path 3 on an annual basis.

Indo I feel the same way. If it were to set an investment budget based on rough figures, Mitsui Fudosan would risk losing sight of the fundamental value that it is has defined for Path 3. Which is why I also feel that it should be willing to rewrite scenarios if disconnects occur with the initial scenarios due to changes in the external environment, even as it nurtures innovation.



Tsunehiro Nakayama Outside Director

After serving for many years in top management positions in the financial industry, including Representative Director and Deputy President of Mizuho Corporate Bank, Ltd. and Representative Director and Chairperson of Merrill Lynch Japan Securities Co., Ltd., Mr. Nakayama was appointed a director of Mitsui Fudosan in June 2019. He also serves as a member of the Company's Nomination Advisory Committee and Compensation Advisory Committee.

Kawai As I see it, in order to drive innovation, Mitsui Fudosan must prepare an environment that allows employees whose backgrounds stem from arenas that are physically separated from the Company, and therefore differ from those of existing employees, to build a new culture as they freely engage in their work with a deep sense of passion and new perspectives.

Challenges in Achieving the Long-Term Vision

Hibino Despite the Company's remarkable results in fiscal 2024, I still see Mitsui Fudosan's overseas business as an ongoing issue. Unlike in Japan, where the Company has successfully cemented a solid presence, Mitsui Fudosan has incurred losses, albeit limited, in certain overseas areas. Achieving a return that exceeds invested capital overseas is always a challenge. I understand that the Company has already begun to sow the seeds of expansion by using the strengths it has nurtured in Japan in friendly countries, even as it seeks to avoid geopolitical risks. Yet I still feel the Company clearly needs to maintain its focus on ways of bolstering revenues in its overseas business when considering future growth.

Indo Personally, I am concerned about the level of ROA. Capital efficiency has risen, while ROE, having already reached 8% by the end of the fiscal year under review, has trended upwards on its way to the Company's target of 10%. When considering the Company's balance sheet in general, however, an increase in total assets may actually serve as a factor that depresses ROA in the future. Of course, I do not see this as a problem because I have taken ROA out of context. But I still feel it is important for the Company to steadily observe ROA from the perspective of whether assets are being turned over at the right timing, all while maintaining a good balance between investment and return.

Kawai Looking at the business environment, on the other hand, construction costs continue to skyrocket, in response to which the Board of Directors has reassessed and adjusted the plans for some projects based upon a thorough examination of profitability and future potential. The ability to engage in this kind of agile



Eriko Kawai Outside Director

Ms. Kawai serves as Professor Emeritus of Kyoto University. Active overseas for many years, and with a wealth of experience as a management consultant at various international organizations, including the Bank for International Settlements (BIS) and the Organization for Economic Cooperation and Development (OECD), Ms. Kawai was appointed a director of Mitsui Fudosan in June 2021. She also serves as a member on the Company's Nomination Advisory Committee and Compensation Advisory Committee.

decision-making has helped to allay my concerns.

Hibino I agree. The Board's judgement has been remarkable, as has been its ability to seamlessly divest after making a decision, which in turn are reassuring factors. Moreover, although soaring domestic interest rates are one of the greatest risks when it comes to ensuring financial soundness, I confirmed through discussions at Board of Directors' meetings that this presents a relatively low risk since nearly 90% of the Company's yen-denominated borrowings are long-term, fixed-rate interest loans. On the other hand, downgrades to U.S. Treasury bonds, among other factors, mean Mitsui Fudosan must constantly keep a close watch on the global financial situation and maintain a proper debt balance. The housing market environment also faces a potential change in the supply-demand balance depending on the arrangement with housing loan interest rates. This situation demands that the Company structure a business portfolio that will not waver in response to some degree of fluctuation in the external environment.

Indo I have placed significant faith in Mitsui Fudosan's risk management capabilities. For example, as far as overseas investments during the past year are concerned, the Company has

Outside Directors' Discussion

monitored the market while deliberating on a variety of issues, including whether to leverage debt, make loans, and take action depending on fluctuations in foreign exchange rates. I therefore hope to see the Company maintain its current staunch sensitivity to risk as it engages with those risks that may occur in the future.

Nakayama Speaking about overseas matters, I feel Mitsui Fudosan has taken the right direction, specifically in its approach toward establishing this area as one of its sources of revenue by allocating roughly 30% of assets overseas and accelerating new acquisitions with a focus on turnover-type investments. The Company is also advancing ultra-high-speed turnover-type investments through an approach that seeks to find a good balance in the Sun Belt Area of the United States, Singapore, Australia, and other areas it had not looked to before, even as it turns over assets whenever these investments run into roadblocks. I also think the Company has taken the right direction with respect to the composition of its overseas asset portfolio. In establishing such flagship properties like 50 and 55 Hudson Yards in New York, Mitsui Fudosan is combining elements while capturing the unique characteristics of each location. Against this backdrop, the Company must not forget the issue of overseas



Mami Indo Outside Director

Having worked as an analyst and consultant at Daiwa Securities Co. Ltd. and Daiwa Institute of Research Ltd. and as a member of the Securities and Exchange Surveillance Commission, Ms. Indo has a wealth of experience and broad insight. Appointed as a director of the Company in June 2023, she is a member of the Nomination Advisory Committee and Compensation Advisory Committee.

financing. Despite the Company's efforts to reduce its net interest burden by employing financing that considers the gap between U.S. and Japanese interest rates, I hope to see it maintain a constant awareness at the back of its mind regarding the resulting foreign currency exchange rate risks.

Indo In similar fashion to Mr. Nakayama, I also feel Mitsui Fudosan should press forward with its overseas business. When the Company enters a market outside Japan, it begins by forming a partnership with a leading developer from the region and starting from a small position, after which it gradually learns about and acquires the development approach of the partner takes in each new country or region, and adopts this as its own. I feel this is an excellent strategy. Although the Company has a long history of international expansion that dates back more than 50 years, in order to minimize the risk of expansion under the wrong scenarios, its stance on investments must enable it to continue learning from its partners as it deepens its understanding of markets in terms of global social circumstances and population trends.

Kawai My thoughts exactly. Overseas investments are a critical strategy given the risk of shrinking Japanese markets due to the country's declining birthrate. Yet it is important to move forward together with partners while remaining sensitive to the surroundings.

Hibino Mitsui Fudosan also faces the risk of natural disasters in Japan. This includes the potential damage to accrue from a Nankai Trough Earthquake. Taking into consideration the need to diversify and address the Company's business portfolio risk, this is another reason why Mitsui Fudosan must succeed overseas. With Japan at the core of its business, the Company should enter and explore international markets by keeping its antennae attuned to overseas potential and seeking out reliable partners while considering geopolitical risks.

About Revisions to the Executive Compensation System

Indo Mitsui Fudosan revised its executive compensation system in March of this year following multiple discussions by the

Compensation Advisory Committee and the Board of Directors. The main points of this revision are the clarification and disclosure of the calculation formula and the strengthening of the link with KPIs identified under the long-term vision. I was particularly pleased to see that the KPIs went beyond qualitative aspects to include the perspective of ESG, which made for a good balance between financial and non-financial indicators. The Company also set the ratio of restricted stock (RS) and restricted stock units (RSUs) that it grants to executives as stock compensation to 75%:25% as a general rule. I believe that enhancing effectiveness through the introduction of RSUs was an important aspect when considering the compensation system. Moreover, the inclusion of a high ratio of performance-linked compensation for the chairman and president as the stewards of management will also likely help smooth efforts to garner the backing of shareholders.

Kawai I agree. Although the Compensation Advisory Committee repeatedly discussed these key revision points, linking non-financial indicators like ESG to executive compensation is what will enable these incentives to function. As I see it, however, the most important aspect is the greater transparency of the compensation system, which will make it easier for us as the outside directors to carry out our monitoring duties.

Hibino As a form of compensation that allows the executives to share value with the shareholders, stock compensation accounts for about one-third of executive compensation. This compensation design by which executives benefit in parallel with the shareholders over the medium- to long-term appears to me to be a model with an extremely high level of sophistication.

Nakayama That's correct. I also feel that the ratios of the three types of compensation, namely basic compensation, bonuses, and stock compensation, are quite good since they approach those of the global standard. Turning to financial KPIs linked to compensation, bonuses are based on short-term performance in the form of business income and net income, whereas stock compensation is linked to EPS and ROE. I feel this is an exemplary approach in that it reflects the intention of the revisions, which is to align the viewpoint of the executives with that of the shareholders by ensuring that the shareholders and executives pursue the same goals over the long-term.

Outside Directors' Discussion

Effectiveness of the Board of Directors

Nakayama The Board of Directors updated its submission criteria in fiscal 2024. This move was made to ensure more time for discussing topics that touch upon the foundation of management. The Board of Directors had deliberated on this issue multiple times in the past, ultimately narrowing down the number of agenda items and raising the monetary standard for raising matters at Board of Directors' meetings for this purpose. These changes have in turn energized discussions by the Board of Directors, which I feel has clearly improved its effectiveness. Moreover, prior to Board of Directors' meetings, executives share details of the matters that they have discussed at the Executive Management Committee. Which is why I feel it is perfectly reasonable that the Company's Board of Directors received such high marks during the effectiveness evaluation. On the other hand, from the perspective of effectiveness, the Board must commit more strongly to Group governance as an issue going forward. Given the vast size of the organization, I feel the Board must continue to consider ways of evaluating governance for the entire Mitsui Fudosan Group, and methods of enhancing the effectiveness of governance.

Kawai One of the perspectives that will contribute to enhancing the effectiveness of the Board of Directors is its diversity. Following a resolution at the Shareholders' Meeting this year, Akiko Kaito was appointed as the Company's first female internal director. It is my opinion that this executive appointment was a significant step forward for the Company. Because Director Kaito originally joined the Company as a mid-career recruit, we can also assume she has a different viewpoint from those who joined the Company right out of school. The Company has also steadily increased the number of women in management positions, even achieving its fiscal 2025 goal of at least 10% for the ratio of female managers one year early in 2024. In this regard, this executive appointment was also meaningful for the Company's female employees,

regardless of whether they are new graduate hires or mid-career recruits, because it broke through the glass ceiling. I also have hopes for this move in terms of improving the diversity of the Board of Directors.

Indo In fiscal 2024, the Company held more frequent meetings of various types with institutional investors, so it seems to me it has become more aggressive in engaging in dialogue with stakeholders. On the other hand, looking at the composition of shareholders on the basis of the number of shares held in the Company, despite trending upwards, at just 5% the ratio held by individual shareholders remains in single digit territory. From the perspective of expanding the number of individual investors, in addition to executing stock splits, Mitsui Fudosan is also advancing new approaches to ensure that shareholders become regular customers of the Company, for example by offering Mitsui Shopping Park points as a shareholder benefit. I would like to see the Company continue these kinds of painstaking efforts because they will help form a balanced shareholder composition.

Hibino When looking at this matter in terms of the cost of capital, increasing the number of individual shareholders, who generally tend to engage in contrarian investing, will reduce stock price volatility, which in turn can also be expected to lower the cost of capital. In addition, because the Company is also involved in many B to C businesses, I believe that expanding the number of individual investors and shareholders will also have a strong positive impact in this area. The Company should therefore fully focus on IR activities that also target individual investors, and expand the ratio of this group into the double digits as soon as possible.

Kawai Along with typical IR activities, increasing the ratio of individual shareholders can also be seen as a kind of PR activity from the perspective of creating fans of the Company. This is why I feel it is important for Mitsui Fudosan to engage in these activities with the awareness that doing so will encourage these investors to become regular customers of the Company.

Indo I agree. In addition to briefings for individual investors, I would like to see Mitsui Fudosan deepen engagement by expanding opportunities for these investors to get to know the

Group, for example by holding facility tours.

Nakayama Speaking of the ratio of shares held by foreign nationals, there are only a few leading Japanese companies in which overseas institutional investors hold nearly 50% of the shares. In addition, instead of just a few specific institutional investors, a broad spectrum of overseas investors own shares in the Company. This is a beneficial aspect in which Mitsui Fudosan should have confidence.

Hibino Exactly as you just said, Mitsui Fudosan should be proud. This is an important characteristic of a company whose reliable growth potential has been recognized by the world at large. This interest from overseas investors is also desirable since it also serves as an expression of their hopes for the future growth potential of the Company.

Kawai Yet there are also many things the Group must learn from the perspective of overseas institutional investors. For example, these investors make their judgements about where to invest based in part on geopolitical risks as seen from a global macroscopic standpoint, which is why the Group should incorporate their opinions gained through dialogue as a reference.



Takashi Hibino Outside Director

Having served as President and Chairperson of Daiwa Securities Group Inc., Mr. Hibino possesses a broad range of knowledge and diverse experience in finance, the capital markets, and management in general. Appointed as a director of the Company in June 2024, he serves as the chairperson of the Nomination Advisory Committee and the Compensation Advisory Committee.

Message from a Newly Elected Outside Director



Yo Honma Outside Director

Mr. Honma joined Nippon Telegraph and Telephone Public Corporation in 1980. After serving as an executive officer for NTT DATA Japan Corporation (established in 1988) starting in 2009, he was appointed as Representative Director, President and Chief Executive Officer of NTT Data in 2018, where he sought to expand overseas business and the number of foreign national executives. In 2023, he was appointed Representative Director, President and Chief Executive Officer of NTT DATA Group Corporation. Since June 2024, he has served as Chief Corporate Advisor to NTT DATA Group (current position). In June 2025, he was appointed as an outside director at Mitsui Fudosan. He possesses extensive knowledge and experience in IT, digital technology, and other information communications fields, and has a wide range of expertise in overall management.

Please tell us about your career to date.

Although I worked for Nippon Telegraph and Telephone Public Corporation, I was only involved for about three years in the telephone business, the company's main area of operations at the time, after which I primarily served in its IT services business. I spent nearly one-third of my career in staff positions, including human

resources, public relations, secretary to the president, and corporate planning, whereas I spent the remaining two-thirds primarily planning and developing systems in the field. It was during this time that I spent many years engaging with customers from various industries, including finance and the public sector. In particular, I spent most of my time exploring new fields and restructuring businesses that faced challenges, outside the company's core business. I was therefore often involved in projects that set out to put businesses on track, but if a problem were to occur in any of these projects, we would have faced an extremely challenging situation because of the trouble we would have caused our customers, exhausted employees, a worsening balance of payments, and major opportunity losses. In order to avoid this situation, I maintained a constant awareness of the importance of discovering problems at the earliest possible timing by controlling upstream aspects in a planned manner and by consistently implementing PDCA cycles. Teamwork also played an extremely important role in putting these complex projects on track. It goes without saying that I always value the long-term relationships of trust I develop with project team members, but also those that I build with our partners and customers.

What is your impression of the Company?

In 1992, NTT DATA Communications Systems Corporation relocated its head offices from Toranomon to Toyosu Center Building. In fact, I was also in charge of this office relocation effort. Because this project coincided with the collapse of Japan's bubble economy, nothing prominent had been built in Toyosu at the time of our relocation. Shortly thereafter, however, neighborhood creation began in earnest centered on retail facilities like Urban Dock LaLaPort Toyosu and condominiums like Urban Dock Park City Toyosu. As work progressed, I saw how the area steadily developed into a city with restaurants, shopping, medical facilities, and the like, which allowed me to experience the excitement of neighborhood creation. Today, Toyosu is more than just a convenient place to work. It has become a city that offers a fun, rich lifestyle for its residents as well, which has

given me a sense of just how much value neighborhood creation generates for society. The Mitsui Fudosan Group's ability to go beyond offices and retail facilities to create new value that links companies and communities together along with its savvy in creating dynamic neighborhoods that leverage its comprehensive strengths have been highly stimulating. More recently, however, the Mitsui Fudosan Group has also become involved in new businesses built through co-creation with its partners, like the development of a life science community in Nihonbashi. I feel that this business arrangement is also helping to strengthen Japanese companies.

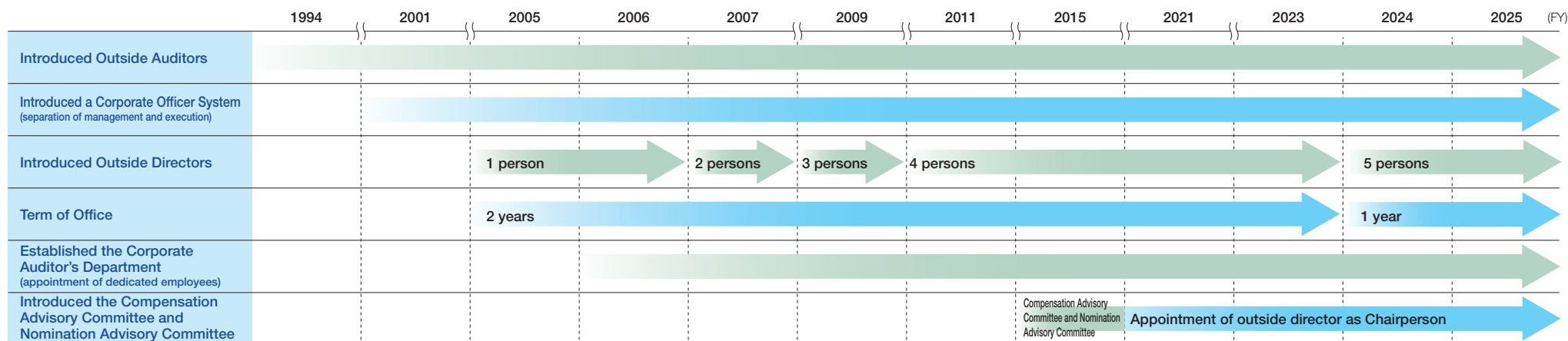
Please tell us about your aspirations for the future.

Under & INNOVATION 2030, Mitsui Fudosan has established DX as a piece of infrastructure for supporting its strategies. As it works to establish a business model that integrates real and digital media, develop DX business personnel, and drive digital platform innovation, I hope to contribute to these efforts by leveraging my existing experience, knowledge, and networks.

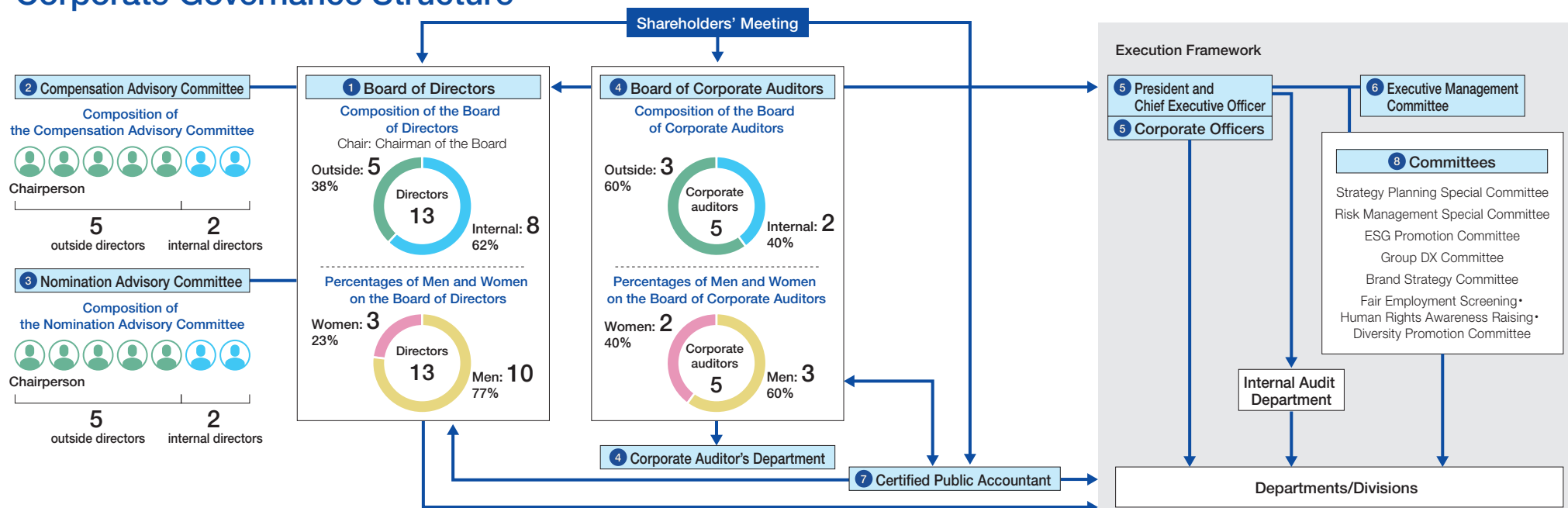
Moreover, until relatively recently an overwhelming share of IT personnel were employed by the IT vendor side, whereas the past few years have seen low-code and no-code based development, among other factors, function to remove the barriers with the user side. Given the increasing importance of geeks in suits, in other words those individuals that combine the qualities of business professionals in suits and those of geeky technology professionals, I believe that the key to supporting future growth strategies will be the cross-over personnel that emerge when these different parts of the workforce nurture each other. As an outside director, I will leverage my existing knowledge and frontline sensibilities to establish an environment that ceaselessly generates diverse value sets and technological innovations, and I will place importance on dialogue between the frontlines and management as I seek to help the Company sustainably enhance corporate value. I will devote every effort to pioneering a new future together with all.

Corporate Governance

Initiatives for Enhancing Corporate Governance



Corporate Governance Structure



Corporate Governance

Organizations in the Corporate Governance Structure

1 Board of Directors

Headed by Chairperson Masanobu Komoda, the Board of Directors which is comprised of eight internal and five outside directors for a total of 13 directors, decides on issues material to Mitsui Fudosan and monitors the execution of business by directors. The corporate auditors also attend meetings of the Board of Directors and provide opinions as necessary.

2 Compensation Advisory Committee

Headed by independent outside director Takashi Hibino, the Compensation Advisory Committee which is comprised of five independent outside directors, the President and Chief Executive Officer Takashi Ueda, and one internal director (Makoto Tokuda) for a total of seven directors, advises on matters pertaining to the compensation of managing directors when the Board of Directors makes resolutions on such matters. Three meetings were held in fiscal 2024 with all committee members in attendance.

Specific Advisory Matters

- Review of the executive compensation system, introduction of a restricted stock unit system, and revision of the restricted stock compensation system
- Recent trends in executive compensation
- Directors' basic compensation, bonuses, and stock compensation
- Directors' basic compensation, bonuses, and restricted stock compensation

3 Nomination Advisory Committee

Headed by independent outside director Takashi Hibino, the Nomination Advisory Committee which is comprised of five independent outside directors, the President and Chief Executive

Officer Takashi Ueda, and one internal director (Makoto Tokuda) for a total of seven directors, advises on matters pertaining to the nomination of managing directors and corporate auditors, as well as the appointment and dismissal of managers when the Board of Directors makes resolutions on such matters. Two meetings were held in fiscal 2024 with all committee members in attendance.

Specific Advisory Matters

- Preliminary selection of managing director and executive vice president as well as director candidates
- Division of duties of the executive directors
- Appointment and dismissal of executive corporate officers and corporate officers and the delegation of responsibilities
- Appointment of Group senior officers and Group corporate officers

4 Board of Corporate Auditors

The Board of Corporate Auditors which is comprised of two internal auditors and three outside auditors for a total of five auditors, formulates auditing policies and determines assignments. It also receives reports and discusses material items on audits conducted according to these policies and assignments. Note that the Corporate Auditor's Department has been established specifically to assist the corporate auditors with their work, and each corporate auditor has been assigned two dedicated employees.

5 Corporate Officers

Mitsui Fudosan has introduced a corporate officer system with the aim of creating a business execution framework that best suits its operating environment and activities. By promoting the separation and reinforcement of the management and executive functions, a role that was previously undertaken by managing directors, the system enhances management soundness and efficiency. In

addition, seeking to further reinforce the management of the Mitsui Fudosan Group, we have expanded the range of managers across the Group and introduced a Group corporate officer system.

6 Executive Management Committee

The Executive Management Committee, consisting of executive corporate officers, has been formed to deliberate and report on important matters related to business execution, and supervises internal control and risk management. Full-time corporate auditors also attend meetings to stay informed of important decision-making processes and the status of business execution, and provide opinions as necessary.

7 Certified Public Accountant

Mitsui Fudosan has concluded an auditing contract with KPMG AZSA LLC as its certified public accountant, which conducts audits. There is no shared interest between the auditor and the Company, nor between employees conducting operations for the auditor and the Company.

8 Committees

Mitsui Fudosan has established committees headed by the President and Chief Executive Officer. The Risk Management Special Committee is an organization that manages work risks, while the Strategy Planning Special Committee is an organization that manages business risks. Through these, we identify and assess risk issues and draft countermeasures. In addition to these, the ESG Promotion Committee manages the Company's initiatives involving sustainability. Moreover, the Group DX Committee, the Brand Strategy Committee, and the Fair Employment Screening•Human Rights Awareness Raising•Diversity Promotion Committee have been established as advisory bodies to the President and Chief Executive Officer.

Corporate Governance

Enhancement of the Effectiveness of the Board of Directors

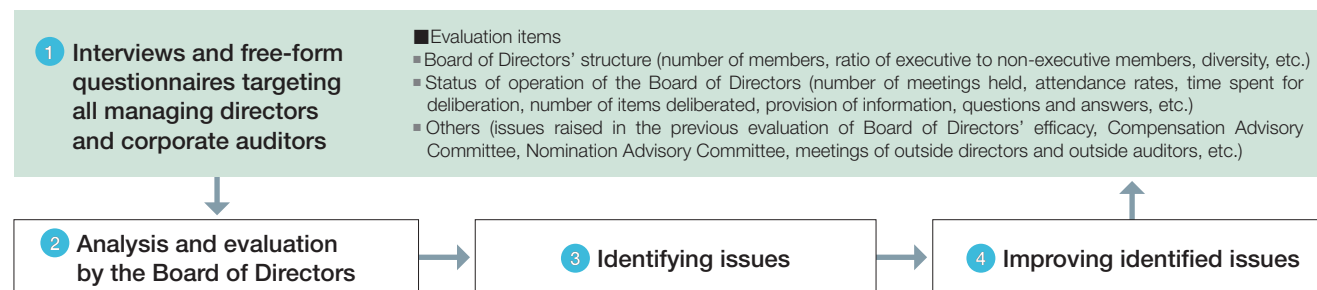
Evaluation of Board of Directors Effectiveness

Aiming to further enhance the functions of the Board of Directors, the Company analyzes and evaluates the efficacy of the Board of Directors every year to identify issues and respond to such issues. As a means of analysis and evaluation, the Company uses a third-party organization for preparation and analysis of questionnaires. The evaluation and improvement process for the effectiveness of the Board of Directors is as described in (1) to the right.

In the evaluation of the effectiveness of the Board of Directors in fiscal 2024 (current year), each evaluation item was generally highly evaluated, as shown in (2) to the right, and it was confirmed that the Board of Directors' efficacy was properly maintained.

In the future, we will continue to identify issues and formulate action policies as described in (3) to the right.

① (1) Evaluation and improvement process Process of utilizing a third-party organization



② (2) Major initiatives designed to address issues identified in fiscal 2023 (the previous fiscal year)

In the survey, each evaluation item received generally high marks. The improvement initiatives listed above are being implemented based on the findings of the previous evaluation of Board of Directors' efficacy, and it was confirmed that the Board of Directors' efficacy was properly maintained.

Major initiatives	Details
Monitoring of long-term management policies for the Group, and discussions on key areas of business strategy and infrastructure supporting those strategies	In order to monitor progress toward achieving the Group long-term vision, the Board of Directors reported on the progress of initiatives and held discussions on important areas such as overseas operations, innovation promotion, and infrastructure supporting strategy (DX, human resources, ESG) through meetings with outside directors and other means.
Deepening discussions by the Board of Directors through the revision of the criteria for submission to the Board of Directors	Time has been set aside for discussions on individual projects that are larger in scale and riskier, as well as important issues related to the Company's direction by narrowing down the agenda through the revision of the criteria for submission to the Board of Directors from the perspective of the monitoring function of the Board of Directors and flexible business execution.
Revision of the executive compensation system	Discussions on revising the executive compensation system were held multiple times from the perspective of promoting contributions that will help achieve the Group long-term vision "& INNOVATION 2030." An appropriate executive compensation system was designed, with a high degree of alignment with the KPIs set in the Group long-term vision.

③ (3) Issues identified and actions taken in fiscal 2024 (fiscal year under review)

Issues	Initiative policy
Monitoring of long-term management policies for the Group	The Board of Directors continuously monitors the progress of future plans and other aspects of both financial and business strategies in order to achieve the goals of the Group long-term vision.
Deliberations on such matters as priority areas of business strategies and the underlying infrastructure	In making progress on the Group long-term vision, discussions on necessary topics such as key areas of business strategy are held through Board of Directors and external officer meetings, etc.
Enhancing communication with stakeholders	In enhancing communication with stakeholders, measures such as individual briefings and tours of our facilities are implemented in order to deepen individual shareholders' understanding of our business, and report to the Board of Directors as appropriate.

Corporate Governance

Initiatives Aimed at Holding Meaningful Discussions

To aid managing directors and corporate auditors in ably fulfilling their roles, the Company conducts orientations upon appointing new officers, performs regular executive training, and otherwise provides information necessary for the performance of duties.

In addition to creating opportunities for exchanges of opinions between outside officers and top management, assigning staff to support the Board of Directors and the Board of Corporate Auditors, and distributing materials and providing briefings to outside directors in advance of Board of Directors meetings, the Company bears expenses required by managing directors and corporate auditors in carrying out their roles.

Practical example

Outside Officer Meetings (conducted five times in fiscal 2024)

We hold Outside Officer Meetings as appropriate to enable exchanges of opinions with corporate auditors, outside directors, and internal directors, including the President and Chief Executive Officer. These meetings address our business strategy and specific businesses.

Project Tours (held four times in fiscal 2024)

The Company holds site tours for outside officers as and when required to deepen their understanding of its projects. (Fiscal 2024: Kashiwa-no-ha, Tokyo Dome, etc.)

Board of Directors Decisions and Reports

The following matters are resolved by or reported to the Mitsui Fudosan Board of Directors as stipulated by laws and regulations, the Company's Articles of Incorporation, and Company rules such as those regarding the Board of Directors. Agenda items to be deliberated by the Board of Directors are, in principle, deliberated in advance by the Executive Management Committee, which is composed of executive corporate officers. Full-time corporate auditors also attend Executive Management Committee meetings to stay informed on important decision-making processes and the status of business execution, and provide opinions as necessary.

Decisions and Reports

(1) Matters related to shareholders' meetings

(2) Matters related to managing directors

- Preliminary selection of director candidates
- The appointment and dismissal of the managing director and executive vice president
- The appointment and dismissal of executive directors
- Directors' basic compensation, bonuses, and stock compensation
- Other important matters

(3) Matters related to the Company's structure

(4) Important matters related to compliance, etc.

- Formulating a risk management plan for the fiscal year
- Reporting on the results of risk management-related activities implemented during the fiscal year
- Formulating an audit plan for the fiscal year
- Reporting on audit activities implemented during the fiscal year
- Evaluating internal controls concerning financial reporting during the fiscal year and formulating audit-related policy (J-SOX activities)

(5) Important matters related to personnel

- The appointment and dismissal of corporate officers and executive corporate officers
- The appointment and dismissal of key employees
- Basic compensation, bonuses, and restricted stock compensation for corporate officers, etc.

(6) Important matters related to finance and assets

(7) Other matters that are especially important in regard to managing the Company or executing duties

- Fiscal year plan
- ESG plan
- Report on risk management
- Verification of stock holdings regarding strategic shareholdings
- Other important matters

Details of Discussions by the Board of Directors (Fiscal 2024)

In addition to the two issues of "Monitoring of long-term management policies for the Group" and "Deliberations on such matters as priority areas of business strategies and the underlying infrastructure" that were identified during the fiscal 2023 efficacy evaluation, in fiscal 2024 the Board of Directors focused its discussions on "Revision of the executive compensation system."

As far as "Monitoring of long-term management policies for the Group" is concerned, the Board of Directors received progress reports on Mitsui Fudosan Group Long-Term Vision & INNOVATION 2030 in November 2024 and May 2025. At the same time, as part of deliberations over financial results held each quarter, the Board of Directors engaged in several intense discussions on confirming progress in the performance of each business segment, and on the issues that must be tackled at the moment in light of the business environment, including interest rate trends and soaring construction costs.

As part of their "Deliberations on such matters as priority areas of business strategies and the underlying infrastructure," the Board of Directors also covered important issues involving its "overseas business" as a central aspect of the business strategies, as well as future defense measures. Meanwhile, both the Board of Directors and outside directors held discussions on strategies and quantitative targets regarding "innovation promotion." The Board of Directors also held wide-ranging debates on "the engagement survey results and the diversity and inclusion policy," as well as on the "direction of initiatives involving the ESG strategy and decarbonization."

As far as "Revision of the executive compensation system" is concerned, the directors held multiple discussions, including those by the Compensation Advisory Committee, in an effort to design a more appropriate executive compensation system that has stronger links with the KPIs set under the Group long-term vision. These revisions are intended to encourage executives in their efforts to help realize the aspirations of the Mitsui Fudosan Group long-term vision & INNOVATION 2030.

Corporate Governance

For more details

<https://www.mitsuifudosan.co.jp/english/corporate/officer/>

Management Team

Members of the Board (as of June 27, 2025)



Masanobu Komoda
Representative Chairman
of the Board
Shares in Company:
542 thousand shares

Apr. 1978 Joined the Company
Apr. 2023 Representative Chairman
of the Board



Takashi Ueda
Representative President and
Chief Executive Officer
Shares in Company:
402 thousand shares

Apr. 1983 Joined the Company
Apr. 2023 Representative President
and Chief Executive Officer



Takashi Yamamoto
Representative Director
Shares in Company:
164 thousand shares

Mar. 1990 Joined the Company
Apr. 2023 Representative Director



Shingo Suzuki
Director
Shares in Company:
108 thousand shares

Apr. 1987 Joined the Company
Jun. 2023 Director



Makoto Tokuda
Director
Shares in Company:
85 thousand shares

Apr. 1987 Joined the Company
Jun. 2023 Director



Yutaka Saito
Director
Shares in Company:
113 thousand shares

Apr. 1990 Joined the Company
Jun. 2024 Director



Nobuhiko Mochimaru
Director
Shares in Company:
82 thousand shares

Apr. 1990 Joined the Company
Jun. 2024 Director



Akiko Kaito
Director
Shares in Company:
28 thousand shares

Mar. 2006 Joined the Company
Jun. 2025 Director



Tsunehiro Nakayama
Outside Director
Shares in Company:
14 thousand shares

Outside Independent
Jun. 2019 Director



Eriko Kawai
Outside Director
Shares in Company:
0 shares

Outside Independent
Jun. 2021 Director



Mami Indo
Outside Director
Shares in Company:
2 thousand shares

Outside Independent
Jun. 2023 Director



Takashi Hibino
Outside Director
Shares in Company:
1 thousand shares

Outside Independent
Jun. 2024 Director



Yo Honma
Outside Director
Shares in Company:
0 shares

Outside Independent
Jun. 2025 Director

Corporate Auditors (as of June 27, 2025)



Wataru Hamamoto
Senior Corporate Auditor
Shares in Company:
99 thousand shares

Apr. 1984 Joined the Company
Jun. 2023 Senior Corporate Auditor



Yoshihiro Hirokawa
Senior Corporate Auditor
Shares in Company:
98 thousand shares

Apr. 1984 Joined the Company
Jun. 2024 Senior Corporate Auditor



Minoru Nakazato
Corporate Auditor
Shares in Company:
0 shares

Outside Independent
Jun. 2023 Corporate Auditor



Mayo Mita
Corporate Auditor
Shares in Company:
0 shares

Outside Independent
Jun. 2023 Corporate Auditor



Michiko Chiba
Corporate Auditor
Shares in Company:
0 shares

Outside Independent
Jun. 2024 Corporate Auditor

Note: "Shares in Company" is the number of the Company's shares held as of March 31, 2025.

Corporate Governance

Expertise and Experience of Each Director and Corporate Auditor

In April 2024, the Group formulated its long-term vision “& INNOVATION 2030.” Based on this policy, we have identified the following skills that the Board of Directors as a whole should possess to realize the Group’s “ideal state”: “Corporate management,” “Treasury, accounting and finance,” “Risk management,” “Urban development (real estate development, etc.),” “Global,” “Technology and innovation,” “Human resources strategy,” and “Sustainability.”

➤ **Skills that the entire Board of Directors should include**

The skills that the entire Board of Directors should include are broadly divided into the following three categories.

- Management related skills: Fundamental skills for managing the Company
- Core competence: Skills related to urban development, which is the source of the Company's competitive advantage
- Expert skills: Expert skills in other individual fields that officers are expected to demonstrate

Skills		Reason for selection of each item
Management related skills	Corporate management	Having experience in management of companies, etc., is an important skill for supervising the management of the Group, which has diverse business fields.
	Treasury, accounting and finance	Applying appropriate controls on stable and continuous profit growth and efficiency improvement from a finance and accounting perspective is an important skill for achieving management targets.
	Risk management	Appropriately establishing risk management systems is an important skill for ensuring the continuity of business activities and realizing stable profit growth.
Core competence	Urban development (real estate development, etc.)	Urban development is at the heart of the Company's businesses and is the source of its competitive advantage. Decoupling (achieving high profitability regardless of the external environment through differentiation and market creation) is an important skill for realizing stable profit growth of the Company.
Expert skills	Global	The Company considers its overseas business to be one of its core businesses, and realizing stable profit growth in the overseas business is an important skill for achieving the Company's management targets.
	Technology and innovation	Utilizing knowledge of various technologies such as ICT, etc. and appropriately conducting management to realize the establishment of business models combining the real-world and digital and the creation of new industries are important skills for the Company's business strategies.
	Human resources strategy	The Company considers human resources to be the source of value creation. Acquiring and supporting diverse human resources to accelerate innovation and further developing the Group's One-Team organization are important skills for realizing management targets.
	Sustainability	The Company is promoting sustainability management to actively contribute to a sustainable society. Appropriately managing initiatives to realize a decarbonized society, etc. is an important skill in regard to managing the Company.

➤ **Skills matrix for managing directors and corporate auditors**

Name/ Position	Management related skills			Core competence	Expert skills			
	Corporate management	Treasury, accounting and finance	Risk management	Urban development (real estate development, etc.)	Global	Technology and innovation	Human resources strategy	Sustainability
Masanobu Komoda Representative Chairman of the Board	●	●	●	●	●		●	●
Takashi Ueda Representative President and Chief Executive Officer	●	●	●	●	●	●	●	●
Takashi Yamamoto Representative Director	●		●	●	●			
Shingo Suzuki Director				●		●		●
Makoto Tokuda Director		●	●	●			●	
Yutaka Saito Director				●		●	●	
Nobuhiko Mochimaru Director		●		●		●		●
Akiko Kaito Director		●		●			●	●
Tsunehiro Nakayama Outside Director	●	●	●		●			
Eriko Kawai Outside Director		●			●		●	●
Mami Indo Outside Director	●	●	●					
Takashi Hibino Outside Director	●	●	●		●			
Yo Honma Outside Director	●		●			●		●
Wataru Hamamoto Senior Corporate Auditor		●		●		●		●
Yoshihiro Hirokawa Senior Corporate Auditor			●	●			●	●
Minoru Nakazato Outside Auditor		●	●		●			
Mayo Mita Outside Auditor		●	●		●			
Michiko Chiba Outside Auditor		●	●					

Note: ● represents an item in which the candidate is expected to demonstrate particular strengths based on their performance and experience inside and outside the Company. It does not represent all expertise and experience.

Corporate Governance

Managing Officers and Group Officers

Managing Officers (as of April 1, 2025)

President and Chief Executive Officer	Takashi Ueda	
Executive Vice President	Takashi Yamamoto	
Senior Executive Managing Officers	Yasuki Kaibori	
	Shingo Suzuki	
	Toru Kamura	
	Makoto Tokuda	
	Motoyasu Kato	
Executive Managing Officers	Retsu Togashi	Mizuho Wakabayashi
	Kazunori Yamashita	Tetsuya Matsufuji
	Chiharu Fujioka	Yugo Ono
	Yutaka Saito	Hiroyuki Shinozuka
	Nobuhiko Mochimaru	Akiko Kaito
Managing Officers	Takashi Furuta	Kyosuke Hosoda
	Tatekazu Nakamura	Tomoo Nakamura
	Atsumi Kanaya	Hideaki Takanami
	Jiro Ueda	Tadahiro Murata
	Takao Sakiyama	Masakazu Hida
	Mikiko Utsunomiya	Tomohiko Okuue
	Hiroataka Uematsu	

Group Officers (as of April 1, 2025)

Group Senior Officers	Yasushi Endo	[Mitsui Fudosan Realty Co., Ltd.]
	Yutaka Kawamura	[Mitsui Fudosan Residential Services Co., Ltd.]
	Hiroki Saito	[Mitsui Fudosan Investment Advisors, Inc.]
	Hisashi Osawa	[Mitsui Fudosan Residential Co., Ltd.]
Group Officers	Osamu Obayashi	[Mitsui Fudosan Retail Management Co., Ltd.]
	Takao Yamada	[Mitsui Fudosan Residential Co., Ltd.]
	Mitsuhiro Kodama	[Mitsui Fudosan Realty Co., Ltd.]
	Ken Aoki	[Mitsui Fudosan Residential Co., Ltd.]
	Kazuyuki Hiruta	[Mitsui Fudosan Residential Co., Ltd.]
	Hidetoshi Nojima	[Mitsui Home Co., Ltd.]
	Daijiro Eguchi	[Mitsui Fudosan (Asia) Pte. Ltd.]
	Naoki Yoshida	[Mitsui Fudosan Building Management Co., Ltd.]
	Shinichiro Fukuhara	[Mitsui Fudosan Residential Co., Ltd.]

Corporate Governance

Executive Compensation

Fiscal 2025 Revisions to the Executive Compensation System

The Company revised the executive compensation system from the perspective of encouraging executives in their efforts to help realize the Mitsui Fudosan Group long-term vision & INNOVATION 2030, formulated by the Company in April 2024. The two major changes are as follows:

(1) Stronger links with the Group long-term vision

From the perspective of encouraging executives in their efforts to help realize the Group long-term vision, the Company strengthened the links between executive compensation, namely bonuses and stock compensation as forms of performance-based compensation, and the KPIs from the Group long-term vision.

(2) Stock compensation system revisions

In order to further enhance the effectiveness of the stock compensation system, the Company introduced restricted stock units as a means of securing tax payment funds when vesting restricted stock.

Executive Compensation System Policy (formulated in fiscal 2025)

Basic Policy for the Compensation System

- ① A system that strongly motivates the enhancement of corporate value in the short, medium, and long term toward the realization of the Group long-term vision
- ② A system that enables the further sharing of value with shareholders
- ③ A competitive level of compensation that is comparable to that of competing companies in terms of securing and retaining human resources
- ④ A compensation system that is objective and transparent, enabling the fulfillment of accountability to stakeholders

Personal compensation determination process

Director	Based on the basic policy for officer compensation and the methods for determining each type of compensation, a draft of the compensation amounts is prepared. This draft is then deliberated by the Compensation Advisory Committee, chaired by an independent outside director, and finally approved by the Board of Directors.
Corporate Auditor	Decided by the Corporate Auditors at a Meeting of the Board of Corporate Auditors

For more details

<https://www.mitsui-fudosan.co.jp/corporate/news/2025/0327/download/keiei/20250327.pdf>

Summary of the Compensation System

With reference to third-party survey data on compensation levels, the Company has set competitive compensation levels for each position that are comparable to those of domestic companies with similar operating revenues. In order to further enhance the effectiveness of the stock compensation system, the Company introduced restricted stock units (RSUs) as a type of stock compensation in fiscal 2025.

Compensation types	Fixed	Performance-linked		
	Basic compensation	Bonuses	Stock compensation	
			Restricted stock (RS)	Restricted stock units (RSUs)
Payment methods	Monetary	Monetary	Shares	Monetary
Performance-linked indicators	—	<ul style="list-style-type: none"> • Business income • Profit • ESG • Individual evaluation results 	<ul style="list-style-type: none"> • EPS • ROE • ESG 	
Purpose/outline of compensation	[Purpose] Motivation for performing duties according to their job responsibilities [Outline] <ul style="list-style-type: none"> • The Board of Directors will resolve a title-based payment amount for directors within the range of the maximum compensation amount resolved at shareholder meetings • Cash will be paid pro rata each month 	[Purpose] Motivation for creating results and improving business performance in the short term [Outline] <ul style="list-style-type: none"> • The total amount to be paid will be resolved at the Ordinary General Shareholders' Meeting each year • The personal amount to be paid will be resolved by the Board of Directors and paid after the Board meeting 	[Purpose] Motivation for improving corporate value continuously and a further sharing of value with shareholders [Outline] <ul style="list-style-type: none"> • It will be composed of the Company's common shares to be vested at the time of retirement (RSs) and the cash to be paid at the time of retirement based on Restricted Stock Units (RSUs) • Within the range to be resolved at shareholder meetings, the personal amount to be paid will be resolved by the Board of Directors. RSs and RSUs will be delivered after the board meeting 	
Eligible Directors	Internal/Outside Directors Internal/Outside Corporate Auditors	Internal Directors	Internal Directors	
Upper limits	[Directors] Up to ¥90 million per month (including up to ¥10 million per month for outside directors) [Corporate Auditors] Up to ¥20 million per month	The total amount will be resolved at the Ordinary General Shareholders' Meeting each year	[Restricted stocks (RSs)] Total number of shares: Up to 675,000 shares per year [Total amount of monetary compensation receivables provided for allocating Restricted Stocks (RSs) and cash based on Restricted Stock Units (RSUs)] Up to ¥2,000 million per year	

1. In principle, the ratio of RS shares to RSU units shall be 75% to 25%.

2. One RSU unit is equivalent to one common share.

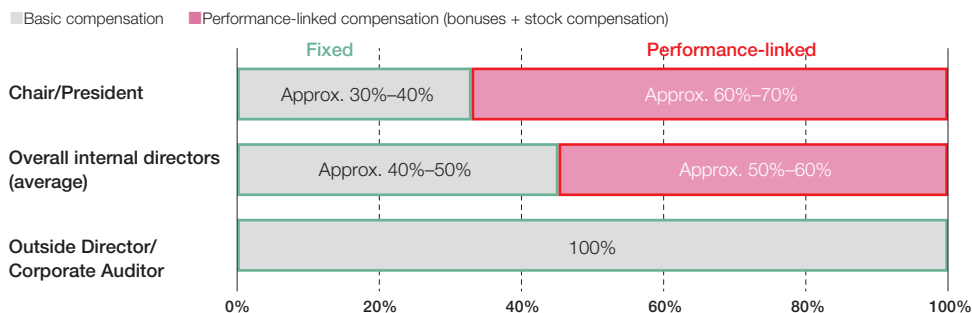
3. The Company will not set the cap of the total number of RSU units only. However, the Company will aim to control the total number of RS shares and RSU units to the number equivalent to 900,000 shares per year.

Corporate Governance

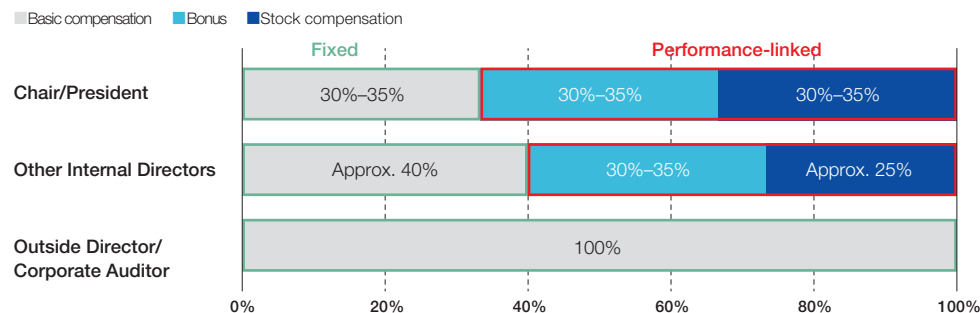
Executive Compensation Composition Ratio

In fiscal 2025, the Company revised the targets for the compensation composition ratio by title, and disclosed the ratio of bonuses to stock compensation as part of performance-linked compensation.

Before revision



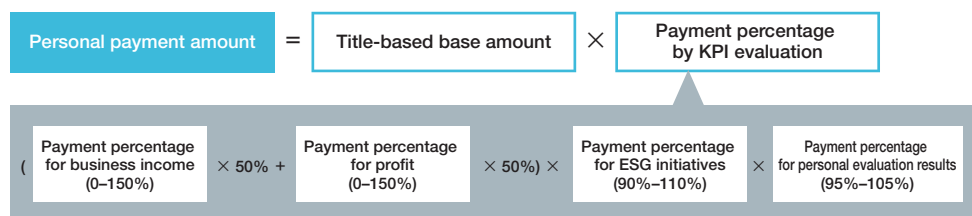
After revision



Bonus and Stock Compensation Calculation Method

In line with the Mitsui Fudosan Group long-term vision & INNOVATION 2030, the Company set new KPIs for those used in the bonus and stock compensation payment standard calculation, and disclosed the calculation formula from fiscal 2025.

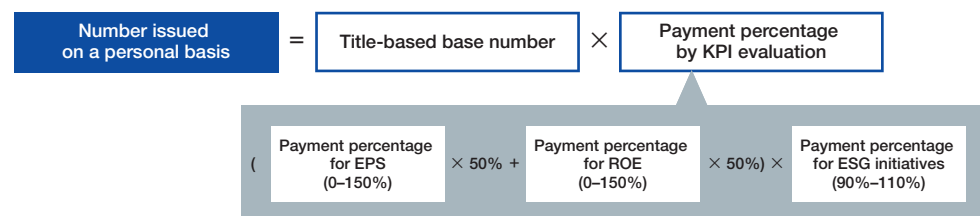
Bonus



KPIs

KPI	Reasons for selection
EPS	Set to evaluate progress toward achieving quantitative targets in the Group long-term vision
ROE	
ESG initiatives	Set for the purpose of reflecting initiatives on the GROUP MATERIALITY determined in the Group long-term vision
Personal evaluation results	Set for the purpose of reinforcing each officer's awareness on creating results toward achieving the Group long-term vision

Stock compensation (RS:RSU = 75:25)



KPIs

KPI	Reasons for selection
EPS	Set to evaluate progress toward achieving quantitative targets in the Group long-term vision
ROE	
ESG initiatives	Set for the purpose of reflecting initiatives on the GROUP MATERIALITY determined in the Group long-term vision

Corporate Governance

Appointment of Managing Directors/Corporate Auditors and Corporate Officers

Managing Director and Corporate Auditor Nomination Policy

Based on such considerations as the Group's management philosophy and management strategy, the Company performs comprehensive evaluations of diversity, including character, capabilities, insights, and gender to nominate candidates who considered suitable for the positions of managing director and corporate auditor.

Independence of Outside Directors and Outside Corporate Auditors

Mitsui Fudosan appoints its outside directors with the expectation that they will contribute their extensive experience and broad knowledge to the Company's management, and that they will play an appropriate role in strengthening the audit function of the Board of Directors and ensuring transparency. The Company also appoints its outside auditors with the expectation that they will bring an objective stance to auditing the directors in the performance of their duties, based on their expert knowledge and extensive experience.

Note that, in line with Tokyo Stock Exchange requirements for judging the independence of independent officers, the Company uses the following standards for judging said independence: whether there is a risk of conflict of interest with any of the Company's general shareholders; whether any special interests exist with the Company; and whether in working to enhance the soundness and transparency of the Company's management, the individual is capable of making objective, fair, and impartial judgments.

For more details, please refer to the Corporate Governance Report

 https://www.mitsufudosan.co.jp/english/corporate/governance/download/governance_report.pdf

Attendance at Board of Directors Meetings and Board of Corporate Auditors Meetings

Name/ Position	Independent officer	Fiscal 2024 attendance at Board of Directors Meetings and Board of Corporate Auditors Meetings
Masanobu Komoda Representative Chairman of the Board		Board of Directors Meetings: 13/13
Takashi Ueda Representative President and Chief Executive Officer		Board of Directors Meetings: 13/13
Takashi Yamamoto Representative Director		Board of Directors Meetings: 13/13
Shingo Suzuki Director		Board of Directors Meetings: 13/13
Makoto Tokuda Director		Board of Directors Meetings: 13/13
Yutaka Saito Director		Board of Directors Meetings: 10/10
Nobuhiko Mochimaru Director		Board of Directors Meetings: 10/10
Akiko Kaito* Director		—
Tsunehiro Nakayama Outside Director	○	Board of Directors Meetings: 13/13
Eriko Kawai Outside Director	○	Board of Directors Meetings: 13/13
Mami Indo Outside Director	○	Board of Directors Meetings: 13/13
Takashi Hibino Outside Director	○	Board of Directors Meetings: 10/10
Yo Honma* Outside Director	○	—
Wataru Hamamoto Senior Corporate Auditor		Board of Directors Meetings: 13/13 Board of Corporate Auditors Meetings: 12/12
Yoshihiro Hirokawa Senior Corporate Auditor		Board of Directors Meetings: 10/10 Board of Corporate Auditors Meetings: 10/10
Minoru Nakazato Outside Auditor	○	Board of Directors Meetings: 13/13 Board of Corporate Auditors Meetings: 12/12
Mayo Mita Outside Auditor	○	Board of Directors Meetings: 13/13 Board of Corporate Auditors Meetings: 12/12
Michiko Chiba Outside Auditor	○	Board of Directors Meetings: 10/10 Board of Corporate Auditors Meetings: 10/10

* Newly appointed on June 27, 2025.

Introduction of the Corporate Officer System

Mitsui Fudosan has introduced a corporate officer system with the aim of creating a business execution framework that best suits its operating environment and activities. By promoting the separation and reinforcement of the management and executive functions, a role that was previously undertaken by managing directors, the system enhances management soundness and efficiency.

In addition, seeking to further reinforce the management of the Mitsui Fudosan Group, we have expanded the range of managers across the Group and introduced a Group corporate officer system, under which executives at Group companies have been given a status and mission similar to those of the corporate officers.

Corporate Governance

Strategic Shareholdings

Concept and Standard for the Classification of Investment Stocks

● Standard (Established February 2023)

Investment stocks held purely for investment purposes

Investment stocks held purely for investment purposes Stocks held as part of business investments for the purposes of benefiting from a medium- to long-term increase in share value, etc.

Investment stocks held for purposes other than purely investment purposes (strategic shareholdings)

Stocks held for purposes other than above

Note: Stocks considered effective in management strategy from a medium- to long-term perspective to improve the Group's corporate value by comprehensively taking into account business strategy, relationships with clients, and other factors.

● Approach

In its business model, in addition to investing directly in real estate and benefiting from an increase in value, the Group might also invest in businesses in the form of equity capital and benefit from the increase in share value. Based on our actual business model, we define "investment stocks held for pure investment purposes" as "Stocks, as part of business investments, held for the purposes of benefiting from medium- to long-term increase in share value, etc."

● About our investment in Oriental Land Co., Ltd.

Involved in the establishment of Oriental Land Co., Ltd., in 1960, Mitsui Fudosan invested in a form of equity capital for the purpose of developing urban resorts and engaging in entertainment business activities. This investment was made as part of our core business, real estate investment, and we hold these shares for the purpose of benefiting from a medium- to long-term increase in share value, etc.

● Investment stocks held for pure investment purposes

Under & INNOVATION 2030 (the Group long-term vision), reflecting our track record to date, we will continue to take a flexible and sustainable approach to selling those stocks over time, allocating proceeds to invest for future growth while also taking the share price into account.

Policy Regarding the Reduction of Strategic Shareholdings

Mitsui Fudosan continuously reviews the status of its strategic shareholdings. Upon confirming the significance of shareholdings based on the quantitative rationality of holdings and relationships with business partners, we have decided to reduce our shareholdings. Meanwhile, in overall consideration for business strategy and relationships with business partners, to improve the Group's corporate value, Mitsui Fudosan holds shares considered effective for management strategies as shares for purposes other than net investments (strategic shareholdings) from a medium- to long-term perspective.

Mitsui Fudosan will accelerate efforts to reduce strategic shareholdings, reduce current holdings by 50% over the three-year period to fiscal 2026, and continue to actively reduce strategic shareholdings from fiscal 2026 onward.

Sales Results Related to Strategic Shareholdings

Since establishing this reduction policy in December 2018, the Company has sold 38 stocks amounting to ¥239.6 billion.

[Sales results] (Mitsui Fudosan Co., Ltd. Non-consolidated)

- FY2019: ¥20.3 billion (13 stocks)
- FY2020: ¥45.9 billion (3 stocks)
- FY2021: ¥50.7 billion (4 stocks)
- FY2022: ¥46.5 billion (3 stocks)
- FY2023: ¥10.9 billion (6 stocks)
- FY2024: ¥60.5 billion (20 stocks)

Verification by the Board of Directors

When verifying the rationality of shareholdings, we verify whether the benefit, risk, etc., associated with the shareholdings are commensurate with the capital cost. Furthermore, in addition to confirming the significance of shareholdings from the perspectives of transaction performance, stable funding, and creation of business opportunities, we verify whether the holdings contribute to improving the medium- to long-term corporate value of the Group. At a meeting held on May 9, 2025, the Board of Directors verified appropriateness with regard to the significance of strategic shareholdings based on the quantitative rationality of holding and relationships with business partners for each stock brand. As a result, for stocks for which the rationality of holding or significance of holding has decreased, we will examine selling by considering factors such as impact on the stock market.

Standard for Exercising Voting Rights

In exercising voting rights, Mitsui Fudosan makes comprehensive decisions based on viewpoints including whether it will lead to improved shareholder returns or enhanced corporate value of the company invested in over the medium to long term. In addition, regarding important matters such as those indicated below, Mitsui Fudosan conducts individual examinations based on internal standards and appropriately determines the approval/disapproval of each matter. (Appropriation of surplus, appointment/dismissal of managing directors and corporate auditors, director compensation and retirement benefits, changes to the Articles of Incorporation, etc.)

Strategic Shareholdings (as of the end of fiscal 2024)

Stockholdings	
Number of stocks owned:	40
Amount recorded on balance sheet:	¥204.5 billion

Corporate Governance

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

The Company will strive to achieve stable and continuous improvement of ROE that exceeds the cost of capital by managing with an equal focus on the three key objectives: enhance growth, efficiency, and shareholder returns as indicated on the right.

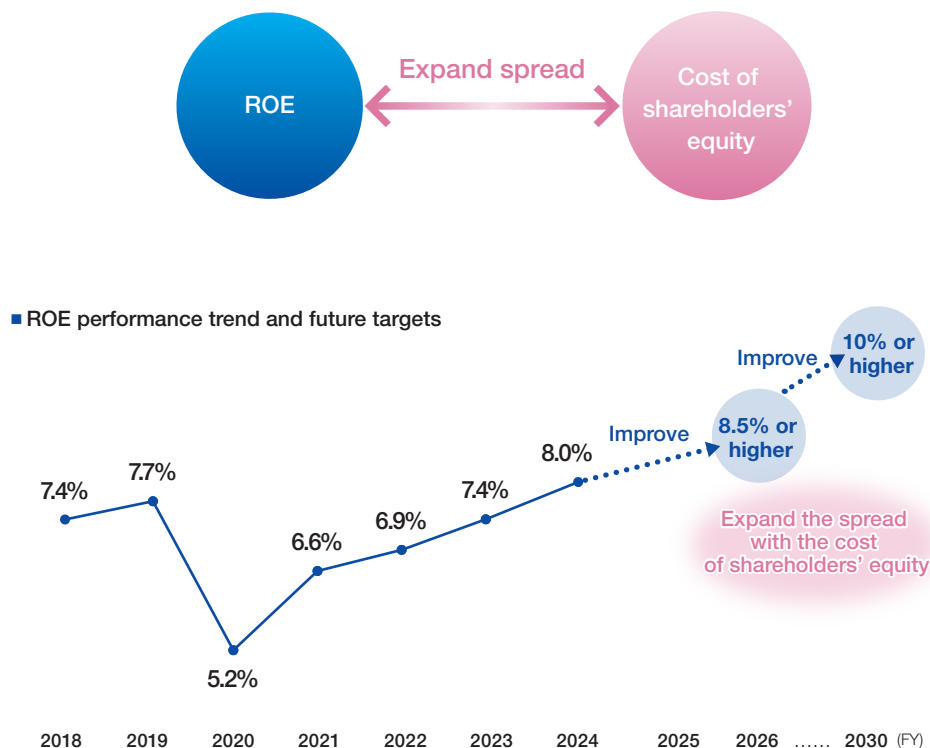
For more details

Please refer to the "Financial Strategies"

PP.44-46

- Profit growth achieved stable and continuous leasing income growth and realized development added value through the stable and continuous turnover of assets, and Enhancing cash-generating capabilities through business planning, property development, and management capabilities that are the source of the Company's competitive advantage.
- Balance sheet control, by enhancing 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, and by controlling financial leverage appropriately.
- Expanding shareholder returns through a combination of the improved dividend payout ratio and the flexible and continuous repurchase of own shares.

Steadily and Sustainably Improve ROE to a Level That Exceeds the Cost of Shareholders' Equity



Communication Aimed at Deepening Engagement with the Capital Markets

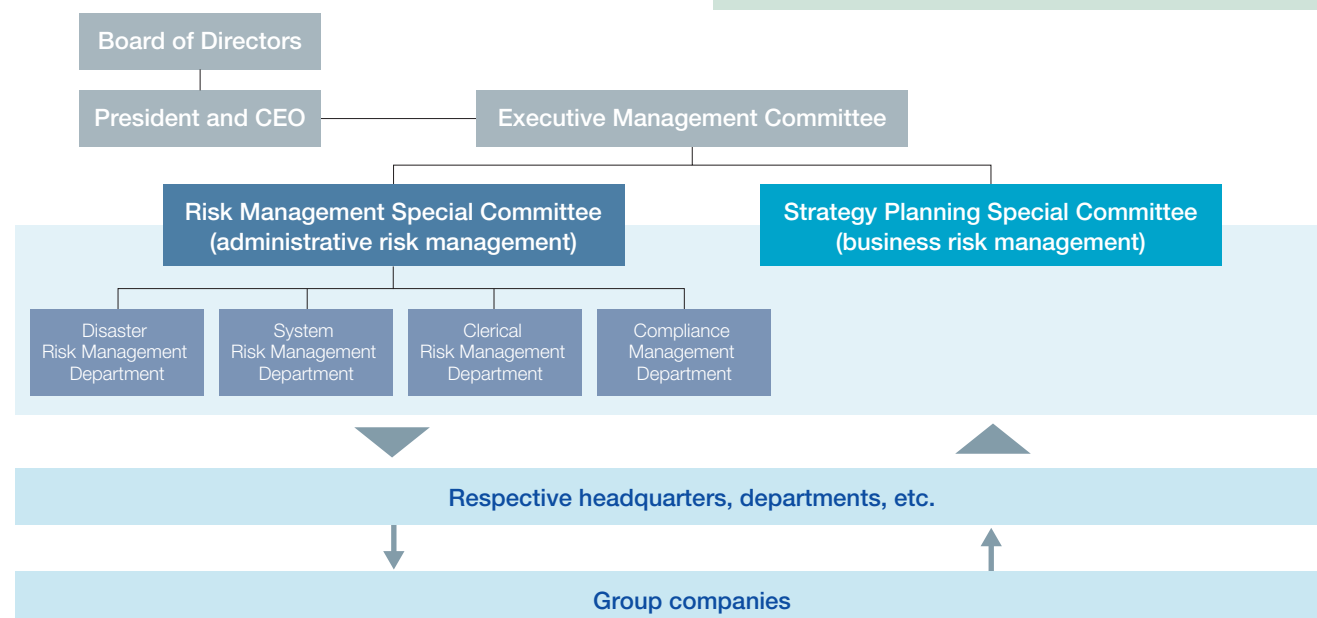


Risk Management

Risk Management System

The Executive Management Committee supervises overall risk management for the Group, and the President and Chief Executive Officer, who chairs the Executive Management Committee, supervises risk management. Under their supervision, the Strategy Planning Special Committee and the Risk Management Special Committee manage business risk and administrative risk, respectively, and these risk management systems are supervised by the Board of Directors. The Risk Management Special Committee meets in principle once a month to identify and delineate risk issues and evaluate and propose preventive and response measures. Where required, the committee shares information and/or communicates in other ways with the Mitsui Fudosan Group.

■ Risk Management Structure



Strategy Planning Special Committee

The Strategy Planning Special Committee has been established for the purpose of managing business risks, deliberating on and managing the execution of management plans and specific management issues. The Strategy Planning Special Committee provides the following functions for Mitsui Fudosan and the Mitsui Fudosan Group.

1. Formulation and deliberation of Group strategies
2. Medium- to long-term business planning and fiscal-year planning, prior deliberation, and coordination
3. Deliberation on policies to address specific management issues and management of progress in addressing them
4. Planning, proposal formulation, and deliberation of organizational structures, staffing, etc.
5. Supervision and management of Mitsui Fudosan and the Mitsui Fudosan Group's business risks
6. Deliberation of other important matters

Risk Management Special Committee

The Risk Management Special Committee has been established for the purpose of managing administrative risk. The committee formulates risk management policies and plans, identifies and assesses risks, formulates response measures, and issues instructions.

Based on ISO 31000, the international standard on risk management, the Risk Management Special Committee implements a PDCA cycle to comprehensively manage administrative risk, and has a system in place to accurately engage in crisis response and preventative risk management. When a compliance violation occurs, the Risk Management Special Committee orders an investigation and response, and monitors the situation. The Risk Management Special Committee fulfills the following functions for Mitsui Fudosan and the Mitsui Fudosan Group.

1. Formulation of risk management policies and plans
2. Establishment of an organization for risk management and clarification of responsibilities and roles
3. Identification and evaluation of risk issues to be managed, formulation of countermeasures, and issuance of instructions
4. Identification and evaluation of risk management, formulation of improvement measures, and issuance of instructions
5. Deliberation of response measures and issuance of instructions in cases of business risk arising from emergency incidents, accidents, etc.

Major Risks

For details of major risks, see our annual securities report.

https://www.mitsuifudosan.co.jp/english/corporate/ir/library/fs/pdf/ASR_2503.pdf

Risk Management

Cybersecurity

Cyberattacks targeting companies are becoming more sophisticated and stealthier and thus posing a major risk to business continuity. Promoting DX in all of its business domains, the Mitsui Fudosan Group recognizes that cybersecurity measures are one of its most important management issues.

Having formulated a five-point basic policy on cybersecurity, the Group is working to strengthen its comprehensive cybersecurity measures. We have also put in place a system for regularly reporting the status of cybersecurity to corporate officers, the monitoring of and decision-making for which is carried out at the management level.

■ Basic Policy on Cybersecurity

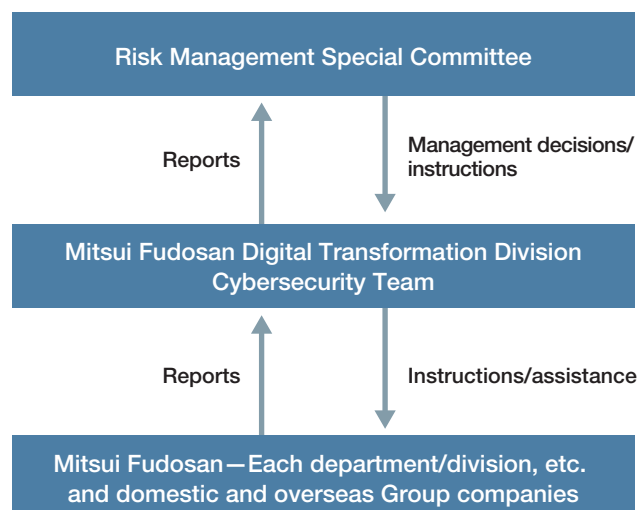


Cybersecurity Reporting to Corporate Officers

Having positioned cybersecurity as an important management issue, we have put in place an appropriate system for reporting its status to our corporate officers. The Risk Management Special Committee, which is composed of management team members and headed by the Chief Executive Officer, prepares quarterly security reports that include details of security incidents that have occurred within the Group and the status of responses to them, analyses of serious security cases confirmed around the world and the lessons learned from them as well as analyses of the detection status and trends of each security system.

Enabling potential risks and the effectiveness of ongoing measures to be ascertained quantitatively and qualitatively, this allows management to use this information to make management decisions on cybersecurity. In addition, the Cybersecurity Team established at the Mitsui Fudosan Digital Transformation Division also provides instructions and support for responding to security incidents reported by Group companies.

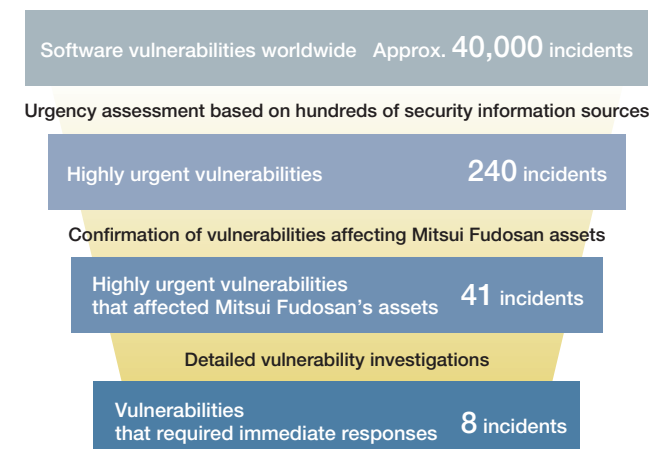
■ Cybersecurity Status Reporting Lines



Advanced Cybersecurity Initiatives

As part of our advanced security efforts, we are promoting rapid responses to vulnerabilities through the continuous analysis of information on the latest threats. From the tens of thousands of software vulnerabilities that are announced each year from hundreds of different security information sources around the world, we collect and analyze information on a daily basis and determine the urgency of vulnerabilities based on criteria discussed by internal and external security experts. For vulnerabilities that are deemed to be highly urgent, we conduct detailed investigations into the attack methods, assess whether they will affect our assets, and if necessary take immediate action. In fact, among the vulnerabilities for which we decided to take immediate action, we began responding before cybersecurity agencies in Japan and abroad had released any information. Through this response, we prevented serious incidents from occurring, including some vulnerabilities that were announced as having brought about attacks on other organizations. This mechanism for responding to vulnerabilities through selection and concentration allows us to optimize resource allocation to vulnerabilities that are likely to be attacked, thereby protecting customer data and business continuity from the threat of cyberattacks.

■ Fiscal 2024 results



Compliance

Basic Policy

Based on the Mitsui Fudosan Group Compliance Policies, the Mitsui Fudosan Group has positioned compliance as a key issue in Group management and works to comply with laws, regulations, and social norms, and implement fair and highly transparent corporate activities in accordance with corporate ethics.

Compliance Structure

Mitsui Fudosan has made the officer in charge of general administration the person responsible overall for compliance. In this role, the officer receives reports from the Compliance Management Department and others, and particularly important matters are reported to or submitted for discussion by the Board of Directors or the Executive Management Committee. Said officer is also responsible for formulating a compliance-related action plan each fiscal year, including the enactment, revision, or abolition of Company rules; the implementation of training regarding laws, regulations, or Company rules; and the surveying and reporting of the situation regarding compliance with laws, regulations, or Company rules. Said officer is also responsible for implementing compliance activities based on this plan. Group companies are also required to formulate and implement risk management plans, and this is reported to and confirmed by the Company at the end of the fiscal year.

Internal Consultation Service

Mitsui Fudosan has established two points of contact providing consultation for employees of the Company, an internal contact and an external law firm. These contacts can provide consultation on issues regarding compliance with laws and regulations, as well as matters pertaining to the work environment.

Compliance Training

Mitsui Fudosan provides compliance training to various employees of the Company, with the aim of improving compliance awareness. It also implements e-learning-based training for all employees.

- New employee training
- Company-wide training (e-learning)
- Officer training
- Subsidiary companies' officer training
- Overseas onsite training
- Theme-based training

Preventing Improper Conduct

In Interactions between the Company and Society and the Economy

▶ Eliminating interactions with organized crime

Mitsui Fudosan strictly forbids any kind of connection to organized crime and, as a company, takes a firm stance in dealing with such groups. Each division of the Company also investigates and confirms that a transaction partner is not involved in organized crime before the transaction begins. Should the unlikely situation occur that forces the Company to face unwarranted demands or violent behavior from such organizations, it will contact the relevant police department and take any other action necessary, including legal measures.

▶ Ensuring fair transactions and competition

Mitsui Fudosan will comply with all relevant laws, such as the Antimonopoly Act, and will avoid any conduct that could result in unfair transactions or unjust competition. We will engage with business connections sincerely as an equal partner and handle the procurement of goods and services based on fair standards.

▶ Preventing corruption

(1) Prohibiting Bribery and Handling of Gifts and Entertainment

Mitsui Fudosan has prohibited the illicit provision of benefits to public officials and other individuals in similar positions. Also, in dealings with business connections and affiliates, etc., a rule has been established preventing the giving or receiving of excessive gifts, entertainment, and the like.

Also, the Company has established a structure and rules to be followed to prevent bribery and has formulated and is implementing Regulations for Preventing Bribery with the aim of preventing such conduct before it occurs.

(2) Donations to Politicians and Political Organizations

Mitsui Fudosan does not provide donations for political activities to any parties other than official political parties and political fundraising organizations. Furthermore, support for activities by political organizations is conducted appropriately in accordance with the Political Funds Control Law, laws and regulations connected to the Public Offices Election Law, and other relevant laws and regulations.

In Interactions between the Company and Its Employees

▶ Respecting human rights

Mitsui Fudosan does not discriminate due to sex, age, birthplace, nationality, race, ethnicity, creed, religion, disability, or any other grounds. The Company respects human rights and strives to maintain fair workplaces.

▶ Managing company information appropriately

Mitsui Fudosan recognizes the importance of managing documents and information and strives to implement appropriate management based on its Information Management Rules, Document Rules, Information System Management Rules, and the like.

▶ Other

- (1) Decision-making according to rules
- (2) Prohibition of sexual and power harassment
- (3) Separation of public and private